

Patriotic Expatriates

By [Doug Casey](#)



03/08/11 I've written many times about the importance of internationalizing your assets, your mode of living, and your way of thinking. I suspect most readers have treated those articles as they might a travelogue to some distant and exotic land: interesting fodder for cocktail party chatter, but basically academic and of little immediate personal relevance.

All very well, you may say. But there are practical issues, you also say. A person can't just pick up and leave and go where he wants and do what he wants...can he? Get real, Casey. There are reasons a person has to stay where he is, aren't there?

Let's look at some of those reasons.

"America is the best country in the world. I'd be a fool to leave." That was absolutely true, not so very long ago. America certainly was the best – and it was unique. But it no longer exists, except as an ideal. The geography it occupied has been co-opted by the United States, which today is just another nation-state. And, most unfortunately, one that's become especially predatory toward its citizens.

"My parents and grandparents were born here; I have roots in this country." An understandable emotion; everyone has an atavistic affinity for his place of birth, including your most distant relatives born long, long ago, and far, far away. I suppose if Lucy, apparently the first more-or-less human we know of, had been able to speak, she might have pled roots if you'd asked her to leave her valley in East Africa. If you buy this argument, then it's clear your forefathers, who came from Europe, Asia, or Africa, were made of sterner stuff than you are.

"I'm not going to be unpatriotic." Patriotism is one of those things very few even question and even fewer examine closely. I'm a patriot, you're a nationalist, he's a jingoist. But let's put such a tendentious and emotion-laden subject aside. Today a true patriot – an effective patriot – would be accumulating capital elsewhere, to have assets he can repatriate and use for rebuilding when the time is right. And a real patriot understands that America is not a place; it's an idea. It deserves to be spread.

"I can't leave my aging mother behind." Not to sound callous, but your aging parent will soon leave you behind. Why not offer her the chance to come along, though? She might enjoy a good live-in maid in your own house (which I challenge you to get in the US) more than a sterile, dismal and overpriced old people's home, where she's likely to wind up.

"I might not be able to earn a living." Spoken like a person with little imagination and even less self-confidence. And likely little experience or knowledge of economics. Everyone, everywhere, has to produce at least as much as he consumes – that won't change whether you stay in your living room or go to Timbuktu. In point of fact, though, it tends to be easier to earn big money in a foreign country, because you will have knowledge, experience, skills, and connections the locals don't.

"I don't have enough capital to make a move." Well, that was one thing that kept serfs down on the farm. Capital gives you freedom. On the other hand, a certain amount of poverty can underwrite your freedom, since possessions act as chains for many.

"I'm afraid I won't fit in." As I explained a little earlier, the real danger that's headed your way is not fitting in at home. This objection is often proffered by people who've never traveled abroad. Here's a suggestion. If you don't have a valid passport, apply for one tomorrow morning. Then, at the next opportunity, book a trip to somewhere that seems interesting. Make an effort to meet people. Find out if you're really as abject a wallflower as you fear.

"I don't speak the language." It's said that Sir Richard Burton, the 19th-century explorer, spoke 10 languages fluently and 15 more "reasonably well." I've always liked that distinction although, personally, I'm not a good linguist. And it gets harder to learn a language as you get older – although it's also true that learning a new language actually keeps your brain limber. In point of fact, though, English is the world's language. Almost anyone who is anyone, and the typical school kid, has some grasp of it.

"I'm too old to make such a big change." Yes, I guess it makes more sense to just take a seat and await the arrival of the Grim Reaper. Or, perhaps, is your life already so exciting and wonderful that you can't handle a little change? Better, I think, that you might adopt the attitude of the 85-year-old woman who has just transplanted herself to Argentina from the frozen north. Even after many years of adventure, she simply feels ready for a change and was getting tired of the same old people with the same old stories and habits.

"I've got to wait until the kids are out of school. It would disrupt their lives." This is actually one of the lamest excuses in the book. I'm sympathetic to the view that kids ought to live with wolves for a couple of years to get a proper grounding in life – although I'm not advocating anything that radical. It's one of the greatest gifts you can give your kids: to live in another culture, learn a new language, and associate with a better class of people (as an expat, you'll almost automatically move to the upper rungs – arguably a big plus). After a little whining, the kids will love it. When they're grown, if they discover you passed up the opportunity, they won't forgive you.

"I don't want to give up my US citizenship." There's no need to. Anyway, if you have a lot of deferred income and untaxed gains, it can be punitive to do so; the US government wants to keep you as a milk cow. But then, you may cotton to the idea of living free of any taxing government, while having the travel documents offered by several. And you may want to save your children from becoming cannon fodder or indentured servants, should the US reinstitute the draft or start a program of "national service" – which is not unlikely.

But these arguments are unimportant. The real problem is one of psychology. In that regard, I like to point to my old friend Paul Terhorst, who 30 years ago was the youngest partner at a national accounting firm. He and his wife, Vicki, decided that "keeping up with the Joneses" for the rest of their lives just wasn't for them. They sold everything – cars, house, clothes, artwork, the works – and decided to live

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I could go on. But perhaps it’s pointless to offer rational counters to irrational fears and preconceptions. As Gibbon noted with his signature brand of irony, “The power of instruction is seldom of much efficacy, except in those happy dispositions where it is almost superfluous.”

Let me say again, time is getting short. And the reasons for looking abroad are changing.

In the past, the best argument for expatriation was an automatic increase in one’s standard of living. In the ’50s and ’60s, a book called *Europe on \$5 a Day* accurately reflected all-in costs for a tourist. In those days a middle-class American could live like a king in Europe; but those days are long gone. Now it’s the rare American who can afford to visit Europe except on a cheesy package tour. That situation may actually improve soon, if only because the standard of living in Europe is likely to fall even faster than in the US. But the improvement will be temporary. One thing you can plan your life around is that, for the average American, foreign travel is going to become much more expensive in the next few years as the dollar loses value at an accelerating rate.

Affordability is going to be a real problem for Americans, who’ve long been used to being the world’s “rich guys.” But an even bigger problem will be presented by foreign exchange controls of some nature, which the government will impose in its efforts to “do something.” FX controls – perhaps in the form of taxes on money that goes abroad, perhaps restrictions on amounts and reasons, perhaps the requirement of official approval, perhaps all of these things – are a natural progression during the next stage of the crisis. After all, only rich people can afford to send money abroad, and only the unpatriotic would think of doing so.

I would like to reemphasize that it’s pure foolishness to have your loyalties dictated by the lines on a map or the dictates of some ruler. The nation-state itself is on its way out. The world will increasingly be aligned with what we call phyles, groups of people who consider themselves countrymen based on their interests and values, not on which government’s ID they share. I believe the sooner you start thinking that way, the freer, the richer, and the more secure you will become.

The most important first step is to get out of the danger zone. Let’s list the steps, in order of importance.

- Establish a financial account in a second country and transfer assets to it, immediately.
- Purchase a crib in a suitable third country, somewhere you might enjoy whether in good times or bad.
- Get moving toward an alternative citizenship in a fourth country; you don’t want to be stuck geographically, and you don’t want to live like a refugee.
- Keep your eyes open for business and investment opportunities in those four countries, plus the other 225; you’ll greatly increase your perspective and your chances of success.

Where to go? The personal conclusion I came to was Argentina (followed by Uruguay), where I spend a good part of my year, and even more when my house at La Estancia de Cafayate is completed.

In general, I would suggest you look most seriously at countries whose governments aren’t overly cozy with the US and whose people maintain an inbred suspicion of the police, the military, and the fiscal authorities. These criteria tilt the scales against past favorites like Australia, New Zealand, Canada, and the UK.

And one more piece of sage advice: stop thinking like your neighbors, which is to say stop thinking and acting like a serf. Most people – although they can be perfectly affable and even seem sensible – have the attitudes of medieval peasants that objected to going further than a day’s round-trip from their hut, for fear the stories of dragons that live over the hill might be true. We covered the modern versions of that objection a bit earlier.

I’m not saying that you’ll make your fortune and find happiness by venturing out. But you’ll greatly increase your odds of doing so, greatly increase your security, and, I suspect, have a much more interesting time.

Let me end by reminding you what Rick Blaine, Bogart’s character in *Casablanca*, had to say in only a slightly different context. Appropriately, Rick was an early but also an archetypical international man. Let’s just imagine he’s talking about what will happen if you don’t effectively internationalize yourself, now. He said: “You may not regret it now, but you’ll regret it soon. And for the rest of your life.”

Regards,

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[Doug Casey](#)

Doug Casey of [Casey Research](#), author of the best sellers Strategic Investing, Crisis Investing and Crisis Investing for the Rest of the 90's, has lived in seven countries and visited over 100 more. He has appeared on scores of major radio and TV shows and remains an active speculator in the stock, bond, commodity, and real estate markets around the world. In his spare time, Doug engages in competitive shooting and plays polo.

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