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Challenging the Gods

Tax havens? Forget them; more and more people are looking for safe havens, places to live that neither suffer from heightened racial tensions nor present the likelihood of a terrorism attack. Low profile countries that fit the bill are not expected to increase in number as large areas of the globe face outbreaks of political instability and social conflict spurred on by rapid economic and technological changes.

The 19th century saw a similar pattern. Between the end of the Napoleonic Wars and the mechanised massacre of millions in the First World War (over 17 million) there was a period of exceptional technological advance which brought about material prosperity and positive political and social change. Still, in Europe societies suffered bitter conflict and nations fought empires, serfs their masters and workers the capitalists. At that time the two heavy weights in the global competition ring, America and China, had not yet entered it. Europe held the reins of global competition firmly in its grip and just like America today, the Europeans were convinced of their superiority, at the same time subjugating and exploiting large swathes of the world with impunity.

The social and political order of the time was turned on its head by innovations, much as it is now. The steam ship replaced sail and changed global travel, at the same time projecting imperial power. At the beginning of the 19th century the railway, photograph and telegraph were barely visible over the historical horizon, as Sir Richard J. Evans, an eminent British historian, put it. By the beginning of the First World War however, there was the motor car, telephone and radio. Our own century has seen a similar technological progressive

leap; wars continue, except that the pace and efficiency of killing has improved.

Military hubris, common to powerful governments determined to impose their policies and beliefs beyond their borders, have caused untold grief and suffering; that, too, regrettably, is also unchanged. The ancient Greeks said that hubris was the folly of a leader who, through unwarranted self-confidence, challenged the gods. Such a scenario means that nationalistic political leaders who experience military triumph will most probably encourage the next generation of leaders to inherit their arrogance and complacency; the myth of invincibility is a strong aphrodisiac. Any reader surveying the 20th century, or the present one, needs no help from me in identifying such leaders. There are skeletons in both the French (Algeria and Vietnam) and American (Vietnam) cupboards, but no matter how loud they rattle, no one is listening.

We are faced today with an important holy war just as Europe encountered in the 17th century. Then it was Catholicism and Protestantism, now it is Shia Islam and Sunni Islam. Only with the Peace of Westphalia in 1648 did Europe's great and brutal wars of religion end. Those wars drew in Habsburg, Spain and Austria, France, the Netherlands, Sweden, Poland, Russia, Denmark and the big German principalities. At various points in time, England, Scotland, the Ottoman Empire and Russia had small parts to play as well. France had feared encirclement by the Habsburgs of Spain and Austria whereas the Protestant princes of Bohemia and Germany had wanted to assert their independence from the Catholic Holy Roman Empire.

There are some parallels with Syria, where America launched 59 Tomahawk missiles against an airbase there

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in April. Most of the fighting has centred on Syria and in the 17th-century's holy war it was today's Germany where some historians believe that one-third or more of its population died. Once again, the battles themselves included the armies of foreign mercenaries where religion and territorial ambitions combined forces. But unlike the Peace of Westphalia in 1648 which laid the foundation stone for the modern European state and brought an end to the Thirty Years' war between the continent's leading powers, seeing France the victor and the Holy Roman Empire falling asunder, there seems no end in sight to the precarious theological, ideological and territorial conflicts in the Middle East.

At the heart of the Middle East struggle, however, is (Shia) Iran and (Sunni) Saudi Arabia along with its Gulf allies. Meanwhile, America and its own allies are focused on bringing stability to the region and also defeating the Isis jihadis. But in order to do so, the West needs to address both the secular and the spiritual, because annihilating Isis will only bring a partial solution (albeit one that will help people in the West sleep better at night). Remember, behind American and French defeat in Vietnam lay ideological differences exemplified by Võ Nguyên Giáp, the Vietnamese guerrilla leader, known as the Red Napoleon. He was a tactician who studied history, especially Napoleon Bonaparte's campaigns, and who had as a constant companion, besides his beliefs, Lawrence of Arabia's "Seven Pillars of Wisdom". He was also the first general to defeat the forces of the U.S. in a war.

The Glory of Books

There is an Old English poem, Solomon and Saturn, of unknown authorship in either the ninth or tenth century, which extols the virtues of books, describing them thus:

"Books are glorious ... They gladden the heart of every man amid the pressing miseries of this life. Bold is he who tastes the skill of books; he will ever be the wiser who has command of them. They send victory to the true-hearted, the haven of salvation for those who love them."

What was true one thousand years ago remains so in the 21st century. Books are a "haven of salvation" against the backdrop of the Middle East and other places in turmoil; with such "miseries of this life" it is easy to understand the comfort they can bring. They are, of course, a wonderful source of knowledge and Winston Churchill referred to them as his private university, opening up the mind to new ideas and challenging existing ones.

That is "the skill of books". They are the silent messengers who can profoundly affect political and economic discourse and the path that even nations might take. They teach as well as warn. In February it was reported that George Orwell's Nineteen Eighty-Four fictional novel, published 68 years ago, was Number 1 on Amazon's bestsellers list. In it we are introduced to the Ministry of Truth, responsible for distorting facts, and the concept of Newspeak, a language "designed to diminish the range of thought". Twitter comes to mind and Orwell in spirit, if not body, is living in this century alongside us through the pages of his book.

His is not the only reason, of course, books have seen a boost in sales recently as more young people are appreciating – as they have with long playing record turntables – the unique qualities they possess. The turning of pages and turntables are preceded by a ritual perhaps not as elaborate or as aesthetic as the one-thousand-year-old Japanese tea ceremony, but the common thread is the anticipation of the pleasure to follow: it is enjoyment delayed, the very antithesis of modern life where "without delay" is the maxim of modern man.

But if books enjoyed from the comfort of a chair, perhaps in a quiet corner rather than downloaded on a screen, are part of the past, then they certainly are in good company because nostalgia is popular. It is being used by politicians of every stripe to reinforce the message they want to send. Some wish to evoke memories of past glories, and long before the first book was published in the West, radicals in Ancient Greece would talk about a return to a golden age. Nostalgia and nationalism is an intoxicating cocktail, more recently enlisted by politicians in diverse cultures such as France, Russia and America. All, excepting America, have a grand history going back more than just a few centuries, and they can speak of a superior, golden past

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whereas America is enjoying a superior present. President Xi Jinping told Mr. Trump at a summit that 1776 feels like yesterday to an ancient power like China. America, however, will also experience the swing of the pendulum of power, much as the late Stefan Zweig, a Viennese Jew, wrote about in "The World of Yesterday", which chronicles the descent into war and chaos in Europe in the 20th century. He saw the books he authored burned by the Nazis and eventually settled in Brazil. Power through madness left Germany only to take root elsewhere.

Besides launching Tomahawk missiles against Syria, President Trump that same month announced that he was sending "an armada" to North Korean waters as tensions increased dramatically with the Democratic People's Republic of Korea. Immediately a vision of Sir Francis Drake entered my mind's eye. The president couldn't fall back on his own country's nostalgic, imperialist past, so he purloined a piece of Spain's to simulate the fighting-spirit message he wanted to convey to his country's citizens.

Peaceful Panama

Spain itself has a clear understanding of my personal, perpetual figure 8 analogy, similar to Zweig's pendulum. It was the world's first superpower, enjoying the privileged position of being the centre of the world with an empire stretching east across much of Europe to the Philippines and India and west across the Atlantic to the Americas. In the 16th century the Catholic Spanish King, Philip I, wished to invade England and usurp the Protestants; religion again. 130 ships and 30,000 troops were to be deployed but the English attacked first and over 100 ships were destroyed. The end of the 17th century (America had only seen 80 years pass since the Mayflower sailed with its Pilgrims), the empire had become overstretched and Spain's elite had become deluded; they had lost touch with reality. Hubris challenged the gods and failed.

It was Silvio Berlusconi, a previous Italian prime minister and, like President Trump, a showman and billionaire, who shook up his country's politics; by sheer force of personality and a unique brand of populism he won over the electorate. He spoke of a rigged system run by elites where the ordinary person could never win; in

other words, government couldn't be trusted. But it turned out that neither could Mr. Berlusconi.

What Silvio Berlusconi and some other politicians have done today is make an already sceptical citizenry even more less trusting of governments, using the tactics of George Orwell's Ministry of Truth designed to distort the truth. The image of trust has been tarnished; although, that said, parts of northern Europe have fared well against the malady and, certainly, for example, Hamlet would now find things less rotten in the State of Denmark. These countries are the least corrupt and so trust ranks high in people's perceptions. Unfortunately, elsewhere (not just regions such as Latin America) the picture is quite the opposite; as we move through this present wave of populism and power challenges, it is unlikely to improve.

Just like Zweig, Giuseppe Tomasi di Lampedusa mourned the decline of Sicily, his place of birth which inspired his book "The Leopard". He was born into aristocratic privilege in 1896 in Palermo and watched the island's political and economic fate unfold as the noble families, once the bastions of Sicilian society, failed to adapt to the modern world. Governments there could not be trusted and it helped turn Sicily into a backward, agrarian society which was controlled almost completely by bourgeois Mafiosi. The nearby island of Lampedusa, the author's aristocratic ancestral seat, is today famous for refugees arriving on its shores from Africa rather than its beauty.

Harsh critics of the new order in American politics point to the low trust level which President Trump injected into his election campaign. Ever since his election the president's message has been reinforced: federal agencies are not reliable, including the Central Intelligence Agency, and leading figures in well-established, some international, institutions are just helping to work the system. Whereas twenty years ago the distinctive brand of American capitalism, warts and all, flourished because strangers were able to do business with each other and draw comfort from the contracts they signed with each other in the "country of laws", now mistrust is encouraging faith more in family and appealing to tribal loyalties. Worryingly, the president's stated views seem to constantly change, like a set of traffic lights. Government mistrust has spread



and it is unlikely that America will reach the high-trust, transparent status that Sweden enjoys; because of the seeds of doubt sown, it is in danger of acquiring more Sicilian than Swedish traits.

Shakespeare suggested: “Meet the time as it seeks us” and there are those who having done so are, in turn, seeking sanctuary. Zweig chose Brazil and I chose Panama, accepting its imperfections which do not, unlike London, include the presence of the army on the

streets, after a horrific attack in Manchester last month inspired by ISIS jihadis. And yes, I do have a large collection of long playing records, some of them more than 50 years old – and, of course, a turntable. In a nod to the past, even Amazon has opened its very first bookstore in New York. Like a figure 8 and the needle on a revolving record, it’s true to say that what goes around comes around.



Offshore Pilot Quarterly (independent writing for independent thinkers) has been published since 1997 by Trust Services, S. A. which is the British face of trust business in Panama where it is licensed under the fiduciary laws. It is written by Derek Sambrook, our Managing Director, who has been Treasurer of the British Chamber of Commerce Panama, a member of the former Latin America and Caribbean Banking Commission as well as an offshore banking, trust company and insurance regulator. He has over 45 years private and public sector experience in the financial services industry about which he has written extensively and our website provides a broad range of related essays including his Latin Letter column which appears in every issue of Offshore Investment, a British professional journal published since 1986.

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