



Written by [Wallis W. Wood](#) on June 1, 2012

Thinking of Fleeing the United States?

Wowee, some folks are sure angry that Eduardo Saverin, one of the co-founders of Facebook, decided to unfriend the country that helped make him a billionaire.

Senators Charles Schumer (D-N.Y.) and Robert Casey (D-Pa.) called a press conference two weeks ago to announce the introduction of the Ex-PATRIOT Act. The letters stand for “Expatriation Prevention by Abolishing Tax-Related Incentives for Offshore Tenancy.” I’ll bet somebody spent hours coming up with that one.



The measure would also bar individuals like Saverin from ever re-entering the United States.

Schumer couldn’t help sounding a little spiteful when he declared: “Saverin has turned his back on the country that welcomed him and kept him safe, educated him and helped him become a billionaire. This is a great American success story gone horribly wrong.”

Clearly, Schumer would have changed “fleeing” in the headline above to “fleecing.”

For the record, let it be noted that Saverin paid every penny of taxes the Internal Revenue Service said he owed before he left our shores to become a citizen of Singapore. But that’s not enough for the greedy Senators. Their measure would impose a 30 percent capital gains tax on all of the assets of any American who dared to renounce his citizenship. It was predicted that Saverin’s Facebook shares would be worth about \$3.5 billion after the initial public offering; that would have been a \$1 billion bite.

Singapore, by contrast, has no capital gains tax; so it would appear that Saverin had a hefty financial incentive to make the move.

Nevertheless, the new Facebook billionaire issued a statement denying that he was leaving the U.S. to avoid paying taxes.

“I have paid and will continue to pay any taxes due on everything I earned while a U.S. citizen,” he said. He added that he was “very grateful to the U.S.” for the advantages he enjoyed since 1992, when he moved to the United States from Brazil. His decision to renounce his U.S. citizenship, he declared, “was based solely on my interest in working and living in Singapore.” Sure thing, Eduardo.

When I first heard this story, I couldn’t help but compare the threats and accusations against Saverin to the treatment another American billionaire received when he decided to relinquish his U.S. citizenship.

John Templeton was an investor and mutual fund pioneer who renounced his U.S. citizenship in the 1960s and moved to the Bahamas. The move saved him an estimated \$100 million in taxes when he subsequently sold his interest in Templeton Growth Fund, an investment firm he started in 1954.

But rather than threats of being drawn and quartered, Templeton was honored and feted. He was granted both Bahamian and British citizenship. In fact, he was subsequently knighted by Queen Elizabeth in recognition of his many charitable activities. At the time of his death, it is estimated that Sir John had given away more than \$1 billion. His numerous gifts included establishing the Templeton



Written by [Wallis W. Wood](#) on June 1, 2012

College at the University of Oxford. He left the bulk of his fortune to the John Templeton Foundation, which manages the Templeton Prize for Progress toward Research or Discoveries about Spiritual Realities.

Templeton clearly believed he was a better steward of his wealth than our government would be since he took such a drastic step to reduce his tax bite, including what his estate would have to pay upon his death. But doesn't every American who reduces his tax bill by making charitable contributions do the same thing? By the way, this must even include Barack and Michelle Obama, who have made substantial gifts to charity. If they thought the government could spend the money better, why not just pay it in taxes?

When Templeton died four years ago at the age of 95, he was still one of the most admired and respected financial figures on the planet. I think it's safe to say that Saverin will not be afforded the same affection and respect that Templeton enjoyed.

It turns out that an increasing number of Americans have decided to head for other shores. While the numbers are still a tiny fraction of our population, the trend is unmistakable: According to official figures, a mere 235 Americans gave up their nationality in 2008. Three years later, the number was more than seven times higher: 1,780 disgruntled Americans did so in 2011.

But that's a pittance compared to the number of expats who have moved out of the United States without surrendering their citizenship. An estimated 6 million citizens live outside our borders. While that does not absolve them from paying taxes here, they do enjoy some substantial advantages — including, in many cases, a substantially lower cost of living.

So what about you? Are there any circumstances that would persuade you to pack your bags and head for another country? If you've already left our shores, I hope you'll use the comments section below to tell us why you did, when it happened and where you went. I'm sure a ton of readers will be interested in your reasons — and your experiences.

If you are thinking of becoming an expat, where would you go? If the amount of economic freedom you will find in your newly adopted country is an important consideration, then you need to know about the Index of Economic Freedom. It's a study that's done every year by the Heritage Foundation, in cooperation with *The Wall Street Journal*.

You won't be surprised to learn which countries head the list. Hong Kong is in first place, with Singapore right behind. Trailing those two Asian countries are Australia, New Zealand, Switzerland, Canada and Chile. Sad to say, the United States has slipped to 10th place on the list. Frankly, I was a little surprised we haven't dropped further.

There were no surprises, either, at the bottom of the list. North Korea was dead last, with Zimbabwe, Cuba and Libya not doing much better. Other gems in the bottom 10, in descending order, were Equatorial Guinea, Iran, the Democratic Republic of the Congo, Burma, Venezuela and Eritrea. I don't think you'll find your own personal Shangri-La in any one of them.

As for me, while I have enjoyed visiting many of the world's garden spots (and a few places that were more like garbage dumps), there isn't one I'd consider making my permanent home — not even if it would save me a fortune in taxes.

Besides, I'm having too much fun in the fight for freedom here to seriously consider leaving. I hope you are, too.



Written by [Wallis W. Wood](#) on June 1, 2012

Until next time, keep some powder dry.

Chip Wood was the first news editor of *The Review of the News* and also wrote for *American Opinion*, our two predecessor publications. He is now the geopolitical editor of *Personal Liberty Digest*, where his Straight Talk column appears weekly. This article first appeared in [PersonalLiberty.com](#) and has been reprinted with permission.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



[Subscribe](#)

What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.