

THE ORANGE COUNTY BETA REGISTER

Editorial: The next 2,000-page bill

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Big Brother wants to watch you more closely. Especially how you spend your money.

His latest snooping plan comes from provisions in the banking bill being debated in the Senate. The bill is being pushed by Sen. Chris Dodd, D-Conn., chairman of the Senate Banking Committee. Among other things, the bill is supposed to alert regulators to hazards in the industry to prevent another financial meltdown like the one that started in September 2008, and to make it easier to spot rip-off artists like Bernard Madoff.

The bill sets up two new supersnooping federal agencies to collect data on ordinary Americans:

- The Office of Financial Research. This supposedly would predict risk in the system by collecting massive amounts of new financial data, such as patterns of credit card use.
- The Consumer Financial Protection Bureau. It would collect data, especially on consumer transactions.

The data are supposed to be "scrubbed" of individual identifiers, so your privacy would be protected. But that might not work, Mark Calabria told us; the director of financial regulation studies at the Cato Institute formerly was a member of the senior professional staff of the U.S. Senate Committee on Banking, Housing and Urban Affairs.

"If you can link the data to courthouse records of housing sales," he said, then anyone can find data on others. "Much of this goes beyond what banks do now" to keep data. Under the new law, the government would detail "your charges at Macy's and car payments. It would be fairly detailed information."

Another problem, he added, is that the law "is extremely vague and empowering of the regulators. You as a consumer will have no opportunity to opt out. They'll be collecting, anyway, and you won't even know."

He noted laws on the books made illegal what Bernard Madoff did in his massive Ponzi scheme; and that the Securities and Exchange Commission repeatedly had been tipped off to Madoff, yet did nothing. So, no new laws are needed, just enforcement of existing fraud laws.

We would add that Rep. Ron Paul, R-Texas, warned in the early 2000s that the financial boom to a great extent was caused by the Federal Reserve keeping interest rates near zero, while printing too much money, which goosed the housing boom and made a bust inevitable. Yet the Fed, Congress and the White House refused to heed those warnings.

Giving more snooping powers to a government that failed to act in the past, despite many warnings at all levels, is not the answer. Mr. Calabria said the bill could grow to near 2,000 pages before it's passed in a final form. So, like the 2,400-page Obamacare bill, it's another legislative monstrosity that no one, even those who write it, will be able to understand.

Big Brother has enough snooping powers already.

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