

Monday, January 21, 2008 - Vol. 10, No. 18



The Infamous "Expatriate Tax" Moves a Step Closer to Reality...

Today's comment is by Bob Bauman, Legal Counsel and Senior Writer for The Sovereign Society.

Dear A-Letter Reader,

As my colleague Mark Nestmann and I have been predicting for some time, it appears 2008 could be the year when the Democrat controlled United States Congress imposes an "exit tax."

This official "exit tax" would apply to both U.S. citizens and long-time resident aliens who decide they want to leave America permanently.

Policymakers slipped this horrendous restriction into a popular military pension/pay bill, (without hearings or public notice, I might add), so insiders say President Bush may actually sign it into law.

This outrage is happening despite the protections in the U.S. Constitution. The Constitution guarantees the right to voluntarily end your U.S. citizenship. It also grants you the right to live and travel abroad freely and acquire and enjoy second citizenship from other nations.

Furthermore, the U.S. Supreme Court has confirmed every one of these basic rights. (Even the U.N. Charter affirms these rights and in 2004 the European Court of Justice overruled a similar French exit tax because it violated the EU treaty on human rights.)

Indeed this confiscatory exit tax harkens back to Adolf Hitler's notorious departure taxes that stripped Jews of their property before they were allowed to escape from Nazi Germany. It also brings to mind similar oppressive laws to those fleeing Stalin's Communist Soviet Union and apartheid-era South Africa.

Civil Liberties Be Damned

If the so-called Democrat Party "liberals," who supposedly advocate civil rights and liberties, can impose such an oppressive exit tax, what will happen when Democrats take control of both the presidency and Congress? (And are the Republicans much better?)

Could United States citizens and legal residents suddenly find their right to travel, their freedom to live in other countries restricted, or even forbidden? Could such a government also impose currency exit controls and other extreme measures?

After the 2006 election I predicted that "Democrats will have the power to write radical new laws tempered only by the hapless President George Bush's shaky veto pen." The exit tax is a prime example.

Europeans Already Have Trouble Entering the U.S.

If you think travel restrictions on citizens leaving America are unlikely, check what's happening to Europeans trying to come into the United States.

"Europeans traveling to America could face travel restrictions because of concerns about terrorism, the U.S. head of homeland security said." reports *The Guardian*. "Michael Chertoff told the *BBC* that the U.S. increasingly saw Europe as a 'platform' for a terrorist attack and he blamed the current visa waiver program for European citizens as a reason for America's vulnerability."

Under Chertoff's plan, Europeans and others who now can enter the U.S. for 90 days without a visa would be required to notify the U.S. government 72 to 48 hours before they board their flights.

The Chertoff idea, (which the Democrat Congress has already authorized), is to exclude people who pose a possible terrorist threat to its U.S. citizens. That's all well and good, but it would not take much to expand exclusion from the U.S. for "terrorism" to include a host of other supposedly dangerous and "preventable" alleged crimes - even financial crimes.

Then this exclusion principle could be turned around and used to forbid Americans to travel abroad for various official reasons.

Government Already Use Passports as Privileges - Not Rights

The U.S. government already uses your passport to restrict your right to travel, rather than to guarantee it. The government can restrict your passport use if you fall behind on paying your taxes, or if you fail to report worldwide income and assets.

Already the United States can deny a passport simply for being in debt to the Internal Revenue Service, due to problems with federal government agencies or because you may owe more than US\$2,500 in back payments for court ordered child support.

I'm not saying travel restrictions and currency controls are inevitable. But depending on the 2008 election outcome, I think it could happen.

That means you better get your financial house in order now and if you've been considering a [second passport, start the process now](#), while you still can.

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