

What Happens When Your Country Goes Bad

by: Bob Llewellyn
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In the years before World War II, millions of Jews fled northern Europe, millions of others didn't.

There is something to be learned and taken to heart from history, overly trusting others, even your own government, can be fatal. The more trust you place in something other than yourself, the more risk you are personally accepting.

Risk is something that every trader knows and understands and I am no different, I am a forex trader. It is said that traders are the best in the world at assessing risk as a group, but everyday I watch young traders lose money by accepting way too much risk. We can warn them but it doesn't really sink in until they have lost enough that the warnings become meaningful.

For several years now, we have been warning investors to diversify their holdings by opening an off shore trust or IBC (International Business Corporation). A few listened, but mostly they didn't. We watched as the US government systematically took away our rights and still few acted. The US is the only country in the world that prevents its citizens from trading the forex market as the rest of the world does. There is a computer program that trades the forex market without loss, but US investors can't use it with their home brokers because of the restrictions of the US government on its citizens. But even these new regulations didn't make the risk real enough, as many traders turned to forex trading forums to try and find out which off shore brokers would still accept US investors.

Rather than to do something to set themselves free (like easily starting an IBC or setting up an off-shore trust), some just gave up, but a few others did start asking how they could do what the rest of us did years ago. What we did was to basically build a fire escape. With the current changes in the world, it is now time to extend that warning a little further. It is one thing to risk your investments, as traders that's what we do, but it's another thing all together to risk your life and freedom or that of your family. If it makes sense to have an off shore entity to diversify your investments away from your home country, it makes even more sense to have a fire escape for yourself and your family.

In the Vietnam war, many young men fled to Canada to be free from fighting a stupid war that made no sense to anyone, (governments thought there was a large oil reserve there, when they realized that it wasn't all that big, the war then ended).

We used to be able to go all over the place without permission but that isn't true any more, you can't even go to Canada without a passport. How can the government keep you behind this newly forming 'iron curtain'? By just limiting passports.

But for those that saw the clouds on the horizon and prepared for the coming storm, they have a shelter. At the very least, Americans should have an off shore trust to look after some of their investments. If the time comes that it is no longer safe to live in the states, you'll have the ability to start over again because you don't have all their holdings where your home government could access, freeze and confiscate them. Now will the US government ever reach that level of authoritarianism? I don't know and neither do you, but are you willing to take that risk?

Traders manage their risks and try to avoid them. Why chance it when some small cost of insurance

will cover it. An off shore trust only costs on average about \$1500 and can be set up in friendly countries such as Belize, Panama, Nevis, Gibraltar and even The Bahamas. You would want to be able to access this off shore fund easily and remember, if you are needing to get to it, travel may also be a problem. To get another layer of protection then and make travel easier you may wish to consider a second passport which you can get legally by having a dual citizenship.

Citizenship in some places are hard to get, you have to live there as a resident for a long period of time and some places they are just impossible, but there are other places where you can just buy a home that costs more than \$350,000 and fill out the paperwork to become a citizen. At this time Nevis and St. Kitts are one of those places, but there are plenty of others. It is one of those things that you hope you never need but you're glad it's there if you ever do.

This article is just a thought tickler, everyone's needs and desires are different and I could not be so presumptuous as to assume that my solutions are the best ones for others, but I would suggest the following as a backup in the event of an emergency.

Just as it is a good idea to have a meeting place (such as a tree or garage, something that doesn't get moved) outside the home in case of a house fire, so it would be advisable to have a meeting place outside of your home country should you ever need to flee (that way you're not held back by worrying about your family). If they know where to meet you, you can be there to help them when they arrive.

We have all heard the story of a young mother that fails to leave a burning building because she's looking for her children, meanwhile the children are outside crying for their mother and must now learn to survive without her. A simple plan and meeting place can take away all of the uncertainty factor. The same is true for mass emergencies and governmental takeovers.

Secondly, would be to establish an off shore trust/IBC to fall back on should your home accounts become unavailable. An emergency plan may take a little work and a little money to set up, but the benefits are well worth it. And if you use the off shore trust or IBC to invest with, it can actually make you money instead of costing you. When you put it all together, and put emotions aside, you may see the wisdom of creating such an emergency back up plan.

Third, if you have the money to invest, consider an economic citizenship program to get a second citizenship and the ability to choose where to live.

And fourth, after you have all of these plans in order, you will also need to be concerned about income to live on if you have to relocate. But that's no big trick, retirees do that all the time. You only need a good retirement program. Not all retirement programs are created equal, but for more information on retirement plans in general, I can recommend checking out The Safe Investor.

If history is any indication, most people will put off taking action on this until it's too late. Most will just accept the risk. Some people didn't learn anything at all from World War II, and some will get to experience that education for themselves.

For insurance companies it's a numbers game, but for you it's all or nothing. It is prudent to have both a financial and a personal back up plan. So, what will you do?

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