



TURNING THE PAGES OF TIME

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Appropriately, for the purposes of my article, fellow members of the International Tax Planning Association understand fully the many nuances of the definition of tax havens which have been at the centre of initiatives by both the Organisation for Economic Co-operation and Development and the European Union. Whatever their future relevance might be in the West the wealthy, the comfortable and the poor today are increasingly looking for safe havens. They seek sanctuary from the increasing outbreaks of political instability and social conflict spurred on by rapid economic and technological changes. They wish to manage their lives, not just their wealth (if they have any), with as little stress as possible, with or without the advance of the robots, in their Franklinian pursuit of happiness.

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. 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, we had the motor car, telephone and radio.

Our own century has seen a similar technological progressive leap; wars, unfortunately, 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. 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. Testament

to this folly are the large skeletons in both the French (Algeria and Vietnam) and American (Vietnam) cupboards, but no matter how loud they rattle, no one is listening.

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 he 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 far less rotten in the State of Denmark. Such countries are the least corrupt and so trust ranks high in people's perceptions of them. Unfortunately, elsewhere (not just regions such as Latin America) the picture is quite the opposite and this present wave of populism and power challenge is unlikely to improve the image. At the same time 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.

Books can be an invaluable source of hearing the echoes of history in the present. 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, if not safe havens, are a "haven of salvation" against the backdrop of the Middle East and other places in turmoil; with such "miserics 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 individuals and even nations might take. They teach as well as warn. Returning to George Orwell, in February it was reported that Nineteen Eighty-Four fictional novel, published 68 years ago, was Number 1 on Amazon's bestsellers list. In it we are introduced to the concept of Newspeak, a language "designed to diminish the range of thought". Twitter comes to mind and if only in spirit, not body, Orwell is living in this century alongside us through the pages of his book.

He is not the only reason, of course, why 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 and it is being used by politicians of every stripe to reinforce the message they want to send. Some wish to evoke memories of past victories, 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 together make an intoxicating cocktail, we have seen recently employed by politicians in cultures as diverse as France, Russia and America.

The late Stefan Zweig, a Viennese Jew, wrote the “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 in this century. Spain understands the theme of “The World of Yesterday”. It was the 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. But by 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. These are lessons that need to be learned again today.

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 what they see as 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, along the way of Latin Americans. 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 we “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, perfect or

not, accepting that Utopia is a myth. 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. And long may the ITPA continue to send its members the easy-to-hold journals with their clear, quality print and superb binding. A delight to read in my favourite chair.

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