# Hurricane Dennis descends on Bahamas

NASSAU, Bahamas (AP) — Hurricane Dennis strengthened as it crept up on the Bahamas on Thursday, sending residents scurrying to grocery stores to stock up on supplies.

By this morning, Dennis was expected to come within 40 miles of the Bahamas' Eleuthera Island, a 110-mile-long strip of pink sand 8,000 people call home.

"People still remember Hurricane Andrew here from 1992, so we're keeping an eye out for it," Eleuthera hotel owner Harcourt Cambridge said.

In the Bahamian capital, Nassau, boats were hauled out of the harbor, and the governor general's official residence was boarded up. One resident, 25-year-old Brian Deal, said he had bought lumber to cover his windows but was waiting to see how the storm would progress.

Forecasters expected a weather system moving east across the United States to force Dennis away from Florida. The National Hurricane Center in Miami said Dennis might never hit land. But it also could turn and strike near South Carolina as early as Sunday, when it could be packing winds up to 109 mph, said forecaster Robert Molleda.

"We're not letting anyone off the hook anywhere along the coast," said Todd Kimberlain, another meteorologist at the center.

Dennis became a hurricane late Wednesday as its winds reached 75 mph. At 5 p.m. EDT Thursday, its maximum winds were up to 80 mph with hurricane force winds extending 45 miles from its center. The strongest were in the northeast quadrant facing open seas.

Dennis was stalled about 40 miles east-northeast of San Salvador and 210 miles east-southeast of Nassau.

Forecasters predicted the storm would strengthen as it continued at about 7 mph on its west-northwest course.

As Dennis advanced, Bahamian authorities put the central Bahamas and some northwest Bahamian islands on hurricane warning and the rest of the northwest on hurricane watch. Some officials said they feared residents were being complacent.

The Club Eleuthera Resort said it was considering chartering an airplane to fly 180 Italian guests to a sister resort in Cuba if the storm worsened.

"Most of the guests are a little nervous because they've heard all the stories about hurricanes, but we've told them not to worry at this point," manager Shawna McCarthney said.

Two other nearby storms posed little threat Thursday, forecasters said.

Cindy, upgraded to a hurricane again late Wednesday, was far out in the Atlantic. And Emily — which sprang up at near-hurricane strength Tuesday — began to lose strength and was downgraded to a tropical depression.

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>
> **Shawna McCarthney**
> Club Eleuthera Resort manager

In the southeast Caribbean, though, two wooden houses in Barbados were torn down Thursday morning by winds that the Barbados Meteorological Office said could have been associated with Tropical Storm Emily, even though it was more than 200 miles away and likely to dissipate offshore.

"Everything in my house is damaged, my house flat on the ground," Etheline Forde, a farm laborer, said at the ruins of her Atlantic Oceanside home on eastern Peak Bay.

# *Consumers cite banks for invasion of privacy*

WASHINGTON (AP) – Consumers are up in arms over what they see as banks' invasion of their financial privacy, judging from recent letters sent to the Treasury Department, the Federal Deposit Insurance Corp. and other agencies.

"I was utterly shocked to realize my own bank would provide my credit card number to what I feel are unethical, if not illegal, telemarketers," one consumer told the Office of the Comptroller of the Currency, a Treasury division that oversees nationally chartered banks. "The next day I went to the ... (bank) branch to cancel my card."

For the first time ever, the House voted on July 1 to give people the right to block banks and other financial companies from sharing their personal data with outside firms, such as telemarketers. No comparable measure has cleared the Senate.

Copies of the letters were obtained by The Associated Press under the Freedom of Information Act.

The letters arose from consumers' anger at their financial institutions.

Late last year, the government tried to institute a rule that would have required banks to track their customers' transaction patterns, the so-called "Know Your Customer" rule. That brought a public outcry over privacy, forcing federal agencies to scrap the proposal.

It will still allow banks and other financial companies that are affiliated to share customer data, such as addresses, phone numbers, birth dates, Social Security numbers and checking and credit card account information. Data sharing is a major reason why financial companies want to merge, as it opens numerous marketing opportunities.

In the view of many consumers, however, such data sharing is a gross invasion of privacy.

The banking industry defends its record on protecting customers' privacy and has warned that new laws restricting data sharing could deprive consumers of useful financial services.

# Opponent named in Fed decision

WASHINGTON (AP) – The Federal Reserve's decision two months ago to raise interest rates for the first time in two years wasn't unanimous. One Fed policy-maker dissented, saying the move wasn't needed to keep inflation under control, according to minutes of the June 30 meeting released Thursday.

Robert McTeer, president of the Federal Reserve Bank of Dallas, was the sole opponent of the Fed's June 30 decision to raise the federal funds rate – the interest that banks charge each other on overnight loans – by a quarter of a point to 5 percent.

Fed Chairman Alan Greenspan and eight other voting members of the Federal Open Market Committee, which sets interest rate policies, supported the increase. Alice Rivlin, who at the time was preparing to leave her post as vice chairman, didn't attend the meeting and didn't vote.

The Fed decided Tuesday to raise the federal funds rate another quarter point to 5.25 percent. Whether that decision was unanimous is unlikely to be known until Oct. 7, when minutes for the Aug. 24 meeting are to be released.

McTeer dissented on the June 30 increase "because he believed that tightening was unnecessary to contain inflation," the minutes for that meeting said. "He noted that most measures of current inflation remain low, and he saw few signs of inflation in the pipeline."

But in the view of most members, bumping up interest rates "represented a desirable and cautious pre-emptive step in the direction of reducing what they saw as a significant risk of rising inflation," the minutes said.

The 9-1 decision to bump up interest rates June 30 was coupled with a move by the Fed to switch its policy directive – intended to signal future moves – to neutral, from one leaning toward raising rates.

The record of the meeting showed that the decision to switch the directive to neutral was reached after considerable debate.

Some members were concerned that adopting a directive leaning toward a rate increase might be interpreted as an indication that the central bank was "relatively certain that it would need to take further tightening action fairly soon."

Other members raised concerns that a neutral directive "could foster the misleading conclusion" that policy-makers "no longer believed a further adjustment to policy might be warranted at some point later this year." Those members "saw the odds as reasonably high that further tightening would be needed before the end of the year to gain adequate assurance that inflation would be contained."

In the end, the nine members supporting the move to boost rates said they also could support the neutral directive because any misinterpretations by Fed watchers could be corrected in Greenspan's testimony to Congress in July on the state of the economy.

After the Fed announced its neutral directive on June 30, the markets rallied. Greenspan tried to correct the situation by sounding more hawkish in his appearance before Congress, pledging to move "promptly and forcefully" to counter inflation.

Those remarks were taken as strongly signaling an August rate increase.



# Survey: Y2K readiness will be last-minute affair

WASHINGTON (AP) — The United States and at least five other countries do not expect to finish fixing their Year 2000 computer bugs until just weeks before the new year, an international survey reported Thursday.

Two other countries, Slovakia and Bolivia, do not believe they will finish until next year, meaning problems could occur after midnight strikes on New Year's Eve.

Bruce McConnell, director of the International Y2K Cooperation Center, said the late completion dates are not necessarily reason to expect catastrophe. Rather, he said, the survey points to areas in which to intensify contingency planning.

Y2K readiness is of greatest concern in developed countries, such as the United States, because they are the most dependent on information technology, Y2K planners say.

Many computers were originally programmed to recognize only the last two digits of the year, so some might not be able to differentiate between 2000 and 1900. Unless they are reprogrammed in time, computers could malfunction.

The United States listed a December completion date for computers in the health care industry. Health care has been particularly troublesome because doctors, hospitals and payment systems are so decentralized.

"The health sector is the one that everyone is further behind in, so it's not surprising that the U.S. is also getting finished in health later," McConnell said. "I think it's a cause for action, a cause for more attention to be given to making sure the health sector is ready."

U.S. health care industry leaders have insisted they will be ready for Jan. 1, although a recent congressional study said assurances from industry groups have been based on surveys that may be unreliable because of low response rates.

Other countries not expected to finish until December are: Pakistan and Macedonia, for air transportation; Bulgaria, for health; Bolivia, for government services; Colombia, for customs, and Angola, for sea and land transportation, customs and health.

Bolivia also would not be ready with its customs systems until the new year, while Slovakia does not expect to complete its health systems this year.

The International Y2K Cooperation Center, a clearinghouse set up by the United Nations and the World Bank, received responses from 72 of 195 countries. The completion dates were self-reported by the national Y2K coordinator of each country. Completion was defined as implementing 90 percent of the fixes.

"No country in the world will get all of the systems fixed by Jan. 1, but for those with lots of systems left to be fixed, it heightens the importance of knowing what they are going to do to continue delivery of essential services," McConnell said.