

citizenship for the purpose of avoiding taxes. A 1996 change provided that any ex-American who left to avoid taxes could be forever stopped from returning to the U.S. Immigration officials were empowered to stop these culprits at the border. This drastic sort of exclusion previously had been confined only to people suffering from communicable diseases, Communists and certain terrorists. Needless to say, this inane provision, has never been enforced although it's still on the statute books.

NEEDED OFFSHORE ASSET PROTECTION

In truth, there are very legitimate financial reasons for an American citizen to "go offshore". These include avoiding exposure to costly domestic litigation and excessive court damage judgements and jury awards, protection of assets, unreasonable SEC restrictions on foreign investments, the availability of more attractive and private offshore bank accounts, life insurance policies and annuities, avoidance of probate and reduction of estate taxes.

But Americans who have followed this prudent course now find themselves lumped together with drug lords, tax cheats, dirty money launderers, disease carriers and assorted criminals. What is legal and legitimate is made to look sinister and evil.

OECD—FATF WORLD INTIMIDATION CAMPAIGN

There is a decided international dimension to this domestic U.S. campaign against wealth. Beginning last June, the news media took belated notice of offshore tax havens and their thriving financial centers as a newly discovered international threat. A frenzy of publicity surrounded the serial publication of spurious "blacklists" by previously unnoticed international organizations. None of these self-appointed, self-important groups enjoy any legal standing, but they proceeded to announce exactly how the international financial world should conduct its affairs. Those nations in disagreement with the OECD world view were threatened with financial boycotts and unexplained "sanctions" to be imposed by June 2001.

These organizations include the Paris-based organization for Economic Cooperation and Development (OECD), which loudly denounces what it calls "harmful tax competition" is composed of representatives from major high tax nations. An OECD subsidiary is the Financial Action Task Force (FATF), a sort of financial Gestapo that pronounces who is legal and who is not legal in terms of money laundering activity.

Yet a third group without no basis in international law calls itself the "Financial Stability Forum." This is a subgroup of the G-7 nations and has taken it upon itself to decide which nations are good or bad in cooperation for capital flows.

All of these organizations are self-anointed and don't have any more standing than the International Tennis Association as far as legal capacity to impose their decisions. They are little more than public relations mouthpieces of an international cartel of rich nations trying to suppress tax havens and other nations that have profited from fully legal tax competition.

In an obviously co-ordinated effort starting last May, these organizations each issued its own "blacklist" of nations it found deficient in various ways. The FSF attached those it claimed were disruptive to international financial activity. FATF issued a list of countries allegedly lax on money laundering. The OECD came out with list of nations engaged in "unfair tax competition". It was no coincidence that most of the

world's no-tax financial haven nations were on all these phony lists. A small coterie of statist bureaucrats in the financial ministries of the major nations had coordinated their propaganda work well: an uneducated, glib global news media swallowed this phony story whole.

Every one of the wealthy nations that are pushing this attack on tax havens are controlled by high-tax, socialist governments who see a tax and wealth hemorrhage occurring among their citizens. Yes, millions, billions of dollars, pounds and francs are pouring out of high tax nations flowing to offshore tax havens—and for very good reasons. Why would anyone in his right mind continue to pay confiscatory taxes when you can move your financial activity to another nation where you pay no personal or corporate income tax, no estate tax, no capital gains tax?

Ignored in this concerted attack on small tax haven nations is the simple fact that under current U.S. and UK tax laws the biggest tax savings for foreigners can be found in Britain and in the United States. The United States is one of the biggest tax havens in the world—but only for non-U.S. persons. And in spite of the known fact that most of the dirty money laundering in the world takes place in London and New York, neither nation is on the FATF money laundering blacklist.

All this is really a smoke screen for increased tax collection. Feeling the tax drain, the rich nations want an end to all those factors that make tax haven attractive: They demand that taxes be imposed where there are none, want an end to financial and banking privacy and "free exchange" of information, want complete "transparency", and want these small nations to become tax collectors for the rich, welfare state nations. In other words, they want tax havens to become just like the profligate major nations.

This new cartel of high-tax nations, limping along with their huge, unsustainable welfare state budgets, are engaged in a grotesque rebirth of colonialism and imperialism of a financial nature. They are willing to trample the sovereignty of small nations. In fact, the United Nations last year said national sovereignty must be compromised in order to impose a world financial order of high taxes and no financial privacy. Such a radical demand mocks international law. It makes vassal states out of sovereign nations.

This wrong headed approach flies in the face of every development that is producing the new prosperity: the Internet, e-commerce, globalization, cross border investment worldwide. For that reason alone, this effort will fail. Just as the legendary King Canute could not hold back the ocean tides, the rich nations will be swept away in their effort to impose their will on the world.

CONGRESSIONAL INTERNET CAUCUS E-GOVERNMENT EVENT

HON. RICK BOUCHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, October 19, 2000

Mr. BOUCHER. Mr. Speaker, as Co-Chair of the Congressional Internet Caucus, I have long had a keen interest in how the Internet revolution is affecting the relationship between citizens and their government. In my own dis-

trict, we have held an annual conference at which we discuss what government can do better to improve the way it delivers services and information to the public via the Internet.

As we seek to find ways to better connect with our increasingly Internet-savvy constituents, I think our colleagues may learn much by looking at how state and local governments are using electronic means to deliver services to the public. For this reason, I thought my colleagues would be interested in the results of a study entitled, "Benchmarking the eGovernment Revolution: Year 2000 Report on Citizen and Business Demand." I understand this to have been the first national survey that asked citizens and businesses what state and local government services they want to access online.

The survey found that citizens rank renewing their driver's license and voting online highest among the electronic government services they wish to perform. Businesses are most interested in searching court records and obtaining or renewing professional licenses online. Perhaps surprisingly, both citizens and businesses expressed a high degree of willingness to pay modest transaction fees in return for the convenience of being able to access government services via the Internet 24 hours a day, 7 days a week.

The survey also confirmed that trust is the most critical issue facing government in providing online services to constituents. The survey found, for example, that only one-third of current Internet users trust the government to keep their records confidential. Clearly, government agencies are going to have to work harder to develop the level of trust necessary for citizens to increase their use of the Internet for accessing electronic government services.

As part of the work of the Congressional Internet Caucus next year, we will undertake an effort to educate Members about how this "eGovernment" revolution is proceeding at the state level, as well as how they can better connect with their constituents through electronic means. As part of this effort, we need to assess ways to bridge the digital divide so that all of our constituents can participate in the Internet Century. I anticipate that we also will continue to offer a series of sessions on the most pressing Intellectual Property issues of the day, such as the award of business method patents and ways to update the Copyright Act so that it continues to reflect evolutions in technology.

We will of course welcome the participation of all Members in the Caucus and their suggestions on developing new means of connecting with our constituents.

HONORING MEMBERS OF THE CREW OF THE GUIDED MISSILE DESTROYER U.S.S. 'COLE'

SPEECH OF

HON. SANFORD D. BISHOP, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 18, 2000

Mr. BISHOP. Mr. Speaker, for a number of us, the terrorist attack on the U.S.S. *Cole* struck close to home.