

JOHN FRANCIS KINSELLA



THE BEZZLE

SECRETS

Book III

The Bezzle

John Francis Kinsella

Banksterbooks

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Secrets Book III The Bezzle

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Xi Jinping resuscitating Mao Zedong

Xi Jinping feeding Vladimir Putin

The Bezzle



John Francis Kinsella

for
my good friend

James Denis Herring (1940-2024)

Embezzle - *From Middle English embesilen, from Anglo-Norman embesiler, embesillier, embeseillier (“to steal, cause to disappear”), from em- + Old French besillier (“to torment, destroy, gouge”), of unknown origin.*

Wiktionary

Prologue

Chapter 1 Flores

Chapter 2 George Town

Chapter 3 The City of London

Chapter 4 The Ministry of State Security

Chapter 5 Trusts

Chapter 6 The Caymans

Chapter 7 Gold

Chapter 8 Grok

Chapter 9 Elites

Chapter 10 Revolution

Chapter 11 Country Garden

Chapter 12 A Strange Cargo

Chapter 13 The Secret of the St. Princess Olga

Chapter 14 Amore Vero

Chapter 15 'C'

Chapter 16 Lucy

Chapter 17 Kennedy

Chapter 18 Honduras

Chapter 19 Copan

Chapter 20 Cronies

Chapter 21 A Black Hole

Chapter 22 The Mekong

Chapter 23 Surveillance

Chapter 24 House Arrest

Chapter 25 Evergrande
Chapter 26 A Trip to Paris
Chapter 27 Money Laundering
Chapter 28 A Drama
Chapter 29 Embezzlement
Chapter 30 Henrique
Chapter 31 Xu Jiayin
Chapter 32 Liquidation
Chapter 33 Whatever had gone wrong?
Chapter 34 An Affair
Chapter 35 Archaeology
Chapter 36 A Boat Trip
Chapter 37 Yachts
Chapter 38 The End of an Era
Chapter 39 Singapore
Chapter 40 San Pedro
Chapter 41 Immortality
Chapter 42 Downfall
Chapter 43 Cyprus
Chapter 44 Plunder
Chapter 45 Karaoking
Chapter 46 Delta Timber
Chapter 47 A Dock
Chapter 48 Trade Winds
Chapter 49 Rags-to-Riches
Chapter 50 An Ultimate Gamble

Chapter 51 Flight
Chapter 52 HSBC
Chapter 53 Africa
Chapter 54 Collapse
Chapter 55 BRICs
Chapter 56 Backwards
Chapter 57 Valhalla
Chapter 58 A Trojan Horse
Chapter 59 Another Disaster
Chapter 60 Taipei
Chapter 61 The Secret
Chapter 62 A Sad Story
Chapter 63 Ciudad Salvator Mundi
Chapter 64 Hybrid Warfare
Chapter 65 Quantum Supremacy
Chapter 66 Newspeak
Chapter 67 Ascain
Chapter 68 Sunken Treasure
Chapter 69 A Few Degrees More
Chapter 70 A Good Bet
Chapter 71 Hubris
Chapter 72 La Semana Grande
Chapter 73 Qin Gang
Chapter 74 Aficionados
Chapter 75 Essequibo
Chapter 76 Hong Kong

Chapter 77 Organised Crime
Chapter 78 Another Ghost City
Chapter 79 Galenus-1
Chapter 80 Big Brother
Chapter 81 Gabon
Chapter 82 The Black Hand
Chapter 83 Unfriended
Chapter 84 The Solomon Islands
Chapter 85 'some people get rich first'
Chapter 86 A Chaotic End
Chapter 87 Drug Wars
Chapter 88 A Plot
Chapter 89 A Silk Road
Chapter 90 A Documentary Film
Chapter 91 Chicxulub
Chapter 92 Kennedy
Chapter 93 Belize
Chapter 94 A Lot of Cod
Chapter 95 Doomsday
Chapter 96 Mexico
Chapter 97 A Lunch in Style
Chapter 98 Gold
Chapter 99 'enough is enough'
Chapter 100 Suicidal
Chapter 101 A Mystery Tour
Chapter 102 The Bezzle

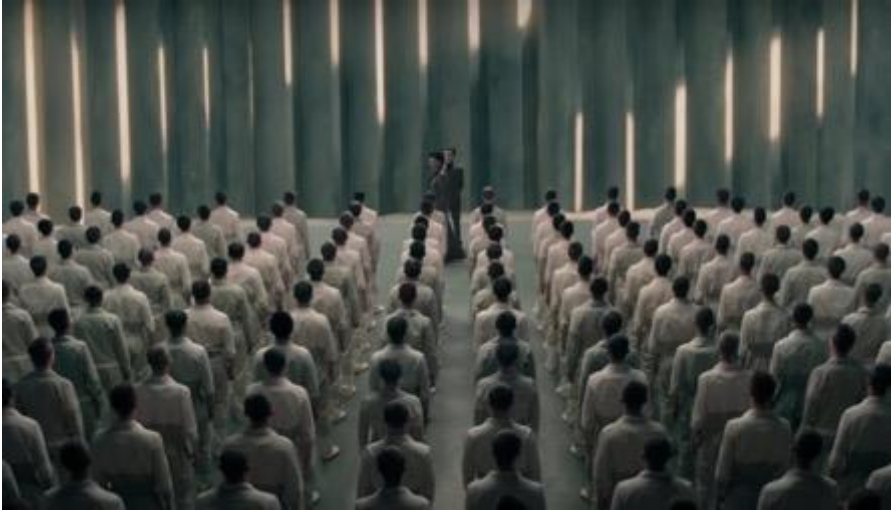
Chapter 103 Retribution

Chapter 104 A Door Opens

Acknowledgments

Sources

Books by Author



'Things don't necessarily have to be true, as long as they are believed'

Alexander Nix, Cambridge Analytica

Secrets Book III The Bezzle

富人并没有国界，只有穷人才会用爱国情怀来掩盖自己的一无所有。

The rich don't have borders; only the poor hide their insignificance with patriotism.

Anonymous

Prologue

Pat Kennedy was convinced humanity was heading in the wrong direction, towards strife and chaos, as authoritarian regimes challenged the uneasy status quo that had ruled world order for decades.

Over the space of ten years, he had seen two of his banking group's flagships hobbled. To start, INI Moscow—the fusion between the Irish Netherlands Bank and Sergei Tarasov's InterBank, had been seriously hurt when Russia seized the Crimea in 2014, a situation considerably worsened by the invasion of Ukraine in 2022.

Then it was the turn of INI Hong Kong, which took successive hits, first the Democracy Demonstrations, then the Covid pandemic, followed by the introduction of Xi Jinping's new national security laws.

Changes that forced Kennedy to accelerate his bank's development in the Americas as a long period of relative world peace drew to an end. There had of course been local wars under the reign of Pax Americana, which followed the victory of the

Allies in 1945, when the West led by Washington confronted and contained the Soviet Union and the menace of Communism during the Cold War, a period that gave birth to democratic aspirations, the flow of capital, and free trade.

This commenced with the Bretton Woods Institutions, the IMF and World Bank, each of which played significant roles in the functioning of globalisation. Created as WWII drew to an end, these two institutions promoted integration by encouraging international economic cooperation.

Bretton Woods set globalisation on its path, the trade between nations, the exchange of agricultural produce, raw materials and manufactured goods, building commercial relations, supply chains, finance and banking services, investing in industry and transport. In short globalisation was born under the aegis of Pax Americana, which rather than dominating its allies and oppressing those they defeated, brought peace and protection.

This period of peace and globalisation had projected many developing nations into the modern world, both economically and industrially, thanks to the availability of labour, the abundance of raw materials and fossil fuels

All this contributed to an explosion of demand by the nascent consumer society in developed nations, which led to social and technological progress, be it not always equally distributed.

Then, in 1971, Richard Nixon put an end to the Bretton Woods agreement, and ended gold-dollar convertibility, allowing the value of gold to fluctuate according to market demand.

Secrets Book III The Bezzle

That was followed up by Nixon's visit to China in 1972, when he met with Chairman Mao Zedong, then the normalisation of relations in 1979 with full diplomatic ties.

Soon after China, thanks to Deng Xiaoping, and a serendipitous conjuncture of circumstances, took advantage of this unique window of opportunity under the benign eye of the West, embarking on the path of industrialisation, urbanisation and a growth led economy, transforming the world's most populous nation from a poor peasant society, under Mao's oppressive yoke, into the second most powerful nation on Earth and its number two economy.

This was amplified by the consequences of the Soviet collapse, reawakening China's dream of imperial past. It was a development unforeseen by Washington, when Xi Jinping revealed his true colours, first with Hong Kong's oppressive new laws, second by seizing South China Sea territories, and thirdly the threat of war over Taiwan.

But no one had taken the Covid pandemic into their calculation, Russia's invasion of Ukraine, the absurd attack by the Hamas on Israel and its reaction by crushing Gaza or the wrath of Iran.

It was a game changer, a new world order, or to Kennedy, who saw the impact on INI Hong Kong, disorder, a multipolar world, ruled by autocrats and authoritarians, where dog ate dog.

Kennedy had bet on post Cold War Russia, after a chaotic period under Boris Yeltsin, when Robber Barons had appeared and the name oligarch was coined. It was when he established the INI Banking Corporation in Moscow, in his partnership with Sergei Tarasov, then a brilliant young Russian banker.

That lasted until Vladimir Putin's invasion of Ukraine, soon after Kennedy had set up INI Hong Kong. There in China his bank had prospered on a fast track together with the Wu family, until the Democracy Demonstrations following Xi Jinping's introduction of oppressive new laws, against the will of an overwhelming majority of Hongkongers.

That chaotic situation ended with the introduction of zero-Covid restrictions, which brought two years of economic standstill, leading China to the brink of economic collapse.

In 2019, Kennedy launched his plan to open new markets in Latin America, a project spearheaded by Tom Barton in Colombia, which he accelerated when the writing on the wall became visible once Chinese authorities put the draconian¹ laws into force in Hong Kong, starting with mass arrests and trials.

In other words, Kennedy followed the example set by HSBC and the City & Colonial, diversifying INI's markets elsewhere.

Latin America had suffered political extremes since independence from Spain two centuries earlier. Revolutions, economic collapse, inequality, dictatorship and now despair, after Argentina's election of Javier Milei, an unpredictable libertarian.

Milei, a climate-denying populist, was known in the press as 'El Loco' who had vowed to 'exterminate' inflation and take a 'chainsaw' to the state, launching Latin America's second

¹ See Secrets-The Edge of Tomorrow by author

largest economy into an unpredictable and potentially volatile future.

‘Today the reconstruction of Argentina begins. Today is a historic night for Argentina,’ he told his jubilant supporters at his campaign headquarters in Buenos Aires, after calling his victory a miracle, promising drastic changes to tackle Argentina’s galloping inflation and growing poverty in one of the country’s worst economic crises in decades.

Milei, promised amongst other things to abolish the central bank and dollarise the economy, in what seemed like an unworkable solution to tackle the financial disaster that was wracking the country, which had left almost half of its 45 million citizens in poverty with an inflation rate of more than 140 percent.

Milei’s victory was applauded by Brazil’s former president, Jair Bolsonaro, who had been ousted by the resurrection of Lula da Silva earlier in the year.

As for Donald Trump, he congratulated Milei with a message saying, ‘The whole world is watching! I am very proud of you. You will turn your country around and truly Make Argentina Great Again.’

The idea of Trump returning to an already chaotic world was a daunting thought, an interconnected world threatened by war, one where few could escape the consequences of ill considered populist policies.

CHAPTER 1

Flores

It was just before seven in the morning. I was standing on the terrace of La Lancha, a hotel overlooking Lake Peten Itza, in Flores, Guatemala. I was up unusually early. My programme for the day, a visit to a recently discovered Mayan temple in the Parque Nacional El Mirador, accompanied by a local guide who was waiting for me somewhere in the hotel.

As I admired the view across the lake, I couldn't help thinking how far away China was and how good fortune had smiled on me.

I worked for Sir Patrick Kennedy, the renowned City banker. I was his man, at least one of them, but the latest in date. I think he must have felt he owed me something after I'd ended up in a Shanghai jail. No doubt it reminded him of his own little-known run-in with Irish justice a quarter of a century earlier, when he'd briefly found himself in Dublin's Mountjoy prison, unwittingly caught up in a money laundering scam linked to Colombian drug cartels and the Russian Mafiya.

I, my family that is, were part of Kennedy's clan, it was thanks to that I had been engaged by the Fitzwilliams Foundation, an emanation of the INI Banking Corporation, a multinational group headed by Sir Patrick.

My role at the foundation was the study and investigation of geopolitical events and their effect on the bank's business,

enabling its management to take the measures necessary to offset damage or take advantage of changes—wherever they occurred. My general field was business, industry, raw material extraction, energy, environmental impact and climate change.

As such, I had considerable freedom and means to carry out Kennedy's orders in his fast moving universe, one that spanned a large part of the planet, from Hong Kong to the Caribbean and Central America, passing by London and of course Dublin.

At that precise moment, as I anticipated the pleasure of my visit to El Mirador, Henry Wang must have been feeling down. Far away on the other side of the world in Shanghai, the bad news piled-up, presenting him with a series of complex decisions.

Henry Wang was a business 'tycoon', a word that came from the Japanese *taikun* which meant Great Lord, though in Chinese he was called a *jutou*, a big player, which I suppose he was, if his money was anything to go by.

He was worth a couple of billion dollars, but Henry was a worried man, which seemed to confirm the saying 'money doesn't buy happiness'.

And Henry had every reason to be worried, his real estate construction business was slithering to a halt with the Chinese economy entering a period of almost zero growth, something that was unknown in modern times, at least for anyone in China under the age of 50.

During the four plus decades, since the death of Mao, China had been transformed from a peasant society into the world's economic power house, driving growth and expansion across the

planet, making men like Henry rich. But now, it seemed that those halcyon days were past and to make matters worse, tycoons like him were not only going bust, they were disappearing, arrested by the police, accused of economic crimes as the Chinese Communist Party scrambled to place the blame for the disaster on anyone else but their leaders.

The Delta Group, Henry's firm, a diversified conglomerate, was faced with multiple difficulties, but these were not as bad as those of certain other businesses. He had been wise, far seeing, diversifying into different sectors and above all investing overseas.

During the three or so years since I was admitted into the inner sanctum of the London based foundation, I had accumulated more experience in the workings of international business than could be have been taught in any business school or desk job in the City of London. That time had been a period of intense on the ground learning, in East and Southeast Asia, and more recently Central America.

To whom did I report?

To Sir Patrick of course, though on a day to day basis to John DeFrancis, president of the foundation and close friend of Sir Patrick's.

The business of Kennedy's INI group was essentially corporate banking, providing financial services for large and medium businesses, and high net worth individuals. Services that included, investment, wealth management and private banking. In addition it provided over-the-counter retail banking services, but only in the UK and Ireland.

And what precisely did I report?

Well, it all started out with a research programme into deforestation and illegal logging in Southeast Asia and the Pacific Rim. The Fitzwilliams Foundation had planned to present a paper at the 2021, Climate Change Conference, COP26, in Edinburgh, a report on tropical timber trafficking, a multi-billion dollar business, from the islands that made up most of those regions.

This led me to China and Shanghai where I met Henry Wang. In fact it was Lucy who presented me to Henry, her father, head of the Delta Group, who was into real estate, construction, building supplies and commodities, including timber as well as diversified investments.

For my trouble I ended up in prison, a detention centre, on the edge of Shanghai's International Airport, accused by the Chinese Ministry of State Security of economic espionage.²

After a dramatic escape, organised by my Uncle John Ennis, I was dispatched to Central America by Sir Patrick, where my task was to report on Costa Rica as a potential site for an investment programme he was planning in the region. There I was introduced to the western end of that chain of outposts which formed the City of London's offshore banking network, namely Panama, Belize and those familiar Caribbean islands.

It was there I ran into the Delta Group again. Henry Wang like many other Chinese businessmen and companies had offshore

² See Chinese Poker by the author

holdings in the British Virgin Islands, including the giants Evergrande and Alibaba.

Why offshore companies and trusts? For the very simple reason you could do anything you liked with them, and hidden from public view.

John DeFrancis, head of the Fitzwilliams Foundation, had explained to me how their existence, the islands that is, went a long way to explaining why the UK had left the EU. And why men like David Cameron and Boris Johnson, solid members of the British establishment, set the UK on the path to Brexit.

A lot of things fell into place after my discovery of those fortuitous outposts of empire, among them the improbable appointment of Lord ‘Call me Dave’ as foreign minister of the UK. A decision that was enough to undermine any normal person’s faith in politics, especially when it emerged that he had acted as spokesman for China’s BRI port project in Sri Lanka.

The Sri Lankan Port City, constructed by the Chinese state-owned firm, China Harbour Engineering Company, had plunged the small country into debt, forcing it into letting the port to China on a 99 year lease, whilst the UK’s newly appointed foreign minister pocketed 210,000 dollars for his words of encouragement, probably paid into some offshore account.

Cameron naturally protested he had acted on behalf of KPMG Sri Lanka, part of the international law firm that operated in the City of London. He had praised in glowing terms the BRI report made by another City law firm, PricewaterhouseCoopers, commissioned by the Chinese state company, designed to curry favour for the project.

Secrets Book III The Bezzle

Unsurprisingly, the Chinese firm in question had been blacklisted by the US for militarising disputed islands of the South China Sea.

It reminded me of how, in the same way, Moscow had sought to influence the 2016 Brexit referendum with the object of breaking the cohesion of the European Union. It was part of their strategy in a hybrid war to influence the hearts and minds of Europeans and NATO, waged through political interference and disinformation.

All that seemed very abstract, academic, distant, and it was.



The sound of my phone ringing broke me out of my reverie. I didn't recognize the number, but I answered anyway. Hopefully it was the guide.

'Mike?'

Fuck, I thought, even at the end of the Earth there was no escaping business.

'Yes...'

'It's Edouard.'

It was Lucy's brother, I recognized his voice.

'Edouard, where are you?'

'In Cyprus. I need your help. I've got some business in the Caymans, a trust. I'm flying in tomorrow. I've just spoken to Sir Patrick, he told me you were in Belize. Can you meet me there?'

‘Where?’

‘The Caymans of course,’ he said with a laugh.

I reflected for a second and replied, ‘Yes.’

‘Great. I’ll explain everything tomorrow when I arrive. Best not to discuss it over the phone.’

We both used encrypted phones, but I understood, there was no point in taking risks.

‘I’ll book you a room at the hotel and send the details. Send me your flight number.’

‘OK.’

‘Bye.’

I went back into the hotel and found my driver. Then checked the local flights and the flights from Guatemala City. There was nothing that didn’t take less than nine hours, plus the time to drive to Belize or Guatemala City.

I spoke to the guide who was waiting for me in the lobby. He informed me I could charter a plane in Belize, at Goldson International Airport. I called the charter company he indicated, there was a small turboprop available and if I arrived at noon time, I could be in Grand Cayman that evening. It would set the foundation back 6,000 dollars. I spoke to my driver who confirmed we could be in Belize before midday.

That was what working for Kennedy could do.

I thanked the guide and paid him. El Mirador would be for another day.

Secrets Book III The Bezzle

Half an hour later I'd checked out and we were on our way.

As we followed the Western Highway, I went over what I'd learnt about offshore companies and trusts over the last couple of months in Panama, Belize and the Caribbean.

Chinese businesses were into them in a big way.

Examining the interests of those businesses closely—the availability of offshore companies, trusts and banks, it was a system that clearly benefitted the City of London, a golden goose, and more precisely those for who owned the goose.

Even a fool could see the City, and the source of its vast wealth, was run and controlled in the interest of the British establishment and their friends, and by extension their interests ran countercurrent to the interests of the European Union.

The total wealth controlled by the City of London was truly staggering, 50 trillion dollars, on behalf of the entire planet, more precisely its rich and powerful.

The interest of most Brits was not taken into account, that is to say the common man, especially those living in Britain's rundown-once-great-cities, their job was to wave the flag and cheer whenever the monarch and his or her family stepped out.

The rest, the upper classes, composed of the rich—landowners, businessmen, bankers, lawyers and their cohorts, their interest lay in preserving the Empire.

You may ask what empire?

Empire II of course!

The British Empire was the largest empire the world had ever known. Then, after WWII and the ‘wind of change’, the Empire, after the independence of its colonies, glided more or less gracefully into the mists of history. However, it did not entirely disappear, in fact certain facets of the empire remained and were transformed into Empire II, a financial empire, in which the British elite saw their wealth not only preserved, but prosper, like it had never prospered before.

The British Empire had lasted like most great empires for about 250 years or 10 generations, and had like those before it, known the six ages that historians saw as defining the lifespans of empires—the age of pioneers, the age of conquests, the age of commerce, the age of affluence, the age of intellect, ending with bread and circuses in the age of decadence.

Now, in the case of the British Empire, it did not disappear, from the vestiges that remained, Empire II arose. Over the next decades those vestiges were metamorphosed, from those of a colonial empire into a modern financial power, centred in the City of London, the world’s most important global financial centre with Britain’s currency, the pound sterling, continuing to play a role in its former colonies and many other countries with the Bank of England their financier.

Regretfully the pound sterling, as a pre-eminent currency, did not survive the Suez crisis of 1956, and after a run on the British pound, the Eurodollar came into being, the still all powerful international currency of trade and finance.

What followed, in an unwritten accord between the Bank of England and UK banks, was an agreement that if the banks carried out operations between two non-residents in a foreign

currency, the dollar in this precise case, it would not be considered by the Bank of England as being under its own jurisdiction. In this way the banks created a market for dollars in London, called the London Eurodollar Market.

This market allowed foreign investors to deposit in and borrow dollars from London banks. These dollars were called Eurodollars, which did not obey the rules of the British pound sterling since they were a foreign currency.

In this way the Eurodollar Market in London became a non-regulated no-man's-land. Vast quantities of dollars poured in, and neither Washington nor the British government could do anything to prevent it, since it was outside of the former's jurisdiction and outside of the latter's national bank's control.

The market was highly secretive, one where investors could hide their names, the source of the money, where it went, how it went or how it was used.

Thus, the offshore Eurodollar market permitted criminals and dictators to merge their money with clean money.

London together with its dependencies controlled half the planet's money, attracting foreign banks to London to share in the bonanza.

With operations being separate from domestic banking activities, and the Bank of England, the UK regulator, declared that London Euromarket accounts were not in London, and therefore it had no responsibility for regulating them.

Thus, in this way a fictive legal space was created in which activity was supposedly taking place, and not in the economy

where it really was taking place, where business was regulated and taxed.

It wasn't long before American banks realised that London offered the possibility of avoiding US regulations, and moved their international operations to the City.

At the same time another change was taking place as distant islands, described as the flotsam and jetsam of empire, Britain's last overseas jurisdictions, were transformed into offshore tax havens.

In this way the foundations were laid for a planetary system of tax evasion, for the benefit of the rich and powerful, to the greatest detriment of the world's poor, huddled masses....

CHAPTER 2

George Town

The Beech King Air 90 was a six seater, spacious for a lone traveller like myself. We arrived at Grand Caymans Owen Roberts airport a couple of hours after leaving Belize. There were two pilots and we covered the 760 kilometres smoothly, cruising at an altitude of about 25,000 feet above the silver mirror of the Caribbean, during which time the captain joined me and served me a beer and a sandwich.

The Caymans was a British territory and after saying goodbye to my new friends I presented my British passport to a laid-back immigration officer and was out of the airport in no time, taking a taxi to the Ritz Carlton, situated in the middle of George Town, overlooking the Caribbean.

It wasn't Edouard's style to slum it.

I arrived 24 hours in advance and decided to take advantage of that time to find out a bit more about trusts in the Caymans.

I was not entirely easy on hearing a Reuters news report that police in Shenzhen, China, had arrested several employees of Evergrande Wealth Management—a subsidiary of the troubled Chinese property giant, the Evergrande Group, without specifying the charges against them.

That kind of news reminded me that I was a fugitive from Chinese justice and sent shivers down my spine, conjuring up

images of me being bundled off, my head under a blanket, by agents of the Chinese Ministry of State Security.

The Evergrande Group had become a symbol of the excesses fueled by China's property bubble with its wildly lavish spending.

Now it seemed the police were calling on the public to report cases of suspected fraud. Strange, since at the same time small investors in Evergrande Wealth Management had been warned by police not to file complaints.



Xu Jiayin founder and CEO of Evergrande

This came after years of rising home prices in China, when every one and his brother bet on real estate, and local governments lined their coffers with the proceeds from selling land leases. At the same time families invested in apartments, providing work for construction companies, suppliers of doors, windows and flooring, like Henry Wang's Delta Group, and of course real estate agents, whilst banks provided loans and entrepreneurs rolled in cash, splashing out on jets, yachts and lavish homes, like Xu Jiayin aka Hui Ka Yan, CEO of

Evergrande, one of China's top developers, which borrowed from Chinese banks and foreign investors to fuel its phenomenal expansion and its transformation into a mega group with hundreds of units and thousands of subsidiaries, nationally, regionally and offshore, as it branched out into everything from bottled water to pig farming, electric cars and even a football club.

Making bad things even worse, other developers copied the model, fighting to get onto the bandwagon, whilst banks and investors threw cash at them on promises of as much as ten percent annual returns.

It was deeply troubling, because it had taken three years of endless twists and turns for the Chinese government to take action in the crisis, a drama that revealed Evergrande had accumulated a mind blowing debt of 300 billion dollars. It was a property crash which many feared would spillover into global markets, threatening a Lehmann Brother style crisis. An unacceptable risk for China's financial system and overall economic health.

Worst still, the country's monetary policy had also worked against Evergrande, as more than a quarter of its debt was denominated in dollars with payback time coming as the Chinese yuan fell to its lowest exchange rate against the dollar in near on two decades.

Another Chinese property giant, Country Garden, was also at the edge of the abyss, staring into the void, with financial markets breaking out in a cold sweat just at the thought the developer was in trouble as its debts already exceeded 200 billion dollars, and its losses equally staggering.

Strangely I was much nearer to Country Garden than could have been imagined at first glance, in distance that is, since it was incorporated of all places in the Cayman Islands, though its executive offices were based in Foshan, China, not far from Canton and Hong Kong.

In the same way Evergrande was also incorporated in the Caymans, and its executive offices in Shenzhen, China, even closer to Hong Kong than Foshan.

It was barely believable, two of China's biggest private companies, until recently worth hundreds of billions of dollars, were incorporated on a tiny Caribbean island, a British tax haven, as far as they could possibly get from their operational bases in China.

Why? The reasons seemed evident. The Cayman Islands allowed them to do what they couldn't do at home, and at times allowed them to do whatever they wanted in the Wild West home of capitalism, which Chinese authorities observed with a blind eye.

Major Chinese companies such as Alibaba, Tencent, Evergrande and Country Garden, received a large part of their capital from developed economies, via offshore subsidiaries, essentially in the Cayman Islands, and to a lesser degree Bermuda and the British Virgin Islands, raising large amounts of capital from foreign investors through offshore affiliates, by issuing equities and bonds through shell companies listed publicly on global markets, such as the New York Stock Exchange.

Secrets Book III The Bezzle

This was accomplished by VIEs, Variable Interest Entities, structures designed to circumvent Chinese law, which restricted foreign investors from owning equity in companies operating in certain industries, amongst which were the real estate construction and development industry.

To comply with regulations, Chinese firms used shell companies, called Special Purpose Vehicles established in offshore tax havens, primarily the Cayman Islands, which enabled them to list, indirectly, overseas, on global stock exchanges and raise billions of dollars from foreign investors who bought shares in the listed firms.

All of that was heavy reading, but if I was to understand what the Wangs were up to in the Caymans, then I had to wade through it, like it or not.

VIE structures had been used extensively to facilitate offshore financing of Chinese businesses in the technology, media, and telecommunications industries. A VIE structure typically involved contractual arrangements in which an offshore SPV controlled and received the benefits of a Chinese onshore operating VIE whose shareholders were Chinese nationals.

The VIE Structure granted the Offshore SPV and its subsidiaries the rights and benefits normally associated with ownership of the VIE without holding actual equity ownership, thereby enabling foreign investors to invest in regulated sectors in China despite foreign equity ownership restrictions.

The interest of these SPVs was they had their own assets, liabilities and legal status, and as such could raise capital and issue bonds.

In addition, if a company wished to keep certain projects or assets off its balance sheets to avoid the financial risks that holding such assets could entail, it could also form an SPV, where it could then sequester the assets and securitise them by selling shares to investors.

Once the company established an SPV, it could raise capital through loans and from individual equity investors to purchase assets from a parent company. The assets then became collateral for the securities issued because the SPV owned them.

These, served as indirect sources of financing for the parent firm. However, they were generally not shown on company balance sheets, creating a risk for investors.

The SPV also had a distinctly separate financial risk and was a bankruptcy-remote entity, which meant that its insolvency or the parent company's insolvency could not put the other's financial situation in peril.

Although Chinese private companies were the most prominent Chinese issuers of bonds and shares in tax havens, state owned companies could also raise capital abroad, including the State Grid Corporation of China, China National Offshore Oil Corporation, and Sinopec, all of which had issued bonds through Cayman or British Virgin Islands SPVs.

Normally, SPVs established Hong Kong holding companies, and the Hong Kong holding companies then set up wholly foreign-owned enterprises onshore in China, through which foreign investment, raised by the Cayman company flowed.

The system prospered during the euphoric years when the Chinese economy grew in leaps and bounds. But in reality it was

a system fraught with risks if ever the operating companies back in China ran into difficulties—default, liquidation or bankruptcy, as illustrated by Evergrande when it defaulted on foreign dollar denominated bonds, privileging payment of domestic Chinese yuan bonds instead.

All that added to the news that Moody's rating agency had downgraded the outlook for China's property sector from stable to negative, signalling serious trouble ahead for the Chinese economy.

All of that was difficult to grasp and it made me wonder if if the Wangs knew what they were doing, and what Edouard had in mind started to make me nervous. I didn't want to end up in an American jail, like Sam Brinkmann-Fried aka SBF, living on bread and water, locked up in a Brooklyn prison awaiting trial.

SBF, in spite of being at the centre of those offshore wheelings and dealings had got himself into a tangled web of complexities, mostly of his own making, and was arrested on New Providence Island in the Bahamas for fraud.

The wunderkind hadn't chosen the island by chance, it was home to more than 400 banks and trust companies.

The US Department of Justice had a long arm, and with many American investors about to lose big-time as SBF's crypto exchange went belly up, it wouldn't be tender with helpers like me if the Wangs got themselves into trouble.

I ordered a drink by the poolside where I took time out to think things over. The situation was not good and I was certain that Edouard's trip was not without links to the arrests that had taken place in China just a few days earlier.

I picked up my smartphone and updated my facts by checking out Evergrande's Wealth Management Products on Bloomberg. These WMPs, as they were called, were financial products that until recently had offered investors fixed interest returns, much higher than those on bank deposits. They had been particularly popular with middle-class Chinese retail investors, whose numbers had grown rapidly over the previous decade or so, as the country's economy and its real estate market boomed.

Those products were often opaque and were linked to troubled companies in construction or real estate. WMPs were often issued by banks, but Chinese property developers also marketed the products as a means of raising capital to fund their activities without the debt appearing on their balance sheets.

In my opinion, and that of many others, they were rotten to the core and a lot of naive investors were about to lose their shirts if they hadn't already.

More than a decade earlier, a well-known short-seller, founder of Citron Research, Andrew Edward Left, published a scathing report that said Evergrande had practised fraudulent accounting and was insolvent. Left, for his troubles, ended up by being banned from trading in Hong Kong.

Another research firm's director, Fergus Hodgson, was just as brutal when he described Evergrande, 'I don't think you can just put lipstick on a pig.'

A lot of people would be hurt and not only stock and bondholders, but countless other stakeholders, including the company's sales representatives, contractors, employees and homebuyers.

Many believed giants like Evergrande and Country Garden were too big to fail, but according to John DeFrancis, they were wrong, and the shock waves would hit the middle-classes, imports and exports, luxury goods, raw materials, sending ripples out across oceans, which by the time they hit the shores of Europe and America would have the effect of a tsunami crashing down on industry, commerce and jobs.

It was why when Country Garden, the other mega-developer, defaulted on a 15 million dollar coupon payment, the shock reverberated across markets like an exploding bomb. China's biggest private property developer had defaulted on its offshore debt, unable to pay what was in effect a mere bagatelle for the multi-billion dollar business it was.

The default left Country Garden's debt trading for pennies. Its 6.15 percent note, due in 2025, was now selling for under ten cents in the dollar.

Non-payment automatically triggered cross defaults in other Country Garden bonds, and a company with almost eleven billion dollars in offshore bonds, defaulting, set the scene for one of China's biggest corporate debt restructuring operations ever.

Country Garden, together with Evergrande, had over half a trillion dollars in debt. The biggest private debt in all human existence.

Rumours ran wild as Country Garden refuted reports that its founder and chairwoman had both left China, but in a joint declaration, the father and daughter team, Yang Guoqiang and Yang Huiyan—who chaired the company, and were its majority owners, said they were both working as normal.

Yang Guoqiang, who was born into a peasant family, whose rags-to-riches tale led to colourful popular Chinese sobriquets for him—*the most grassroots tycoon* and *Number One property developer in the universe*. His daughter, Yang Huiyan, before the bubble burst, was the richest woman in Asia, worth an estimated 30 billion dollars.

The international ratings agency Moody's, downgraded Country Garden's senior unsecured debt to 'C', that is to say in default and extremely speculative, the bottom of its rating scale.

My thoughts flashed back to my pre-detention days in Shanghai and my discussions with Henry Wang, which left me wondering if he hadn't used me, a naive Westerner, as it was becoming obvious that he and Edouard had known much more than they pretended about the true state of the real estate business in China, and more to the point the workings of international finance and offshore banking.

The question was why? Had Henry been testing me? I should have been warned by the nature of Delta's business, especially Delta Timber, which was heavily engaged overseas in tropical hardwood and other commodities. Then there was their interest in boat building, yachting and marina projects overseas.

They obviously had enemies in China, and had their own agenda, and perhaps my arrest had been a way of getting at them, a warning.

CHAPTER 3

The City of London

We know that no one ever seizes power with the intention of relinquishing it. Power is not a means; it is an end. One does not establish a dictatorship in order to safeguard a revolution; one makes the revolution in order to establish the dictatorship.

George Orwell, 1984

The story went that in the old days the mosquitoes on the Caymans and other Caribbean islands were so thick in the air they could choke a cow. It was definitely not the case today as I discovered at the Carlton.

Where did it all start?

It was another world back in the early sixties when accountants and lawyers arrived from London to draft the secrecy laws relating to banking, now relabelled as ‘privacy’ laws, that were to transform the Caymans into a secrecy jurisdiction, like Bermuda, the British Virgin Islands and other territories, which were the vestiges of the Empire, giving birth to what are today the world’s biggest tax havens, and paradoxically still British.

According to the Georgetown Law Office of James D. Herring, bank secrecy laws were among the strictest in the world with criminal penalties for unauthorised disclosure. In addition there were no income taxes, capital gains taxes, profit taxes, or estate taxes.

It was simple, small islands and territories could be easily controlled, manipulated, and for this reason were perfectly suited to being transformed into tax havens and secrecy jurisdictions.

The explanation was small societies composed of small populations, had proportionally small cohesive elites with common interests, political and economic players, who in simple terms could be manoeuvred by a higher authority, that is to say in the case of British Overseas Territories, the colonial power base in London.

As the Eurodollar market expanded from 500 billion dollars in 1980 to 4.8 trillion in 1988, almost 90 percent of all international loans were made in Eurodollars by 1997. With such huge sums of offshore money the Caymans became a hub for tax evasion and money laundering, a paradise for dictators and drug cartels.

Over time, the British Virgin Islands, had become the home for international holdings and at the beginning of the 21st century the Chinese arrived—Alibaba, Evergrande and many other business giants, and in their wake came crooks and criminal gangs, in Xi Jinping’s words the ‘tigers and flies’.

Anything went when so much money flowed freely.

The Tax Justice Network, an activist group based in the UK, reported the Bank of England, in a memorandum dating from 1969, marked ‘Secret’, it was noted, ‘We need to be quite sure that the possible proliferation of trust companies, banks et cetera, which in most cases would be no more than brass plates, manipulating assets outside the islands, does not get out of hand. There is, of course, no objection to their providing boltholes for

non-residents, but we need to be sure that in so doing, opportunities are not created for the transfer of UK capital to the non-sterling area outside UK rules.’

Historically the City of London, the capital’s financial district, dated back to the Norman Conquest in 1066 and a concession known as the William Charter. The piece of vellum on which the charter was written was delivered to the City by King William I, the Conqueror, in 1067, soon after the Battle of Hastings, before he entered London.

William the King, friendly salutes William the bishop and Godfrey the portreeve and all the burgesses within London both French and English. And I declare that I grant you to be all law-worthy, as you were in the days of King Edward; And I grant that every child shall be his father’s heir, after his father’s days; And I will not suffer any person to do you wrong; God keep you.

The document reflected William’s recognition of the importance of London, and its concentration of trade and wealth, which he wished to safeguard. After defeating the English army under Harold at the Battle of Hastings in October 1066, William brought his forces on a slow and marauding march north, subjugating towns along the way, before setting up camp at Westminster. There, he threatened to besiege and loot the City, where many of the remaining leading men of the Anglo-Saxon court had congregated. Their peaceful surrender was favourable to both camps, and the ensuing charter a reward, issued soon after William’s coronation in Westminster Abbey on Christmas Day 1066.

The autonomy which it guaranteed was valued and defended by the City ever since. The charter also reflected London’s

international character by addressing French and English residents and treating them equally.

The charter was one of the many the Citizens of London obtained from the English sovereigns over nearly one thousand years.

Today the City was effectively a state within a state, administered by the City of London Corporation, a private company that performed all the functions of a local council with its own police force and courts, a separate entity from Greater London with its own head, the Lord Mayor, who was independent of the mayor of Greater London, chosen by livery companies, comprising London's ancient and modern trade associations and guilds, represented by professions and industry.

In addition they had a representative in the House of Commons called the Remembrancer, whose role was to report back and lobby parliament on behalf of the City.

The Corporation of London was therefore an extremely powerful institution and deeply influenced British policy, particularly in economic and financial matters.

The City was in fact a collection of financial interests, which had an overarching power, that is influencing the elected government of the UK, and often contrary to the interests of the majority of British people.

In the heart of the City stood the Bank of England, which was not only a central bank, but also a financial regulator and as such used its power to attract the world's banks to London. London became a home for banks where they could undertake business

Secrets Book III The Bezzle

not permitted elsewhere, and where senior bankers did not have to be necessarily concerned by the consequences of their actions.

All this went a long way to explaining why there were more banks in London than in just about any other financial centre in the world. In the UK, unlike certain other countries, no banker ever went to jail. In other words it was all part of the UK's business model—bring your money here and we will take care of it, look after you and you may do anything you want in secrecy thanks to the chain of offshore establishments set up by London institutions from the early 1960s, in the outposts of Britain's Empire II.

CHAPTER 4

The Ministry of State Security

Simply put, they are lying and the results will be catastrophic. Investing in new fossil fuels infrastructure is moral and economic madness.

Antonio Guterres UN Secretary General

China's Ministry of State Security, known as the Guoanbu,³ was different from American and the British intelligence services, in that it had, in addition to its regular staff, 90 million external agents in the form of Chinese Communist Party members, at home and abroad, who were instrumentalised at all levels to feed information to the MSS specialised agencies

It was not to be confused with China's national civilian police force, the Peoples Police,⁴ the role of which was civilian law enforcement, though it also played a political policing role.

The Ministry of State Security, composed of 18 specialised agencies, coordinated control over its provincial counterparts at lower levels of the bureaucracy. Unlike its Western counterparts, every province of China had its own state security department,

³ an abbreviation of 国家安全部 or Guojia Anquan Bu in Pinyin, without tone marks

⁴ 人民警察 or Renmin Jingcha in Pinyin

that is a provincial government agency, whilst remaining part of the national state security structure.

This was very different to how intelligence work was structured in the West, where it was generally the sole responsibility of federal or central governments.

The vast majority of MSS personnel worked in the provincial agencies. By extension, they carried out the majority of foreign intelligence operations as did the Shanghai State Security Bureau or Guangdong State Security Department.

My arrest and detention two years earlier had certainly been engineered by the Shanghai State Security Bureau.

As a covert intelligence apparatus, the state security system relied heavily on cover to carry out its operations, within in the CCP, provincial government structures, state controlled enterprises and even private businesses.

The role of the Chinese Ministry of State Security could be seen as a mix between internal and external intelligence services. From its foundation it counted experienced foreign intelligence and counter-intelligence officers, though many of its personnel had been police officers whilst operatives specialised in overseas services came from Chinese diplomatic services and embassies, which enabled them to cultivate and recruit foreign assets.

One of the MSS specialities was stealth, cultivating foreign elites, bestowing honours on them including leading roles in friendship, cultural and scholarly associations, cultivating the myth that China had no intention of challenging the West or seeking to destabilise the existing international order.

Often cooperation agreements in for example building nuclear power stations or commercial aircraft were fronts for acquiring technology with the objective of becoming autonomous and future competitors in overseas markets, as was the case for France, which ended up facing Chinese enterprises as competitors that undercut them in international markets.

France was an example, where a former prime minister, the long time head of the Franco-Chinese Friendship Association, oversaw the transfer of French know-how to China, creating competitors to Airbus and Framatom, respectively French builders of jet airliners and nuclear power plants.

It was flattering for has-been politicians to finish in glory showered with dud honours.

It was something I had learnt at the Confucius Institute, where the Sinophile wives of French engineering specialists and military advisors studied Mandarin.

The fact was the MSS was everywhere and especially where Chinese communities were present.

CHAPTER 5

Trusts

Since my arrival in Central America I'd been set on a fast learning curve. At the LSE in London, I'd studied all the theory, which was not the same thing as seeing all those polished brass nameplates fixed on the doors of fancy offices from Belize to Panama and now George Town. Lawyers, accountants, specialists and crooks, all proposing different ways ways to avoid taxes and hide loot.

Certain of those offshore business structures guaranteed more than just secrecy, especially trusts. These were based on a concept that emerged far back in the mists of history, when trustees, or stewards, appointed by English knights who had left to fight in the Crusades, who would in their lord's absence care for their worldly goods and estates.

Today trustors, in the same way as in ancient times, left assets in the care of a trustee, generally speaking a lawyer. In this way the trustor was legally separated from those assets. In fact they were no longer his and he could not be taxed on them, and in addition, trustors were often protected by a veil of secrecy, especially in those British offshore jurisdictions, like the Caymans.

In such jurisdictions, no qualifications were needed to be a trustee. Anyone could set up a trust and act as a trustee. There was no registry of trusts and no bodies to certify that a trust had been set up. The only persons aware of the existence of the trust

were the trustee and the trustor. Astonishingly, besides there being no obligation to register a trust, no financial reporting, and no annual statements were required. Thus to all intents and purposes, trusts were invisible.

This loophole in international law concerned trillions of dollars, which in theory belonged to no one, either for tax purposes or any other purpose for that matter.

Trusts held works of art and gold bullion hidden in Freeports, more visible were their real estate holdings, racehorses, cars, and any other non-financial assets. It was estimated that 50 trillion dollars, an inconceivable sum of money, was hidden in trusts held in secretive offshore territories.

Of course these had been targeted for tax evasion, and the Cayman Islands, amongst other British possessions, had signed new information exchange agreements with the UK and the rest of Europe, in order to respond to banking secrecy criticism.

Such trusts were the foundation stones of Anglo-Saxon secrecy, the very base on which complex offshore structures were built. Each of these jurisdictions offered its own specific set of services, from trusts to shell companies, to secret bank accounts and nominee directors.

The combination of these services formed complex arrangements that often spanned multiple jurisdictions, in other words an impenetrable web, the beneficiaries of which lived on the other side of the planet. These structures were set up by highly specialised law firms most of which were registered in British overseas jurisdictions.

Secrets Book III The Bezzle

London insisted these jurisdictions were independent and that they had no powers to intervene, which was of course a pure charade, since London appointed the governor and many other senior officials in its overseas territories for which the British government was responsible for foreign relations and defence.

Independence was not on the political agenda of the Cayman Islands—a self-governing British Overseas Territory. The Bahamas on the other hand became independent in 1967, at which point its offshore bankers promptly relocated to the Cayman Islands.

The fact was the City of London controlled the way in which British Overseas Territories evolved as tax havens, transforming them into part of its business as the world's largest provider of international financial services, controlling a quarter of the global market, which, if Hong Kong, Singapore, Dubai, Bahrain and Cyprus were added, rose to not far off half.

In fact the creation of the London Euromarket enabled the City of London to exploit its pre-existing network and know-how with the development of secrecy jurisdictions giving banks access to vast amounts of cheap money.

This encouraged international banks to set up branches in London and in the UK's offshore jurisdictions, taking advantage of this innovation, as deregulation opened up markets to new players, making it easier to set up overseas corporate entities.

The result was half of all global offshore wealth was almost certainly hidden in the UK's secrecy jurisdictions.

It also explained how the timber, palm oil and copper from New Guinea did not benefit its people, but benefited its elites

and foreign companies, like Henry Wang's Delta Group, enabling them to sequester their profits in Caribbean companies and secret offshore bank accounts, paying no taxes, neither to the country that produced the commodities nor the country that imported them.

Under Rishi Sunnak, a former investment banker, all that was not about to change, and that, combined with the City's need to fight off competition from Frankfurt and Paris, was about to be boosted as the cap on bankers' bonuses officially came to the end on 31 October 2023, to the great joy of those who had almost forgotten the good times.

Of course in multinational banking corporations, such as the INI Holding Group, bonuses were discreetly paid by its overseas bases, in my case Hong Kong, more than a pleasant surprise. A reward for my work in New Guinea and a compensation for my six months detention in Shanghai. More than a million dollars, which projected me into a new class where I could look Henrique da Roza and Edouard Wang in the eye, though I still had a very long way to go before becoming an equal, financially speaking that is.

CHAPTER 6

The Caymans

A message from Edouard announced his time of arrival in the early afternoon the next day. Grand Cayman was small, very small, just 30 or so kilometres from one end to the other, and the airport was about four from the hotel.



The airport cargo terminal

On entering the small airport I checked the arrivals board, there was no flight number that corresponded with the information he'd provided me with. I checked with the information desk who announced that it was a private flight arriving at the General Aviation Terminal, like my own flight the previous day.

I waited more than an hour without much information supplied by the reception desk. Then, when Edouard's plane finally touched down I was astonished to see the colours of the Delta Aviation Airbus 320, which taxied to a parking spot in the cargo zone of the airport.

Edouard together with another guy of about fortyish was picked up by a minibus and both arrived smiling broadly after being hurried through formalities in just a few minutes. As I said the terminal was small.

'Hi Michael, good to see you. This is James Kong,' Edouard said introducing me to the other guy. 'He's from Cambodia.'

'Cambodia!'

'Yes,' said James in perfect English. 'Phnom Penh.'

'James speaks Mandarin too,' Edouard added.

'Yes, but I'm Cambodian, Kmae-cen, that's Khmer-Chinese. My first language is Cambodian. My family originally came from Hainan, that was several generations back, but we still have family there, that's why I speak Mandarin. I get by in Hainanese too.'

Chinese languages and dialects were endlessly complicated, as I had learned in Shanghai, Hong Kong and especially in the many Chinese overseas communities, where family and business affinities were often based around dialects spoken.

'James is a business friend, a good friend,' added Edouard reassuring me.

Secrets Book III The Bezzle

We arrived at the Carlton in ten minutes and Edouard booked into a large suite with James. He was raring to go and once their bags were delivered we set off. It was a Saturday and he wanted a tour of George Town. I wondered if he was going to look for a KTV bar like in Shanghai, but no, he wanted to go to a place called Uglan House.



Uglan House

We took a taxi and Edouard asked the driver to drop us off at the address, which the driver obviously knew. George Town wasn't very big, spread out, no more than a couple of miles in all directions and lay less than three miles to the south of the Carlton.

I must admit I was puzzled, Edouard seemed to know our destination. Personally I'd never heard of it. As Edouard admired the passing sights, I Googled Uglan House on my phone and saw it was made famous by Barack Obama, who'd described it as 'Either the largest building in the world or the largest tax scam in the world.'

In any case it was the official address for more than 20,000 offshore corporations, almost none of which had a physical presence on the island.

It was a modern not very impressive five-story building on Church Street, a couple of hundred metres from the George Town Cruise Port, to the south of Bayshore shopping mall.

The building was the home to more companies registered there than there were inhabitants in George Town. Another 80,000 companies were registered elsewhere on the island.

Their *raison d'être* was not only tax avoidance, but many more things their owners wished to hide from the governments and law enforcement authorities back home.

Trillions of dollars passed through the island nation's banks each year, depriving distant countries of billions in tax revenues that many could ill afford to lose.

With nothing more to see but the building and a few palm trees, we then headed into the downtown district where Edouard told the driver to wait whilst we took a short walk. Passing many buildings we noted the brass nameplates announcing banks, law firms, accounting practices, offering their services to foreign businesses and high worth individuals. Others announced the registered offices of businesses and trusts.

Edouard was very excited, like a kid visiting Father Christmas's Toy Factory.

We found a place to sit down under the shade of a couple of palms, have a refreshing drink, and Edouard started to explain his plans switching from English to Chinese and French

whenever he wanted to tell me something he didn't want to be overheard by potential eavesdroppers.

Evidently James, who didn't say much, was party to those plans.

Edouard's phone rang and he spoke rapidly in Shanghainese. I understood almost nothing.

'That was the pilot we have to get over to the airport,' he announced.

We finished our drinks and James made a sign to the taxi that had been following us.

Once in the car Edouard turned to me, 'Zhang, our captain, told me that our cargo is about to be unloaded and Brink's is sending a vehicle to collect it.'

'Brink's?'

'Yes, on behalf of Butterfield.'

I was lost.

'Butterfield, that's our bank.'

'And Brink's?'

'They've organised the storage with SWP.'

He was talking in riddles.

'Edouard, can you tell me what the cargo is?'

He hesitated, obviously embarrassed. 'Gold, gold bullion,' he whispered.

Fuck me, I said silently.

James stoically looked the other way.

‘How much?’

‘About one hundred million.’

‘One hundred million what?’

‘Dollars.’

Jesus fucking Christ, I said silently. What am I getting myself into. I struggled to rationalise what was evidently a crazy situation. That it wasn’t coke was my only consolation, if there was one.

I’d heard there was a rush into gold, but this beat everything!

I was surprised. I knew Henry Wang was not a saint, but I started to worry as I wondered what the fuck they had going in the Caymans.

I didn’t have to wait long to find out.

‘It’s perfectly legal...here...to import gold,’ Edouard said in a weak protest.

I bet it is, I thought, wondering where the fuck it had come from...illegal rainforest timber exports from Cambodia or the Solomon Islands? Transfer pricing operations?

‘Don’t worry Michael,’ said Edouard looking at my horror stricken face, ‘SWP is a storage company and the gold belongs to one of our holding companies here.’

Secrets Book III The Bezzle

In a quiet corner of the tarmac, situated in the airport cargo zone, we watched as a dozen covered pallets of 120kg, each loaded with ten 400 ozt⁵ gold bars, were unloaded from the Airbus that bore the green Delta Group logo. Each pallet was carefully inspected by the Delta's Airbus captain, SWP and Butterfield representatives, then loaded into the Brink's armoured truck with a forklift elevator. There were just a couple of the security company's armed guards nonchalantly watching. No special precautions. I mean where could a gang of robbers go on such a small island?

'Can I ask where came from?' I said as we watched them load the truck.

'One of the company's subsidiaries in Phnom Penh,' Edouard replied.

'Cambodia?'

He nodded.

I looked at him doubtfully.

'James's father arranged it.'

I looked James.

'Yes, my father is Oknha Kong Chan, close to Hun Sen, I went to university with Hun Manet's brother in Melbourne,' he said in a somewhat embarrassed attempt to justify his presence.

⁵ ozt troy ounces a measure for precious metals 31.1 grams SI

Edouard hurried to explain, telling me Hun Manet was now Cambodia's prime minister, and 'Oknha' was an honorific title, originally bestowed by the Cambodian king, now the highest title bestowed on civilians by the country's government.

From what I could figure out James was into finance and crypto, which made sense, it went with the gold, but was easier to move, a few clicks on a keyboard and a hundred million dollars worth of bitcoins could cross the world in milliseconds oblivious to borders and controls.

I made a sign of being suitably impressed. I didn't want to spoil their fun. But I'd heard about certain Cambodian tycoons linked to deforestation, rosewood trafficking and numerous accusations of corruption, deals linked to China's Belt and Road Initiative extension in Cambodia and their crooked business workings.

But that was a relatively small part of the business that was controlled by Chinese criminals in the Golden Triangle, which included cyber crime, where vast quantities of money was made, transferring the region into a hub for money laundering and capital flight, as gold, dollars and cryptocurrency changed hands on China's own doorstep.

Money in the form of bitcoins was transferred from China and the countries of Southeast Asia to any one of the crime syndicates run by Chinese triads operating in the Golden Triangle. There it was used to buy gold or dollars which was then transported to freeports or bullion markets in places like Hong Kong, Singapore, Dubai, or the Cayman Islands.



*Mao and Chu Teh during Chinese Civil War
a world that no longer exists...*

It was part of the system that sustained capital flight out of China as Xi Jinping fumbled with muddle headed policies that confounded financial markets with leaps of ill thought out Mao style ideological stratagems, authoritarianism and geopolitical ambitions designed for a world that no longer existed.

CHAPTER 7

Gold

Henry Wang's company Delta, with the help of crooked officials in Indonesia, New Guinea and Cambodia, had diverted profits from its forestry operations—much of it derived from illegally logged tropical hardwoods, to offshore companies in the Caymans and BVI, where it was then invested in the UK or the US, to buy property, yachts and setup businesses.

And there were plenty of yachts to buy, especially those seized from Russian oligarchs, part of the sanctions imposed for their backing of Putin's Ukrainian war. They included the 300 million dollar super-yacht, *Amadea*, owned by the Russian oligarch Suleiman Kerimov. The 106 metre super-yacht, built by Lürssen Yachts in Germany in 2017, was seized in Fiji and was now docked in San Diego where it could be viewed.

The yacht was seized by the US Justice Department's Task Force KleptoCapture. Kerimov, known as the 'Russian Gatsby', whose family was worth over ten billion dollars, was reputed for his extravagant life style and parties on the French Riviera, where stars like Beyonce were invited.

Kerimov, a lawmaker in the Russian Duma, owner of the Nafta-Moskva investment group, which operated gold and silver mines, had made the headlines crashing his Ferrari Enzo in Nice, where he was seen weaving in and out of the traffic at high speeds along the fashionable Promenade des Anglais, in the company of a young woman he had been trying to impress. His

bravura hadn't panned out as he had planned when the Ferrari slammed into a tree and caught fire, Kerimov and his girlfriend narrowly escaping with burns.

The Kerimov family had made their fortune in gold and silver mining companies, notably Polymetal and Polyus, the latter being one of the world's most important mining companies in terms of gold reserves. Russia was sitting on the world's second largest unmined reserves with an estimated 6,800 metric tons of gold, mostly in Siberia.

Gold had always inspired the imaginations of kings and adventurers, from Peru to the Yukon, across the Pacific to China and India. Spain had built an empire on the gold of the Incas, Mayas and Aztecs. For millennia it has been used for jewellery, a means of exchange and a sign of wealth and power.

Today, gold was still one of the world's most important metals and was no less powerful, the measure of a nation's wealth, and was used in a large number of electronic devices, including our smart phones.

Since its discovery by ancient civilisations, only about 200,000 metric tons of gold had ever been mined, and two-thirds of that had been extracted since 1950. Comparing that amount to the more than 700 million tons of copper that had been extracted from the ground provided an idea of how precious a resource gold really was.

In terms of comparable value, one metric ton of gold, equalled 35,274 ounces, and at a price of 2,000 dollars an ounce, was worth over 70 million dollars, as I was about to discover.

The question was, where did all that Russian gold go?

Well it wasn't too difficult to guess, the UK of course. Before the invasion of Ukraine, almost all the gold exported from Russia was shipped to vaults in London, the centre of the global bullion trade. In 2021 alone, 88 percent of Russian gold worth 15 billion dollars ended up in the UK, a mere fraction of what went to Switzerland, and even in 2022, after Russia invaded Ukraine, 2.3 billion dollars worth of the stuff landed in the UK before imports were banned.

So where was it going now?

Locked out of London's Bullion Market, Russian gold was redirected to the bullion market transit hub in Dubai, and more recently Hong Kong, from where it was shipped to other markets, including Singapore and Istanbul.

Sanctions on Russia's biggest gold miners, Polyus and Polymetal, however impacted Dubai traders, and banks became more reluctant to deal with gold and money of suspect origins, which led to shipments being rerouted to Hong Kong.

There, in Hong Kong, companies like VPower Finance Security, which moved cash and precious metals for some of China's biggest financial institutions, became a key player in handling imported gold from Russia, attracting bullion into the country and creating profitable arbitrage opportunities for China's traders.

However, Russia was still struggling to reach the export levels prior to war sanctions and more obscure routes were being opened as bullion transporters such as Brink's and Loomis were excluded from doing business with the Russians. These alternatives included criminal networks that had been used to

launder gold mined in Africa and Southeast Asia's Golden Triangle, amongst them were Russia's private military companies like the Wagner Group, using existing illicit supply chains, disguising origins and ownership, and using private aircraft to fly gold into and out of those third countries, relabelled, to international gold markets like Dubai.

Chinese owned companies, operating gold mines in Africa, Southeast Asia and Latin America, were engaged in large scale smuggling operations, flying gold directly to China and countries like Myanmar, Laos and Cambodia, where gold could be easily assimilated with local production.

In this way, illicit gold from troubled regions of the world flowed into Dubai or Hong Kong hubs, where it was traded and moved into broader markets, including Switzerland and London.



It was an illustration of how tax authorities lost over one trillion dollars through corruption, evasion, capital flight, and what was lesser known, the transfer mispricing of commodities produced by big agriculture, forestry business and miners.

In a way it was history repeating itself, the illicit flow of money into Western economies had the same effect as Spanish gold and silver in past centuries—the collapse of industry and the financialisation of the economy.

As George Santayana said, 'Those who cannot remember the past are condemned to repeat it.'

In the same way when Eurodollars flowed into the City of London and its tax havens in the sixties and seventies or into

British banks in the 19th century, the money was not invested in British industry. It was put into real estate and financial speculation, foreign currency and trade. The result was the de-industrialisation of the UK and more precisely the financialisation of its economy through the City of London.

Britain's postwar offshore banking and business system expanded rapidly, and soon developed into the world's dominant international financial market, though few really understood how exactly it functioned.

It was thanks to offshore companies and trusts established to circumvent taxation and legislation in home markets, and more precisely through the systematic development of secrecy that permitted the growth of a whole range of illicit business activities that included arms sales, contract kickbacks, bribery, fraudulent invoicing and trade mispricing, all underpinned by tax evasion.

CHAPTER 8

Grok

Orbiting Earth in the spaceship, I saw how beautiful our planet is. People, let us preserve and increase this beauty, not destroy it!

Yuri Gagarin, first human in space

Patrick Kennedy believed in science. He knew that humanity, or Gaia as he preferred to think of our world, was standing on the frontier of great discoveries. The evidence was there—the Webb telescope, Artificial Intelligence, biological chimeras, the imminence of human presence on the Moon and Mars...and immortality.

There was only one problem. If man was to reap the benefits of the treasures the universe offered, he had to survive Armageddon.

His researchers told him that the moment of ‘singularity’, the moment when artificial intelligence surpasses the control of humans—was imminent. Artificial Intelligence was already making its first unsteady steps, in fields that went far beyond what the popular press and media reported.

Kennedy’s robotics and AI research centre had already reached the moment when AI could truly perform tasks just as well as humans. Already large language models built by Meta, OpenAI, and Elon Musk’s xAI, were showing the way.

Politicians rushed to rub shoulders with such men who were more permanent than they. Presidents came and went, whilst Bill Gates, Jeff Bezos, Elon Musk, Larry Page and Sergey Brin became permanent fixtures in the firmament of the extraordinarily rich, developing science and technology, innovating and reaching out to new worlds.

Musk's latest innovation was called 'Grok', a chatbot, which had drawn its name from Robert A Heinlein's 1961 novel, 'Stranger in a Strange Land', where grokking was important, that is empathising so deeply with others that you merged or blended with them. In other words when you grokked something, you totally grasp its meaning.

Grok was modelled after the 'Hitchhiker's Guide to the Galaxy' and was apparently intended to answer almost any question, even suggest the questions to ask.

Musk had co-founded OpenAI, the company behind ChatGPT, but later quit. I suppose he was not oblivious to the possibility AI could become a threat to humanity, escaping human control.

Money and human scientific resources were being poured into a race towards singularity, which could transform the future of humanity, giving untold power to those who controlled it. What Musk described as 'the most disruptive force in history'.

Kennedy concurred when Musk told Rishi Sunak, 'There will come a point where no jobs are needed.'

Especially for humans in a world without humans, which Pat didn't plan.

As for myself, I'm not sure I grokked all of Kennedy's ideas.

Secrets Book III The Bezzle

At the opposite end of humanity's spectrum were autocrats, like Xi Jinping, who slapped down innovators, replacing them with grey ciphers, who excelled by their lack of imagination, and by their ability to raise their hand in unison in the Great Hall of the People.

As for Vladimir Putin, his brutality equalled that of his Chinese counterpart in slapping down naysayers, with Russia's long tradition of Lubyanka and Siberian Gulags for dissidents like Alexei Navalny.

Kennedy's goals were multiple. But firstly was the application of AI to guide his plans, a vision of a different future. He, like Bezos and his cohort, had understood the meaning of great wealth, the pursuit of knowledge for humanity's well-being, unlike the far more sinister goals of autocrats, who sought power to bend the minds of men, or mullahs to control their souls to satisfy their tortured beliefs.

CHAPTER 9

Elites

By now I'd discovered that INI Hong Kong—and many of its clients like Henry Wang's Delta Group, were up to their necks in illegal dealings in one form or another. It was the nature of INI's business, helping its clients to manage their investments and affairs by optimising profits, through different means including tax avoidance and raising capital via secret offshore vehicles in Panama, Bermuda, the Cayman Islands, or any one of a dozen other fiscal paradises.

It was a fact that secrecy jurisdictions were the choice destinations for many opaque financial operations. Transparent everyday financial activity had no need for the kind of secrecy offshore havens provided for operations, such as moving gold across the planet, island hopping from one former or actual British dependency to another.

It was astonishing to learn that the Cayman Islands was the fifth largest financial centre in the world with over 80,000 registered companies, over three-quarters of the world's hedge funds, and two trillion dollars in deposits. An unbelievable situation for a couple of small islands with a population of just 60,000.

It slowly dawned on me that I had been led up the garden path by Henry. It was now crystal clear that he and his family knew much more about offshore business and banks than he had pretended.

Since the start of the new millennium Chinese businessmen had become part of that strange mixture of characters that populated the offshore world. They joined a club composed of the nouveaux riches, stars and show biz personalities, British ex-public schoolboys, lords and ladies, the agents of foreign intelligence services tracking their own and others, narco traffickers, conmen and crooks, and of course bankers in profusion.

Whilst politicians in the UK claimed they were cracking down on offshore tax havens, they were in fact doing quite the opposite, protecting the City of London, which in fact ran the whole show.

Further, many British politicians and their families had business ties with the City of London and British Overseas Territories. Amongst them was former British Prime Minister David Cameron's late father, Ian Cameron, who had been a well-known specialist in offshore funds and trusts.

Ian Cameron had been however a modest player compared to Rishi Sunnak, the UK's Prime Minister and former Chancellor of the Exchequer, who was almost certainly one of the richest politicians in the UK, if not the richest, with his and his wife's fortunes estimated at near one billion dollars. Sunnak, who was married to Akshata Murthy, was the son-in-law of one of India's richest businessmen, Narayana Murthy, said to be the father of India's IT boom.

Whilst Sunnak was Chancellor, his wife was said to have claimed non-domicile status in order to optimise taxes.

Murthy commenced with a modest start-up, Infosys in Pune in 1981, and his rags-to-riches story was now one of those

frequently cited successes in the Indian business world. Murthy was now retired and his minority stake in Infosys was worth over three billion dollars.

Akshata Murthy's company, International Market Management, operated a chain of restaurants and managed investments through Mauritius, a tax haven in the Indian Ocean.

Before entering parliament, Sunak worked in hedge funds, co-founding the US arm of the Cayman Islands registered Theleme Partners.

Sunak had worked as an analyst for the investment bank Goldman Sachs, between 2001 and 2004. He then moved on to the hedge fund, The Children's Investment Fund Management, becoming a partner in September 2006. In November 2009, he left to join his former colleagues in California at a new hedge fund, Theleme Partners, which was launched in October 2010 with 700 million dollars under management. At both hedge funds, his boss was Patrick Degorce. In addition Sunak was a director of the investment firm Catamaran Ventures, owned by his father-in-law.

Sunak who didn't hesitate to enrol Rwanda, in what seemed like some futuristic dystopian fiction, shipping poor bastards off to the heart of Africa. In fact it reminded me of my Uncle John Ennis' book *France 2049*.⁶

Mauritius became a British colony when it fell under the control of Great Britain in 1814, following the Treaty of Paris

⁶ France 2049 by the author. French version *L'île de l'ouest*

which ended the Napoleonic wars. In 1968, the island became independent, it was in a parlous situation as it depended almost entirely on sugar and remained economically underdeveloped until 1992, at which point it became a tax haven, permitting foreign businesses and foreign nationals, neither citizens nor residents of Mauritius, to set up legal structures, which would basically provide them Mauritius Tax Residency Certificates.

This illustrated how British politicians, their families, cronies and the business friends, who sponsored the country's political parties, had little interest in killing their golden goose.

If leaders and politicians like Cameron or Sunak had wanted to close down the UK's offshore tax havens, they could have done so. The fact of the matter was, they had no interest in doing so, for the simple reason they and the country were complicit, with vested interests in the continuation of their existence.

If you came from the same background, you knew the right people, you could get away with doing all kinds of things. I should know because I had that kind of background. It was how I ended up with the Fitzwilliams Foundation and Kennedy's INI banking corporation, which made everything so much easier.

It was all part of the British establishment, and by extension that of Ireland and all those other islands. All part of their system, the upper class, the British public school establishment that has been there for centuries, which by the way, for those of you who didn't know, is anything but public, part of an elitist system whereby money and class keeps the unwashed out.

The reality is the British establishment, that old boys' network of privileged elites, had carved out a lucrative niche for itself in

the offshore world, created following the demise of its colonial empire. What they had done was to transform themselves from administrators of the defunct Empire, into financial advisors and managers for the global elite and their multinational businesses incorporated on the newly created offshore tax havens, that chain of sunblessed tropical islands accessible to the very rich.

Once the door was opened for business, money flowed in, suitcases full of cash and gold bars. But little by little it became more sophisticated, more technical with wire transfers, then shell companies and offshore banks, and a system that in general was geared towards secrecy and anonymous company ownership.

Those shell companies hid the owners of properties across London and half of Scotland behind opaque screens, tools that extended tax avoidance to anyone who could afford to hire a lawyer to set up an offshore company and open a bank account, a lawyer like the late Barry Simmonds.⁷

Offshore has become a conventional part of managing business, even for communist China, for Red capitalists like Xu Jianyin, the way business is done.

It had become a well oiled system, built around an army of financial advisors and accountants. They administered the system that allowed wealthy individuals and businesses to transfer their money offshore and avoid taxes. As to the City of London, it was the home to a disproportionate number of accountants and lawyers, some in the big accounting firms like

⁷ Barry Simmonds, a lawyer in *The Gilgamesh Project* by the author

PricewaterhouseCoopers or KPMG, others in small specialised independent firms, whose business it was to set up and manage those tax avoidance schemes and wealth shelters.

The strange thing was many of the big accounting firms advised the government on many matters related to offshore fiscality, and certain of their partners had even penetrated state institutions such as His Majesty's Revenue and Customs, and the Treasury.

Half of the world's secrecy jurisdictions were effectively under British protection with near on half of all offshore wealth hidden in Britain's tax havens, and according to some estimates 50 percent of international finance was conducted on British territory.

Financial services were a steady source of wealth for Britain's elite. It was also where government ministers went out to graze when their political careers came to an end, as was the case with senior civil servants, even retired intelligence specialists from MI5 and MI6, who were rewarded for their contribution with lucrative consulting positions.

In short the elite had transformed the UK and its dependencies into the world's largest, by far, tax haven with the City of London leading the way.

CHAPTER 10

Revolution

As I said, the role of Fitzwilliams Foundation was the study and analysis of geopolitical events and their impact on the bank's business. My specialisation, broadly speaking, covered economics, raw materials and commodities, which were influenced by changing geopolitics—conflicts, revolutions and the reconfiguration of regional alliances.

Over the last couple of years I had spent a good part of my time in Southeast Asia, where I had seen how China controlled the extraction of raw materials, minerals, timber and other commodities, to supply its industrial machine⁸. Which of course led me to China and Henry Wang.

Asia was of course China's stomping ground and had been for centuries with the Chinese diaspora spread across all of Southeast Asia.

However, China was a newcomer in the Caribbean compared to Russia, which had a presence that went back to revolutionary times. The Russian Revolution had exerted a powerful political and ideological influence on Latin America, leaving its mark on political parties, labour unions, artists, intellectuals and students,

⁸ See Chinese Poker by the author

many of whom had seen the Soviet Union as an alternative to capitalism, a bulwark against American imperialism.

This was reinforced by Fidel Castro, who, to the surprise of the outside world, overthrew the American backed dictatorship of Fulgencio Batista in Havana, inspiring a generation of guerrilla movements across Central and Latin America.

Mexico had experienced its own home grown revolution between 1910 and 1917, its nationalist and socialist ideology winning acceptance over that of the Mexican Communist Party.

Pancho Villa and Emiliano Zapata inspired Mexicans and formed the foundation of their country's political vision for the century that followed.

The Mexican Communist Party was declared illegal in 1929, it was unable to compete with the Institutional Revolutionary Party leader Lazaro Cardenas, who distributed over ten million hectares of land and nationalized American and European owned oil companies in 1938.

In 1936 Cardenas gave political asylum to Leon Trotsky, who was assassinated by an NKVD agent in 1940. However the Communist Party of Mexico refuted, in *La Voz de Mexico*, any implication in his assassination.

The Communist Party of Mexico declares categorically that none of the participants in the provocation is a member of the Party; that all of them are uncontrollable elements and agents provocateurs...

and

Trotsky...is one of the principal inspirers of the fifth column, a point of support for Mexican reaction and Yankee imperialism, a paid agent of the worst butchers of the Mexican people.

After which the Institutional Revolutionary Party, could present itself openly as a nationalist and progressive alternative to Communism, while the Communist Party remained marginal, supported workers unions and cultural figures, finally merging into the Mexican Socialist Party.

The Russians remained active in Cuba and Venezuela, their traditional Latin American allies. Russia's power and influence was due to its nuclear clout, which it inherited from the now defunct and much larger Soviet Union. In reality Russia's economy today was almost entirely dependent on its vast natural resources and in spite of it being the biggest nation in the world by landmass, its GDP, like its manufacturing output, was comparable to that of Italy's.

The truth was Russia struggled in its war against Ukraine, a much smaller nation, which confirmed its weakness despite the bellicose declaration of its leaders.

As for Putin, after entering his third decade as Russia's leader, he had failed to diversify his nation's economy. In 2015, Senator John McCain described Russia as 'a gas station masquerading as a country'. With considerably less industrial resources than China, they nevertheless had honed certain skills, whilst the Chinese remained inexperienced amateurs, though with their wealth they were learning fast.

Pat Kennedy, looking back over thirty years had seen how political regimes fell, changed, evolved. The scramble to get

money out. The carve up of assets. Reconstruction. Growth. Wealth.

It was a model as old as the world. And now, his friend Henry Wang, was treading the same path as many Russians had after the collapse of the Soviet Union. Did that mean China was about to collapse? The short answer was no, but it was going through a turbulent period and as usual that entailed risks.

Henry Wang didn't share Xi Jinping's vision of Common Prosperity, that had never worked. What had worked was Deng Xiaoping's *laissez-faire* model. It had its flaws, but it had thrust China into the 21st century, transforming Mao's peasant society into a world power.

The path that Henry Wang was following was that of Russia after the fall of the Soviet Union, more exactly the new breed of Russian entrepreneurs that sprung up in the chaos that followed Gorbachev, oligarchs, as empires were built, and fortunes were made, much of which was stashed overseas, invested in property, yachts, fast cars and fast women, with the help of Pat Kennedy and his friend Sergei Tarasov.

However, China was neither bankrupt like the USSR nor trapped in the kinds of conflicts the Russian Federation had inherited or provoked, though unlike the defunct Soviet Union China did not possess its own raw material resources—natural gas, oil, aluminium, nickel, coal, fertilizers and grain.

Gorbachev's newly created Russian Federation was however bankrupt, its money, the ruble, next to worthless. The ruinous state of its industry would have deterred most investors, but not the budding oligarchs, those who had managed those desolate

state owned kombinats, vast industrial complexes, built on a mountain of resource based wealth, waiting to be exploited and exported for dollars on world markets.

With the help of private Russian banks, which had sprung up under Gorbachev, robber barons snapped up the people's assets—industrial kombinats, oil and gas wells, mines and transport infrastructure.

Oligarchs appeared overnight, a new class of rich backed by the Russian Mafia, the *Vory-v-zakone* and the *Siloviki*. Empires were built and foreign investors poured in. At the same time the Solntsevskaya gang started moving into the banking sector, a move which enabled them to launder their money as well as get closer to the oligarchs. *Rossiia Bank* in St Petersburg, became Putin's personal cashbox.

INI had the know-how and the means, though Kennedy didn't want to be part of the machine, at least before the money was clean.

Now, Mexico was the place to invest that money as it replaced China as the number one trading partner of the US. There, Henry Wang could invest his money in real estate and tourist infrastructure, marinas, nautical sports, hotels and of course construction. He had the know-how and the money, plus the connections as I was to learn.

Mexico was a new Eldorado, like Russia from 1990-2014 and China from 1992-2019, waiting to be exploited.

CHAPTER 11

Country Garden

During my fact finding tour in Panama for Pat Kennedy, I couldn't avoid revisiting the Panama Papers, an investigation by the International Consortium of Investigative Journalists into offshore banking and tax avoidance, centred on the Panamanian law firm Mossack Fonseca.

A cache of files had been obtained by journalists of the German newspaper, *Süddeutsche Zeitung*, members of the ICIJ, containing information that included details relating to the financial secrets of 140 politicians and countless other celebrities and business owners around the world, revealing how they hid their wealth offshore, through the secretive world of tax havens.

With the bad image and legal threats, Mossack Fonseca closed down. But the eponymous co-founders of the company, Ramon Fonseca and Jürgen Mossack, were still holed up in Panama, where they could not be extradited to answer to various still pending legal processes abroad.

Amongst those exposed was the actor Antonio Banderas, the Prime Minister of Iceland—Sigmundur David Gunnlaugsson, the Prime Minister of Pakistan—Nawaz Sharif, and details of a sprawling network of accounts that hid the wealth held by Putin's close friends and allies, no doubt the money of the man himself.

They included members of his inner circle, among them classical cellist Sergei Roldugin—a childhood friend, who according to the leaked documents showed he was the key figure in a network that moved over two billion dollars through offshore banks and shell companies.

The anonymous source that leaked the 2.6 terabyte cache of documents, ‘John Doe’, was reported to have said he still lives in fear for his personal safety, years after the investigation’s findings were released.

‘It’s a risk that I live with, given that the Russian government has expressed the fact that it wants me dead,’ he told the German magazine *Der Spiegel* in an exclusive interview in 2022.

The leak launched hundreds of investigations across the world as well as other leaks like the Paradise Papers, which shed light on the existence of huge web of facilitators ready to hide illegal wealth in the secret offshore world.

The uproar that followed the publication of the Panama Papers changed practically nothing.

The British Virgin Islands, where the largest number of offshore companies mentioned in the Panama Papers were domiciled, made a weak effort to introduced a few minimal reforms, including a law that required offshore service providers to report the real owners of companies to the Islands’s authorities, information that was not available publicly.

But British Overseas Territories were not alone, there was also Delaware, Wyoming, Florida, Nevada, and South Dakota, where for a few dollars any enterprising American tax dodger could set up a shell company to run his dirty business.

One of the things that was driving the creation of offshore companies and bank accounts was the migration of high-net-worth-individuals. Affluent families were extremely mobile, and their movement sounded like an early warning signal that all was not well in the country of their origin. They were like the proverbial ‘canary in the mine’, their movements alerting economists to dangers that lay ahead, since such people were highly sensitive to change, the kind that threatened their wealth, and who could act to to preserve it.



My phone buzzed. An alert. Breaking news. Country Garden's founder, Yang Guoqiang and his daughter Yang Huiyan, the company's chairwoman, had fled China.

Fuck me, I said, it's happened, the unthinkable.

Country Garden had defaulted and its head had fled.

Rumours swirled.

The real estate giant Country Garden led by the father and daughter team was in trouble. The daughter was reported to have donated 820 million dollars worth of shares in Country Garden to the Guoqiang Public Welfare Foundation, reportedly for charitable purposes.

The foundation, in reality a family trust, named after Country Garden's founder Yang Guoqiang, had been set up in Hong Kong just a couple of months earlier, which given Country Garden's disastrous situation, raised many questions.

Some reported Yang and his daughter were being questioned by the police after accusations of capital flight, an obvious attempt to transfer capital which would certainly provoke the wrath of political authorities.

Whatever, it was a rush for the exit and real estate business owners were offloading assets like business jets as quick as they could.

Yang Guoqiang and his daughter denied they had fled the country, but if Country Garden had defaulted on its debts of over 200 billion dollars, it would send shock waves through the entire Chinese financial system.

The declaration that ‘the father-daughter team and the developers board of directors were currently working normally inside the country,’ was unadulterated nonsense. How could they be working normally when the house was on fire?

Yang Huiyan had become China’s richest woman after inheriting her father shares in 2007, after he stepped down as CEO, leaving her as the sole head of Country Garden, the country’s biggest real estate developer.

The news, true or not, was symptomatic of the creeping real estate debt crisis and buyer mistrust. Sales had collapsed as had prices. Trust had evaporated and government was incapable of saving the situation after years of ignoring the warnings, with the wolf now at the door.

CHAPTER 12

A Strange Cargo

Strategic Wealth Preservation⁹ was an international precious metals dealer and a secure storage provider with its headquartered in George Town. It was specialised amongst other things in the secure storage of precious metals for individuals, companies, trusts and wealth management professionals. They provided storage vaults located in the Cayman Islands, Canada, the United States, Switzerland, Singapore and New Zealand.

Delta's Airbus had quit Phnom Penh with stopovers in Dubai, Cyprus, Gibraltar, and St Kitts and Nevis—another one of those Caribbean offshore havens.

'What's in St Kitts and Nevis?' I asked as I slowly got over the shock.

'A trust.'

'And the gold belongs to?'

'The trust.'

Now you may think this is far fetched, that's because you will never do this. Why? because you are poor, your job is to work

⁹ SWP

for the rich and vote for their politicians, people like Rishi Sunnak, whose family is one of the extraordinarily rich.

The same went for Putin, he didn't have to worry about his image like Rishi, if one of his cronies double-crossed him his jet would drop out of the sky. The same went for Hun Sen, a disloyal double-crossing general or Oknha would be fed to one of those hungry Mekong crocodiles.

Hun Sen looked after his Chinese friends, and they looked after him—a loyal ally of Xi Jinping.

After four decades in power, and following another stage-managed election, Hun Sen had handed over the premiership to his son. A 45 year old West Point-educated general, who was said to have a more diplomatic manner than his father, though there were no signs that he planned to politically deviate from his father's way of doing things.

Hun Sen, a former Khmer Rouge guerrilla and self-styled strongman, had pledged to remain in politics as head of the ruling Cambodian People's Party, head of the Senate and of the Supreme Council of the King.

Hun Manet had rapidly risen through the ranks of Cambodia's armed forces and had served as head of counter-terrorism, army chief and deputy military commander.

He had an economic masters from New York University and a doctorate in economics from Bristol University, in contrast to his father, who had no formal education.

Like in New Guinea, corrupt politicians and businessmen could do almost anything in Cambodia, where Hun Sen reigned

as the world's longest governing autocrat. It was the same thing in the UK's offshore islands. Of course there were rules, but if you were rich enough, you could pay lawyers and accountants to find ways around them.

As for the gold, anyone could store it in George Town on Grand Cayman, assuming they had enough wealth to be worth storing, since the storage fees were substantial.

And yes, Chinese businessmen do fly around the world in their Boeings and Airbuses, and not only are they richer than you have ever dreamed of, there were more of them too.

We followed the Brink's truck to the Cayman Technology Centre on Printer Way in George Town in the Butterfield representative's car. Once the gold was safely in the compound he drove us back to the Carlton.

'Let's go to my suite,' Edouard said. It was a good idea, like that I could discover the purpose of my presence. Obviously a lot of things had happened since I was arrested in Shanghai more than nine months earlier.

Edouard opened the door of his suite and I followed him in. It recalled a luxury personalised KTV bar, a huge TV, with its large reception area opening onto a vast terrace overlooking a private pool and the Caribbean.

As I looked around, I couldn't help think how huge it was. Then, standing under a parasol waiting to greet us, I saw Lucy, looking more beautiful than ever.

But even the pleasure of seeing Lucy was overridden by darker thoughts.

Was I complicit in the Wang's family business, and to what degree was the Wang family business tainted by environmental crimes and money laundering, all of which were closely linked to their tropical timber business, and God only knew what else.

Lucy greeted me a little awkwardly as Edouard disappeared into an adjoining room. It was more than three months since our brief interlude in Dublin, after my escape from China. I mean we'd barely seen each other for the best part of going on a year.

In the meantime I'd had a short lived adventure with Valentina, who had been my guardian angel from the moment of my escape from Shanghai, during our voyage across Russia and finally to Berlin.

We talked and I had the feeling our relationship would be one of close friends, as we would certainly be together over the next days or weeks, depending on what happened next.

After a suitable moment Edouard reappeared. 'Michael, let's sit down, I owe you an explanation,' he said as he broke a couple of beers out of the bar.

Lucy busied herself as I followed Edouard onto the terrace, where we settled ourselves into a couple of wicker armchairs overlooking the pool.

'I'll get to the point Michael. The situation in China is bad, very bad, much worse than you may think. Bear with me whilst I give you some background on what's happening.'

He lifted his beer and we clinked bottles.

'Whilst you were absent,' he said meaning my detention, 'Xinhua Trust went bankrupt, you've probably never heard of

them, but they were the first Chinese trust to fail in more than two decades. Xinhua Trust is what you would call part of the shadow banking system, and we in China as you know have the biggest shadow banking system in the world.

‘Xinhua has since been broken up and even its company cars have been auctioned off. The point is what happened to Xinhua is just a taste of things to come in our trust industry, which has assets of three trillion dollars, and is being pulled to pieces by the real estate and construction industry crisis, a crisis that’s transforming into something we’ve never before seen in China.

‘Our country’s trusts, which invest funds in property and infrastructure, are now caught up in this crisis. The dominoes are falling and everybody risks being wiped out. The next one is Zhongrong, and that’s just the start.

‘Now trust me Michael, what I’m telling you is of the gravest consequences,’ Edouard said seriously.

I respected his savvy. He was British educated, spoke near perfect English and apart from working in the Delta Group had spent a couple of years with a British bank in the City of London.

‘You see during our years of hyper-growth, trusts and investors flourished in China, with investment products often offering annual returns of 10 percent or more.’

That was a fact.

‘Property developers and local governments were willing to pay abnormally high interest rates and at the same time there was less regulatory attention paid to their investment products, than to conventional bank lending. During that period, trusts

benefited from the generally accepted idea that investors' cash was safeguarded by the state, in the same way as bank deposits.'

That too I was aware of.

'Those times are now gone, real estate developers like Evergrande and Country Garden are on the verge of bankruptcy, shadow banking products like Evergrande's wealth products are practically worthless.'

I certainly wasn't as well informed as Edouard. The last weeks I'd spent in Costa Rica and Panama, trekking in the jungle, my attention had been focused on Sir Patrick's project, and what happened in China wasn't my main concern, apart from the foolhardy Chinese migrants I'd met confronting the dangers of the Darien Gap, making their way north on their desperate journey in pursuit of that mythical Eldorado—the US and the American Dream.

'One of those shadow banking firms is Zhongrong International Trust, whose wealth products targeted high end investors, which managed about one hundred billion dollars in trust products until the end of last year, now they're in deep trouble.

'Another, Sunac, that's China's fifth-largest developer, has defaulted. The reason, more than a third of their investments were linked directly or indirectly to the property sector.'

I got it, the risk of contagion was high, for the simple reason lending by trusts was an integral part of China's business and real estate sectors—now in deep trouble.

Secrets Book III The Bezzle

All together, trusts had invested not far off one trillion dollars in stocks, bonds and other funds. In addition they'd lent to local government for their infrastructure projects, which were up to their necks in debt and couldn't repay—by some estimates near ten trillion.

By now I was dizzy with Edouard's figures.

Just one last thing, he added, 'Evergrande's stock closed down 19 percent in Hong Kong today. That means it's lost 99.9 percent of its value since it peaked in October 2017.'

'OK Edouard, please, could you get to the point.'

'The point is...China is bust, and we, the Wang family want out before the shit hits the fan.'

So that was it. Plan B.

CHAPTER 13

The Secret of the *St. Princess Olga*

Ominously Putin called Xi Jinping his best friend and North Korea a faithful ally. The world seemed surrealistic as I lay in the sun with Edouard burling over his new acquisition, a yacht, that compared to the *Amore Vero* was not a big deal, which meant nothing to me.

He insisted on telling me the story of his new toy, the *Amore Vero*, and how, thanks to a series of deals involving offshore companies, it had switched hands at least three times to escape sanctions.

It turned out it belonged to Igor Sechin, considered one of the most powerful men in Russia, a long-time very close friend of Vladimir Putin. A man with a hard reputation and close ties to the FSB, Sechin was known as Darth Vader by Russian and international media.

I wondered why Edouard told me that.

I shouldn't have bothered as it soon it became evident it was some kind of justification for his own acquisition, Xu Jiayin's yacht, which he almost whispered to me was now registered to a Cayman Island company, assuring Edouard of anonymity, at least that's what he thought.

I asked offhand who the Delta Airbus belonged to...another shell company?

With the gold, the yacht, the Airbus and probably their Gulfstream, I calculated their offshore wealth, which I'd so recently discovered, already added up to nearly 200 million, plus God knows what else they had salted away.

They were obviously worried and it wasn't surprising. The signs that something was seriously wrong in China were everywhere as rumours swirled around about Jack Ma's family trust offloading shares in Alibaba, the sprawling e-commerce giant he had founded nearly 25 years earlier. Rumours hit the market the same day about the firm scrapping its Cloud unit's listing, a move that wiped 20 billion dollars off Alibaba's value, raising questions about Ma's commitment to the future of the company he had founded.

It followed a forced restructuring that broke Alibaba into six units a year earlier, after Jack Ma's mysterious disappearance, and Xi Jinping's heavy handed crackdown on China's tech giants, sending a wave of panic through business circles, and fears of a return to the spectre of Communist Party interference in private businesses.

CHAPTER 14

Amore Vero

Putin certainly had much more stashed away if Igor Sechin was anything to go by. The 85.6 meter super-yacht that was originally named *St. Princess Olga*, had made its maiden voyage at the beginning of 2013, and could accommodate up to 14 guests in seven suites, one VIP cabin and three double cabins, plus a 28 member crew. The magnificent motor yacht was a reference in opulence and splendour.

The *St. Princess Olga*, named after Igor Sechin's second wife, Olga Rozhkova, underwent a name change after they divorced. It was rechristened *Amore Vero*, which meant 'true love' in Italian.

Amore Vero, powered by dual MTU engines, had a top speed of 20 knots, a cruising speed of 14 knots and a range of over 4,000 nautical miles.

Worth 120 million dollars, the motor yacht belonged to Sechin, at least that was what he told reporters from the Novaya Gazeta and the Organized Crime and Corruption Reporting Project.

Unsurprisingly, a year later the yacht seemed to have found a new owner. Then in 2018, it changed hands again. It sounded like a game of musical chairs, or perhaps shell companies, no doubt to cover the tracks of the real owner—Vladimir Putin.

Sechin had worked with Putin since the early 1990s, at which time Putin was the head of the Committee for Foreign Affairs, under Anatoly Sobchak, the Mayor of Leningrad.

‘When I moved to Moscow, Sechin asked me to take him with me. And I took him,’ Putin wrote in his autobiography.

It was the first of a series of moves as Sechin followed Putin. In 2008, Sechin was appointed deputy prime minister. Then in 2012, he became the CEO of Rosneft, Russia’s state-owned energy giant.

When Sechin divorced his first wife, Marina Vladimirova, the name of his new wife was kept a closely guarded secret. But then a Russian news agency published the video of a private party at the St. Petersburg International Economic Forum, showing Sechin accompanied by an attractive blonde, later identified as Olga Rozhkova.

According to the photos on social media, Olga spent most of her time abroad—the Maldives, Italy, Vietnam, India, Germany and France, and in several pictures she was seen on a yacht flying a Cayman flag, sitting with her friend on plush white sofas around a Jacuzzi. Another showed her sitting on a deck near a swimming pool.

It wasn’t difficult to find out the *Amore Vero* belonged to a Cayman Islands company, Serlio Shipping Ltd., and it was evident that Olga spent a great deal of her time onboard the yacht, the operating cost of which could only be covered by vast wealth—crew salaries, maintenance, insurance and docking fees, with fuel costs alone running into about two thousand dollars an hour, in other words 19 million dollars annually.

Olga's husband Igor, although he was CEO of Rosneft, could not have afforded such expenses. His salary, including bonuses, could not have covered half of those running costs, which begged the question how could he afford to buy and operate a yacht like the *Amore Vero*?

Now that was a nice story, which led me to ask how Edouard could afford his new acquisition, which had been seized by French authorities as it attempted to flee from La Ciotat in French territorial waters, after Russia was sanctioned by the EU following its invasion of Ukraine with Sechin listed as Vladimir Putin's 'most trusted and closest advisors'.

There was obviously something I was missing or perhaps I was just closing my eyes.

Did the Wang's have friends in Moscow? *Siloviki* strongmen, who knows.

In any case there were longstanding ties between Beijing and Moscow, through the military, foreign intelligence services, the energy sector, and especially Gazprom, which had huge financial resources, and perhaps Rosneft.

CHAPTER 15

‘C’

When a state has weathered many great perils and subsequently attains to supremacy and uncontested sovereignty, it is evident that under the influence of long established prosperity, life becomes more extravagant and the citizens more fierce in their rivalry regarding office and other objects than they ought to be... they think they have a grievance against certain people who have shown themselves grasping... they are puffed up by the flattery of others who aspire to office.... When this happens, the state will change its name to the finest sounding of all, freedom and democracy, but will change its nature to the worst thing of all, mob rule.

Polybius, Histories, Ancient Greek Historian (203-121BC)

Pat Kennedy had every reason to fear the future, as he pressed ahead with his plans, whilst geopolitical tensions rose and the world became a more dangerous place. Antonio Guterres, the UN secretary general, told the general assembly in New York, the divides were deepening among economic and military powers, and between north, south, east and west.

The world was slowly inching closer to a great fracture in financial systems and trade relations, one that threatened a single, open internet with diverging strategies on technology, artificial intelligence and potentially clashing security frameworks.

Guterres told the assembly that the floods in Libya were a snapshot of the state of our world and a sign of what happened when climate change met dysfunctional government.

Those who died in those terrible floods were victims of years of conflict, of climate chaos, of leaders who had failed to find a way to peace, he said. The people of Derna lived and died at the epicentre of that indifference, when the skies unleashed one hundred times the monthly rainfall in 24 hours, and when upstream dams collapsed after years of war and neglect.

As for Russia's invasion of Ukraine and its wider ramifications, he told delegates, 'If every country fulfilled its obligations under the UN charter, the right to peace would be guaranteed. When countries break those pledges, they create a world of insecurity for everyone.'

Guterres saw the world in a state of chaotic transition with the need to return to the art of compromise. 'I have no illusions. Reforms are a question of power. I know there are many competing interests and agendas. But the alternative to reform is not the status quo. The alternative to reform is further fragmentation. It's reform or rupture,' he told the assembly.

Ukraine, a large country that stood at the crossroads between Europe and Russia, was part of the latter's historical heartland. With its rolling wheat fields, Ukraine was, and still is, the breadbasket of Europe, something that the Bolsheviks quickly grasped. After 1918, however, much of the countryside in Ukraine was in open revolt against the Bolsheviks. Its subsequent bloody pacification by the Cheka and the Red Army—masterminded by Leon Trotsky, one of the original

Secrets Book III The Bezzle

seven Bolshevik Politburo members and the head of the Red Army, was integral to the creation of the Soviet Union in 1922.

Mass surveillance and imprisonment, were permanent features in totalitarian states, used to suppress and terrorise populations.



Jacob Epstein's Day

Facing such brutal regimes were the eccentric personalities of MI6's services, who could have come straight from a novel, starting with its first chief, Mansfield Cumming, who cultivated a legendary image inside and outside of that arcane club. Cumming had lost a leg during the Great War in a road traffic accident, hacking it off with a penknife.

MI6's postwar chief, Hugh 'Quex' Sinclair, was a *bon vivant*, frequently seen in London's clubs. He drove a Lancia sports car and wore a bowler hat and like MI6 chiefs he was known as 'C'. From 1926 onwards MI6's headquarters was located, in the Broadway Buildings, built over St. James's Park Underground station, in the heart of London, a spot I passed everyday on my way to the Fitzwilliams Foundation on Queen Anne's Gate.

'C's office was situated on the fourth floor of 55 Broadway, which when it was built in 1933 The Observer called 'The Cathedral of Modernity', and described as a harbinger of English Modernism. To my mind, it had always seemed an admirable mixture of Brave New Worlds and Soviet Architecture with its remarkable David Epstein statues.

CHAPTER 16

Lucy

It was Lucy's first visit to the Caribbean and Central America, and late that evening we sat on the terrace of my suite discussing her plans late into the night.

She was not interested in her brother's business in the Caymans. She was much more excited about Central America and more especially Guatemala and Honduras, where many vestiges of Mayan civilisation were still waiting to be discovered.

As a budding archaeologist, learning the ropes of her chosen field, a visit to the ruins of the Mayan civilisation would be part of her comparative studies as would the impact of climate change on civilisations evidenced by the three Mayan periods—Pre-Classic, Classic and Post-Classic.

She wanted to see everything, the vestiges of pre-Columbian civilisations, the Conquest and Spain's Viceroyalty. Her recent discovery of Cambodia archaeological sites had whetted her appetite and she now wanted to explore the New World and I was to be her guide. Even if I was not an expert, the fact that I spoke Spanish and had spent the last few months in Central America seemed to be enough for her.

She told me how new evidence had shown that droughts had been a significant factor in the collapse of the Mayas, and how research in Belize, by paleoclimatologist Douglas Kennett of Pennsylvania State University, had pointed to a dry period

between 660 and 1000AD, which led to increased warfare and the division of Mayan political states. Another drought occurred between 1020 and 1100AD, causing a population collapse, marking the end of the Classic Mayan civilisation.

The Mayans had lived in the lowlands of the Yucatan Peninsula, which included parts of southern Mexico, Guatemala, Honduras and Belize where their civilisation reached its peak during the Classic period, between 250 and 950AD.

Today, climate change accompanied by deforestation and population pressure was not a good augur for Latin America. The newly elected Brazilian president, Lula da Silva, said, ‘The ten richest billionaires have more wealth than the poorest 40% of humanity.’ Like Lula that was nothing new. It had always been like that and as humanity was unlikely to change it would probably always be like that.

I was part of that system, and although my parents weren’t billionaires they were very well-off, part of the establishment, landowners, my father a diplomat, my mother a TV producer. Then there was my Uncle John Ennis, he was a billionaire investor, though how he made so much money had always been a mystery.

Lula said vulnerable populations in the global south were most affected by the loss and damage caused by the climate crisis with the richest 10% of the world’s population being responsible for almost half of all carbon released into the atmosphere.

Habitat destruction, climate change and the illegal trade in wildlife, were projected to accelerate in the coming years. Threatened animal species were vanishing at a rate 35 times

higher than average due to human activity, further evidence that a sixth mass extinction was taking place on a scale comparable to the Chicxulub event that wiped out the dinosaurs, when a large asteroid, ten kilometres in diameter, crashed down not that far from where we were in the Caymans, on the other side of the Yucatan Peninsula, 66 million years ago.

The next morning we were awoken by the Caribbean sun streaming through our terrace windows, sleepily we stepped out to admire the magnificent view. There in the foreground, anchored a couple of hundred metres offshore, was the sleek grey form of a huge motor yacht. It took me a moment to recognise her, to my astonishment it was Kennedy's *Salvator Mundi*.

We showered and hurried down to the garden side restaurant, where, as the maître d' appeared to show us to a table, a voice rang out.

'Michael, Lucy!'

It was Sir Patrick Kennedy.

'Over here.'

He was sitting at a table by an ornamental waterfall, enjoying our surprise. We joined him at his table. It was as though we had been caught red handed.

'Michael, your looking good. Sit down Lucy. How's Edouard?'

'Fine,' Lucy flustered.

'I arrived late last night, thought I'd surprise you.'

I grinned sheepishly.

‘I decided we should all get together, discuss our plans. There's a lot of things happening in the world and especially in China,’ he said looking at me and then Lucy.

He paused.

‘There’s a lot of opportunities here in the Caribbean region,’ he continued turning to Lucy. ‘Especially for your father’s group.’



Lucy was more concerned by the demise of Mayan civilisation, which according to recent research was due to soil erosion. The Mayans had cut down their forests to create more farmland, resulting in soil erosion that would have made farming more difficult.

But being Chinese Lucy was too polite to put her interests before those of her family’s.

What interested her were the recent studies of Guatemalan Lake Salpeten’s sediments, which showed little erosion during the Terminal Classic period. In fact, Flavio Anselmetti of the Swiss Federal Institute of Aquatic Science and Technology, found that clay soil deposits, an indication of soil erosion, had mostly accumulated during the early Mayan period, and though a variety of other reasons had been suggested, drought currently remained the most accepted explanation.

Secrets Book III The Bezzle

Kennedy realising he was off subject switched to the Mayas, a subject that had long fascinated him as a collector of pre-Colombian art.

They exchanged ideas on the climatic history of the Yucatan Peninsula, which for much of the year was arid and depended on heavy summer rains for its water. Rainfall varied greatly across the peninsula with surface water being absorbed by the limestone bedrock, forming underground rivers and cenotes when the rock collapsed.

Surface water was scarce and the Mayans built reservoirs to store water during the dry season. The reservoirs of cities like Tikal had enough water for a population of 10,000 for 18 months, which nevertheless needed seasonal rain to replenish them.

The Classical Mayan period came to an end possibly because of drought, overuse of agricultural land and famine with a gradual shift of political power and population to the northern part of the peninsula.

However climate was not what Kennedy was there for and pausing he turned to me.

‘Michael, have you ever heard of Roatan Island?’

I must have looked puzzled.

‘It’s off the Caribbean coast of Honduras.’

‘No...’

‘Check it out. I might need you to drop by there. You could stop at Copan, while your there.’ he added turning to Lucy.

John Francis Kinsella

Her face light up, that was more interesting than the Delta Group's business.

'The archaeological site?' she asked.

'Yes Lucy, I was there about five years ago. I met Rene Veil the French archaeologist.'

It seemed another side trip was in the offing.

'We'll talk about Roatan Island later,' he added admiring the sea view.

CHAPTER 17

Kennedy

'Good' and 'evil' are purely human concepts. It would never occur to anyone to argue about whether a fish, or a tree were good or evil.

The Dawn off Everything
David Graeber and David Wengrow

The phone rang, it was Kennedy, he asked me to meet him by the pool and join him for a walk him along Seven Mile Beach.

'Give me five minutes,' I said looking at my watch it was just before seven in the morning.

'Morning Michael, sleep well,' he said greeting me. He was looking fresh, dressed in shorts and a T-shirt, wearing a Panama with sunglasses in one hand.

I replied positively as I glanced out to sea where I saw his yacht was still anchored a couple of kilometres off the beach.

'Let's get some fresh air, talk about what the Wangs have been doing. I told him about the gold shipment, and their plans to invest in hotels and marinas.

'How long has it been since you've been in Central America now Michael? Two months?'

'Nearer three Sir Patrick, and I've been back to London a couple of times.'

I still called him Sir Patrick. I couldn't get around to calling him Pat.

'Still living out of a suitcase?' he said jestingly.

'That's no problem,' I said forcing a weak smile.

'As you know a lot of things have been happening,' he said, 'our plans for Latin America are developing fast, what with the all the changes in China. We're far from finished here, in fact we're still at the beginning. What you need is a local base, until things become clearer, a central point that's easy to get into and out of.'

I nodded as I was carried along in Kennedy's stream, like a piece of jetsam or flotsam, but I knew what he meant. The Wangs were visible proof that all was not well in China, and if the news reports were anything to go by they were not alone.

Besides, I couldn't complain, most people could only dream of my job, and in any case I'd been moving all my life, following my parents, London, Brussels, Paris, Moscow and more recently my work for the foundation in East and Southeast Asia.

'This looks like a good place,' he said turning to take in the white sand and the palm trees. 'A business and banking environment with a beach, he said, no security problems here, no violence like in Mexico.'

I nodded in approval. I mean why not.

Rent one of these condos, he said with a movement of his hand in the direction of the villas and apartments overlooking the beach. 'The foundation will take care of the expenses.'

‘I’ll do that Sir Patrick,’ I agreed, after all the bank was rich, managing more than 200 billion dollars in assets across the globe for institutional investors, corporate clients as well as private banking for high-net-worth individuals like Henry Wang.

‘Excellent, you’re doing a good job Michael, being here will be better for us all. At least I’ll know where to get you,’ he said pleased with himself.

It was true, I’d been living out of a suitcase since I’d left China. I was like a nomad with no fixed abode and the Caymans was certainly a civilised kind of place to work from be it momentarily.

INI had a long established business base in the Caribbean through its subsidiary, the Anglo-Dutch Commercial Bank in the BVI, Antigua and Dominica, which carried out normal local and offshore banking operations for their clients in the region and elsewhere.

However, Kennedy’s plans were beyond the scope of Anglo-Dutch’s day to day banking activities and besides that there was the question of secrecy.

Henrique was based in Mexico City. But Kennedy evidently saw us playing different roles, independent, apart. I supposed he didn’t want all his eggs in the same basket, and besides we could get together whenever necessary.

For him the Caymans was an obvious choice as it was not only English speaking, it was also British, and more than just an outpost for international banking and offshore business operations. It was an island far enough from all those other troublesome spots—Jamaica, Cuba, Haiti, Honduras and all the others.

It was also central, almost anywhere in the Caribbean could be reached within a couple of hours by air—Miami, Cancun, Belize, Costa Rica, Panama and Colombia.

We stopped at a small beachside bar which was just opening and ordered coffee standing at the bar.

‘What I’d like you to do Michael is go to this conference,’ he he said taking the envelope he had been holding under his arm and placed it on the bar in front of me. He nodded indicating I open it. I pulled out what looked like an illustrated programme, it was entitled LongBio 2024, a conference to be held on an island according to a map attached to the papers.

‘Roatan?’ I said aloud as I focused on the cover image that looked like the beach where we were.

‘That’s in Honduras, the venue, not far from here. The subject is cutting edge advances in regenerative medicine, longevity biotech.’

‘To do with Belpharma?’

‘Right.’

I scrutinised the map as if it would come to life.

‘You’re registered for the first session, three days. I’d like you to listen to everything, talk to people. You’ll be representing LifeGen, not Belpharma, which is best not talked about.’

‘The venue is the Las Verandas Hotel & Resort, Pristine Bay, on Roatan, that’s an island off the Caribbean coast of Honduras. Nice place by the looks of it.’

Secrets Book III The Bezzle

‘Find out what they are all doing, any state-of-the-art stuff. It’s invitation only, about 200 prominent longevity biotech founders, investors, futurists, and bio-accelerationists.

I listened trying to absorb the meaning of all that.

‘It’s the first of a series of conferences, each one lasting a few days, spread out over a couple of months. So you’ll probably have to return there for the follow-ups.’

I nodded obediently.

‘One other thing Michael, whilst you’re in Honduras Michael, I’d like you to meet Ken Hisakawa, he’s leading a team working on a recently discovered section of the Mayan ruins at Copan...take Lucy along I think she’d like that.’

Later, back in my room, I thought about all of that, why he’d suggested I take Lucy along, that plus the fact he didn’t seem to put out by the Wang’s micmac.

I then read the Vitalia document. It spoke of ‘ageing’, which it said was the leading cause of death and disease, the former seemed pretty obvious to me...the latter as well, and why society was not devoting significant resources to this area of medical research.

Apparently targeting ageing itself, the root cause of most disease according to the brochure, would be a medical revolution comparable to the dawn of Pasteur’s Germ Theory and the use of antibiotics, doubling human lifespan within a few decades.

A few days later I settled for Seacrest, signing up for a condo on Seven Mile Beach, just to the north of George Town. The island was small, it took minutes to drive to the airport or into

John Francis Kinsella

Central, and Seacrest was a good spot to work from, park my stuff. The apartment was nice, almost certainly too big, there was a pool and a private beach front, in any case the foundation was covering expenses, and that aside I couldn't be seen slumming it.

CHAPTER 18

Honduras

I checked out the easiest way to get to Roatan. There were a couple of direct weekly flights from George Town to Juan Manuel Galvez Airport on Roatan Island, which was about 60km long and three or four wide. Not the kind of place where you could get lost, in that sense it was like Grand Cayman, though poor—dirt poor.

I'd spoken to Lucy about Copan, she was delighted, so was I. It was much better than being alone, her impressions would be useful, which is perhaps what Kennedy had in mind. Once the first three day part of the conference was over we could fly to San Pedro Sula, on the mainland, where we'd drive to Copan in the south of the country, a few kilometres from the border with Guatemala.

Lucy had decided to stay with me in George Town after Kennedy left and her brother disappeared to Cancun to follow up his business plans. She seemed to like the idea, and especially meeting Ken Hisikawa in Copan. I also suspected the idea of nesting in a tropical paradise had something to do with it, which didn't trouble me one bit. The pause would give her time to catch up with her work on the Mayas for a paper she intended to present in China.

We settled into my new Seacrest home and I set to work updating my reports. The last couple of weeks or so had been a whirl with the coming and goings of the Wangs and Sir Patrick.

It was easy to lose sight of the objectives he had set which were basically to keep him up to date with multiple events linked to what seemed to be the bigger picture of his project in the Americas.



Vitalia had a Wiki page and on reading it my initial reaction was that of another utopian dream. Kennedy's interest was undoubtedly linked to his city Salvator Mundi in Colombia, which made sense, as there would almost certainly investors like him and futurists.

The event was to be held at the Las Verandas Resort on Roatan, a Caribbean island paradise, which lay off the coast of Honduras, an hour's flight from George Town.

A few days later Lucy and I checked into a suite situated in a large villa overlooking a white sandy beach and the turquoise waters of the Caribbean, surrounded by gardens with bougainvilleas, hibiscus, and palms.

It seemed like all those Caribbean island resorts were designed on the same model, beaches, pools, restaurants and nearby golf courses, where small armies of staff, waiters, room maids, gardeners and maintenance staff, worked to sustain a fleeting illusion, a package dream, for a never-ending stream of ephemeral guests.

The guests were mostly Europeans and Gringos, fleeing the desperately damp winter climates of their cities or the winter rigours of the Great Plains, whilst the personnel for the most part lived prisoners of their tropical slums.

The only problem with those beaches and palm trees was you got used to them, and soon saw the artificial nature of those resort hotels hidden from the tropical misery behind facades of palms trees, gardens and high walls protected by security guards.

The Caymans and similar offshore tax havens were however very different in that most of their permanent residents lived another kind of life than that of the poor on the larger more populous island, and on another planet compared to Haitians whose home resembled a dystopian African state.

The contrast was incongruous, outside in the real world, Hondurans stood at the bottom of the social and economic development scale. Around 80 percent of the small country's population lived on less than two dollars a day. Literacy rates were barely 50 percent and even among its youth it only reached 70 percent, in a society ridden by poverty, crime, violence and drugs.

Honduras was the fourth poorest country in the Western Hemisphere, only Haiti, Nicaragua, and Guyana were poorer.



It was what they called a 'pop-up city' named Vitalia, the City of Life, a two month happening in a temporary city on Roatan, where amateurs and experts from around the world gathered to discuss progress in longevity—the science and art of extending human life.

We discovered Pristine Bay was another of those Caribbean tourist havens. A postcard image of palms swaying in a gentle sea breeze, white beaches, crystal clear waters, boat jetties, small

bars with grass roofs and gentle waves break on the world's second largest barrier reef that lay one or two hundred metres offshore.

We registered at the ephemeral pop-up-city along with hi-tech engineers, doctors, biohackers, web3 developers, research scientists, psychologists, cryptocurrency experts, and entrepreneurs for the start of the two month Vitalia—The City of Life conference, the theme of which was ‘Make Death Optional’.

Roatan was the home to Prospera, a real start-up city, a future financial and technology hub. Officially it was a ZEDE,¹⁰ a Honduran Special Economic Zone and charter city, founded in 2021.

Prospera's founder was Joel Bomgar, a member of the Mississippi House of Representatives and businessman, its financial backers included Pronomos Capital, a fund led by Patri Friedman, the founder of the Seasteading Institute and backed by Peter Thiel, Naval Ravikant, Tim Ferriss and Marc Andreessen veterans of startup societies and early investing.

Prospera used cryptocurrency as legal tender, and accepted payments with Bitcoin, Ethereum, Solana and other cryptocurrencies. Businesses in the ZEDE were free to carry out transactions in crypto without capital gains taxes.

¹⁰ *Zona de Empleo y Desarrollo Economico*

Prospera's jurisdiction included Pristine Bay, consisting of loosely themed neighbourhoods including the Beta District where a 14-story residential tower was under construction, as was Las Verandas, a luxury golf resort including larger villas and condominiums for year-round living, plus a medical tourism centre that offered longevity treatments.

Ageing was its *raison d'être* for the simple reason that of the 150,000 human deaths per day on planet Earth, roughly 100,000 were caused by ageing itself. And if the ageing process could be reversed, delayed, we could look forward to living a greater number of healthy years.

The plan was to transform Pristine Bay into a centre of innovative biotechnology with scientists, researchers, technologists, and entrepreneurs. And in addition attracting crypto and AI firms.

The first of the three day weekend conference included speakers on longevity, rejuvenation, geriatrics and gerontology, all of which focused on biotechnologies for rejuvenation and making death optional.

The idea was the attendees set up discussion groups, workshops, over the following two months, as they came and went, with talks, dinners, relaxation, and formal conferences where recognised specialists presented the state of scientific and medical research and the different projects being developed by big names.

The central theme was longevity, an idea that was gaining traction, as billionaires like Kennedy and his kind realised that being rich was meaningless if their life span was reduced to a

couple of decades after their prime in a state of progressive senescence. They had spent the best part of a lifetime getting rich and would soon die.

What they wanted was a future where ageing was cured and degenerative diseases like Alzheimer's were banished where life could be lived to the full.

One of the men behind Vitalia was Niklas Anzinger, the founder of Infinita VC¹¹ based in the charter city of Prospera in Honduras.

I discovered Infinita was a charter city, a self-governing city with its own laws and governance within Honduras, some called them start-up cities, a kind of extraterritorial city that functioned under a charter granted by the host country.



Caribbean map with Roatan

¹¹ VC (Venture Capital)

Anziger compared charter cities to special economic zones and regions like Dubai, Shenzhen in China, and more loosely Hong Kong and Singapore. I suppose they were like the concessions or treaty ports such as Shanghai which was created under the Treaty of Nanjing in 1842 between Great Britain and the Qing Dynasty following the Opium War.

The declared goal of Prospera was to bring in economic development, a vision developed by Octavio Sanchez, the Legislative Architect and Commissioner of Honduras for Economic Development Zones.

Sanchez was inspired by the ideas of Nobel laureate economist Paul Romer on charter cities, which led to the creation of special economic zones in Honduras namely—Prospera, Ciudad Morazan and Orchidea.

Prospera on Roatan was seen as a site where for example certain forms of medical research into new drugs and therapies such as stem cell therapies, tightly controlled in the US, could be freely developed.

Anziger's idea was the development platform would attract investors not only in medical research, but also new technologies and cryptocurrencies, and longevity—life extension.

The attendees of Vitalia was a mixed crowd led by Anziger, they included scientists, researchers, futurists, AI developers, crypto experts, and a few excentrics not to say weirdos including a Russian who was working on head transplantation.

The leading question was 'What is Longevity?' Followed by 'How long do you want to live?'

Certain wanted to live forever, others would settle for 200, 250 years. The key was health, why die if you were in good health and as active as a 40-year-old at the age of 80?



Roatan Island

‘Longevity’ was a more acceptable vision than the Faustian concept seen by religion, philosophers and all kinds of so-called left and right wing activists, as an anti-social quest by the rich to preserve themselves.

The fact was a great many people had become conscious of their health concerns in the countries of Western Europe, where national health services were well into their 8th decade with ‘free’ care and a constant stream of information and advice on how to live healthy lives, plus national retirement pensions, permitting many to enjoy life in good physical form to the point they had become almost obsessed, where 70 and 80 year olds practised sport and invested in health clubs, food supplements and medical care.

Longevity was not just a growing field of research, it was a growing health culture, and by extension a booming health ‘business’.

There were diets, devices to measure sleep and heart rate, steps and calories, one’s emotional state, hormonal tracking of

menstrual cycles, and soon there would be continuous blood testing.

Then there were the really obsessed, like the tech founder, head of Blueprint, Bryan Johnson, who claimed he was the world's most measured man, spending more than two million dollars yearly on his personal health. Others were into nutrient intake, exercise, and bodily discharges, or maximising mitochondria production,

The charter city of Prospera was being developed on a 20 hectare site bought by its promoters with its own jurisdiction and real estate development company.

I got the message and understood Kennedy's reasons for wanting me to participate in the conference. Prospera was effectively a start-up compared to Ciudad Salvator Mundi, and the reasons why were evident, with his fortune and his bank Kennedy had no need for venture capital.

More importantly his laboratory, LifeGen, had discovered the philosopher's stone, the elixir of life, with his Galenus molecule, which he planned to produce in different reiterations with Belpharma in Ireland and soon in Costa Rica or perhaps Colombia.

On the other hand Vitalia and Prospera were signs, along with many others, that longevity would soon be mainstream in the fight against ageing and the maladies associated with it. I only had to imagine the savings that could be made to health services to the aged if people could pop a pill to stave off disease, it would be like statins to the power of ten.

John Francis Kinsella

On the last day we had an unexpected meeting when to our astonishment we found ourselves face to face with Eduardo, Lucy's brother, accompanied by Iñaki Liu, who was into cryptocurrencies and had a Masters in Science from MIT, as for Edouard he was of course interested in building a marina.

CHAPTER 19

Copan

Copan was situated in the south-east near the border with Guatemala a country where the indigenous population, that is the descendants of the Mayas, was much greater than in Honduras, and where the archaeological vestiges of Copan represented the most southerly city of the Mayan civilisation.

We flew from Roatan to San Pedro Sula on the Honduran mainland where we continued by road, 230 kilometres to the south, across a mountainous region in the direction of Copan.

The next five hours were spent driving through what must be some of the most picturesque towns in Central America, set against the forested hills that rose above the valleys and the terracotta skylines of villages where we paused to stroll along the cobblestoned streets that wound their way past low adobe homes, bars, restaurants and pulperias—small colourful supermarkets.

It was late afternoon when we arrived at the Posada Real, two kilometres from the Mayan ruins, where Ken Hisakawa was waiting to greet us.

After hours on our backsides we insisted we were not tired and Ken took us on a quick tour of the ruins in one of the three-wheeled tuk-tuks that ferried tourists back and forth from the town to the site.

As night fell we headed into the small town of Copan filled with history and culture where we discovered a lively scene with narrow cobblestoned streets, bars and restaurants from which music echoed, hotels and hostels, filled with archaeologists and tourists, and locals. To one side of the main square was a market packed with food stands where we found a couple of Ken's team members and ordered tacos and beer exchanging stories in the bustling ambiance of the evening market as locals and tourists shopped at the stalls selling everything from fruit, vegetables and raw sugar to souvenirs.

I listened as Lucy talked with Ken and his friends and the conversation turned to Las Ruinas, the vestiges of the most southerly Mayan city with its temple grounds and the museum that displayed some of the thousands artefacts recovered from the ruins with the magnificent reconstruction of the Rosalila temple, a name given by archaeologists meaning lilac rose in Spanish. The temple was built between the 8th and 9th centuries on the acropolis, a man-made mound formed over a period of 400 years.¹²

Ken spoke of how archaeological exploration in Central America had been dominated by Europeans and Americans for one and a half centuries and how today Asian archaeologists were now present. For Lucy's information he spoke of how Wang Wei, a researcher at the Chinese Academy of Social Sciences Institute of Archaeology, and Li Xinwei, a colleague at the Institute of Archaeology in Beijing, had led a team of

¹² Copan Rosalila temple <https://www.ancient-origins.net/ancient-places-americas/rosalila-temple-0013402>

Chinese researchers in Copan, who carried out work on the western side of the courtyard where they discovered glyphs on a wall that indicated a passage leading to the ‘underworld’ mentioned in Mayan mythology.

Curiously as with Wang’s work in Egypt, Li compared the Mayan and Chinese civilisations, which he believed had many similarities.



Rosalila Temple at Copan Honduras

‘The fact was all civilisations had similarities,’ said Ken, ‘after all they were human, on the same planet Earth.’

Li pointed out that the first men in the Americas had migrated from Northeast Asia about 15,000 years ago, adding that they, the Chinese, shared the same ancestors. However, Ken remarked Li’s observations were probably motivated by a certain form of nationalism and not necessarily scientific, considering the evidence of how the Denisovan population had spread into East Asia and as far as Australia.

It was an understatement to note Japanese and Chinese were not always in agreement.

According to Wengrow and Grabber,¹³ one of the things that set humans apart from non-human animals was that animals produced only and exactly what they needed, humans however produced more. Men were creatures of excess, which made us simultaneously the most creative, and the most destructive, of all species. Ruling classes were simply those who had organised society in such a way that they could extract the lion's share of that surplus for themselves, whether through tribute, slavery, feudal dues or manipulating ostensibly free-market arrangements.

In the 19th century, Marx and many of his fellow theoreticians imagined that it was possible to administer such a surplus collectively, in an equitable fashion, in what he envisioned as being the norm under 'primitive communism', and what he thought could once again be possible in the revolutionary future, however contemporary thinkers were more sceptical. In fact, the dominant view among present day anthropologists was that the only way to maintain a truly egalitarian society was to eliminate the possibility of accumulating any sort of surplus at all.

Pastoralists or farmers, could be characterized as having 'delayed return' economies, regularly investing their energies in projects that only bore fruit at some point in the future. Such

¹³ David Wengrow and David Graeber 'The Dawn of Everything'

investments, he argued, inevitably lead to ongoing ties that could become the basis for some individuals to exercise power over others, what's more, egalitarian foragers understood all of that perfectly well, and as a result they self-consciously avoided stockpiling resources or engaging in any long-term projects.

It was undoubtedly true that over the broad sweep of history, ever larger and more settled populations, ever more powerful forces of production, created ever larger material surpluses, and people spent ever more time under someone else's orders. It seemed reasonable to conclude there was some sort of connection between these trends. But the nature of that connection, and the actual mechanisms, were entirely unclear. In contemporary societies we considered ourselves free people largely because we lacked political overlords. For us, it was simply assumed that what we call 'the economy' is organized entirely differently, not on the basis of freedom, but 'efficiency', and therefore office places and shop floors are typically arranged in strict chains of command. Unsurprising, then, that so much current speculation on the origins of inequality focuses on economic changes, and particularly the world of work.

CHAPTER 20

Cronies

There's a lot happening at home,' Lucy told me looking up from her phone as we relaxed by the pool at Seacrest on Seven Mile Beach.

'Here?'

'No, in China silly.'

'Oh, Moon Cakes,' I joked.

'Yes...the Autumn Festival,' she laughed. 'It's Golden Week!'

'You're feeling homesick?'

'No, but it's also our National Day,' she added looking more serious, 'that's when the Standing Committee of the CCP¹⁴ always holds a big reception.'

'Now that's serious!'

Although Lucy was well-versed in Chinese politics it wasn't as if that kind of stuff interested her more than that and I wondered what she was leading to.

¹⁴ Chinese Communist Part

‘Well, normally the Premier, Li Qiang, should have made the speech.’ She paused, ‘Instead it was Xi Jinping who spoke.’

‘Is that important?’

‘Well, there were others absent too, the new Minister of Defence, Li Shangfu, then there was Qin Gang, the Foreign Minister, who has become a non-person, like he never existed, for his affair with a television presenter,’ she said with a mischievous smile.

‘But...,’

‘Like me, I’ll be unfriended by the CCP because of you,’ she said laughing.

‘It’s a sign of infighting,’ said Edouard who’d been half listening in the background. ‘Between factions at the top of the Party.’

‘Oh.’

‘The fact that Li Qiang, who’s a close confidant of Xi, has been sidelined, that’s a sure sign of problems.’

‘What kind of problems.’

‘Well, a few days ago, an online leak revealed that Li Qiang’s family wealth is huge, 90 billion yuan, that’s over 12.3 billion dollars. Details of his wife and daughter’s business interests have also been posted online. That’s quite astonishing, because Li is the second most important person in the CCP, after Xi Jinping. That kind of information information is usually kept, very, very, secret.’

‘Li’s daughter, Li Ying, is married to Hardy Christopher, he’s a Scot, head of an architectural consulting firm, suspected of being a white glove company.’

‘A what?’

‘That’s a front company, a shell company if you like, which manages business for Li Qiang’s family.’

‘I see.’

‘Li’s wife, Lin Huan, is a friend of Jack Ma, he disappeared for three months last year, after Xi’s clampdown on Alibaba and Ma’s Ant group. The tycoon’s mixing into politics didn’t please the CCP.

‘But Li Qiang was able to persuade Jack Ma to return to China, thanks to his wife’s personal relations with Jack Ma's Alibaba, and Gao Hongbing, director of Alibaba Research Institute. In addition, Li Qiang was said to have invested at least nearly three billion dollars in Jack Ma’s Ant Group.

‘The Ant Group was then taken down and restructured by Xi Jinping,’ continued Edouard, ‘a move which was seen as highly anti-business, which hasn’t gone down well with finance and industry, not to mind international financial markets.’

‘Maybe,’ I said nodding.

‘You see Xi Jinping trusts Li, they are very close, Xi is the godfather of Li Qiang’s daughter. Perhaps it was why Xi appointed Li as Premier, you know out of personal interest.

‘His biggest enemy was former party leader Jiang Zemin, who by the way was also Mayor of Shanghai. Part of what is called the Shanghai clique.’

‘Was?’

‘He’s dead now.’

‘He was a friend of your father’s?’ I asked casually .

‘As a matter of fact, he was.’

‘It seems strange Li Qiang’s daughter is married to a foreigner.’

‘It was hushed up for years.’

‘Sounds like nepotism at high level.’

‘It is. That, plus Li Qiang’s family wealth, considering Xi’s policy and CCP rules prohibit family members of senior cadres engaging in business.’

‘So what does all that imply?’

‘Well, it leaves Xi Jinping vulnerable, the party isn’t as united as people think. It also explains why so many top people have disappeared and why PLA generals are being replaced. There’s a lot jealousy behind the scenes.’

‘I see.’

It was a fact, as Xi Jinping entered his third term of office he was consolidating his power. Top figures in the Rocket Force and had been replaced, a clear sign of troubles at the top of the CCP.

In a farewell speech after ten years as China's number two leader, Li Keqiang, said in cryptic message to his staff, 'While people work, heaven watches. Heaven has eyes.' If heaven had eyes it wasn't looking after Li, he died suddenly of a heart attack, just nine months after stepping down.

The paranoia of the CCP and its leaders was visible after internet posts of a song, entitled 'Unfortunately not you', sung by a popular Chinese-Malaysian singer, Fish Leong. It was blocked by censors, when it was shared by netizens after the deaths of Jiang Zemin and Li Keqiang, a sly dig at Xi, who it was impossible to criticise openly.

Li Keqiang was succeeded by Li Qiang, who was seen as the weakest premier since the arrival of the Communist government in 1949.

'You know Li Keqiang's departure as premier, and his death, signalled the end of collective leadership, leaving Xi Jinping holding all the reins of power,' said Edouard,

'Li was the only top leader who didn't belong to Xi's clique. It's a pity because he was an economist, open and reformist, encouraging entrepreneurship, technology and innovation,' he said grimly. 'He was a reformist, but wasn't able pursue his ideas. Now we are being watched everywhere. Anything is possible, even the worse. It's why we, the Wang family, have decided to consolidate our business overseas.'

CHAPTER 21

A Black Hole

China reminds me of Japan back in the 1980s,' my Uncle John had told me. I wasn't even born then, but it seemed that Japan had been poised rule the world, economically speaking that is.

The Japanese had looked like world-beaters and their presence in London, New York and Hollywood reflected their wealth and power. They became patrons of the arts, sponsored concerts, opera and theatre productions, museums and art galleries, mixed with City business leaders and show business personalities. In short they were everywhere.

At the end of 1989, the Nikkei stock index reach the all-time high of nearly 40,000 points, driven by an asset bubble, before crashing to less than 20,000 a year later when the property market collapsed and the Bank of Japan was forced to tighten monetary policy, a crisis from which it had still not fully recovered.

From 1991 until 2009, the Nikkei entered a long period of decline falling over 80 percent. Asset values plummeted and banks either collapsed or needed government bailouts, and Japan sunk into a decade long recession.

Today, China was faced with a similar crisis as its real estate sector collapsed, a classic boom and bust cycle. China's property sector, which represented 30 percent of the country's GDP had driven the wild ride. Chinese developers continued to build huge

numbers of new homes in spite of a falling demand, with ghost cities springing up all over the country. Today, developers had an unsold stock of more than 23 million homes on their hands, enough to house the population of the UK, and that was excluding those already bought by middle-class speculators that stood empty.

To complicate matters Xi Jinping imposed conditions on developers that pushed them to the brink of collapse, impacting the broader economy with increased unemployment, the collapse of consumer confidence, business closures, and falling investment.

Chinese consumers stopped spending and sat on their savings for fear of worse things to come as Xi Jinping rattled sabres, threatening Taiwan with invasion and supporting Putin's war in Ukraine.

It was China's worst economic crisis since the Cultural Revolution, accentuated by local government debt and Xi's trillion dollar Belt and Road Initiative, which looked like it had stalled as its partner countries reneged on their debts.

China's overseas investment programme in recent years had been nothing short of a lending boom, with China now holding an estimated 1.6 trillion dollars of foreign debt, making it the world's largest creditor country, an unenviable situation given its inexperience as a world class banker.

One third of the loans linked to the BRI went to developing nations like Sri Lanka, Pakistan and Egypt now caught up in a catastrophic debt crisis with galloping inflation and hit by the fallout of Putin's unwarranted Ukraine War.

Secrets Book III The Bezzle

Another one-third of Chinese loans for the BRI went to Persian Gulf states and projects threatened by regional wars, with the final third going to Russia which was engaged in over one hundred projects, now suspended in limbo, with nearly 300 billion dollars of non-performing loans.

The trillion dollars invested in the BRI had in effect been thrown away as many of the projects would never be completed, draining capital from China's own economy.

That with the Covid pandemic, meant China was struggling under a mountain of debt, as were its cities and provinces with Guangxi and Yunnan already facing debt default, whilst Xi's regulatory crackdown on private enterprises had clipped the wings of China's biggest drivers of growth.

Henry Wang had seen the writing on the wall long before Evergrande and Country Garden had hit the headlines in the international press. It was why he had started to diversify and call in unpaid debts as a supplier to real estate developers.

He was nevertheless on the hook for tens of millions of dollars as market confidence collapsed and suppliers like his Delta Group were bleeding cash with China's property developers failing one after the other, a dramatic about-turn after more than four decades of spectacular growth.

Evergrande mattered, since much of its debt belonged to overseas investors, even so it was small compared to the amount in the hands of small or mid-size Chinese businesses, the core of the country's economy, that were desperately waiting to be paid.

Evergrande's and Country Garden's unpaid bills were sending shock waves through the China's business world as construction

subcontractors for concrete, steel, glass, piling, heating and plumbing, electricity, lifts, windows, doors, floors and whitegoods, were waiting for payment whilst their own suppliers and workers went unpaid.

The whole industry was hit, property developers large and small were collapsing along with their supply chains.

The fallout would have far reaching consequences as local tax revenues fell, unemployment rose, construction and sales declined, banks and financial institutions were left holding bad loans, as the country's economy ground to a halt.

Evergrande alone owed 82 billion dollars to its suppliers of construction materials alone, and amongst them was Henry Wang's Delta Group.

Until the Covid crisis hit, business had prospered, local governments, developers, suppliers and buyers, had prospered with land leases, construction and property transactions booming.

Then in 2017, Xi Jinping, unaware of things to come, pulled the plug by declaring that 'houses are for living in, not for speculation', tightening credit rules to rein in property speculation. In the crisis that ensued, a huge number of suppliers were trapped as the industry collapsed, with many businesses going to the wall.

Millions of Chinese were sucked into the mega black hole. Many of the wounds had been self-inflicted, inaction had aggravated the situation as solutions to debt management went unresolved, leading to suppliers being dragged under by those who were soon to learn they were not too big to fail.

CHAPTER 22

The Mekong

Looking across the Mekong, the Kings Romans Casino shimmered like an oriental palace with the Kopok Star Hotel rising incongruously out of its rich tropical gardens against a backdrop of rolling hills covered in luxuriant forest.

Valentina and Ma-prang had just said goodbye to their taxi and were standing on the river bank where the Ruak River joined the mighty Mekong, it was the tri-point of the Golden Triangle, where the borders of Thailand, Laos and Myanmar met.

A huge golden statue of Buddha marked the Thai side of the river where long narrow motor-powered boats ferried visitors to the Laotian side and the casino.

Their presence came following the report Michael D'Arcy had sent to Pat Kennedy. It had alarmed the banker, since Henry Wang and his company the Delta Group were clients of INI Hong Kong and more recently INI London.

Firstly, Kennedy had no desire to end up like the Swiss bank USB, which had been fined billions of dollars for money laundering, complicity in tax evasion and other misdemeanours, by the US Federal Reserve. And, secondly, as head of INI Hong Kong he didn't want to be implicated in accusations of capital flight by the Chinese authorities.

He told Michael he would look into the matter. In the meantime he instructed him to continue with his work in Mexico and Central America, assisting the Wangs until further notice.

Kennedy needed someone he could trust to discreetly investigate the Wang's activities in Cambodia and its neighbouring countries, where he was aware money laundering and other illegal activities were rampant.

It required the utmost caution, since if it were to be known he was investigating a Chinese client it would open up a can of worms.

He immediately thought of Valentina, a member of his security staff, who at that moment was accompanying his wife, Lili, on a visit to Singapore.

Valentina Reilly, whose real name was Valentina Dmytrivna Onopko, had been born and grown up in Germany, though both of her parents were Russian. She was part of the INI controlled Ares Security firm, run by another of Pat Kennedy's men, George Pyke, who managed some of the more singular problems that were becoming recurrent in Sir Patrick's far flung banking empire following Xi Jinping's turn of the screw in Hong Kong.

Valentina had proved herself in the remarkably successful task of freeing Michael from a Shanghai detention centre, part of China's secretive detention network, which allowed authorities to hold a person without charge for up to six months, often denying prisoners access to lawyers, consular services, and family, where he had been held for six months after being arrested on trumped-up charges of 'illegally supplying state secrets overseas'.

It had been part of a daring plan engineered by Ares, together with John Ennis and Baudouin van der Broeck.

Kennedy had rewarded Valentina for her role by enrolling her in his team for special assignments. She had many talents, which had proved valuable for Michael's evasion, they included fluent Mandarin, and of course Russian. Pat instructed her to undertake a discreet enquiry into the Delta Group's activities in the Mekong region, and especially any possible links to the Chinese triads operating in Laos and Cambodia, where Delta had construction projects and sourced valuable tropical timber.

That Henry was involved in capital flight from China was not his problem, a great many Chinese businesses were engaged in one way or another in getting money out of their country. What concerned him most was that Henry could be directly linked to the notoriously criminal activities of the Chinese underworld.

Kennedy spoke with George Pyke, who recommended she be accompanied by Ma-prang Chaichua, a Singaporean born colleague, who was not only an expert in martial arts, she also spoke Thai and Mandarin.

The two young women set out from Singapore in the guise of tourists, joining the flow of anonymous visitors to Thailand. After a few of days in Bangkok, they flew to Chiang Rai in the north, there they hired a taxi for the one hundred kilometre journey to a place called Sop Ruak on the banks of the Mekong.

Crossing the broad river was easy, a free boat ride. On the other side, in Laos, they were greeted by the Sam Liam Kham border crossing, an impressive, but almost empty checkpoint. Once they were inside its splendid entry hall, they presented their

passports for a summary check, paid an entry fee, and made their way out, where they found a waiting tuk-tuk to take them to the Kopok Star Hotel.

The hotel had opened barely a year earlier, an extravagant five star 500 room palace, where they checked into a small suite on the seventh floor, it was safer being together Ma-prang had told Valentina.

That afternoon, like tourists, they visited a newly built China village with its authentic Chinese architecture, the shops brightly decorated with red banners inscribed with traditional Chinese characters, like the shop names and every other sign. They heard Chinese spoken everywhere. To Valentina's surprise, they could have been in the tourist district of Suzhou in China.

Few nations have been transformed as radically by China's Belt and Road Initiative as Laos. The six billion dollar China-Laos high-speed railway had pushed the small, Southeast Asian country closer to its dream of being land-linked, not land-locked. Well-off Laotian and Chinese tourists could cross the country to its capital Vientiane with ease.

It was also the first stage of a future high-speed rail link from Yunnan through Laos, Thailand, Malaysia and finally to Singapore.

On their return to the hotel there was a message from Anthony Hui, a representative of INI Hong Kong in Vientiane, where the bank had interests linked to a Special Economic Zone in the south of Laos, where a nine billion dollar project was being developed over a period of several years by a Chinese company based in Hong Kong.



Chinese Belt and Road Initiative in Laos

Hui met them in the lobby bar. How much he knew about their investigation was not clear, but George Pyke had told Valentina that though she could trust him, she should be careful.

Hui was a Hongkonger with family links in Laos and could speak Laotian. He was about forty and had the confident air of an international bank representative.

They spoke in English as most of the hotel guests in the bar were Chinese and whose English was almost certainly very poor.

‘What we’re interested in,’ explained Valentina, ‘is the tropical timber trade. Where it goes and how its paid for.’

‘Well, I’m not very specialised in that business,’ Hui admitted, ‘but I can tell you that most of it goes down the Mekong to the South China Sea, where it is loaded onto ships for Chinese ports like Shanghai.’

‘Have you heard of the Delta Group?’

‘Yes, I haven’t had any direct dealings with them, but as far as I know they’re in the construction business.’

‘What about timber?’

‘Well they’re probably represented by local company.’

‘That’s what we’ve heard.’

‘According to Hong Kong I believe you’re looking into illegal logging.’

‘Yes, for the Fitzwilliams Foundation in London.’

‘So I understand.’

‘It’s confidential.’

‘Well you can count on us. INI Hong Kong is very careful to avoid business that could hurt us.’

‘Can you tell us something about how this is paid for and where the money goes.’

Hui bent forward. ‘What are your plans I mean for this evening?’

‘We were thinking of visiting the casino.’

‘Romans?’

‘Yes.’

‘Good then I suggest we finish here then we can walk over there. It’s best if we talk outside.’

‘Good idea.’

Hui made a sign to the waiter and after paying they set off for Kings Romans Casino.

Once outside, Anthony explained how the Casinos worked. How money was laundered and how the Mekong, nearly 5,000 kilometres long, served as a highway, which in spite of law enforcement patrols, continued to serve criminal organisations in the flow of money, gold, drugs and illegal timber, not to speak of human trafficking, as it wound its way from China, through Myanmar, Laos, Thailand, Cambodia and Vietnam to the South China Sea.

With corruption rife in the countries through which the Mekong flowed, it was almost impossible to control the traffic, which enabled triads to move cash from one country to another, laundering it in hotels, casinos, massage parlours and nightclubs.

Valentina’s role was not to report on the traffic, but to try to clarify Delta’s activities and how it was using its business in Southeast Asia to transfer capital to the Caribbean.

In the Greater Mekong region, hardwoods such as teak and rosewood from Myanmar were very valuable, and had been logged to almost extinction. Burmese rosewood was highly sought after by Chinese buyers, though Myanmar had banned raw log exports in 2014, however, demand in China and almost non-existent enforcement in Myanmar meant that rosewood for Ming style furniture was regularly smuggled by truck to the Mekong and transported by barge to the sea.

As for Burmese teak, it was destined for the European shipbuilding businesses, and especially for decking on super

yachts for the rich like Pat Kennedy or for charter business as the Wangs planned.

In the Mekong region illegal logging and timber was a cash business with the receipts recycled, laundered in the many casinos in Laos, Cambodia and Myanmar.

The Kings Romans Casino was open 24 hours and 7 days a week. Inside they discovered a vast palace, worthy of a Roman emperor, built of marble, crystal and gold, run by a Chinese businessman with a notorious reputation, mostly frequented by Chinese tourists.

Inside Anthony Hui took charge, leading them on a grand tour of the astonishing palace, which was more than half empty. They started with the first floor, the casino, where to one side of the main tables, Anthony explained, was an online section, there young female croupiers played to television cameras with Blackjack transmitted to all of East and Southeast Asia, where punters could gamble in real-time, thanks to applications that managed their play.

It was like those casinos Valentina had seen in Russia and a few other places, but on an even more extravagant scale. Ma-prang had on the other hand had seen the same across the countries of Southeast Asia.

But what struck Valentina most, was what it must have cost to build. It was evident from the sparse number of tourists and players visible, investors would never get a return on their huge investment. As usual Chinese piled into any new get-rich-quick scheme, as competition sprung up everywhere with the new

projects planned for similar Special Economic Zones, not only in Laos, but across the whole in the region.

Of course China was a big country with one and a half billion potential customers. But there was something else, another reason, and that she figured was money laundering and capital flight.

With Chinese government ministers and army generals being fired left, right and centre, for corruption, there must have been a mountain of hot money in China, plus that being thrown at its overseas projects like the Belt and Road Initiative, waiting to find a safe home.

With the accumulation of so much hot money in the pre-Covid years, those who had seen the coming collapse of the real estate sector, China's underworld of triads and crooked politicians, had invented this gigantic laundromat, and now the time had come to get their money out—fast.

If the truth was known they had invented nothing new, Las Vegas had been mafia controlled and it was the same everywhere—Monte Carlo, Atlantic City, Palm Springs, London, and of course Macao, a Special Administrative Region of China, operating differently from the mainland. Known as the Monte Carlo of the Orient. The list was long and at some point or another all had been linked to organised crime and corruption.



Across the Mekong

There was no doubt, it was a corner of China, a Chinese enclave, cordoned off in an isolated sparsely populated region of Laos, far from the capital of Vientiane, a 3,000 hectare extraterritorial concession, plus another 7,000 hectares in the form of a protected site, all ceded to a certain Wei Zhao, a Chinese businessman, originally from Heilongjiang, in the far north of China, who had negotiated a 99 year land lease on the site which overlooked the Mekong. It was situated in the heart of the once infamous Golden Triangle, known for opium trafficking and guerrilla warfare in the 1970s.

The region was now enjoying a second lease of life as a tourist attraction on the Thai side of the border and a gambling paradise on the Laotian side as Chinese investors moved to what was now called the Golden Triangle Special Economic Zone.

The bad news was the US government had designated Wei Zhao's Special Economic Zone as being part of a criminal organisation, engaged in drug trafficking, human trafficking, prostitution, money laundering, corruption and the contraband of wildlife and timber, centred around Wei's Kings Romans Casino.

Wei Zhao's business, a joint venture between the Laotian government and his Hong Kong Kings Romans Group, was in fact a criminal network centred in Hong Kong, Laos and Thailand, trafficking of narcotics, including heroin, crystal methamphetamine and other drugs with much of the dope destined for the US and Europe.

Wei's organisation was also accused of poaching endangered species of wildlife, including Asian black bears, pangolins, tigers, rhinos, and elephants. In the enclave, Chinese tourists could buy ivory and tiger skins, and there was even a restaurant that sold tiger meat and Hu Gu Jiu, Tiger bone wine, served from a wine filled tank containing a complete tiger skeleton.

Zhao Wei's system functioned thanks to bribery and corruption at all levels of government and law enforcement institutions, in Laos and Myanmar, though to a lesser degree in Thailand.

Wei's wife, Guiqin Su, was a director of Kings Romans International Hong Kong company, which boasted its investment, estimated at over one hundred million dollars, had transformed the remote corner of Laos into a tourist paradise with its hotels, restaurants, nightclubs, shopping centres, casinos, and an authentic Chinatown, all of which was dominated by the vast Kings Romans casino complex marked by its monumental golden crown.



The loot

It was described as Little China by the locals, drawing visitors from mainland China—where gambling was illegal, apart from Macau.

Zhao Wei had started out in the timber business in Heilongjiang, his home province, before moving to Macao, where he became involved in gambling.

He had the backing of top Laotian government officials for his joint venture, including former President Choummaly Sayasone, along with former government officials who sat on his company's board.



The two women decided to give the Paradise Casino in Mong La, Myanmar, a miss, from what they'd learnt it was the same kind of attraction for Chinese tourists.

Macao had served the CCP as a place to hide their fortunes and the triads to launder their dirty money. Moving their gambling chips from casino to casino and across borders with chips worth tens of thousand of dollars and even more.

Casino chips at first glance resembled pieces of cheap plastic, but what many did not know was these seemingly simple play things carried a lot of information and were packed with advanced technology. These chips were embedded with radio-frequency identification, which was used to track them and broadcast unique serial identifiers over radio frequencies. The technology identified and tracked every chip for authenticity, its history, and to ensure there was no forgery, cheating, or theft. Additionally, each casino carried uniquely branded chips, including colour combinations, marked edges, and UV markings that were impossible to forge. The reading technology also detected when counterfeit chips were being used.

Players could take their casino chips home with them. There were no rules to prevent them from taking them from one place to another. However, they could eventually expire and become worthless at a predetermined date.

Their interest was they escaped all forms of financial regulation and could be moved across frontiers undetected.

CHAPTER 23

Surveillance

How could Edouard and his team have got so much gold and cash out of Cambodia. Corruption, sure. But weren't they being watched by other Chinese, those in the service of the MSS?

Not all intelligence services played by the same rules. The Chinese government had a very different rule book compared to their counterparts in the West, and what they lacked in sophistication, they always make up for with sheer gall and overkill.

I'd asked Edouard that question, whether their overseas activities weren't being watched, but he was evasive, perhaps I'd have more luck with Lucy, but that would have to wait.

What I did know was Chinese intelligence agencies waged a non-stop hybrid war against the West, a technological war that consisted of espionage and theft of know-how in space, scientific and military domains, an economic war consisting of industrial expansion, a resource war to control the production and the supply of strategic raw materials, and a diplomatic war to influence and win allies amongst the BRICs and Third World nations.

China exploited the relative freedoms in the West as an authoritarian one-party state, unbound by the rule of law, independent of political oversight, freedom of the press and inexistent public accountability.

Xi's China had become a digital authoritarian police state, a closed society with ubiquitous technical surveillance. His zero-Covid policy had seen entire cities shut down, hitting China's economy hard, strangling supply chains and shuttering businesses, from Shanghai—the country's greatest economic hub to rural towns and villages.

Once firmly established, authoritarians were condemned to remain in power, by every possible means. The loss of power often meant exile or death, as was the case in Romania when Ceausescu's regime collapsed and he was executed along with his wife after a summary trial by a military tribunal.

China mobilised its entire community for espionage, intelligence services, private businesses, its citizens, and the Chinese diaspora. Its goal was to overwhelm the resources of its adversary by pure numbers and the identification of its citizens with one people, the Han, one nation and one identity, with a few minorities, which in total represented one-fifth of humanity.

Since coming to power in March 2013, Xi has never tried to conceal his grand plan for China's renaissance, to make it the world's paramount power, replacing the United States of America.

The trouble was the West had not seen China as a major threat until it was almost too late. It was the digital revolution that changed the nature of intelligence and national security, a concept that the Chinese government grasped early on in their race for growth.

China's strategy could be summed by the idiom 隔岸观火¹⁵ translated as 'watch the fires burning across the river, delay entering the battle until all others have been exhausted by infighting,' a tactic as old as China itself.

¹⁵ Gé'ànguānhuǒ

CHAPTER 24

House Arrest

September 28, 2023, all trading of Evergrande shares on the Hong Kong Stock Exchange was temporarily suspended after the real estate developer announced its CEO, Xu Jiayin, was under house arrest, suspected of criminal acts. In addition Xu's second son Peter Xu was also arrested, handcuffed and shackled.

Earlier, several of Evergrande's key executives had been arrested, including the developer's former number two, who was regarded as Xu Jiayin's personal accountant.

It was a sure sign authorities had begun to investigate Evergrande's property division and arrest executives to prevent them transferring their wealth overseas as Xu's had already done.

Xu was known for having lavished favours on high ranking CCP officials and their families, flying them all over the world on special flights with girls and champagne laid on.

The CEO had led an extravagant lifestyle, wherever he went, whilst his friends and investors poured money into the company with promises of unrealistic gains as high as 15 percent annual returns.

When I looked at Xu Jianyin, his excesses, his accumulation of trophies, it ran to a pattern—that of so many other Chinese billionaires. In fact it was nothing new. Going back to pre-World War II days, Du Yuesheng the notorious Shanghai gangster was an example of the kind of excesses rich Chinese wallowed in.

John Francis Kinsella

‘Big eared’ Du Yuesheng, over the course of his notorious career, became a member of the Shanghai City Council and President of the Shanghai Board of Opium Repression, he was also head of the Shanghai Stock Exchange, the Bank of China and the Central Bank of China.



The Bund Shanghai 1920s

He joined the Green Gang Triad at the age of 16, where he was befriended by ‘Pockmarked’ Huang, a Chinese police detective in the French Concession of Shanghai.

Huang, Du, and Zhang Xiaolin—another gangster, were known as the ‘three Shanghai tycoons’, who together founded the Sanxin Company which traded opium. At its peak, profits made by the company alone were equivalent to one third of the city government’s total income.

Du’s favourite haunt was the Great World, Shanghai’s largest amusement centre, 15,000m² on 5 floors, where the higher you

climbed, the closer you got to debauchery—prostitution, opium and gambling.

Hollywood film director Josef von Sternberg described it in detail:

‘On the first floor were gaming tables, singsong girls, magicians, pick-pockets, slot machines, fireworks, birdcages, fans, stick incense, acrobats, and ginger. One flight up were... actors, crickets and cages, pimps, midwives, barbers, and earwax extractors. The third floor had jugglers, herb medicines, ice cream parlours, a new bevy of girls, their high collared gowns slit to reveal their hips, and (as a) novelty, several rows of exposed (Western) toilets. The fourth floor had shooting galleries, fan-tan tables, ... massage benches, ... dried fish and intestines, and dance platforms. The fifth floor featured girls with dresses slit to the armpits, a stuffed whale, storytellers, balloons, peep shows, masks, a mirror maze, two love letter booths with scribes who guaranteed results, rubber goods, and a temple filled with ferocious gods and joss sticks. On the top floor and roof of that house of multiple joys a jumble of tightrope walkers slithered back and forth, and there were seesaws, Chinese checkers, mahjong ... firecrackers, lottery tickets, and marriage brokers.’

When the Battle of Shanghai broke out in 1937, Du Yuesheng transformed the Great World into a refugee centre. Then, on August 14, two bombs, dropped by Chinese planes, fell on the crowded entrance, 2,000 people died, refugees, passers-by and shoppers.

Du Yuesheng had a predilection for immense mansions, like Evergrande’s Xu Jiayin—nine cars, eighteen chauffeurs, three bodyguards and an army of servants.

Back to today, tongues loosened, accusing the government of protecting Xu Jiayin, whose wife and son had moved to the US,

where they transformed Evergrande assets into personal assets, leaving their debts in China.

By entrusting Cayman Islands shell companies and Variable Interest Entity structures with Evergrande shares, Xu had transferred fiduciary responsibility.

Evergrande had issued high interest bearing corporate dollar bonds, with yields as high as 13.75 percent, at a time when interest rates were at a record low, bonds which were exclusively purchased by Xu's family and relatives via offshore shell companies. In this way the bond's coupons were paid offshore, in dollars, thus channelling large sums of tax free dollars out of China in the guise of interest payments.

In this manner, Xu and his associates were transformed from Evergrande controlling shareholders into its creditors and instead of delivering apartments to buyers they were siphoning off capital, converted into dollars, overseas to distant Caribbean tax havens.

By seeking US bankruptcy protection and divorcing his wife, Ding Yumei, Xu was able to keep his assets from being frozen by the liquidators. Ding held a Canadian passport which protected her from extradition to China as the two countries had no agreement. In the same way his son Xu Zhijian, who was a Canadian resident, managed the family trust worth 2.3 billion dollars.

Domestic bonds accounted for 80 percent of Evergrande's debt while the remainder was foreign, denominated in US dollars. Xu's plan was to leave the debt in China and pay the foreign debt in dollars.

Xu Jiayin told of how he had founded Evergrande in 1996 with borrowed money and using land as collateral. It was a sellers market and homebuyers paid up front with his first home development project being sold within hours on the first day it were put on the market.

Evergrande prospered with the backing of local government and the help from the high level party leaders like Jiang Zemin and his partner Zeng Qinghong, known in the CCP as the Jiang faction.

Xu Jiayin was close to Jiang's family and with his support Evergrande grew fast. Like Edouard said, Xu was the Jiang family's white glove, a kind of middleman, who facilitated kickbacks under a legitimate front. In addition to the Jiang family, Xu also had the support of certain other factions of the CCP.

The fact was the entire CCP was ridden with crony capitalism. An alliance between state, power and money.

The economic disaster that was evolving was on an unprecedented scale with its roots in the kind of capitalism that had emerged under Deng Xiaoping and Jiang Zemin, one which had become the focal point of a power struggle at the very top.

Almost all of Chinas private real estate companies were burdened with unsustainable debts, their only hope being a government bailout, based on the mistaken idea that they were too big to fail.

If Sunac, another major real estate company, was anything to go by, the future was looking bad, as it joined the rush in transferring assets overseas.

The accumulated debts of real estate developers, that had banked up-front payments from buyers and borrowed from the supply chain, brought the total debt to over twelve trillion dollars, a situation that threatened the financial system with systemic collapse.

Altogether, taking into account banks, trusts and bonds, more than 88 trillion dollars were owed, two-thirds of which was in the form of individual mortgages, which would have an immeasurable impact on the larger economy, throwing countless numbers of people out of work, unable to pay their mortgages.

What could the Chinese elites do? The rich and powerful, the princelings, party leaders, were all linked in one way or another to the big developers, wealth management firms and trusts.

Transferring the burden of debt onto the nation and its ordinary citizens, would result in social collapse, revolt, and the overthrow of the CCP.

CHAPTER 25

Evergrande

The news had been relentlessly negative for more than three years. It was like a slow motion car crash, a very slow motion car crash, of mega proportions.

Why? Because behind Evergrande's stock market disaster was a story of wild extravagance. Worse than all the other stories put together. A story of countless billions of dollars squandered, a story that made Madoff's Ponzi scheme seem like small change.

Could the CCP take the risk of putting Evergrande out of its misery? If it concerned Evergrande alone perhaps it could be managed. But no. The whole system was rotten, too many leaders were implicated in the disaster.

Xu Jiayin, until recently a flamboyant tycoon, a Chinese success story, a friend of the Party leaders, the Chairman of Evergrande, a group he founded in 1996, was taken away by police and was being held under house arrest at an unknown address as investigations commenced into fraudulent operations linked to his group's wealth management funds.

The property developer had become a symbol of the excesses, fuelled by China's property bubble, heavy borrowing and lavish spending. His group had bought everything from soccer clubs to theme parks, while Xu and his family and friends jetted around like royalty in a fleet of private jets.

John Francis Kinsella

A photograph of him at a party conference wearing a gold-buckled belt, made by the French luxury label Hermès, went viral on social media, earning him the nickname ‘belt-bro’. It was a well deserved epithet for Xu who had received more than seven billion dollars in dividends since the company started trading in 2009.

His many assets were held by subsidiary companies or offshore shell companies, like the global rich, protecting assets from creditors, tax authorities and public scrutiny. He was one of the Asian tycoons who turned up in the Panama Papers in 2016.

Xu and his wife controlled 77 percent of Evergrande, most of it via a British Virgin Islands vehicle:

Xin Xin (BVI) Limited Company
C/O Maples Corporate Services (BVI) Limited,
Kingston Chambers, Ritter House,
Road Town,
Tortola,
British Virgin Islands

Now, I’d met one of two of those top people from real estate developers at Henry Wang’s evenings in Shanghai. They enjoyed extravagant life styles—private jets, yachts, big cars, mistresses, diamond studded watches, foreign travel and all the rest.

One of them, Eddy Shaw, from Country Garden’s Hong Kong operation, was involved in Henry’s very upmarket property projects. I imagine a lot of money changed hands via offshore accounts because Eddy owned a very large villa in Shanghai and

I'd visited his apartment at Victoria Heights in Hong Kong, a vast penthouse.

Funnily enough I first met Eddy in Phnom Penh, at the Rosewood Hotel, situated at the top of the 39-story Vattanac Captial Tower, the tallest building in the Cambodian capital. It was a private reception in banqueting rooms with a vast panoramic view that dominated the city. Amongst the guests were a number of Overseas Chinese, not only locals from Cambodia, but also Singapore, Malaysia and Indonesia.

Most Chinese in Cambodia had arrived during the French colonial period. The French organized them in communities according to the most common Chinese dialects spoken in Phnom Penh. They were Teochew, Cantonese, Hakka, Hokkien and Hainanese, around which their community, economic and political lives turned.

The majority of Chinese families were small shop owners, those with restaurants and business owners as well as a scattering of liberal professions. They depended on informal family and ethnic ties for labour and capital.

Hainanese ran restaurants and hotels, Hokkienese controlled hardware, the Hakka owned bakeries, and the Cantonese were concentrated in woodworking, furniture making and car repair garages, as for the Teochew they were found in most other economic niches.

Outside of the towns and cities, Chinese grew cash crops such as vegetables pepper and other spices, whilst Chinese merchants bought surplus rice, sold commodities and lent money to Khmer peasants.

In addition a smaller group of prosperous Chinese businessmen was engaged in trade, agricultural commodities and fisheries. In addition they were also controlled vice, opium, gambling and money lending.

Certain of these more profitable activities were concessions distributed by the Cambodian royal family to Chinese entrepreneurs.

Cantonese traders in Phnom Penh were connected to fellow Cantonese in Saigon's Cholon district across the border in Vietnam, controlling the rice, pepper and salt trade.

In short, each linguistic community had its own domains, like the Teochew who ran shops and distribution.

Under the Khmer Rouge, two million Cambodians were killed and the Chinese were persecuted and murdered for being urban dwellers and capitalists, it was estimated that half of the Chinese population died under Pol Pot.

In 1985, after the defeat of the Khmer Rouge, Hun Sen, a pragmatist, became prime minister, and very gradually the Chinese community grew again, thanks to the Teochew of Phnom Penh and their relatives in Bangkok.

Under Hun Sen, the economy was liberalised, state enterprises privatised, and the Chinese returned, these were called 'Cendaekook', which meant Mainland Chinese, who did not speak Cambodian. However, family connections both local and in China quickly gave the Chinese community in Phnom Penh a new lease of life.

In parallel, a small group of successful Cambodian-Chinese tycoons was instrumentalised by Hun Sen and other top CPP officials. These ran diversified business activities in the most profitable sectors of the country's economy. They bore the honorific title 'Oknha', like 'Lord' in the UK, which was once bestowed upon prominent officials in the royal court, but now the title was awarded to businessmen who made contributions in excess of 500,000 dollars.

The Oknha were attributed business concessions, including import monopolies, public contracts and land, in return for their loyalty and financial contributions to individual officials and the CPP party.

Cambodian-Chinese facilitated the development of industry and commerce financed by investors in China, both private capital and state aid. From 1990 onwards Chinese immigration grew with the arrival of small traders, entrepreneurs, investors, garment factory managers, teachers, journalists and sub-contractors for infrastructure projects financed by the Chinese government.

Most Cambodian-Chinese of previous generations came from China's southern coastal provinces, but today new arrivals came mostly from the Shanghai and other large cities.

These new arrivals formed the Cendaekook whereas the older generations that spoke Cambodian were referred to as Kmaecen—Khmer-Chinese.

Most trade concerning consumer goods came from China and was handled by the new arrivals with family connections there,

which was also the case for the import of machinery and raw materials.

Many of the new arrivals headed for Sihanoukville, on the Gulf of Thailand, which had been transformed into a Chinese enclave, where casinos, hotels, restaurants, shops and travel agencies served Mainland Chinese tourists, many of whom invested in residential property built by Chinese promoters, including Henry Wang's Delta Group.

The success of the Chinese community attracted more immigrants from the Mainland who arrived and set up new businesses, whilst others married Cambodians and spoke Khmer.

The Phnom Penh Oknha, benefited most from Chinese investments. To start with was the power couple—Oknha Lao Meng Khin and his wife Choeung Sopheap, a close friend of Hun Sen's wife.

Ly Yong Phat, another prominent Oknha, was known as the King of Koh Kong Province, near to Sihanoukville. Ly Yong Phat owned hotels, casinos and had even a sugar plantation in Koh Kong—a joint venture with a Taiwanese company.

CHAPTER 26

A Trip to Paris

Eddy liked to tell the story of how Desmond Shum and his wife Whitney Duan, decided to take David Li and his wife Jia Qiang, daughter of Jia Qinglin, a top CCP leader, to Europe in the spring of 2011, and give them a crash course in French wine.

Desmond Shum had been one of China's most well-connected businessmen. He and his former wife, Duan Weihong, had used their relationships with top government officials at the time when China's real estate business commenced its vertiginous growth and multibillion-dollar property development companies were born.

David thought it was a good idea and invited two other prospective wine club investors and their wives along for the ride. The first was Xu Jiayin, the CEO of the Evergrande Group, China's biggest property developer. The second was Yu Guoxiang, a foul-mouthed construction company mogul nicknamed 'Little Ningbo' who was short in stature and hailed from Ningbo, a port city to the south of Shanghai, in [Zhejiang Province](#). Together they were planning to invest in the club, starting with its wine collection, chipping in five million dollars each.

Jasmine, the daughter of David Li and his wife, had been pictured in November 2009, dressed in a Carolina Herrera evening gown, at the Hôtel Crillon's annual debutante ball in Paris. It was published in *Vogue*. The young woman who

attended Stanford University was later cited in the Panama Papers as the sole shareholder of two offshore investment firms in the British Virgin Islands.

The Shums and the three other couples left for Paris in three jets, but because the men wanted to play cards, they travelled in just one of the jets whilst the other two planes followed on empty, just in case an urgent business matter cropped up and they had to return home to China.

Shum, an inexperienced card player arrived in Paris 100,000 dollars lighter, but it was of no importance and it only went to build his *guanxi*.

As they played, the conversation turned to business, and Yu Guoxiang, chatted about his run-ins with the law after ‘lending’ a Zhejiang official 500,000 dollars to curry favour for a 1.2 billion dollar contract to build a multi-laned ring road around the city of Hangzhou.

The official ended up being sentenced to life in prison for corruption.

Yu was also mixed up in a shady loan arrangement with a Shanghai state-managed pension fund that enabled him to buy Shanghai’s Jing’an Hilton hotel for 150 million dollars.

Toasting Yu’s adventures, David Li declared that ‘in today’s China, jail is the modern version of the Whampoa Military Academy. A Chinese businessman who hadn’t been to jail hadn’t accomplished anything.’

Many Chinese leaders graduated from the Whampoa Military Academy in the 1920s, China’s version of West Point, and such

words coming from the son-in-law of the fourth most powerful politician in China would have been considered blasphemous anywhere else, but the four pals nodded in solemn agreement, clinking glasses, and downed a glass of Krug Champagne.

On their arrival in France, they dined at Pavillon Ledoyen, one of the oldest restaurants in Paris, situated between the Elysee Palace and the Champs-Elysees, where in a private room, elegantly laid out tables with white napkins and silver cutlery, welcomed the Chinese tycoons.

Shum invited a French friend, François, who boasted one of the largest private collections of pre-1960 wines in France, and had prepared the menu together with the renowned Chef Christian Le Squer, blending fine food with vintage wines.

In those days, Xu Jiayin jetted across the world in a luxury Airbus 320 with a lounge, boardroom, bedrooms and bathrooms, no less than a celestial palace. It was a golden age of extravagant living when business leaders counted their wealth in tens of billions of dollars.

Today, Evergrande property empire was bankrupt and Xu Jiayin under house arrest, his fortune evaporated and the group in debt to the tune of at least 300 billion dollars

Xu had received more than seven billion dollars in dividends since the company started trading in 2009, more than any other of the 82 Chinese tycoons tracked by Bloomberg.

The Evergrande founder was just one of the big-spending tycoons in the sights Xi Jinping, head of a system ridden with corruption, now struggling to guide the ship of state towards calmer waters.

Xu, who was born in China's central Henan province in 1958, lost his mother as an infant, and rose from poverty through school and university. He graduated from the Wuhan University of Science and Technology in 1982, as the nation's economy was starting to open up, and founded Evergrande in 1996, after having commenced work as a technician in a steel making plant.

He built his firm into one of China's biggest real estate developers through debt issuance, more recently expanding into property management and electric vehicles. Xu also had interests that ranged from soccer and volleyball teams to mineral water, online entertainment, wealth management and insurance.

As his influence grew, Hui ensured his business priorities aligned with those of China's Communist Party. He was a member of the Political Consultative Committee, which helped advise the government on policy, and boasted his company had created millions of jobs and paid billions of yuan in taxes.

Desmond Shum's escapade to France with his four pals illustrated the degree to which corruption had eaten into the heart of China's business and government.



Trouble started for real when Evergrande's main business unit, Hengda Real Estate Group, announced it had missed payment for a 550 million dollar bond, soon after it had boasted more than 870 projects in over 280 cities across China, declaring its goal was to build the dream houses for more than six million buyers, when it reality the group was on the verge of bankruptcy.

What had started out as a financial problem was morphing into a criminal case, after Xu Jiayin was placed under house arrest and all contact with his staff and former close associates cut. The group's former chief executive, former chief financial officer and the former chairman of its life insurance unit, were all placed under arrest along with many others on suspicion of illegal fundraising in Shenzhen.

Xu had courted Hong Kong tycoons as investors at card games and enrolled Chinese movie stars such as Fan Bingbing and Jackie Chan to help market his products.

Among his more surprising international relations was the UK's Prince Andrew, whom he hosted at his luxury home in Hong Kong's exclusive Peak neighbourhood, during the royal's visits to the territory, according to Eddy Shaw.

Xu had met Prince Andrew in 2015 and 2016, as photos and Chinese media reports show. The precise nature of their meetings were unknown, they were recorded in Court Circulars or the public record of official royal engagements, like so many other things.

When Xi Jinping visited London in October 2015, Chinese media reported that Xu Jiayin joined the Chinese delegation and visited Buckingham Palace with the Duke of York. And for the record Andrew sent a congratulatory message to Evergrande's 20th anniversary party a year later.

CHAPTER 27

Money Laundering

When Lucy, a Chinese citizen, produced a passport issued by the Commonwealth of Dominica, a small Caribbean island state that lay between Martinique and Guadeloupe, I was only half surprised, not because China did not allow dual citizenship status, but by the fact I was no longer surprised by anything the Wang family did. I'd learnt that money, and especially their kind of money, could buy everything. What did surprise me however was until her sudden appearance in George Town, she had never set foot in Dominica, or the Caribbean for that matter.

It all went back to Cambodia, a hotbed of money laundering, where billions of dollars transited on their way to the Caymans and other offshore islands—that chain of fiscal havens that stretched around the planet, where Chinese businesses and citizens bearing Cambodian and other golden passports parked their wealth in the guise of investment.

One such case that made headlines in Singapore concerned a Chinese citizen, a director or shareholder of 185 firms in Singapore, and other countries, including the UK, linked to a vast billion dollar network of money laundering involving precious metals, gems and cash.

He, one of the ten accused, purportedly citizens of seven different jurisdictions, including Cambodia. All of whom were believed to have originated from China and connected to a British registered firm, Yunma Tianlong International

Consulting, which was involved in a broad range of fraud and financial crimes with involving more than 9,000 companies worldwide, linked to financial transactions designed to conceal the origin, ownership, or destination of funds.

The ultimate objective of money laundering by organised crime was to transform criminal gains through covert operations and integrate them into the legitimate economy, so that they can be used to finance further criminal activity or finance the lavish lifestyles of wrongdoers.

Cambodia had a long history of money laundering. The Financial Action Task Force had placed the country on its grey list in 2019 for failure to comply with international anti-money laundering and counter-terrorism regulations.

The country's real estate sector, a hub for money laundering, attracted Chinese investors, generating large flows of cash linked to capital flight, encouraged by corruption and an almost total lack of regulation.

Chinese owned casinos were at the heart of the traffic, operated by Chinese nationals, primarily attracting Chinese clients, located in the coastal province of Sihanoukville. Many were engaged in money laundering, drug trafficking, and human trafficking.

Large cash transactions in those casinos, aided by Cambodian banks and their failure to report doubtful transactions to the appropriate authorities, made it almost impossible to trace the origin and destination of the funds.

CHAPTER 28

A Drama

All the Wangs wanted was to save what they could of their business as Chinese capitalism was about to be sacrificed on the altar of a Great Leap Backwards.

Everything changed with Xu Jiayin's fall from grace, he who had controlled one of the world's greatest fortunes when Evergrande's shares peaked in 2017, now a prisoner in his own home pending Chinese justice, known for its severity.

Once considered among the most politically connected businessmen in China, his ambitions ranging from electric cars to soccer, the tycoon had become the most high profile loser in Xi Jinping's crackdown on excessive leverage and speculation in China's most performing sectors—fintech, technology and real estate.

But worse than Jack Ma of Alibaba, and with more justification, the high flying Xu Jiayin was being thrown to the wolves, supposedly in the name of ideology, but the reality was more prosaic, to hide the corruption of the CCP and its leaders.

Those leaders, like those of all communist states, governed by direct interference in the affairs of businesses and entrepreneurs, a system that inevitably stifled initiative and creativity, one where functionaries had never been known to excel.

My personal adventure into the world of Chinese business affairs had started five years earlier. It commenced a fine

Tuesday, July 3, 2018, to be precise, in Bonnieux, a small and picturesque medieval French village near Avignon. At approximately half ten in the morning a tourist fell from a wall high above an ancient stone stairway.

The village stood on a hill dominated by a 12th century church, the Haute Eglise de Bonnieux, which the hapless tourist had been visiting with four companions and a guide. In the distance, beyond the wall that bordered the church, were the mountains of the Petit Luberon, clearly defined under the luminous morning sky. In the foreground, the intense green of the pines and cedars on the flank of the hill contrasted with the white limestone of the church and the surrounding houses.

Bonnieux, surrounded by the splendid Provencal panorama, admired, photographed and painted by countless visitor as far back as locals could remember, was suddenly struck by what seemed to be a dramatic accident.

I, together with my then girlfriend, Suzie, witnessed the accident. We were strolling up the stairs of the steep stone passage that led to the church, when we heard screams. As we turned a corner we saw people rushing down to a landing, a dozen or more steps ahead of us, where a man wearing a red polo and a beige Bermuda lay in a small pool of blood on the polished grey stone slab, it seemed he'd fallen from the wall high above us.

We stopped in our tracks, stunned, there was nothing we could do. We stood paralysed, hypnotised by the drama.

It was not long before help arrived followed by a local doctor, then the village police who took control of the situation and

ushered us away, down the stairs, where we crossed medics from the emergency services hurrying up to the scene of the accident.

We were in Provence for the summer festivals—Avignon, Aix and Vaison la Romaine, which ran for most of the month. We'd been taking in the picturesque villages that dotted the region between Avignon and Aix, enjoying the fine weather and remarkably beautiful landscapes.

We were shaken by the accident, Suzie more so than I by the fact that it had happened to a Chinese tourist. There was nothing we could have done as the others accompanying the injured man were immediately at his side.

How exactly it had happened we didn't know, a freak accident. Apparently he was alive, still breathing, from what we'd seen.

We decided to move on and walked back to our car, then headed for L'isle-sur-la-Sorge, further along the road back to Avignon. We skipped lunch and wandered through the town, trying to forget the accident and concentrate our thoughts on something less disconcerting, admiring the antiques shops and ancient waterwheels on the River Sorgue which wound its way through the town centre.

It was four in the afternoon when we finally stopped for a pause, taking a coffee and a pastry in a small café. We'd almost forgotten what we'd seen in Bonnieux and were figuring out our plans for the evening and where we could eat.

We'd driven down from Grenoble where we'd bid a final goodbye to our student's quarters and the city, where I'd spent the last couple of very agreeable years at INP-Pagora—the

Graduate School of Engineering in Paper, Print Media and Biomaterials.

We were looking forward to the long summer vacation, both of us had completed our post graduate degree courses and were unfixed on our future plans, apart from our immediate priority, which was enjoying the next couple of months.

That evening we wandered through the narrow streets of Avignon, looking for a not too touristy restaurant with a terrace. It wasn't easy as the crowds were already pouring in for the festival about to start in another day or two.

We found a nice place set in a small courtyard, stylish, a bit expensive, and not yet full. They seated us at a table shaded from the evening sun, under an ancient fig tree, where we ordered a couple of before dinner drinks and started to study the menu.

The evening was delicious, the air, the food and Suzie.

I'd met her in Grenoble where she was studying French, she was into fashion, and French went with fashion. She was from Beijing, her family was something in media and arts, exactly what I didn't really understand or care that much. I enjoyed her company and she tried to teach me Chinese, which suited me fine.

The meal and the wine were great, then as we paused to order coffee Suzie checked her messages. In Beijing it was early morning.

Her eyes opened wide. 'Mike! He's dead!'

'Who?' I said alarmed.

‘Wang Jian, the head of HNA!’

I was none the wiser.

‘The man we saw today in Bonnieux, who fell from the wall, he’s very famous in China, very rich.’

‘He’s dead?’

‘Yes.’

‘Who was he?’

‘One of China’s top businessmen, his group HNA owns Hainan Airlines.’

I Googled HNA, it was one of the world’s biggest leasers of commercial aircraft, into airports and hotels, worth billions.

‘What was he doing here in France?’

‘No idea.’

CHAPTER 29

Embezzlement

I remember how the next morning I learnt HNA was a hugely indebted conglomerate, a scarcely believable multiplicity of businesses. It seemed crazy, the flamboyant boss of a multinational group as huge and indebted as HNA, had according to Chinese media reports fallen off the wall posing for a banal photograph in that small Provencal village in France, so far from his home.

It was how I discovered the remarkable story of a group that was to become a model for things to come in China's wild world of crony capitalism, the rise and fall of ephemeral business conglomerates, a lesson in megalomania on a scale only China could invent.

In 1989, following the transformation of Hainan into a province, the provincial government decided to set up a local airline company, and in 1990, Wang and Chen along with several co-workers from the Civil Aviation Administration of China in Beijing, quit their jobs to join the new airline. Wang and Chen soon became vice presidents and major shareholders after a joint-stock ownership restructuring.

Other companies were set up and Chen Guoqing's wife and his brother in law were also listed as shareholders of the new firms.

Chen Guoqing's complex ties with HNA in terms of equity investments, business and company management were

documented as contracts for materials and services were exchanged.

Chen Guoqing was also involved in HNA's property investments in China as HNA expanded through overseas acquisitions, acquiring properties in the US. In 1997 through HAC, he bought a unit in Trump Tower in New York and his wife bought another apartment in the Park Imperial in Manhattan.

Chen and his wife entered the elite social circle in New York through philanthropy and business associations.

Wang Jian was the other motor powering the company together with Chen. Wang's brother was also deeply engaged in lucrative businesses with what had become an aviation giant with commissions paid for equipment purchases.

Chen and his group were among the hundreds of billionaires and business empires spawned following Deng Xiaoping's reforms, liberalising China's economy after the death of Mao Zedong. The Chinese Communist Party had instrumentalised business to build China's financial and business development overseas, but now feared the power wielded by nouveaux riche businessmen and their potential threat to its authority.

Under the leadership of Chen and Wang, the group had taken advantage of the easy credit that flooded China since around 2010, funding speculation on a raft of overseas acquisitions, including HNA's investments in the US worth 35 billion dollars—hotels, luxury properties, golf courses, and 245 Park Avenue, an iconic Manhattan skyscraper for 2.2 billion.



When HNA started out in 1989, as Hainan Airlines, it was an insignificant start-up airline, with neither planes nor a civil aviation license. However, based on Hainan it had huge potential, as the tropical island was China's Riviera and bigger than Hawaii.

In 1992, Hainan Airlines became China's first joint-stock airline with the Hainan provincial government holding 5.3 percent, backed by banks and investors. Chen and Wang were appointed president and vice president respectively and became minority shareholders

As China opened up business developed and they broadened their interests, attracting new capital, with Chen and Wang gaining majority control.

Then in 1995, Hainan Airlines became China's first joint-venture carrier by selling a 25 million dollar share to American Aviation, backed by billionaire George Soros with his Quantum Fund. At the same time the Hainan provincial government's holding shrunk until it finally withdrew.

In 2011, Soros backed out with American Aviation and transferred its stake to Wang, Chen and others.

When Hainan Airlines became a publicly traded company, Wang and Chen still owned minor shares, but Qixing, a company controlled by Chen and Wang, was listed as the second largest shareholder after acquiring Hainan Airlines' shares at nearly 20 percent lower than the market price.

In 2000, Qixing's shares in HNA were transferred to two companies controlled by Chen and Wang—Yangpu Hengsheng Industrial Investment and Sanya Xiangtai Industrial Investment whilst the two founders' family members and business partners became shareholders of Hainan Airlines through onshore and offshore companies.

Hainan Airlines then acquired a number of regional carriers and airports, including China Xinhua Airlines that transformed Hainan into a national airline.

This marked the start of Hainan Airlines' highly leveraged acquisition model, that was to be emulated by other business tycoons like Xu Jia yin.

By 2006, Hainan Airlines had become China's fourth-largest airline and owner of eight domestic airports. It was the start of a wave of acquisitions that symbolised the arrival of China on the world stage.

As the group continued to expand many of its diverse subsidiaries were held by nebulous shareholders, including the Hainan Province Cihang Foundation, set up by the HNA Group, which soon became the controlling shareholder of HNA Group.

The foundation's aim was supposedly to support a variety of charitable causes, however, these were never disclosed, nor was the use of its funds and assets.

The foundation in fact looked like a gravy train, its board composed of retired officials from Hainan's political, legal, financial and taxation authorities, including the former mayor of Haikou, the island's booming capital, and head of the provincial high court.

But one initial investor in the foundation was a Beijing-based advertising company controlled by Wang's brother Wang Wei.

Even murkier the Hainan Cihang Charity Foundation, registered in New York, was a mysterious figure, Guan Jun, a childhood friend of Chen's son. Wang's explanation was that Guan had got the HNA shares from an Indian businessman, Bharat Bhise, who had acted as an offshore consultant for HNA and had received the shares from the company as a gift.

However, when HNA acquired the Swiss airline catering firm Gategroup Holding AG, it was required by Swiss regulators to declare its ownership structure. HNA explained the shares held by Bhise and later by Guan, were in fact held on behalf of six HNA founders, including Chen and Wang.

Chen was unfazed by the growing debt. In an interview with state broadcaster China Central Television in 2004, he famously likened leverage to lice. When you have so many, 'you don't feel itchy any more. When you've borrowed so much, you can fall asleep at night.'

Before it began to strain under the weight of its debt-fuelled dealmaking and questions over its ownership structure, HNA grew to rank 170th on the Fortune 500 list of the world's biggest companies in 2017.

Wang's death only increased the intrigue surrounding HNA, which was facing an ever increasing number of questions about its ownership structure, and its alleged financial links to Communist Party leaders. The perceived connection to power gave some bond holders a sense of security that Beijing would come to HNA's rescue if it ever got into trouble.

In February 2020, everything changed, the Covid pandemic dealt a death blow to HNA. Airlines, airports and the travel sector were hit, leaving the group desperately scrambling to deleverage, dumping its assets in a fire sale as it struggled under an intolerable burden of debt.

HNA was effectively seized by the government of China's Hainan island, where it was based, the group's aviation and tourism businesses were paralysed by the shutdown.

Chen Feng and his group were faced with at least 63 billion dollars in claims from its creditors. Chen, already banned from air or high-speed rail travel after the group missed a court ordered payment, had arrived at the end of the road. He was detained along with HNA's chief executive officer for unspecified crimes after it was revealed that billions of dollars of company funds had been misused for non-business purposes.

After Wang Jian, co-founder and former chairman, fell to his death in southern France, HNA's leading creditor, the state-owned China Development Bank, stepped in to unwind its investments.

The pandemic announced the end of Chen's career as a tycoon, the only question that remained for him was to avoid the fate of Anbang's former chairman, Wu Xiaohui, who was sentenced to 18 years in prison in 2018 for fraud and embezzlement.

CHAPTER 30

Henrique

Henrique da Roza, one of Kennedy's men, a trusted personal assistant tasked with his special projects, like myself, was developing Kennedy's business plans in Panama and Mexico, coordinating with Tom Barton in Bogota, and was especially responsible for Belpharma Pharmaceuticals' expansion plans. It was a full-time job with Henrique spending a good part of his life jetting around Latin America.

He was Macanese, the son of an old Portuguese family that had lived and mixed in Macau for generations. Henrique spoke Cantonese and Mandarin, Portuguese and Spanish, and of course English.

In theory he lived in Chelsea, London, with his partner Maria Scmitt, a Belizian, which made their lives complicated, often separated by great distances as each went about their own professional lives.

Henrique guided me through the workings of Central America as I carried out my research work for Kennedy in Costa Rica. It was why I decided I should talk to him about the Wangs and more precisely their transfer of money into the Caribbean. It was evidently a delicate matter and we agreed to meet in Playa del Carmen near to Cancun in Mexico, where Edouard Wang was headed, purportedly to play golf.

I'd learnt that Mexico, in spite of its bad reputation, was one of the fastest industrialising countries on Earth, and contrary to popular beliefs, Mexican immigration to the US was almost at a standstill. In fact it was a rapidly growing partner of the US, replacing China, and conveniently on its doorstep. Which also went for Central America, which was following the same path to development, like Costa Rica.

Maria Scmitt was born in Belize, her mother a Mennonite died shortly after she was born, and her father an English lawyer was murdered in strange circumstances three years earlier.

Today Maria avoided Belize, too many bad memories, but often travelled to Ibiza, where she had inherited a property from her father.

I suppose they were jet setters, the low profile kind, those whose lives had been complicated by the kinds of events few ordinary people experienced. It was certainly that which had thrown them together, Henrique from Macao and Maria from that small Caribbean nation.

The catalyst had been Pat Kennedy and his plans for Belfarma, which I was still trying to understand.

Henrique had helped me unravel the links between Chinese businesses in the Caribbean and their predilection for offshore trusts and companies, notably in the Caymans and British Virgin Islands. His background was banking at INI Hong Kong and more recently as one of Kennedy's trusted inner circle, managing business development in Latin America and the Caribbean.

Central America was complicated by it being a conduit to North America for the notorious drug cartels, and a land bridge for an endless stream of desperate migrants that flowed northwards towards the promised land. Many came from distant countries, others nearer, from Haiti, Venezuela and Cuba, tragically dysfunctional states, relics of the now discredited totalitarian-communist experiment, which China, it seemed, at times, to pursue under Xi Jinping.

I joined Edouard on the Delta Airbus to Cancun, barely an hours flight from George Town, where we were picked up on arrival and driven to Playa del Carmen. There Edouard had rented a luxury villa in Playacar close to the resort's golf club within walking distance from Playa del Carmen's centre.

Between Playa del Carmen and Tulum, lay the Puerto Aventuras Marina, a must for Edouard given his interests in leisure yachting. The marina, he told me, could accommodate up to 250 vessels, ranging from smaller craft for sport fishing to mega yachts.

To start with we explored the town centre. Edouard was looking for ideas. The next day Henrique arrived and joined us for a round of golf before lunch. He got on great with Edouard, both spoke Mandarin, in which I was fairly fluent, but when they switched to Cantonese I was lost.

They, like many wealthy Chinese, were polyglots and our conversation flipped between English, Mandarin and from time to time Cantonese or Spanish.

That evening a couple of Mexicans joined us in Edouard's villa, a thickset somewhat older man with dyed black hair wearing a

thick gold chain and dark glasses, dressed in a white guayabera and crocodile skin boots, accompanied a younger man of about our age.

Edouard introduced the older man as don Antonio, adding for some reason he owned a chain of hotels and holiday condos in Cancun. Then, when don Antonio, taking off his dark glasses, started to speak Cantonese, I realised he was Chinese. But he looked like a Latino, a mestizo, a bit like the local people descendants of the Mayas, his skin was dark, stretched, no doubt burnt by years under the hot Mexican sun.

The younger man, Iñaki, Don Antonio's son, did not look like his father, he had indefinable features, his mother was probably Mexican, possibly criolla or mestizo.

There were discreetly accompanied by a what was obviously a bodyguard. A hard faced Mexican, a bandido, I thought, tattoos, gold chains and rings, he looked like one of those cartel hitmen and I was only half surprised when I saw he carried a gun.

Don Antonio invited us to dinner and we joined him in a large black van with tinted windows, which took off on the tail of an SUV, followed by a third vehicle, no doubt his security team, which reminded me Mexico was a dangerous country.

The restaurant, a large nightclub style establishment was classy, situated not far from the centre of Playa del Carmen. There we were effusively welcomed by the owner and his maître d' who showed us to our table. It was situated on a slightly raised area of the restaurant, facing an orchestra where an attractive singer wearing a low cut dress was singing an 'over the border'

classic in the kind of style that reminded me of one of those 40s Hollywood movies.

Our table was part of a row of booths separated by shoulder height flower topped partitions, ensuring we were out of view to most of the other diners, though I noticed the bodyguard had taken his post in the shadows a little way behind us.

‘So Edouard tells me you’re in finance,’ Tony Liu aka don Antonio said softly, speaking to me in English with a faint American accent.

I smiled and said yes, even if it wasn’t an exact description of what I did.

‘He tells me you speak Chinese.’

I replied, ‘a little,’ and he smiled, displaying a row of gold crowned teeth.

I wondered what the fuck Edouard was doing with this Chinese mafiosa.

‘We’re thinking of building a marina here on the Mayan Riviera,’ Eduardo announced as if in reply to my unspoken question, ‘and don Antonio is our partner.’

Jesus, I thought.



A couple of days later while Henrique and Edouard visited Tulum and the Maya ruins, I met up with Mike Watson, an expatriate journalist who freelanced for the The Mayan Riviera

Times. Henrique had got to know Mike a couple of years back after Maria's father had disappeared in Belize.

We met in a small bar in a street off the centre of Playa del Carmen where I asked Mike what he knew about Tony Liu.

Liu, he confirmed, was a Chinese-American mafiosa, who was into everything from legitimate business to money laundering with links to Mexican drug cartels.

The cartels supplied the US market with drugs and in return received container loads of cash, twenty, fifty and one hundred dollar bills, which Liu laundered through his conduits—condos, hotels, golf clubs, tourist agencies, restaurants, casinos and night clubs. The proceeds were then deposited as cash flow in accounts with the many legitimate banks in the Yucatan and used in payment for goods imported from China into the Americas via offshore companies. The profits were invested in real estate, spent on jets, yachts, and bribes to police and politicians to grease his well run system.

Liu charged as much as 18 cents on the dollar to launder mountains of dirty money through a vast network of import-export businesses reaching out to China, Southeast Asia, the US, Europe, and the Middle East.

He was a powerful man who had gravitated from being a lowly narco trafficker into the cartel's bagman, then, thanks to his origins and *guanxi*, he moved into a property development, laundering dirty money, managing capital flight, serving all those who wanted to get their money out of China, or, thanks to his network of lawyers, set up a trust, a shell company or bank account in the Caribbean.

His relations were far reaching, including Chinese government officials, members of the Communist Party elite, and top ranking goons in the Ministry of State Security. Li and people like him moved hundreds of millions of dollars behind a facade of real estate, import-export businesses and Chinese overseas investment projects.

Nearly four trillion dollars had left China since 2006, making the world's second largest economy its leading source of hot money.

There was so much corruption in China that it became difficult to distinguish between common crime, generalised corruption and legitimate business.

The trouble with Xi's proclaimed clampdown on corruption was that it was instrumentalised to eliminate his rivals. At the same time Chinese intelligence services expanded their ties with the Chinese mafia for mutual benefit in the same way Putin's regime had used Russian organised crime to crush the opposition.

Liu used his cartel connections, whilst maintaining his family ties to Macao's gambling industry and its emanations across Southeast Asia, one of his conduits for hot money. His network was anchored in the long established Chinese diaspora in Latin America and the Caribbean, stretching from Cancun to the Caymans, Cuba, Nicaragua and Venezuela and the Greater Antilles with its links back to Hong Kong, Macao, Cambodia and Laos.

He used his connections in China to provide services for the rich, moving capital out of China, investing in businesses and buying property. He also helped the wealthy with legitimate

resident permits, and when that failed provided fraudulent documents, professionally produced in Havana and Caracas—passports, identity cards, birth certificates and driving licenses.

His business received a boost when Xi introduced his anti-corruption crusade, pushing the Chinese well-off classes to activate their plan Bs, moving money overseas after the Chinese government imposed a yearly limit of 50,000 dollars on the amount that could be transferred overseas and an increased demand for US dollars.

The Chinese shadow banking system flourished following those restrictions and Liu's contribution prospered with an unlimited source of dollars from the Mexican and Central American cartels.

It was a win-win situation with wealthy Chinese willing to buy dollars and Latin American trading firms needing Chinese currency to buy goods from China.

Mexican tourist receipts were over 30 billion dollars in 2023, the best ever, fully recovering from the pandemic that had cost many an investor his shirt, or his life as in the case of Maria Scmitt's father, Barry Simmonds, when his condo construction project in San Jose, Belize, went belly-up and his crooked Russian investors wanted their money back pronto.

The vast trade exchange, imports and exports, between China and Mexico totalled 80 billion dollars annually, provided an inexhaustible source of opportunities for men like Liu, and Henry Wang for that matter. But Mexican and US trade was even greater, ten times that, creating a plethora of opportunities

Secrets Book III The Bezzle

for those with imagination as direct relations between the US and China soured.

CHAPTER 31

Xu Jiayin

It was an unequal battle when the pandemic struck and new homebuyers failed to show up. To make matters worse Evergrande's losses piled up, over 80 billion dollars, a staggering sum by any measure, leaving bond holders at home and abroad in the dark, struggling to understand what was going on.

For years, the pre-selling of homes had kept the developer flush with cash, which they used to buy more land and launch more projects at a time when 90 percent of homes were sold off plan.

In short, it resembled a Ponzi scheme, where money taken from new investors was used to pay off existing debts and obligations, an infernal spiral that would inevitably lead to disaster.

Most of the developer's debt was owed to ordinary citizens in China, whose homes now lay half built, ruined dreams on abandoned construction sites.

Oblivious to the unfolding disaster, Evergrande's founder, Xu Jiayin, appeared at the grandiose celebrations to mark the centenary of the Chinese Communist Party, flaunting his presence in the tribune situated above the walls of the Forbidden City, next to the great, the powerful, the men who ruled China.

Beaming confidently, he displayed no sign whatsoever of his certain knowledge of the doom that faced his group.

Wearing a finely cut navy blue suit, a white shirt and a suitably red tie, Xu exuded pleasure as he posed for photographers on the tribune, as the festivities were readied in Tiananmen Square behind him, a presence which many saw as an official endorsement of the billionaire's place in the firmament of China's modern business heroes.



Xu Jiayin Tiananmen Square

The 64 year old former steel technician had come a very long way from his modest beginnings in a rural village in central Henan province, having now amassed a vast fortune building homes for the greater prosperity of the citizens of modern China.

Under Xu, the rags-to-riches hero, Evergrande aggressively expanded its empire by raising loans to support its land acquisition orgy, selling low priced homes for a quick turnover the group's annual sales grew to 95 billion dollars by 2020.

By 2017, Xu had become Asia's richest man with a net worth of 45 billion dollars. Now, his net worth had melted to less than a modest three billion dollars, which his wife and son had transferred to the US and Canada via offshore shell companies in the British Virgin Islands to escape creditors and Chinese justice.

Xu was known for keeping a low public profile and reputed for being work obsessed, demanding that others follow his example, like many Chinese business leaders. He also set ambitious targets. When questioned by investors and reporters in the past decade about his highly leveraged projects, he claimed that Evergrande's high asset value was sufficient to cover the company's debts.



'Belt-bro' and his solid gold-buckled belt, made by the French luxury label Hermès

Xu's close circle consisted of family and other Hong Kong tycoons, poker playing pals, a tightly knit group who set up

investment deals together. One of them Cheng Yu Tung, the late founder of New World Development, had invested 150 million dollars in Evergrande, a year before it was launched on the Hong Kong stock exchange in 2009.

Xu declared, ‘Without the country’s reforms and opening, Evergrande would not have what it has today. Therefore, everything that Evergrande and I have, I owe to the Party, the country, and the people.’

The stability obsessed CCP was desperate to avoid the complete collapse of Evergrande, giving force to the idea that even the biggest zombie businesses would always be bailed out, including international investors, who were owed at least 30 billion dollars, and the belief that the government would never allow it to fail. That was further reinforced when the authorities cut interest rates and loosened other lending limits for developers and for buyers in an effort to pump up the bubble it had been keen to deflate.

The problem for the party in trying to contain the crisis was that the property and construction sector with its services upstream and downstream, accounted for nearly a third of China’s economic activity.

Many other developers were also facing default. A crisis that threatened the world of shadow banking, a vast uncontrolled form of lending outside of the regulated banking system. Added to this was the crisis facing local government, which had relied heavily on income from land sales and other opaque financing vehicles to meet budget needs.

CHAPTER 32

Liquidation

Since 2017, China had been faced with a dilemma, its shadow banking system, described as ‘ubiquitous, opaque and tangled’, had been under intense scrutiny as part of its government’s efforts to shift off balance sheet lending to banks. A crackdown that sapped liquidity and confidence, pushing both developers and trusts towards default.

The consequences meant the rich were getting poorer, not only people like the Wang’s at the top of the rich ecosystem, but also the well-off middle-classes who stood to lose everything. Huge numbers of wealthy Chinese were pushed to transferring what remained of their wealth overseas. A windfall for men like Tony Liu aka don Antonio.

One of my immediate questions was whether the City of London and its banks could be hit by the potential collapse of China’s economy, and more especially INI Hong Kong.

The reply from John DeFrancis was there were only four Hong Kong banks with a serious presence in the UK market—the Standard Chartered, HSBC, City & Colonial and INI. All four were ring-fenced from their Hong Kong establishments, whatever their links, which meant the impact on UK units would be very limited, manageable.

That was the theory.

The Wang's had little faith in their government and they were not the only ones. It was why they were getting into gold, like all Chinese who had the means, falling back on that age old last refuge, be it a few grammes, a few kilos or even a ton, it was driving the price of gold up to almost two thousand dollars an ounce, and even more on the black market.

At that point I received an alert from the South China Morning Post that a Chinese property investor that had struggled with several US projects, now faced liquidation as a Bermuda court issued a winding-up order against the firm.

I Googled China Oceanwide Holdings and reports confirmed liquidators had been appointed and the company's listing suspended in Hong Kong.

The Bermuda Court had officially accepted the winding-up petition made against the company. The petition was made by lenders for a real estate development project in New York, which in turn was under receivership. The lender was demanding China Oceanwide to repay 175 million US dollars.

The court appointed three joint provisional liquidators, two in Bermuda and one in Hong Kong. The law in Bermuda prescribed that once liquidators were appointed, no actions or proceedings are allowed to take place unless permitted by the Bermuda court.

The point was, Oceanwide was typical of those Chinese businesses, owning nearly 100 subsidiaries and more than 10,000 employees, with operations in key cities, including Beijing, Shanghai, Shenzhen, Hangzhou, Wuhan, Qingdao, Xi'an, Dalian, Ji'nan, Weifang and Hong Kong and other regions and countries, including the US, Indonesia and Australia.

It was truly mind boggling, the chutzpah of those guys, like Lu Zhiqiang, Oceanwide's founder. I mean he was not alone, it seemed as if all China had been carried away by mindless speculation, as if the entire fucking country was full of Sam Bankman-Frieds.

A quick check revealed they had subsidiaries incorporated in the British Virgin Islands, Bermuda and the Cayman Islands, with records dating back to 1990.

I mean what the fuck!

The crisis in the property sector, which accounted for roughly a third of the world's second-largest economy's GDP, had roiled global markets, with moves by Beijing to bolster the industry appearing to have little or no impact.

The combined floor area of unsold homes stood at 648 million square metres, or 7 billion square feet, according to the latest data from the National Bureau of Statistics.

The dominoes were tumbling one after the other.

Suddenly, Edouard's dealings did not seem so unwise.

CHAPTER 33

Whatever had gone wrong?

After China returned to the fold of the world economic community in 1978, it was transformed from a peasant economy into the second largest industrial nation on Earth over a period of the most spectacular growth know in the history of mankind. Farm reform, industrialisation and rising incomes, lifted nearly 800 million people out of extreme poverty.

It was a story of extraordinary and almost uninterrupted expansion until 2020, when a Black Swan event sent it slamming head-on into a wall. The Covid pandemic which started in a market in Wuhan brought China to a standstill, and when the pandemic had run its course in 2022, instead of roaring off again, it lurched from one crisis to another, exposing its dynamic businesses for frauds and the deeply ingrained corruption of its government and institutions.

The property market collapsed, just like consumer spending, business investment and exports with many analysts warning of a deflationary trap, like that of Japan in the 1990s.

However, the collapse of growth would be worse in China, Japan's living standards had been about 60 percent of the US's by 1990, whilst China's were still less than 20 percent. And, unlike Japan, China carried a heavy burden of debt.

Xi Jinping had become an autocrat, eliminating opposition, cutting down business leaders, transforming his country into a model of how not to manage a country.

The internationally reputed magazine *The Economist* described the mood in China as ‘dour’.

Shanghai, I was told, had become a dismal place. I remembered it as a vibrant city, its shopping districts thronging with life, its restaurants overflowing, with its throbbing KTVs where money was splashed around like it was going out of fashion.

Streets were now empty, shopping malls deserted and three quarters of the KTVs had shut down as a wave of pessimism swept across the city and austerity started to bite with the mass exodus of foreign businesses and expats turning into a rout.

The lack of a response to falling growth and inflation was the latest in a series of policy errors. China’s foreign-policy swagger and its mercantilist industrial policy was being transformed into a growing conflict with the US.

It commenced when regulators cracked down on successful technology firms, deemed by Xi as too powerful and monopolistic.

One of the explanations was that China had achieved an unassailable economic position, growth was no longer the priority of the CCP. Was Xi Jinping arming China psychologically for the conflict to come with the US for global domination, both militarily and economically? A policy that emphasised China’s pursuit of national greatness that demanded sacrifices by the Chinese people.

It seemed like a replay of the Imperial Japanese attempt to build its Greater Co-Prosperity Sphere almost a century earlier, when it conquered a large part of China, Korea and all of Southeast Asia and the Pacific Rim Islands, an error that led to its defeat after its leaders had underestimated the strength of the United States.

Today was different in that a nuclear confrontation would lead to mutual annihilation, or at the best Pat Kennedy's doomsday scenario, leaving just a few well prepared survivors to rebuild a new human civilisation on the ashes of the old.

For the moment China was frightening off entrepreneurs and foreign investors and as deflation cast its shadow over its economy and debt stalked its domestic markets, the CCP struggled to control the growing crisis and its grip on power as the dream of overtaking America faded.

All the signs were flashing red as the Chinese government stopped publishing negative data on youth unemployment and as consumer confidence collapsed. Policymakers were confronted by a situation unknown to them. For the first time in almost two generations growth ground to a halt, exports dropped like imports, factories closed down and immigrant workers returned to their villages.

At the same time, policymakers faced the problem of an ageing population, coupled with the arrival of vast numbers of overeducated young job seekers.

Observers had believed that trade, markets and growth, would boost democracy and individual liberty, but in China the reaction

of the Communist Party was the opposite, as Xi turned the screw, crushing hope and ambition.



The lack of oversight and mismanagement wasn't just a Chinese problem. The Caribbean had an economic disaster of its own, in the form of a big spending runaway capitalist, Sam Bankman-Fried, a 31 year old nonconformist sporting a head of unruly hair and a lackadaisical sartorial style—T-shirts, cargo shorts and sneakers, his baggy white running socks hanging down at his ankles. SBF as he was known, had blown billions with his FTX cryptocurrency trading platform, which was incorporated in the Caribbean rather than California.

SBF's firm, Alameda Research, was a hedge fund specialising in cryptocurrency, with its sister company FTX Trading Ltd., a crypto exchange for holders of crypto assets, allowing them to trade seamlessly. The exchange was a phenomenal success to start with as investors ploughed money in by the ton.

Unfortunately his unkempt appearance was a reflection of his management style that cost investors billions. FTX was one of the largest cryptocurrency exchanges in the world and its founder Sam Bankman-Fried was considered the saviour of the crypto industry.

Suddenly, almost overnight, Bankman-Fried and FTX suffered one of the most spectacular crashes in history managing some 32 billion dollars in customer accounts, with nine billion of that sum going missing, evaporating into thin air.

His accusers said that the missing funds had been diverted from cryptocurrency to buy real estate, for extravagant living and bankrolling Alameda's risky investments.

Nishad Singh, the former head of engineering at FTX, told prosecutors that SBF had led a high-flying lifestyle, spending wildly. He was said to have spent more than 40 million on ultra-luxurious living in his rented penthouse in the Bahamas, plus travel, hotels and entertaining, in just one nine month period alone, during which time he was seen living it up with celebrities and personalities like Katy Perry, Orlando Bloom, Hillary Clinton, Jeff Bezos, Leonardo DiCaprio, and Kris and Kendall Jenner.

SBF was facing as much as 100 years in prison, which, given his youth, he would no doubt escape the fate of Bernie Madoff, who over the course of his notorious career had defrauded his clients of 64 billion dollars, and died behind bars whilst serving a 150 year sentence.

These modern tycoons and magnates were poor copies of hard headed capitalists like J P Morgan, whose yacht the Corsair IV, the largest yacht ever built in the US, would have cost 65 million dollars today.

CHAPTER 34

An Affair

There was little doubt that there was something amiss in China, when Qin Gang, The Middle Kingdom's foreign minister, disappeared after only six or seven months in office setting tongues wagging social media. More than a month had passed since he was last seen in public with suggestions that he, a married man, was the father of a surrogate child with a Cambridge University-educated TV presenter, Fu Xiaotian, who had also disappeared.

It was an embarrassing turn of events for the Chinese government after the couple had been seen boarding a private jet at Los Angeles airport in California, where images on her social media account, showed she and Qin had climbed a mountain on St Valentine's Day to mark their son's 100th day, a Chinese tradition.

Fu's impressive life style had prompted speculation on Chinese social media after she posted images of her private jet and luxury residence in California

Qin was promptly and unceremoniously dumped as foreign minister, he was one of China's most influential policymakers and leading specialist on the US.

Qin Gang, a career diplomat, had been dropped at a hurriedly convened meeting of the National People's Congress Standing Committee, where his absence at the annual foreign ministers'

meeting in Indonesia and a meeting in South Africa had been explained as being for ‘health reasons’.

It wasn’t the first time a top Chinese official had disappeared from public view, but his romantic adventure had attracted huge interest. Perhaps the men at the top were human after all.

At the same time his fate was a frightening reminder that Xi Jinping was in charge of China, overseeing not only the CCP’s opaque decision making process, but also the country’s economy. Not seen since the days of Mao Zedong had a leader risked economic chaos, sacrificing economic growth for ideological objectives, eliminating all non-conformists.

In the view of John DeFrancis, the worsening economic situation, increased the risk that the kind of divisions that existed inside China, and had for thousands of years, would re-emerge. Governing 1.4 billion people over a vast territory was a task filled with perils, given that Tibet was never a natural part of China, like Xinjiang and Inner Mongolia, and that was without Hong Kong and Taiwan, which accentuated the historical north-south divide.

Beijing’s demographic crisis meant that China would get old before it got rich. Young women were postponing marriage and childbirth for longer than their mothers had. Population decline was visible, in 2022, it had shrunk by nearly one million, the first decline in more than 50 years, with the birthrate falling to a record low.

An ageing country, a falling birthrate and a slowing economy, were reminders of Japan’s lost decades of deflation and stubbornly low growth.

The government, aware of those problems, developed a raft of measures to encourage women to have more babies. However, the incentives made little impression on a generation of young women who were better educated than their parents and were unwilling to accept traditional family values, preferring greater material wealth and leisure.

Between 2019 and 2022, the number of people of working age declined by more than 40 million, making supporting the growing ranks of elderly people increasingly complicated.

As the boom years faded into parental memory, China with one of the world's lowest retirement ages posed an insoluble problem for China's 'bottle black' leaders, who wherever they looked were finding grey hairs that were disguised with difficulty.

China, when it joined the World Trade Organization in 2001, its leaders promised the people economic prosperity in exchange for abstaining from of politics.

Two decades later, and after the zero-Covid fiasco, the promise looked thin as millions of Chinese lost out, as unemployment rose against the background of a calamitous real estate crisis, when millions of middle class citizens paid upfront for apartments that were never finished or even started.

The middle-classes had experienced rising prosperity until the pandemic struck. Now after the debacle, Xi Jinping had clamped down on dissent at home, threatened a war over Taiwan whilst his promises morphed into a socialistic vision of equality rather than individual prosperity.

It was not what the middle-classes, almost half of the population, had signed up for.

Xi talked of ‘common prosperity’, a Mao-era catch phrase, which Deng Xiaoping had nuanced with the notion some people would find ‘prosperity’ first, and the ‘common’ part would come later.

But by cracking down on business and the ultra-rich, it was an about-turn that frightened investors away. Xi shut down the private tutoring industry, a sector worth over one hundred billion dollars to the economy that cost millions their jobs.

University graduates struggled to find meaningful work with almost a quarter of young people unemployed as the government proposed a nationalistic, security based vision of stability, with the greater economy paying the price.

CHAPTER 35

Archaeology

Whilst we had been occupied with Edouard's affairs, Lucy had been visiting the archaeological sites of the Yucatan, starting with Tulum and then Chichen Itza. That evening back in Playa del Carmen she spoke to me excitedly of a friend she had met in Chetumal, an archaeologist like herself, who had talked about a lost city in the jungle where she was working at a dig.

It came at a good moment. Discovering the Wang's deposits of gold in the Cayman bullion storage had given me nightmares. What Edouard was doing was certainly illegal, somewhere, especially when accusations of money laundering linked to tropical timber trafficking were under the spotlight of many environmental protection agencies.

It would look bad if I was linked to all of that after my report for the Fitzwilliams Foundation on deforestation in the tropical rainforests of Southeast Asia, which was scheduled to be published by the United Nations Framework Convention on Climate Change for presentation at their next COP conference.

At night I awoke in a cold sweat after revisiting the Chinese detention centre in my nightmares, where I had been held for six months somewhere near Shanghai airport. I was lucky in the sense I hadn't ended up in Shanghai's Qingpu Prison, where according to one account 12 prisoners were held in a cell, sleeping on rusting iron bunks, covered with what could scarcely be described as mattresses, without heating or ventilation, where

forced labour was common with prisoners working to produce fairy lights, baubles, Christmas cards and components for electronic consumer goods.

Myself, I had been awoken at 5h30 in the mornings with lights out at 21h30, and woken in the night by lights on and spot inspections.

Slowly you get affected mentally and physically, to a point when you find yourself in an imaginary world of your own.

But I was lucky, the thought I could have never escaped from a prison like Shanghai's Qingpu was now a recurring nightmare.

The world was a fucked up place and escaping with Lucy into the Mayan jungle was a good way to evade questions that returned again and again.

Jenny Feng, Lucy's friend was in Mexico, part of an exchange programme with the host country's National Institute of Anthropology and History. Jenny hadn't had the least difficulty in persuading Lucy to join her at a place called Ocomtun in Campeche, a couple of hundred kilometres to the west of Chetumal. There, a newly discovered site lay deep in the biological reserve of Campeche, the Mexican state adjoining that of Cancun, where exploration work was under way on what appeared to an ancient Mayan city.

Since Xi Jinping's state visit to Mexico in 2013 and his trip to Chichen Itza with the then Mexican president, there had been a keen interest by Chinese archaeologists in Mexico's pre-Columbian History with the development of an exchange programme between the Chinese Institute of Archaeology and the National Institute in Mexico.

Shanghai's Fudan University together with the Shanghai Museum had organised an exploration of a region near Calakmul, in the south of Campeche near the border with Guatemala.

The site lay about 250 kilometres to the West of Chetumal and according to Lucy dated back 2,000 years.

Concerned for her safety I agreed to join her. The daughter of a Chinese billionaire wandering off into the dense jungle covered region was not a good idea, besides it would make a break from Edouard's seemingly endless surprises, and besides, it would give me the opportunity to ask Lucy about the Wang family's intentions.

Ocomtun's existence was virtually unknown to the archaeological community until Lidar 3D imaging radiology had been developed, an airborne drone equipped with Lidar sensors that could vertically penetrate the vegetation of densely covered regions of rainforest like Campeche, scanning the underlying topography and revealing the existence of hidden man made structures.

The Mayan civilisation was one of the most brilliant ever developed in the Western Hemisphere, ruling over a large part of Central America during its apogee between 200 and 900AD. The Maya were known for their remarkable pyramids and cities, including Tikal, Uaxactun and Copan. This newly discovered Mayan city was situated in one of the least accessible regions of Mexico, deep in the Calakmul biosphere reserve.

But first was Edouard's business in Chetumal and my meeting with Mike Watson, during which time Lucy visited the local archaeological site.

Secrets Book III The Bezzle

Once I was free, we left Chetumal for Ocomtun, heading west in an SUV put at our disposition by don Antonio, together with a guide and driver, a second vehicle followed us with a couple of tough looking bag carriers cum bodyguards. The the road fairly good and we covered the 250 kilometres in three hours.



Balakmu

At the Balakmu archaeological park centre we were met by Lucy's friend, Jenny Feng, a post doctorate researcher at Shanghai's Fudan University, together with a Mexican archaeologist Pablo Gutierrez. After a pause to eat and drink we left, along with our drivers plus the cooks and bag carriers.

Ocumtun lay in the Balamku Ecological Conservation Zone, 60 kilometres to the north over a rough dirt trail cut through the jungle, a bumpy two hour ride over difficult terrain.

When we finally reached our destination, somewhere deep in the Mayan rainforest, almost eight hours had passed since we'd left Chetumal.



El Mirador

The remains of the ancient city were situated on a low plateau, surrounded by an endless plain stretching out in all directions, covered by wetland rainforest. The ruins, mounds surrounded by scattered stone pillars, was a Mayan city that archaeologists believed had been the home to 40,000 inhabitants. It dated from the 8th century and at some point had been swallowed up by the forest, exactly when and for what reasons was the task of the archaeologists to unravel.

The almost impenetrable jungle of the ecological zone was in effect an unexplored territory, which had up until recently been avoided by archaeologists, described as a black hole in the heart of the central Mayan Lowlands, a region of some four thousand square kilometres.

Pablo explained how the cultural and administrative centre of the city covered an area of 50 hectares and was composed of different large symbolic structures, including several pyramidal mounds of about 15 metres in height.

Secrets Book III The Bezzle

According to Jenny, an expert in pottery and ceramics, the remains found at the site indicated it was inhabited during a period situated between 600 and 800AD.

The archaeologists hoped that the city would provide clues as to the Mayan collapse, something that had puzzled historians and researchers for decades.

The site was named Ocomtun, which meant stone columns in Yucatec Mayan, after the cylindrical pillars scattered across the ruins.

It was once one of the key cities that formed the Mayan civilisation, the city-states that had ruled Central America from about 750BC until the Spanish conquest during the 16th century. Today, the ubiquitous rainforest made the structures particularly difficult for archaeologists to identify.

Evidence pointed to war, an inscription carved on a stele appeared to indicate it had been taken from another Mayan city, a trophy perhaps, a vestige of the conflicts that wracked the ancient Yucatan world.

The site was unprotected and we set up an overnight camp, composed of tents set up by our guides, next to what was left of the base-camp established by the archaeologist Ivan Sprajc, who had discovered the site, a couple of thatched huts that formed the kitchen and dining cum work areas, covered by an iron roof, already being reclaimed by the prolific tropical vegetation.



Ivan Sprajc

It wasn't much different from that which Lucy and I had known in New Guinea and Borneo and as night fell we busied ourselves setting up camp as dinner was prepared.

It was very basic, our drinking and cooking water rationed and what was needed for washing was collected from a nearby cenote and filtered. As for our meals they were prepared from supplies brought with us, over a stove and an open wood fire.

It was well into the evening by the time we ate to the noise of the forest, the insects and cries of unknown animals. Pablo told us the story of Sprajc, the Slovenian archaeologist, who had led an expeditionary team that had made the initial, on the ground, exploration after the site's discovery was made by Lidar drones. Sprajc was a legend, a real life Indiana Jones, and had spent 30 years exploring Meso America, braving weather, jaguars, snakes and insects, hacking his way through jungles in search of lost cities.

Secrets Book III The Bezzle

We were almost totally isolated, no telephone or internet connections, just a small generator that provided us with basic lighting during darkness. The only sounds that could be heard were the creatures of the forest and our guide warned us not to stray to far from the camp, where jaguars roamed in the night and the vegetation hid deep holes in the limestone bedrock.

The next morning we were woken by howler monkeys and after breakfast set off with Pablo to explore the ruins, guided by a set of rudimentary plastic covered maps and aerial photographs.

The Mayan Lowland climate was hot and tropical with distinct wet and dry seasons. Pablo reminded us that the region, known as *tierra caliente*, hot country, had two distinct seasons, wet and dry. Luckily for us it was the dry season, as during the former, which peaked between June and October, three metres of rain fell and temperatures ranged between 20 and 35 °C.

With the heat, the only water found was in the many cenotes, holes in the limestone rock that formed the geological foundation of the Yucatan peninsula.

Climatic records revealed by geologists indicated that the region had known many droughts over the past 3,000 years, a phenomena which almost certainly contributed to the rise and fall of the different Mayan civilisations.

What astonished Lucy most, was the resemblance between the Maya and Khmer civilisations. City states carved out of the jungle, sculpted stone temples, pyramids, fortifications, roads, causeways, farms and water systems.

At the apogee of the Mayan Classical period, from about 250 to 900AD, an estimated eleven million people lived in the cities

and towns of the Central Lowlands, a region that was now almost entirely covered by rainforest.

The Maya connected their cities with raised highways, transforming the adjoining forest into sustainable farmland irrigated by complex systems.

According to Jenny, the Maya had developed a unique writing system, different to that of the Aztecs, which left a record of certain details of their civilisation. Unfortunately the Mayas books written on paper were collected and burnt in the auto-da-fe ordered by the Spanish friar, Diego de Landa, in 1562, robbing humanity of the history of an extraordinary civilisation that had developed independently of its contemporaries in Europe and Asia.

The greatest fear of archaeologists today was looting, at the yet unexplored site, though its remoteness made it less vulnerable for the moment, in spite of the apparent absence of permanent guardians.

We spent three nights at the camp exploring the ruins with Jenny and Pablo as our guides, before returning to Chetumal together with Lucy and her two friends. The three of them taking off for Mexico City, leaving me with more questions than answers, not only about the Mayas, but also the Wangs.

What struck me was how this ancient civilisation had collapsed, its people gone, its homes, streets, temples and proud monumental buildings, waterways and farmlands, swallowed up by the forest as nature repossessed what was its own.



I had seen the same thing in Cambodia, in Egypt, Athens and Rome. It reminded me of Yeats, *'Things fall apart; the centre cannot hold; Mere anarchy is loosed upon the world, The blood-dimmed tide is loosed, and everywhere....'*

Back in Chetumal, I reported to Pat Kennedy. Told him about the Wang's and don Antonio, Edouard's gold, and Lucy's Lost City in the jungle. That excited him, but he reminded me to be careful, catch up with Henrique in Mexico City, something to do with Belfarma, though he added that whilst I was there I should visit Teotihuacan, and warned me to be careful.

CHAPTER 36

A Boat Trip

As I was worrying about don Antonio and his dealings with the Wangs, my phone rang. It was Edouard, he asked me if I was still in Chetumal. I told him about my plans for Mexico City and he asked me if I could postpone that for a few days.

He announced he would he would be arriving the next morning, something to do with a project don Antonio had talked about. He was a bit evasive, apart from saying he wanted to hire a motor launch, visit Chetumal Bay, overnighing in San Pedro, Belize.

I agreed, another couple of days wouldn't make much difference, in the meantime exploring Chetumal Bay and its local geography could prove useful.

The next morning, I picked Edouard up at the airport, stopping off at the hotel before making a walking tour of the city, which was not that big. Edouard was interested by the port and the bay and during our city tour he explained Delta's plans, a marina and tourist complex, complete with a hotel and condos.

The question was where?

To his mind Cancun and Playa del Carmen were overbuilt, too much competition, too many people. He spoke of the Mayan Reserve and undiscovered cities, obviously he'd spoken with Lucy.

Secrets Book III The Bezzle

After a light lunch we were picked up by the guide and set out for the harbour where a launch was waiting, it was fitted with an awning to protect us from the hot sun. Pedro was English speaking and was soon chatting away, the usual tourist small talk, as Edouard who was looking pleased with himself, relaxed, asked about the depth of the bay and dredging.

‘Where shall we start then,’ asked Pedro. ‘The manatee reserve?’

‘The Canal de Zaragoza,’ Edouard replied to my surprise.

Pedro, who was more used to showing tourists the birds and the manatees that lived in the bay, was unfazed and informed us it took about an hour of easy going to reach the canal.

We settled down for the ride, pleased with the sea breeze after the sticky midday heat that had settled on Chetumal.

The Zaragoza Canal was built in 1901, making it possible for small boats to travel from the sea to the city of Chetumal, while remaining within Mexican waters.

However, today the shallow waters of the bay, and the width of the Zaragoza Canal, made it impossible for large vessels to reach Chetumal from the Caribbean. There were, however, plans to widen and deepen the canal for passenger boats and cargo ships, to develop tourism and trade in the south of the Yucatan.

That said there were multiple obstacles to improving the canal, starting with the cost estimated at one hundred million dollars, then environmental issues. Fish and other marine life in the canal relied on its waters and the adjoining mangroves for spawning and feeding. Dredging would impact currents and the seabed on

the Caribbean side, threatening the Yucatan barrier reef, the second largest on the planet.

The coastline lay low and the scenery monotonous, soon Edouard had closed his eyes, he'd probably spent a late night with his friends in Playa del Carmen.

As we approached the opposite shore we passed an island and entered a small bay that led to the canal, I nudged Edouard, who woke up with a start. The canal was about a kilometre long, a straight line across the isthmus, from the bay to the open sea. Apart from one of two small low lying buildings on the north shore at the exit there was nothing to see. He seemed to be a little disappointed.

Once in the turquoise waters of the open sea, we turned south along Ambergris Caye in Belize. You've no doubt heard Madonna sing 'Last night I dreamt of San Pedro...', well this was it, La Isla Bonita, in fact a peninsula, which lay 25 kilometres to the east of mainland Belize, a laid back tropical paradise.

Arriving in San Pedro an hour later we said goodbye to our guide and made our way to the hotel we had booked. Edouard smiled, this was it his face seemed to say, picturesque, no skyscraper hotels, colourful streets, small wooden houses, restaurants, rickety jetties and few crowds.

Our hotel, the Ocean Tide, was as far away in style as possible from the Carlton in George Town, but Edouard loved it.

We explored San Pedro and in particular its boating and yachting facilities. They were still relatively underdeveloped, the boatyard was a modest affair and the waters were shallow.

Secrets Book III The Bezzle

Checking around we learnt that the San Pedro anchorage was about six feet and for most of the boats that Edouard had in mind they would be very close to the bottom.

We explored the Caribbean side of Ambergris Caye where there were plenty of jetties along the seafront where there were small resort style hotels.

We were told Belize City was better with a deep water channel to Belize City, which some warned us was a dangerous spot, though not for navigation reasons.

CHAPTER 37

Yachts

That evening, as we strolled down Front Street, Edouard produced another rabbit from his hat, casually announcing his firm Sunset Yachts had bought another boat, and not the kind that you'd expect to see in San Pedro.



The Event

The boat it turned out was the *Event*, a super-yacht that had been auctioned off by Evergrande as part of its asset fire sale. I asked him how much he had paid for it.

‘About thirty million,’ he replied nonchalantly, ‘a bargain.’

The real estate developer’s debt restructuring would obviously present opportunities for some, like the Wangs, and Edouard’s

Secrets Book III The Bezzle

leisure cruising business had jumped at the chance to acquire the yacht, which Edouard informed me would be arriving at Granville Marine in Cherbourg to be refitted for Western tastes, and high end market charters.

He figured the ocean-going vessel could be chartered in Mediterranean or Caribbean waters for half a million dollars a week, accommodating up to 15 guests and 17 crew members including the captain.



Under-deck tenders

The *Event* had a steel hull and an aluminium superstructure and was powered by two Caterpillar engines, which gave her a top speed of 16.5 knots and could comfortably navigate Aegean-Caribbean routes, stopping off in all those places where the super-rich liked to congregate, with a total range of 5,000 nautical miles on a full tank of 140,000 litres of fuel.

‘She’s equipped with a helipad,’ he told me, ‘for the transfer of passengers, that together with its onboard under-deck tenders.’

‘What about its annual running costs,’ I asked.

‘About five million dollars,’ he replied with a shrug.

The 62 metre super-yacht was built in 2013 by the Dutch shipbuilder Amels Holland B.V. in Vlissingen. It boasted six staterooms, including a master suite that spanned the yacht’s width, situated on the main deck, two VIP staterooms on the bridge deck, and three further cabins on the lower deck. It was a bargain considering the price paid by the now bankrupt property developer, whose Boeing and two Gulfstream jets were also sold for bargain prices.

Henry Wang obviously didn’t want to end up like Xu Jiayin and had carefully thought out his Plan B, as evidenced by Edouard’s cargo of gold bars.

I had the creeping feeling I had been naive as I wondered how much else the Wang family had stashed away in Europe and the Caribbean.

Edouard spoke about the week he had spent in France that autumn, visiting Granville Marine and cruising around the Channel Islands and the Islands of Chausey. It seemed like he had developed a taste for the laid back life style, enjoying an Indian Summer with temperatures in the mid to high twenties, dropping anchor here and there, enjoying wine and lobster in the sun, watching French vacationers collecting shellfish, in a region where the difference between high and low tides was as high as fourteen metres, and where islands appeared from nowhere in the space of a few hours.

Secrets Book III The Bezzle

It was a different vision of life, easy going, enjoying what nature offered, in a country where crowds were absent, where early retirement, health services and leisure were taken for granted. Of course immigrants had it differently, but what did they expect, something for nothing?

‘Nothing was perfect, but communism was imperfect, if you took Putin’s or Xi Jinping’s models,’ he told me, ‘they were unworkable and never had been, the proof was there, you only have to look now.’

In any case Normandy wasn’t Paris, life was easy, it was just a matter of getting used to it, being ready to take off for the Cote d’Azur, the Greek isles or the Caribbean when the winter set in, for those who had the means.

CHAPTER 38

The End of an Era

A window was closing and the Wang family was both concerned and in a way relieved when Xi Jinping went after officials who acquired assets and relocated their children and spouses overseas.

The Wangs had no problem with holding overseas real estate assets, unlike top government officials who were now forbidden from buying property outside of China.

Investing in assets which favoured business development was not discouraged, however it was necessary to avoid overtly investing in high end property. A villa in Beaulieu-sur-Mer wouldn't have been a good idea, unless it was bought by a company owned by an offshore trust.

Their relief was explained by the opportunity it offered Henry Wang in helping officials with whom he had close business relations, those who were more often than not Communist Party members, like his friend, Huang 'Andrew' Zhijun, who was a key member of the Shanghai Municipal Council, and Lin 'Michael' Shengli, a director of the Shanghai Port Authority.

Henry had helped them with the acquisition of homes in Singapore and overseas school fees for their children via a company he owned in the city state.

The rules that prohibited officials from holding, directly or indirectly, real estate abroad or shares in entities registered

overseas, had been extended to the spouses and children of high level officials.

Rules had been reinforced after Western countries had imposed sanctions on Russian officials, business people and oligarchs, after Moscow's invasion of Ukraine, to minimize the political risk should such sanctions be applied to China.

'Leading cadres, especially senior cadres, must pay attention to family discipline and ethics,' Xi told the Communist Party's disciplinary committee, underlining the obligations of officials who should be 'setting an example in caring for their spouses and children in a proper manner, being a dutiful person and doing things in a clean way.'

Nevertheless, China did not prohibit its citizens from investing in offshore firms or even setting up their own, as was evidenced by the fact that so many major firms were incorporated in the Caymans and the British Virgin Islands.

Xi Jinping was of course right, as illustrated by the case of Liu Liange, the former chairman of the Bank of China, who had been arrested on accusations of bribery and corruption.

It was as if Christine Lagarde, head of the European Central Bank, had been arrested on charges of bribery and corruption.

Liu, who had led the state-owned bank, was arrested by the Supreme People's Procuratorate on suspicion of bribery and providing illegal loans. The news came soon after he was expelled from the Chinese Communist Party following the publication of a list of crimes he had been accused of. They included illegally granting loans, bringing banned publications

into the country and using his position to accept bribes and other perks.

Liu Liange was a very prominent figure in China's financial circles whose career included positions in the Central Bank and the Export-Import Bank of China.

He joined a growing list of high ranking senior figures in Xi Jinping's anti-corruption campaign that usually ended up with long prison sentences, like Wang Bin, the former chairman of China Life Insurance, who was sentenced to life in prison without parole for accepting over 40 million dollars in bribes.

It exposed cracks in the Chinese ruling hierarchy with Xi's enemies accusing him of using corruption charges as a pretext to purge his rivals.

It was a situation that impacted the economy and the fallout hit Chinese investors, who were scrambling to offload overseas property portfolios to cover their financial difficulties at home, where they were hit as businesses collapsed, unemployment rocketed and mortgage defaults rose.

Many Chinese had bought condos in the downtown areas of Bangkok and Pattaya, ordinary middle-class families, often from second tier cities across China, who were in tourism, import-export, which had all been hit by the slowing economy.

It was the end of an era, when the rising middle-class had ploughed money into the overseas real estate, prompting Chinese developers to build properties in Southeast Asia, designed specifically for Chinese buyers.

One of those developments was in Malaysia across the border from Singapore in Johore Baru, named Forest City. A one hundred billion dollar property development created by Country Garden, China's leading real estate developer, a project designed to house 700,000 people.

It wasn't their only foray overseas. Four years after it had launched a billion plus US dollar development for 3,600 homes about an hour's drive from Sydney in Australia, work on just 50 homes had commenced.

Wilton Greens was to be an idyllic community with shady tree-lined streets, sports fields, bike paths and parks, complete with a new school. It was one of a string of stalled overseas developments the cash-strapped Chinese property giant was seeking to offload as it thrashed around trying to pay creditors.

Confronted by the crisis that hit the international expansion of China's mega-developers, plus the lack of infrastructure promised by the local government, the ambitious project had stalled as had so many others like it.

It was all part of the developer's wildly aggressive plans for global expansion. Only recently Country Garden had been considered a safe bet, unaffected by the kind of problems that had hit Evergrande, but suddenly it was on the verge of collapse, as the Johore Baru development took on the appearance of one of those notorious Chinese ghost cities with only one percent of its properties sold. Many of the potential buyers, those who would have normally been interested, were now transferring their wealth to the US and Canada.

Since travel restrictions in China were lifted, buyers were back in the US with big money, especially those with business interests in the Palo Alto and the San Francisco Bay Area. The home to Silicon Valley and Stanford University was now top of the list for Chinese buyers flying in from Shanghai.

Dee O'Connelly's San Francisco district, Pacific Heights, had attracted a lot of interest from China's high net worth individuals, those who could pay over ten million dollars for properties. But the real place to be for well-heeled Chinese buyers was Palo Alto's neighbour, Atherton, the country's long-running most expensive zip code.

Those Chinese were also very different from many of those who would have been attracted to Johore Baru, in that their budgets ran into the millions of dollars with cash deals, prompting Californian real estate agents to hire Mandarin and Cantonese speakers again.

Transferring money out of China was one of the problems that faced ordinary middle-class buyers, unlike the Wangs, whose timber business enabled them to build up considerable reserves through the trusts they had set up in places like the Caymans.

In contrast, for the kind of Chinese who turned up in Colombia for the overland journey through the Darien Gap in Central America, life was very much more complicated.

CHAPTER 39

Singapore

About 18,000 kilometres to the west, across the Pacific Ocean, lay the city state of Singapore, another link in don Antonio's network.

There, in a city where three quarters of the population were of Chinese origin and the official language was Mandarin, just a four hour flight from Hong Kong, the Chinese underworld offered a service to those wanting to buy dollars or transfer money to a third country—no questions asked.

For those in need of a second passport or any other document, they could be bought for a price. Passports from countries as far apart as Cambodia, Cyprus and Caribbean islands.

Of course all that was illegal, but Singapore was a perfect environment for the Chinese diaspora, especially those living in the countries of Southeast Asia, certain of whom facilitated the laundering of billions of dollars derived from every imaginable commerce or traffic.

Don Antonio's associate, Han Zhigao, ran rackets that included online gambling and pyramidal schemes involving cash, gold and cryptocurrencies, the profits of which were used to buy prestige properties in London and elsewhere.

Han hailed from China's Fujian province, a region famous for its tea plantations and its underworld. He was a Chinese citizen, but also held passports from Cambodia and Cyprus.

He lived a discreet, but enviable life style, running different legal businesses, including a travel agency and a timber import-export business with links to Henry Wang's Delta Group, living in Singapore's exclusive Sentosa Cove district, where he owned a vast waterfront bungalow worth many millions of Singapore dollars.

His illegal business transactions were managed from Cambodia, Laos and Vanuatu. The latter, a small island in the South Pacific, known for its second passport scheme, where applicants could even have a legal name change and their passport issued under the new name.

The magnitude of the kind of business run by people like Han, was illustrated when Singaporean authorities broke up a similar, but less careful, money laundering ring, a two billion dollar business, confiscating over 100 million dollars in property, luxury vehicles, jewellery and cash.

Delta had set up companies and accounts in Guernsey, one of the UK's Channel Islands, that controlled businesses and properties as well as a luxury yacht brokering firm called Sunset Yachts.

Thanks to Han Zhigao's services, the Wangs held passports from Saint Kitts and Nevis, and Dominica, former British colonies, located in the Caribbean, now independent.

Edouard questioned me about EU passports as Brussels threatened to suspend those Caribbean passports. A problem that had been brewing for a long time with golden passports being sold to all kinds of shady customers, including Russian thugs,

narco-traffickers and terrorists, who for 100,000 dollars upwards could buy a passport with almost no questions asked.

The Commonwealth of Dominica, a small island with a population of just over 70,000, had issued 34,500 such passports, whilst St Kitts and Nevis, with a population of 48,000, had issued 36,700 passports.

The advantage of such passports issued by those small Caribbean nation states was they allowed holders the freedom to travel to most EU member countries for up to 90 days a year without a visa.

Better still was a Cypriot or a Maltese passport, as those countries were members of the EU, and holders of their passports were free to travel throughout EU member countries, plus a hundred or so other countries.

With the war in Ukraine and conflicts of varying degrees across most of the Middle East, the risk of terrorism had multiplied, posing serious security risks for the EU, as many applicants originated from Russia, Syria, Iran, Iraq, Yemen and Libya, all of which were engaged in those conflicts.

The revenue from the sale of such passports was welcome in small countries like Dominica, funding half of all its government revenues, a very lucrative business.

As Edouard explained, ‘The rich understand that their assets inside China have no protection. The Party is above the law, and the Party committees control the courts.’

He was right there, the only solution was out. That was why, according to the immigration consulting firm Henley & Partners,

John Francis Kinsella

around 10,000 wealthy Chinese had withdrawn 48 billion dollars in assets from China in 2022 alone.

CHAPTER 40

San Pedro

As we admired the view overlooking the Caribbean from the jetty in San Pedro, Edouard waxed lyrical about the beauty of the Yucatan Peninsula, its forest and monuments.

‘We have invested in agricultural land in South America,’ Edouard calmly announced.

‘Oh. Where?’ I said casually.

He mangled his reply.

‘Greenland?’ I asked confused.

He looked at me puzzled.

‘No, Grünland in Bolivia,’ interjected Lucy, ‘It’s a region.’

‘Bolivia! How much land?’

‘150,000 hectares.’

‘150,000 hectares! That's enormous!’

He shrugged.

I made a mental conversion. ‘That’s 1,500 square kilometres, about 40 kilometres by 40 kilometres, nearly 600 square miles.’

‘I suppose so.’

Fuck me, I thought once again.

‘What do you plan to do with it?’

‘Plant soya.’

‘And what is it today!’

‘Just forest.’

Jesus wept, I said to myself.

We talked about his plans late into the night and by the time we finally called it a day, Edouard had persuaded me to join him for a visit to Bolivia’s eastern lowlands, where they had made their latest acquisition.

The next morning I woke up thinking about that and concluded tagging along with him would at least keep me informed of what they were doing.



Some days later, as Delta’s Airbus approached Santa Cruz Viru Viru International Airport, darkness was falling and a red glow light up the night sky, the reflection of the forest fires caused by big agribusiness groups to the south. There, in the Gran Chaco National Park, powerful landowners, with the backing of government, cleared forested land for the expansion of their plantations and cattle ranching businesses.

The Gran Chaco or the Chaco Plain, was a sparsely populated region, South America’s second-largest forest ecosystem after the Amazon, covering an area greater than that of Belgium, fanning out into Brazil, Paraguay and Argentina. For the most

part, it was a hot and semi-arid lowland area, and tragically with one of the highest deforestation rates on the planet.

It was estimated that the loss of primary forest in Bolivia alone had doubled over the previous two decades. Nearly seven million hectares of forest had been lost between 2001 and 2021, putting it just behind Brazil and the Democratic Republic of the Congo.



Gran Chaco

Most of this took place in the region of Santa Cruz, which produced an important share of Bolivia's soya and beef, in addition to sugar cane, corn and sorghum, a large part of which was exported to China.

It was the same story where the forest overlapped Bolivian border into its neighbours.

The Gran Chaco was one of the most biodiverse regions of all South America, and according to the World Land Trust, one

hectare of the forest was being lost every minute to deforestation and agricultural, though there still remained large tracts of forest where South America's big five still roamed free—jaguars, pumas, tapirs, giant anteaters and giant armadillos.

What attracted the Wangs and other investors was land was cheap, cheaper in Bolivia compared to its neighbours, and once deforested, the land doubled and even tripled in value.

It was not just a reminder to me of China's dependence on imported food, it was an extraordinary way to launder and fructify the Wang's money. After two or three years the land could be resold to a large agribusiness group for a considerable profit.



Amongst the region's large landowners were the Mennonites, a religious community that had immigrated into the Paraguayan part of the region, from Canada in the 1920s, and from the USSR in the 1930s and 1940s. These immigrants created some of the largest and most prosperous urban communities in the deep Gran Chaco.

The Chaco Plain, a relatively underdeveloped region, was the home to over nine million people, crossed by various highways, built to encourage access and development by the different governments.

The Mennonites were amongst those accused of deforestation, responsible for extensive environmental damage in different regions of Mexico, Bolivia, Colombia, Belize, Peru, Brazil and Paraguay.

They had arrived in Paraguay in the early 1900s and settled in colonies over the course of the 20th century, including those in Gran Chaco, where over the last two decades they had expanded into large scale ranching and agricultural operations.

Many came from Mexico and Belize, where they had already created huge cattle ranches and opened up the forest to agriculture.

The growing beef industry and the expansion of soya production from Brazil into eastern Paraguay, was pushing more and more people into the Chaco. The population of Boqueron—the farming region of the Chaco where Paraguay’s Mennonite colonies were located, had increased from about 15,000 in 1982 to some 67,000 today.



Heading back north we stopped in Manaus, at the junction of the Amazon and the Rio Negro, which lay on the route to our next stop, Bogota. What prompted our stopover was talk of Oceane’s work in ethnology, which stimulated Lucy’s interest. I wasn’t sure if it was the ethnology that interested her or her curiosity about my friend Oceane Reagan.

In any case it was Lucy’s excuse to visit one of the recently discovered pre-Columbian archaeological sites, where new finds had set the world of archaeology abuzz. Our timing coincided with the arrival of a team from Bordeaux University to participate in an EU funded research programme with the Universidade Federal do Amazonas.

The Amazonian capital, Manaus, a city of 2.5 million people, was situated on the banks of the two rivers, one of the greatest freshwater resources in the world, home to piranha and river dolphins.

Well, that is what we had been told to expect, the trouble was we hadn't counted on El Niño and climate change, which had transformed the banks of the rivers into a garbage strewn quagmire of mud as the water lay at its lowest level in 120 years.

The sky was a smog laden dome as forest fires blacked out the sun and the normally blue sky under a persistent haze.

There I discovered what had excited Lucy and Oceane, a series of ancient petroglyphs carved into the rock, exposed by the low levels of water.

We booked into the Villa Amazonia in the heart of Old Town, a modern hotel hidden by the facade of a colonial villa. There we were met by Oceane, who to the chagrin of Lucy, and unaware of our relationship, threw herself into my arms.

We were a couple of minutes walk from the Amazonas Theatre, built during the Belle Epoque, at the time of the rubber boom in the 1880-90s, and inaugurated at the end of 1897, described as a jewel in the heart of the Amazon rainforest.

I remembered seeing it in the film *Fitzcarraldo* by Werner Herzog in a Moscow art cinema.

The archaeological site lay outside of Manaus, at Ponto das Lajes on the banks of the Rio Negro, where low water levels had revealed petroglyphs of animals and other natural forms. They had first been discovered in 2012, during another period of

drought, the carvings depicted human faces and were thought to be about 2,000 years old.



The Amazonas Opera

Several of carvings were were cut into a single rock, which archaeologists believed was used as a whetstone to sharpen various stone tools.

In addition pottery fragments were found at the site, home to large Indigenous villages in pre-Columbian times, where black soil, typical of farming communities, was found dating back to the period period when the forest had been cleared for farmland.

It was similar to Chaco, the difference was in the numbers, in ancient times there were a few hundred mouths to feed and vast expanses of empty land across the planet, today there were many millions of mouths and not enough land.

John Francis Kinsella

What struck me once again was the fact that ancient cultures had existed in the New World, long before the arrival of us Europeans.

CHAPTER 41

Immortality

The historian Jose Manuel Nunez de la Fuente, when describing Spain's conquest of the New World, quoted Adam Smith, the father of modern economics, who said:

'The two historical events that the economy considers the most important in all of history were the discovery of the Strait of Magellan and the crossing of the Pacific.'

It was true. Adam Smith declared in his celebrated work 'The Wealth of Nations', published in 1776, these two events with the discovery of the New World, ranked as the greatest and most important events recorded in the history of mankind, setting the scene for some of the most pivotal developments in human history, which continued to influence our world today.

The arrival of Europeans, however, brought with them diseases unknown to the inhabitants of North and South America who had no immunity to the germs. The consequences were devastating, resulting in perhaps the greatest population replacement in human history with the arrival of Europeans and African slaves.

According to Charles C. Mann the population of Mexico fell from 25 million in 1519, following the conquest of Tenochtitlan,

Moctezuma's capital, to 700,000 a century later.¹⁶ A cataclysmic collapse.

Today, Pat Kennedy's new city in Colombia progressed, a refuge where he planned to survive a Doomsday event, which could have been seen as form of Collapsology, one that saw the imminent end of civilisation as we knew it, which was not irrational considering the fucked-up situation in which humanity found itself.

But Kennedy's plan was different, in that he imagined a new world, one that would rise out of the ashes of the old, ruled like ancient Athens, by citizens and wise men, immortals whose experience guided society away from the dangers of war and strife.

Immortals?

Yes. The idea that you could live forever seemed strange, very strange, at least to me. But then it's because I was young. At 35 life seems forever. But, 'At 90,' the actor Michael Caine recently quipped, 'I worry if I'm gonna make it to lunch.'

I must admit I was a little shocked to discovered a grey hair the other day and a couple of wrinkles in the corners of my eyes, which I put down to maturing, gaining in character.

¹⁶ New Revelations of the Americas before Columbus Charles C. Mann

‘Theoretically,’ Henrique told me, ‘our bodies can repair themselves indefinitely.’ At least it was what the people at LifeGen had told him.

LifeGen was Kennedy’s research firm, based in a science park in Sophia Antipolis in Provence. It was there scientists had isolated the Galenus molecule.

Kennedy wasn’t one of those who employed an army of doctors and who popped more than 110 vitamins a day. Though he religiously swallowed a Galenus-1 pill every morning with a glass of water, as did John DeFrancis and a handful of Kennedy’s very close friends

They were part of the über rich who had invested billions to push back the inevitable rendezvous with eternity.

Caroline Fitzroy-Grossman was the head of LifeGen, a specialist in pharmacology and gerontology, more precisely a leading researcher into longevity, which she explained as being the science of why and how we aged.

It started with the evolutionary process whereby each generation of living things, be they animals or plants, must grow old and die as part of the cycle of life, death and pro-creation. As part of a natural built-in programme, when our bodies stopped repairing themselves, a process of making way for each new generation.

The different cells that made up our bodies were complex biological machines that did everything from replicating themselves to moving nutrients where they were needed to keep us alive. However, the second law of thermodynamics, entropy, discovered by Rudolf Clausius, nearly two centuries ago, stated

all things move from a more-ordered state to a less-ordered state, which is probably the cause of ageing.

Humans like all other creatures were subject to wear and tear, though we, unlike inanimate objects, could repair our systems to a limited degree, a process described as the ‘Hayflick theory’ which limited the number of times human DNA cells can replicate before becoming senescent.

Of course, by living a reasonable life style you could reduce damage to your cells and organs, but by being physically active, avoiding alcohol, smoking, eating healthy food, sleeping well, you could even slow down the ageing process. Which is what Galenus-1 did, and whilst it didn’t offer immortality it did augment longevity, considerably.

People living in places like Okinawa, Sardinia, Ikaria, Nicoya and Loma Linda, had a greater longevity than those in most other places on our planet with greater numbers of centenarians, most of whom led lifestyles that adhered to four basic rules—they ate wisely, exercised naturally, connected with others and had a purpose in life.

Of course cell senescence impacted the poor more than the rich, whose life styles enabled them to avoid pollution and poor diets.

More importantly the longevity science business was set to become a multibillion dollar growth industry, and whilst Kennedy waited for Doomsday, he wanted to play a leading role treating senescence.

Amongst the more notable leaders was Jeff Bezos of Amazon, who was funding research into the ageing process, through research centres like the Institute for Inflammation and Ageing,

which published a report in 2021 that showed that the thymus gland, which sits on top of the heart and makes white blood cells, called T-cells, normally shrinks in older people, but not those who continue to practice sport regularly like cyclists. In non-active subjects its decline affects people's immune system and their resistance to infection.

Others investing in such kinds of research was Altos Labs in California, which was backed by Google's owners Alphabet.

Bezos and PayPal founder Peter Thiel were also investors in Unity Biotechnology, which was concentrated on eliminating senescent cells linked to specific diseases whilst other billionaires were focused on cellular re-programmation.

It was possible to live to 120, if you cared for your body and if you were lucky enough to have the right genes, Caroline Fitzroy-Grossman explained. Her research was concentrated in cell senescence, the way cells that have been damaged or stressed, change and can damage surrounding tissues.

Ageing was linked to the accumulation of damage to cells, wear and tear, over time, that could lead to loss of function and common diseases such as diabetes, heart disease, dementia and cancer.

More than 60 years had passed since, Leonard Hayflick, the American anatomist had made his discovery, that demonstrated human cells had a limited capacity to divide, after which they become senescent.

Caroline explained that the Galenus-1 molecule could extend life in good health without debilitating disease, thanks to the continued rejuvenation of their cells.

Many laboratories experimented on mice and other lab animals. But Kennedy and his close friends acted as test subjects for LifeGen, after the discovery that Galenus-1 had produced extraordinary results on lab animals.

These were in effect clinical trials that put LifeGen and Belpharma on a fast track in the development and trial production of the Galenus-1 molecule.

CHAPTER 42

Downfall

Evergrande had just missed another bond payment, casting further doubt over the future of the property developer. Hengda Real Estate, its business unit in mainland China, had missed principal and interest payments on an onshore 547 million dollar bond. That was just the tip of the iceberg, as its total liabilities now added up to 328 billion, a staggering sum by any measure.

The news that it had missed another payment rattled investors, who watched the efforts to restructure the firm with growing fear of a systemic crisis, since the revelation of a criminal investigation into the group's shadow banking unit.

It was little wonder that Evergrande's share prices plumbed new depths after plunging 22 percent at the previous market close dragging down other developers like Sunac that tumbled more than 6 percent and Country Garden 4.2 percent.

Reports that police had detained staff at Evergrande's wealth management unit after it failed to repay investors were extremely alarming.

It was a dramatic situation for Xu Jiayin, Evergrande's CEO, who had been a Communist Party member for more than three decades. In 2008, he had been elected to the Chinese People's Political Consultative Conference, an elite group comprising government officials and the biggest names in business, where he went on to serve two additional five year terms.

Xu had been part of the organisation's elite 300 member standing committee since 2013, until he was invited not to attend the annual convention in March 2022.

The 65-year-old former founder of Evergrande, until very recently China's richest man, with a taste for private jets, yachts, villas and luxury brands, had followed the Communist Party's drive for home-ownership and had led the extraordinary boom that followed.

Xu who founded Evergrande in 1996, was now held by the authorities pending an investigation that could lead to his execution for economic crimes, or failing that fall from a high building, if past cases of such magnitude were anything to go by.

In 2021 China celebrated the centennial of China's Communist Party foundation with firework displays and extravagant parades. But many people, especially investors, financial pundits and home buyers, were focused on who was present and who was not, especially the property developing tycoons on the tribune, who joined in the fun desperately tried to curry favour with top party members, waving red flags, in the hope their presence, an exceptional privilege and a sign of official support, which would confirm their good standing with those who could soon call them to account for their dastardly deeds.

In 2019, whilst the times were still good, Xu had posed for photos at the Tiananmen Square gate tower, the leaders tribune. As witnessed by pictures of his presence had been widely featured in Evergrande's annual reports and on its website.

Hui had been at the peak of his glory, overseeing a vast fortune, at the helm of one of China's great enterprises. His was an

undeniable success, seemingly fixed in the firmament of China's power structure.

His fall would have seemed unimaginable in those serendipitous days, but he had crossed Beijing's 'three red lines' and regulators were now digging into the transactions of the Shengjing Bank whose largest shareholder was Evergrande.

Now he was relegated to a rank even lower than that of Jack Ma of Alibaba and Wang Xing—founder of China's third-largest tech firm Meituan. Untouchables, who were keeping very low profiles, a warning to others, that no one was safe, not even Henry Wang.

It was a set up. Someone would have to carry the can for the economic debacle and it was not going to be the CCP. Big business was out. The heroes of the Revolution were evidently back, at least their sons were.

And Henry for one was not going to hang around and be stitched up like the other patsies.

CHAPTER 43

Cyprus

What Edouard had been doing in Cyprus wasn't that difficult to guess. The Russians had left the island and the Chinese had rushed in to fill the void.

Despite Cyprus being a member of the EU, it had long been a traditional transit point for hot money from the Middle East. But in more recent history that hot money came from Russia and the former republics of the defunct Soviet Union as well as Middle Eastern petrodollar sheiks and dictators like Hun Sen.

As usual the motley band of white-collar crooks together with a whole army of facilitators, was aided and abetted by locally based companies, like PricewaterhouseCoopers, whose declared purpose was to build serve the wealthy with a network of firms in 152 countries and over 327,000 staff and helpers, who it boasted were committed to delivering quality advisory and tax services.

Now, don't get me wrong, my employers, my family and friends, were amongst the well served wealthy, and my goal was to serve their cause, making sure the world was a safe and ecologically viable place for them to live in, with less dangers and less people.

RCB, formerly the Russian Commercial Bank, was one of the biggest banks in Cyprus. It had branches in Luxembourg and representative offices in London and Moscow.

It was founded in 1995 and in 2005 it was fully owned by the Russian VTB bank. Then, in 2022, as a consequence of the economic sanctions imposed on the Russian Federation it was dissolved.

During its brief existence, many of its wealthy customers held golden visas, which granted them European Union citizenship, and money flowed into Cyprus and the RCB. They included 2,869 Russian citizens, and generated some seven billion dollars for that small Mediterranean island nation, adding to the deposits banked at the RCB and other Cyprus banks.

RCB, its managers and shareholders had close ties to the Kremlin. Vladimir Putin had referred to it as a subsidiary of Vneshtorgbank (VTB), which it was, in the sense VTB owned it.

Before the Russian invasion of Ukraine, another of the island's banks, the Bank of Cyprus, included the six Russians board members, amongst whom was Putin's former KGB colleague Vladimir Strzhalkovsky, and its biggest shareholder was none other than a company controlled by Viktor Vekselberg.

In February 2022, Russia invaded Ukraine and very soon after, RCB, in spite of its solid capital and liquidity, suddenly decided to quit the banking business. The reason was evident, its only *raison d'etre* was the transfer of Russian wealth to the West, more than 200 billion dollars had been pumped into Russian firms in Cyprus, half of Russia's investment in Europe.

PwC and the other Big Four firms with a force of 4,000 lawyers provided the legal and financial structure to manage a conduit that banked Russian money in the West and managed its assets, jets, yachts, and prime property.

Longstanding historical ties linked Russia and Cyprus, based on a common Orthodox Christian religion, and when the Soviet Union was dissolved in December 1991, Cyprus was one of the few countries to which Russians could travel without a visa.

Less than four hours flying time from Moscow, Cyprus offered a cosmopolitan atmosphere in a sundrenched Mediterranean setting, an attractive destination for Russian wealth during the Wild West period of transition from the former Soviet state. Lax bank regulation and few questions, encouraged the flow of Russian money into the island's banks, which flourished as an offshore haven that offered banking secrecy and the legal structure to set-up businesses.

By the time Cyprus joined the EU, Russia dominated the island's economy and its golden visa programme prospered beyond all expectations.

Chinese carrying multiple travel documents from Cambodia, Vanuatu, Cyprus and Dominica now replaced the Russians, who were holed up back home, thanks to the Russian invasion of Ukraine and the subsequent sanctions.

Most of these Chinese were in it for their own businesses, legal and otherwise. However, certain were operating on behalf of Russians, who had become *persona non grata*.

At the end of 2021, China and Cyprus formally announced a strategic partnership on the 50th anniversary of their diplomatic ties. According to Beijing the agreement was reached following a telephone conversation between Xi Jinping and the Cypriot president, Nicos Anastasiades.

The two sides agreed to cooperate in economy, trade, telecommunications, transportation, and clean energy, besides promoting cultural and educational exchanges.

It was linked to China's Maritime Silk Road Initiative, part the larger Belt and Road Initiative.

China's interest was the strategic position in the East Mediterranean of Cyprus, which lay at the crossroads of Asia, Europe, and Africa, so close to Turkey and Syria, Israel and Lebanon, and its historical and cultural links to Greece, where China controlled the Port of Piraeus.

Many ships entering or exiting the Suez Canal made a stop in Cyprus, the first or last European port, depending on the direction in which they were heading. Cyprus was a well equipped transit point for international shipping with modern infrastructure and a favourable taxation system. Its merchant fleet operated more than 1,857 ships with a gross tonnage of more than twenty million tons.

So what happened to the Russians? Well it wasn't complicated. In fact they'd simply gone over the dividing line, into the self-proclaimed Republic of Northern Cyprus, where they continued to enjoy the sun and hide their dirty money.

You see Cyprus was divided into two parts, one Greek and the other Turkish, but that was another bag of worms.

CHAPTER 44

Plunder

Mayan sites suffered from the same kind of problems as similar archaeological sites in Cambodia, that is to say being plundered by rogue art dealers and collectors. The drama had been exposed to public view when the owners of a private Khmer art collection, the family of billionaire George Lindemann, agreed to return more than 30 ancient statues, stolen antiquities trafficked to the US by criminals like Latchford.

Lucy, who was now a budding archaeologist, told me that Lindemann's collection was once described as 'one of the greatest collections of Southeast Asian art in private hands.'

During my detention, Lucy had been dispatched to Cambodia for safety by her father. There with her friend Alice, she had worked on the restoration of a Khmer temple near the Thai border and had as a side project researched the trafficking of Khmer art by corrupt officials and high ranking military officers in the Hun Sen government.

It was not a very wise project, especially as her father Henry Wang was implicated in the traffic of valuable rosewood from Cambodia's forest, be it indirectly. I suppose she had gotten the taste for danger from me, but she soon realised it could damage her professional reputation.

For decades Douglas Latchford oversaw a booming business selling ancient art looted from Cambodia and its neighbouring

countries which amounted to the theft of antiquities on a massive scale and the millions made hidden in offshore territories which was revealed in the Pandora Papers investigation along with the scale of Latchford's wealth.

Lucy told me how in January 2021, a magazine called *Architectural Digest* featured a San Francisco home described as a Spanish Renaissance Revival palacio, which was owned by the billionaire's daughter and her husband. Reputed to be one of the most beautiful homes in America the palacio was worth an estimated 40 million dollars.

The magazine reported the vast villa had been revamped by a noted architect, and presented a series of photographs in their story, one of which showed a central courtyard with several empty pedestals. However, the same photo was later discovered by reporters on the architect's website, but with the pedestals bearing ancient Khmer sculptures.

Their conclusion was that the magazine's images had been photoshopped with the sculptures deliberately erased.

The Cambodian government said those antiquities, heads of gods and demons, had been stolen from a temple some years earlier.

It was revealed that the parents of the owners were collectors and possessed a large collection of Khmer treasures, described as one of the greatest collections of Southeast Asian art in private hands.

Photos published earlier in the same magazine, showed the parents Palm Beach home filled with Khmer antiquities, many of which were suspected as being looted, and two pieces

matched those that ranked amongst the country's ten most important stolen treasures, including a sandstone statue of Dhrishtadyumna, a legendary warrior.

During the Khmer Rouge's reign of terror, almost all the major archaeological sites were plundered as the country was wracked by civil war and genocide. Thousands of pieces were looted by dealers like Latchford and wound up in museums and in the private collections of some of the world's wealthiest people.

For decades, Latchford had paraded as a scholar, benefactor and protector of Khmer archaeological treasures, but the Pandora Papers investigators with its trove of 12 documents exposed his business as a looter and how he used offshore trusts to hide his crimes.

Latchford died in 2020. One of his clients, billionaire Jim Clark, an Internet pioneer became interested in Khmer art after visiting Southeast Asia and meeting Latchford, to whom he paid 35 million dollars for objects that became part of Clark's extraordinary collection, which grew to the point it could fill an entire wing in Cambodia's national museum.

One of Latchford's associates in crime, a Cambodian, confirmed he had helped transport a number of the looted pieces, which appeared in the magazine, to one of Latchford's main suppliers, including a statue of Vishnu, a Hindu deity, in a reclining position, and his wife, the goddess Lakshmi, stolen from a temple believed to be the royal tomb of Jayavarman IV, the ruler of an empire that included present-day Cambodia and Laos more than one thousand years ago.

Secrets Book III The Bezzle

Local beliefs considered these statues have souls and for centuries worshippers went to the temples to make offerings and pray to them.

The statue was hacked out of a temple in the late 1990s by a gang headed by a former Khmer Rouge army man and transported 50 kilometres, on an ox cart to a nearby town, where it was transferred by an army truck to the Thai border, where one of Latchford's accomplices bought it.

More recently valuable pieces of Angkorian crown jewellery stolen from Cambodia, many never before seen by the public, were returned from London, where they had mysteriously resurfaced.

The trove included golden crowns, necklaces, amulets and other treasures from the Angkor period, which ran from the 9th to the 14th century AD, when the Khmer empire was at its peak.

Latchford died awaiting trial in the US on charges of trafficking art. His family then reached an agreement to return his collection of 77 pieces of Khmer antiquities to Cambodia.

That was now the past and a new another threat appeared in Cambodia, in the form of Chinese billionaires and gangsters.

CHAPTER 45

Karaoking

At first Henry was discreet, business was our main subject of discussion. From time to time we played golf at his Shanghai club and had lunch in the club's restaurant. He then started to introduce me to his business friends. In China, business and friends mixed even more than in the West, it was a question of confidence and trust, many were family, cousins or in-laws.

Inevitably I was invited to their business receptions, that was also a Chinese thing. Lavish dinners at the Fairmont Peace Hotel to celebrate deals and events the meanings of which often escaped me.

There were not only business friends but also bankers, political figures, celebrities and families.

The banqueting halls were filled with flowers and banners, Chinese style with characters announcing wealth fortune and good wishes. Then there were speeches, eating and drinking. At the end of the evening after goodbyes, the men regrouped and headed for private rooms in the tower where drinking continued well into the night, deals were made and girls appeared.

I was presented as a close friend of Henry's family, as an up and coming executive from the INI Banking Corporation in London, and soon I became acquainted with his close friends and business associates, certain of them were overseas Chinese, Henry's partners visiting from Indonesia, Cambodia or Malaysia.

Secrets Book III The Bezzle

At least once a week I joined that privileged gang at exclusive Shanghai restaurants and night spots, in private rooms, eating, drinking and Karaoking late into the night for no apparent purpose.

I wondered about his family, but it seemed normal in China, eating, drinking, other women. Perhaps it was the price to pay for wealth and power. I remembered from Chinese history and literature, there were always concubines.

But already the signs of change were visible, the enthusiasm was waning, the fun was gone. There was another kind of atmosphere, suspicion, the fear of being watched, who would be next to justify past actions.

Many of the parents of today's leaders remembered the witch hunts of Mao's Cultural Revolution, and its victims, including Xi Jinping's own father.

The Wang's had reason to fear for their future if China sunk into a systemic economic crisis, who could predict what would happen in a country of 1.4 billion with its history of violent change. The chronology of mass killings was well documented, remembered, during the Cultural Revolution, which claimed millions of lives and inflicted cruel and inhuman treatment on hundreds of millions of people.

CHAPTER 46

Delta Timber

The cracks started to spread across China's economy with reports of factory closures, jobs losses and grim forecasts. Zhongzhi Enterprise Group, a low profile shadow banking giant, now joined the list of businesses hit as investor confidence continued to decline.

To Henry Wang the crisis that was traversing China's economy was bad, but not as bad as the effect it was having on his Delta Group, especially Delta Timber. Henry was a wealthy man, his group had diversified interests which went a long way in protecting him from the impact of China's real estate debacle. He had surfed the construction boom, building commercial property and upmarket condos over the previous two decades whilst his timber business supplied flooring, windows, doors and kitchen furnishing as well as quality rosewood furniture for the burgeoning middle classes.

According to Interpol between 15 and 30 percent of the global wood trade came from illegally logged trees with China one of the world's top buyers, especially from Pacific nations, such as PNG and the Solomon Islands.

I remember seeing shipping documents in PNG related to a couple of particular consignments of raw logs and containers shipped to Delta Timber, destination Zhangjiagang on the Yangtze, upriver from Shanghai, a vast port specialised in

tropical timber, where 75 percent of China's log imports transited annually, several million cubic metres.

At the point of export, logs were loaded onto bulk carriers, often registered in Panama, destination Shanghai, where after another couple of hundred kilometres up the Yangtze, they arrived in Zhangjiagang.

From Zhangjiagang the logs continued their journey by canal to China's floor manufacturing hub in Nanxun. There legal and illegal timber was mixed into unidentifiable sawn wood for its products, such as high grade parquet for home and export consumption.

Delta Timber was part of Henry Wang's Delta Group, whose docks I had visited in Shanghai, a large conglomerate, whose business was centered on property development, construction and building materials.

I remembered checking out the group's Chinese language site, where under the heading 'News', I discovered picture showing the group's chairman at a reception in the Peace Hotel on the Bund. The caption announced Wang Huiyao being presented with an award for 'the property developer of the year' by a Chinese real estate association.

Zooming in, to my surprise, it was Wang Huiyao aka Henry Wang—Lucy's father.

The destruction of the rain forest, which covered a large portion of the Earth's surface, commenced seriously about 400 years ago, when tropical hardwoods were first use for shipbuilding, dwellings and furniture by the colonising nations, then with the advent of the industrial society in the early 19th

century for railway sleepers, mining props and construction materials, and today its use continued at an ever accelerating pace for flooring, doors, windows and garden furniture.

Other losers were Evergrande's contractors, construction and design firms, and materials suppliers, those who delivered doors, flooring, kitchen fittings, built-in wardrobes and cupboards, including the Delta Group.

The crash reverberated across China's entire system financial with the Evergrande Group owing money to around nearly 300 domestic banks and financial institutions as well the country's notorious shadow banking system that dodged the rules and regulations of normal lenders.

In addition to the huge sums injected by company directors and shareholders to prop up the ailing group, many employees had loaned money to the company, forfeiting bonuses, participating with their savings in a desperate effort to save the company and their jobs.

I suspected Henry saw me as a link to Sir Patrick, to be cultivated, an addition to his already substantial network of *guanxi*. Several of his Delta Group companies were in fact good clients of INI Hong Kong with the bank financing many of their forestry operations in Irian Jaya and Papua New Guinea.

Forestry, logging, deforestation, whatever you like to call it, was as old as civilisation. We'd been cutting down trees and clearing land for thousands of years, for cooking, heating, to make tools and weapons, building homes, for furniture, toys and paper.

Secrets Book III The Bezzle

So what was all the fuss about? I'd asked myself, before my work in Southeast Asia, where I was to discover the destruction caused by logging companies.

Lucy's father was a very nice guy, but in retrospect he had used my unworldliness, not necessarily with ill intent, but to flatter me and gain my confidence, after discovering the link between the Fitzwilliams Foundation, INI, and Sir Patrick Kennedy.

I, on the other hand, did not realise he was a client of INI Hong Kong, with the bank financing his timber and palm oil interests in Southeast Asia and the Pacific Rim.

It seemed like nobody had bothered to tell me that, or hadn't realised I was dating Henry Wang's daughter.

CHAPTER 47

A Dock

Although I'd spoken to Henry about my sojourn in Indonesia, and my links to the forestry industry, I'd always been very careful about what I said about APP¹⁷, which was linked to a Taiwanese group and had interests in Mainland China.

I'd spent several months with APP on an exchange programme organised by INP-Pagora, the French engineering school in Grenoble where I'd completed a master's degree Engineering in Paper, Print Media and Bio-materials.

Henry had promised me introductions to overseas Chinese businessmen in the forestry and the pulp and paper industry. But first he invited me to the Delta Group factory on the banks of the Huangpu River, a few kilometres downstream from Shanghai's city centre.

I remembered joining him on one of the quays off the Bund, not far from Nanjing Road, where a company launch waited to take us upriver the river. To one side lay the 19th century bank facades and elegant Art Deco skyline with the Peace Hotel, once known as the Cathay, built by Sir Victor Sassoon where, according to legend, opium could be ordered on room service and Noel Coward wrote *Private Lives* as he recovered from a

¹⁷ APP, Asia Pulp & Paper, one of the largest in the world

bout of flu. To the other side of the broad stream was Pudong with its garish modern skyscrapers.

After we'd passed the Waibaidu Bridge and the Suzhou Creek, the river turned east and soon we were passing docks, cranes and warehouses. Henry pointed into the distance, announcing the mighty Yangtze River Delta, a hive of industry with an endless landscape of docklands dominated by cranes, into which vast quantities of raw materials flowed and an equally vast quantity of manufactured goods flowed out, shipped to every corner of the world.

The launch throttled back and we headed towards a quay where ships queued to unload their cargoes of huge hardwood logs. We climbed out of the launch and made our way up a ramp to the quayside where we were greeted by a driver standing at the open door of a large black SUV, who respectfully bowed to his *laoban*.

'Our docks,' Henry announced proudly, waving his hand and inviting me to join him in the vehicle.

In every direction were mountains of logs, a forest of dead trees, one to one and a half metres in diameter and ten to fifteen metres long.

'From our logging companies in Irian Jaya and Papua New Guinea,' he declared. 'Hardwoods for our rolling mills and saw mills.'

I couldn't help thinking of the red laterite scars that marked the landscape where huge swathes of forest had stood, probably ploughed over to make way for oil palms.

Amongst the suppliers of building materials and equipment hit by Evergrande's woes were US businesses, such as General Electric, Otis and Caterpillar. Others sectors included mining, companies like BHP, Rio Tinto and Glencore, whose profits depended on the continued Chinese demand for iron ore and copper. Then there were European firms like Heidelberg Cement—the second biggest producer in the world, Kone and Schindler lifts—both global leaders. All of which had surfed the real estate construction boom in China over three decades.

After my arrest, Edouard had been immediately dispatched to Singapore to take care of Delta's boat building projects, and Lucy packed off to Phnom Penh, where, as a budding archaeologist, she would be kept busy by Cambodia's ancient civilisation and temples.

Delta had invested in Cambodia's timber and construction sectors, which had flourished until it was hit by the Covid pandemic which had impacted tourism and real estate.

Fortunately for Henry, China's overriding geopolitical interests in Cambodia and the South China Sea, ensured its backing for Hun Sen, Cambodia's leader, the longest serving head of state on the planet, a dictator overseeing one of the world's most corrupt regimes.

Cambodia, Beijing's closest ally in Southeast Asia, had allowed China to use the Ream Naval Base, as part of a secret deal. The Union Development Group, a Chinese company, had been granted a 15,000-hectare concession in the Bokom Sakor National Park, close to Vietnam, in the south of the country, where it was suspected of developing the concession to facilitate the installation of a Chinese military presence.

China's insatiable demand for luxury furniture had fueled a multimillion dollar rosewood business in Cambodia led by Okhna Try Pheap, a businessman who controlled a vast, corrupt logging operation with the complicity of government, military, police and customs officials. The timber, including valuable rosewood, was transported by road and river to the Mekong, from where it was shipped to ports in China, including Hong Kong, Canton and Shanghai.



It seemed like the Delta Group was also pretty diversified in Cambodia, building residential, commercial and industrial properties as well as infrastructure projects. And like at home, it was also into building materials, not only importing commodities like finished timber products, but also foodstuffs, including palm oil, in addition it had interests in transport and shipping.

Amongst his businesses were several small to middling sized local companies making and selling everything from wood flooring to doors, kitchen and household furniture, manufactured from timber produced by sawmills and woodworking plants in Laos and Vietnam.

Edouard was very active in managing Delta's business and its future development, something that was recurrent in most Chinese businesses, as sons succeeded fathers—mostly founders, which was not always the case in more mature Western businesses.

Therein lay a problem, that is to say such businesses had been founded during China's boom years, built on cheap labour,

which was a problem for the second generation of industrialists like Henry Wang. That generation known as fu'erdai,¹⁸ a derogative term for spoilt rich children, faced an uphill challenge as economic conditions changed from development growth and low labour costs across Southeast Asia and India attracted labour intensive manufacturing industries.

It went a long way to explain the Wang's diversification plans especially those of Delta Marine, which included brokerages—sales, leasing and rentals as well as chandlery and maintenance services, which evidently extended to the Caribbean.

Valuable hardwood timber was an essential part of Granville Marine's boat building and ship-repair activities with the timber produced and exported by Delta's intermediaries from PNG with costs way below international market price.

The Wangs derived spectacular profits from this timber, which once on the high seas was sold to a company in the BVI's owned by Henry, which in turn sold and invoiced it to Granville Marine and other companies at market prices, allowing Henry to invest the difference in European businesses and property.

Henry Wang's Delta Group was not one of China's top real estate construction companies, in fact it was far from being in the top ten, and its business attracted much less attention in China's developing economic crisis.

Perhaps Henry had been wiser or perhaps simply less focused, in any case his business was better adapted for avoiding the

¹⁸ 富二代

impending collapse of China's real estate developers than most, though he could not avoid taking a hit with the non-payment of his timber products—doors, window frames, flooring and kitchen fittings, by Evergrande and other troubled developers.

He had seen the crash coming as other Chinese businessmen were carried away in a wave of blind euphoria, perhaps it was because of his more down to earth upbringing.

CHAPTER 48

Trade Winds

Henry's diversification plan had already been set in motion before Covid struck, investing in foreign property, a flooring factory in France, and more recently the marina project in the small Riviera town of Eze, where for the moment he had anchored his new acquisition, a yacht—owned by a Virgin Islands company, symbolically named *Trade Winds* after the Alizes that blow from east to west north of the equator.

Why Eze? First, it was nearby Monaco, which with its two square kilometres was too small for the growing number of super and mega yacht owners, and Eze was near enough to take the overflow. Second, Eze was smaller with more promise of exclusivity, but near enough to the other luxury yachting ports like Saint Tropez, Cannes and Nice.

Overseas investment and property had been a long established way of getting money out of China. At the lower end of the scale was an apartment in the UK, the US and elsewhere, to provide accommodation for children studying abroad. The upper end was a prime property investment.

For the most astucious was import-export operations via offshore companies with rigged invoicing, like Delta Timber and its network of companies across Southeast Asia and the Pacific Rim, with the willing and unwilling collusion of banks, like INI Hong Kong.

Henry was ahead of the field if Adam Tooze, the economic historian, was anything to go by. Tooze speaking on China's property bubble had ominously commented, 'The amazing thing is that big money in the West is taking a huge gamble on the capacity of an authoritarian regime, unfettered by the rule of law, to pull off the largest single exercise in macro-prudential and macro-financial stabilisation the world has ever seen.'

Which only went to confirm what I had observed after three years in East and Southeast Asia, even if part of that was in detention, where I had time to reflect on the unravelling of China's economic miracle.

Henry's Delta Timber was a covert multinational, his family owned a network of nebulous offshore companies, stretching from PNG and Cambodia to Singapore and from there to the Caribbean, all of which were into transfer pricing, enabling him to invest outside of China, through screen companies, in places like France or Ireland, where even if he had to pay taxes he didn't risk the kind of confiscatory and existential threats that were current at home.

Caribbean tax havens boasted attractive zero tax rates and a wide spectrum of corporate secrecy laws that obscured the true ownership structure of the companies registered there. Their laws hid company owners and asset holders behind nominee company agents, making it almost impossible to trace the real owners and shareholders of the firms incorporated there.



Henry watched as Zhongzhi, a major privately owned investment firm with near 140 billion dollars under management,

ran into payment difficulties, prompting police intervention as desperate small investors publicly demonstrated in the hope of recovering their money.

The firm's difficulties pushed Chinese assets and the yuan to a 16 year low, sending the country's three trillion dollar trust sector into panic.

Henry followed such events closely, it was his way of keeping his finger on the pulse. Zhongzhi was yet another challenge for China, confronted with multiple crisis linked to the sudden reversal of decades of economic growth and mounting concerns over its unsustainable debt.

It was another domino that led the Wang family to its decision that 'out' was their best option, *runxue*,¹⁹ meaning to flee, as Chinese had over the centuries under adverse conditions.

It was Zhongzhi's stock exchange filings that set the alarm bells ringing with missed payments on high-yield investment products by Zhongrong International Trust, a trust firm closely linked to Zhongzhi.

Zhongrong was a leading trust, pooling deposits from wealthy individual investors and companies to make investments in stocks, bonds and other assets. Such trusts accounted for a tenth of total loans in China.

To attract investors cash, trusts like Zhongrong offered rates as high as 6 to 8 percent, double that of commercial banks.

¹⁹ 润学

Curiously, Zhongzhi was founded as a lumber business, back in 1995, before diversifying into distressed assets, including real estate.

The news that police had launched a probe into the wealth management unit of Zhongzhi Enterprise Group, was alarming, coming days after it had informed its investors that it was severely insolvent with total liabilities of up to 65 billion dollars.

All Chinese figures were huge, but a severely insolvent financial group with liabilities of up to 65 billion dollars was difficult to imagine, though compared to certain others it was a little less mind blowing.

The investment group was part of China's shadow banking industry, an important source of finance in the country. It was part of an unregulated financing activity that took place outside the formal banking system, either by banks through off-balance-sheet activities, or by non-bank financial institutions, such as trust firms like Zhongzhi.

More recently, Zhongzhi and its linked companies, especially Zhongrong, had extended financing to troubled developers, snapping up assets from companies in difficulties, like the Evergrande Group, in the hope of cleaning up if the government stepped in to bailout the stricken developer. A very bad bet.

As small investors protests for payment delays mounted, the police appeared, setting up anti-crowd barriers around the company's offices. But they also visited the homes of the most vociferous, a heavy handed government warning against public demonstrations as protests spread from Sichuan to the coastal regions of Jiangsu and Shandong.

Thus, Zhongzhi joined Evergrande and Country Garden as the fallout from the deepening property slump coupled with the general economic downturn that was now hitting shadow banking system worsened.

CHAPTER 49

Rags-to-Riches

To me it was a repeat of the many Chinese success stories that I had become used to hearing, local boy makes good, like the tale of Dick Whittington, a poor boy who became Lord Mayor of London. Or the stories of Horatio Alger, the American author, whose rags-to-riches tales of poor lads, had brought him fame when his story ‘Ragged Dick’ was published in 1867.

Xie Zhikun, the late founder of Zhongzhi, had not long before his death ranked on the Hurun Rich List²⁰ with a fortune of 26 billion dollars. Xie had started out as a lowly worker in a printing works where he rose to director as China embarked on its miraculous four decades of spectacle growth.

According to the oft repeated legend, he had commenced his fulgurant rise to riches by first setting up a noodles plant, then a textile factory, followed by a timber business, a cement factory and a cattle raising farm.

Edouard told me a somewhat different story, in which Xie Zhikun’s wealth grew from red pine illegally logged in Yichun, Heilongjiang Province, with the help of corrupt officials, without whom nothing could be accomplished.

²⁰ Hurun Research Institute found by Rupert Hoogewerf in 1999

In 1995, 34-year-old Xie Zhikun founded the Zhongzhi Enterprise Group, which mainly engaged in the operation of wood based papermaking materials.

Xie Zhikun could do no wrong and soon expanded into finance, establishing the Zhongrong Trust. In no time he interests spread to insurance, financial services, wealth management coupled with industrial acquisitions, including semiconductors, new energy vehicles, environmental protection, and corporate outsourcing services.

By 2014, he headed six financial institutions, five asset management firms, and four wealth management trusts. There was no limit to what he could do, even coal mines, in Inner Mongolia, Shanxi, Guizhou and Yunnan, were added to his business empire, where quantity mattered as China's industrialisation expanded at a lightening pace, where efficiency and profitability took a second seat.

Soon his group ZEG included Zhongrong Trust, Zhongrong Fund, Hengqin Life Insurance, Hengbang Property Insurance, Zhongrong Huixin Futures and Tianke Jiahao Pawnshop.

It was an endless race to growth adding wealth management companies to his growing list of acquisitions, Hengtian Wealth, Xihu Wealth, Datang Wealth, and Gaosheng Wealth, providing integrated financial services for high-net-worth individuals.

By the end of 2020 his sprawling empire's asset reached an estimated value of nearly one trillion US dollars.

Xinhuanet once described Zhongzhi's equity relationships as complicated, disposable shell companies came and went, his capital operations were described as 'dazzling'.

Xie Zhikun's fall was inevitable, his was a vast Ponzi scheme in which he used using his investors money to speculate and build his empire.

His rise and fall was like that of another rags-to-riches wonder, Wang Jian, head of the HNA Group, whose path I crossed in France in 2018, at Bonnieux, near Avignon in Provence, when he died in a bizarre accident, falling from a wall, which I by chance witnessed.



Not everything that sparkled in China was gold. Many critics had warned that China's shadow banking system was riddled with fake wealth management products, fake gold and fake cryptocurrency exchanges.

A flagrant example uncovered when 83 tons of gold bars, linked to a company called Kinggold, were used as collateral. The gold unfortunately turned out to be fake, which was revealed when a trust tried to liquidate the collateral to cover debts and discovered the gold bars were nothing but gold plated copper.

For many not so rich Chinese it was a good moment to get out as the government had started to clamp down on foreign trips forcing civil servants and employees of state-linked enterprises to justify private travel abroad and overseas relationships, as Beijing launched yet another campaign to reduce foreign influence.

It was another facet of Xi Jinping's ideological about turn and his growing obsession with the threat of espionage by Western countries.

Restrictions that had been applied to senior government officials and state executives were now applied to civil servants and workers in state owned enterprises.

Trips were limited to one a year and for a period of twelve days to one month, depending on the individuals concerned, and even applied to those working in Hong Kong and Singapore.

Edouard confirmed Delta had received questions about the foreign contacts of their employees from organisations such as the Communist Youth League, the Chinese People's Political Consultative Committee and local authorities.

It was a disturbing turn of events, which only reinforced the Wang family's plan...*runxue*.

CHAPTER 50

An Ultimate Gamble

It was more than strange that those über rich, members of the Chinese communist party, owned companies in those distant vestiges of the British Empire, which inspired me to look up the meaning of communism in the Oxford dictionary,

‘a theory or system of social organisation in which all property is owned by the community and each person contributes and receives according to their ability and needs.’

Well if that was so, then Xu Jiayin must have had an extraordinary ability and enormous needs, otherwise how could they explain, how he, a member of the Chinese Communist Party, had become the richest man in China.

His ultimate gamble was the purchase of 2-8a Rutland Gate, near Hyde Park corner, in the heart of London, one of the most expensive home ever sold in England, for 232 million dollars.

One must wonder what the fuck was in Xu’s mind given the grievous state of his business back in China. That another Chinese high-flyer Cheung Chung-kiu aka CK, had fronted the sale, which spoke a lot of the kind of chicanery that went on between Chinese business pals.

But I suppose when you reached his stratospheric heights of wealth surrounded by countless sycophants your feet no longer touched the ground. It was a syndrome that had infected our smirking friend Vladimir Putin. At least Xu wasn’t sending

hundreds of thousands of young men to certain death or raining rockets down on women and children.

Xu Jiayin's friend Cheung Chung-kiu was owner of several iconic properties in the City of London.



2-8a Rutland Gate, Hyde Park Corner, London

But who was CK? For one thing he was a close business partner of Xu Jiayin, their companies Cheung CC Land and Evergrande had participated in numerous real estate transactions together as well as pumping hundreds of millions into Evergrande's electric vehicle subsidiary.

Xu together with Cheung, Joseph Lau and Henry Cheng were old poker friends, part of an exclusive Chinese *guanxi* network.

Now it turned out that Land Registry documents in London showed a British Virgin Islands company, called Vision Perfect

Global Ltd., had bought the Rutland Gate property from a Curaçao registered company called Yunak Property Corp in 2020.

Curaçao for memory was a Dutch Caribbean island situated off the north Venezuela coast, another one of those offshore tax havens.

The majority owner of one of the Curaçao companies involved was none other than Ding Yumei, Xu Jiayin's wife, and two CC Land executives who were listed as directors.

Amsterdam had become an international financial hub, a key link in the chain, a commercial platform where markets were negotiated and payments were collected from all over the world. It was also a centre where narco-traffickers could launder their money or channel it to tax havens, starting with Curaçao. From there it was dispatched to other tax havens, used as capital to buy property in London, Paris and Rome, or invested in businesses

Little by little, dirty money was contaminating the legal economy, especially in real estate, business services, travel and hotels. In Amsterdam cartels were inundating the economy with their money, the city had long been a centre for the less dangerous kind of narco-traffic, but progressively law enforcement agencies were submerged by the scale of the business, as ever greater sums of money moved in and out through the city's financial markets with the progressive criminalisation of an ever larger part of the economy.

Kennedy's INI Banking Corporation was witness with one of its historical bases in Amsterdam, which like London was being

transformed by the kind of violence that that reigned in Mexico, Central America and Colombia.

Offshore shell companies were the screens for owners of luxury properties in their preferred capitals, London, Paris and New York. Their role was simple—tax avoidance for the rich, survival for the poor, and for criminals and conmen places to do business and hide.

The UK, its crown dependencies and British Overseas Territories, were collectively responsible for facilitating an estimated 40 percent of the tax revenues that countries around the world lost annually. Profits were shifted offshore by multinational corporations and wealthy individuals to avoid taxation, to the detriment of the average tax payer.

The sleight of hand was based on the notion that British Overseas Territories and crown dependencies were self-governing, which meant they had the right to define their own policies to back their own economies.

According to the campaign group Tax Justice Network, Britain's Overseas Territories headed the list of major tax havens, ahead of Switzerland, the Netherlands and Luxembourg. Starting with the British Virgin Islands, where some 400,000 offshore companies were registered, ranking the islands as the 'greatest enabler of corporate tax abuse'. In second place was the Cayman Islands followed closely by Bermuda.

An outstanding example of this abuse was that Rutland Gate property. Originally built as four grand family homes in the 1830s, it was converted into a huge residence in the 1980s. More recently the Westminster City Council gave Cheung permission

to convert the mansion into a vast eight-storey palatial residence, its worth a potential half billion dollars.

Typically, a Chinese variable interest structure, involved the incorporation of a holding company outside of China, in effect a shell company, generally in the Cayman Islands. The offshore holding company then entered into agreements with a Chinese operating company.

The VIE holding company could then raise capital on the New York Stock Exchange for example, which the Chinese operating company was not allowed to do at home—due to restrictions on non-Chinese ownership, thus accessing the more flexible arrangements available outside of China.

The capital raised was then invested in the operating company. In this way hundreds of VIE structured Chinese companies were successfully listed in the US, including Alibaba, Evergrande and Country Garden.

It was a murky system that opened a Pandora's box and at the same time led Chinese companies and business leaders to discover the virtues of offshore tax havens and shell companies, which led to the excesses of Chinese business leaders like Xu Jiayin and his Evergrande Group.

The same vehicles allowed foreign investors to buy into Chinese businesses, which they, to their lasting regret, discovered were nebulous black holes, and where their losses would soon be counted in billions of dollars.



When I looked at the antics of Xu Jianyin, his extravagance, his life style, it ran to a pattern—that of so many other Chinese billionaires. In fact it was nothing new. Going back to pre-World War II days, Du Yuesheng, the notorious Shanghai gangster, was an outstanding example.

‘Big-ears’ Du, over the course of his notorious career, became a member of the city council and President of the Shanghai Board of Opium Repression, head of the Shanghai Stock Exchange, the Bank of China and the Central Bank of China.

He joined the Green Gang at the age of 16, where he was befriended by ‘Pockfaced’ Huang, a Chinese police detective in the French Concession of Shanghai.

Du’s favourite haunt was the Great World, Shanghai’s largest amusement centre, 15,000m² spread over five floors, where the higher you climbed, the closer you got to debauchery—prostitution, opium and gambling.

Hollywood film director Josef von Sternberg described it detail:

‘On the first floor were gaming tables, singsong girls, magicians, pick-pockets, slot machines, fireworks, birdcages, fans, stick incense, acrobats, and ginger. One flight up were... actors, crickets and cages, pimps, midwives, barbers, and earwax extractors. The third floor had jugglers, herb medicines, ice cream parlours, a new bevy of girls, their high collared gowns slit to reveal their hips, and (as a) novelty, several rows of exposed (Western) toilets. The fourth floor had shooting galleries, fan-tan tables, ... massage benches, ... dried fish and intestines, and dance platforms. The fifth floor featured girls with dresses slit to the armpits, a stuffed whale, storytellers, balloons, peep shows, masks, a mirror maze, two love letter booths with scribes who

Secrets Book III The Bezzle

guaranteed results, rubber goods, and a temple filled with ferocious gods and joss sticks. On the top floor and roof of that house of multiple joys a jumble of tightrope walkers slithered back and forth, and there were seesaws, Chinese checkers, mahjong ... firecrackers, lottery tickets, and marriage brokers.'

When the Battle of Shanghai broke out in 1937, Du Yuesheng, transformed the Great World into a refugee centre. Then, on August 14, two bombs dropped by Chinese planes fell on the crowded entrance, 2,000 people died, refugees, passers-by and shoppers.

Du Yuesheng had a predilection for immense mansions, like Evergrande's Xu Jiayin, he owned nine cars with eighteen chauffeurs, three bodyguards and an army of servants.

CHAPTER 51

Flight

The Wangs were simply joining the flow of Chinese entrepreneurs fleeing their country with all they could grab before the banks slammed their doors shut, many perhaps forever.

In 2022, over 10,000 of the most affluent had already fled China, more than from Russia, making it the country with the greatest outflow of high net worth individuals globally.

The question as to who these individuals were, was not difficult to explain, and they were not only the very rich—of the most billionaires and near billionaires, but the near rich, and in addition anyone who could find the means to get his or her money out, before it was grabbed in some tax swindle cooked up by crooked officials.

Just how much money was sloshing around was illustrated by a stash of money, equivalent to twenty million dollars, found hidden behind a false wall in a large villa bought in Harbin in the north of China. Such a huge sum was not some old lady's savings.



By the end of 2022, China's total value of outward direct investments, that is invested overseas, since 2005, amounted to 2.8 trillion US dollars, an unimaginably large sum of money.

In the same period the total direct investment, flowing into China was 2.8 trillion dollars.

But by the end of 2023 that all changed, annual inward investments collapsed, with an 88 percent decline, the lowest figure since 1993.

In other words China's outward foreign investments now surpassed incoming foreign investments.

More interestingly 83 percent of China's overseas investments came from state owned enterprises and the like.

Strangely these state-owned enterprises were recorded as leasing and business services—in other words financial consulting, legal and advisory services, advertising and marketing, leasing and other services.

It was quite astonishing, considering foreign firms like the big four accounting firms and major consulting companies in point of fact monopolised China's top tier audit and consulting services.

That raised the question as to who these evidently huge Chinese firms were in the leasing and commercial services sector, providing audit and consultancy services?

The answer is simple, no such firms existed, at least of any importance. In other words China's commercial services industry's outward investment was a facade, entirely fabricated.

So where did the funds invested overseas by state-owned enterprises go? Who benefited from this mana? Certainly not ordinary Chinese citizens.

As always it was corruption within the CCP, the elites. Money was laundered in Hong Kong, and part of it flowed to the British Virgin Islands and the Cayman Islands.

China's direct investment in Hong Kong amounted to 1.6 trillion dollars, principally in key sectors, starting with leasing and business services, followed by wholesale and retail, financial sectors, mining, manufacturing, business services, hotels and financial services.

These funds were channelled to Hong Kong under the guise of investment and development funds from state-owned enterprises. Part of which was committed to joint development projects in African and other developing countries.

Inevitably this was the source of considerable discontent at home, where critics accused Beijing of ignoring the welfare of ordinary citizens by investing overseas, favouring elite families within the CCP who benefited from this largesse.

Xi Jinping, the supreme leader of the CCP, had through his family benefited from this vast flow of money, as shown in the Panama papers. Amongst the eleven million documents leaked, was proof that many of his family members, like several past and present members of the CCP standing committee, were implicated in the creation of companies in the British Virgin Islands, involving huge sums of money.

Xi Jinping's family also promoted the development of the electric vehicle industry, profiting from subsidies and the construction of new factories. Daniel Foa, a British businessman married to Xi Jinping's niece, was a board member of an EV company planning a distribution centre in Shanghai. Something

that could not have been accomplished without the support of CCP elites, their objective being China's domination of the global EV market by dumping surplus production in the EU.

My conclusion was everything in China was up for grabs and the rich and powerful were shovelling up the loot, destination—the British Caribbean.

CHAPTER 52

HSBC

HSBC was known in Hong Kong as ‘the bank’. It was more than one hundred years old and the initials stood for Shanghai and Hong Kong Banking Corporation, an immensely profitable business, in Chinese it was 滙豐 or 汇丰, *huifeng*, which roughly translated meant ‘to succeed together’, and as an institution it knew all the twists and turns of offshore banking. But there was another more discreet bank—the INI Banking Corporation, headed by Sir Patrick Kennedy, historically an Irish bank, operating from bases in the City of London, Amsterdam, Moscow, Hong Kong and of course Dublin.

More recently Kennedy had established a corporate banking unit in New York, to which over the previous four years, he had been relocating certain of the bank’s activities, discreetly disinvesting from the riskiest investments in China, notably real estate, just as he had disengaged from Moscow following the invasion of Crimea in 2014.

INI had a business model that meant each of its five key operating markets functioned independently, mainly specialised in wealth management and investment banking, though it still maintained its over the counter banking services for its traditional customers in the UK and Ireland

Markets were like waves, they ebbed and flowed, which went a long way to explaining why Kennedy was prioritizing business in North, Central and South America. Africa was still far off.

He had considered spinning off part of INI's Chinese business to shield the bank from geopolitical stress, protect it from the fallout of mounting tensions between China and the US.

But it was unnecessary, given that INI Hong Kong was in fact a separate legal entity, almost independent of INI's other units. He held a large personal stake in INI Hong Kong, together with the Wu family, effectively controlling the bank.

Kennedy wanted to protect the bank's other units from any potential crackdown on overseas businesses by Chinese authorities, a situation that had arisen in Moscow with the sanctions that had hit following the Ukraine war, even though the bank continued to function as a Russian bank and in Moscow friendly territories including China.

Sooner or later Russia would return to the fold, the world's largest country, 17 million km², with 85 separate territories of which 22 were republics, where one hundred different languages were spoken, with their own legislatures and autonomy, except in international affairs.

As always he had learned to move with the flow. There was always a before, and an after.

CHAPTER 53

Africa

Pat Kennedy had put Africa on hold. It wasn't Africa's moment as the West moved out, leaving a vacuum for Russia and China to pile in, a new kind of colonialists, staking out their claims with the aid of corrupt regimes. Emmanuel Macron and Rishi Sunak were busy kowtowing to despots, the former swanning around like visiting royalty, and the latter with his fake earnestness and his whiny voice running around like an obsequious head-boy.

It was always the common people that suffered, from Ukraine to Southern Africa, two distant and disparate points on the globe, as evil men rode roughshod over the people in search of power and hegemony.

In Beirut, once the Paris of the Middle East, the Lebanese pound lost 98 percent of its value, schools closed for lack of funding, children went hungry, refugee tent cities overflowed with Palestinians, Syrians and Kurds. The tyrant Assad still ruled in neighbouring Syria in spite of years of war and destruction. The Sahel region of Africa was torn by strife, and in particular the Sudan and Niger.

Now in Gabon, army rebels had overthrown the Bongo family in a bloodless coup. The family had reigned over the nation for 56 years, a rich country covered with vast forests, the largest manganese mine in the world, oil, and a population of just two million, half of them living on two dollars a day whilst the Bongo family hoarded billions in Europe.

Secrets Book III The Bezzle

When the military took the presidential palace they discovered piles of suitcases filled with dollars and Swiss francs, ready to be flown to Geneva or some other rich man's paradise.

Not far from Gabon, in the Congo, war had been raging almost continuously since the country's independence from Belgium in 1960, leaving millions of dead, a vast mineral rich land four times the size of France or Texas.

Kennedy despaired when he thought of the suffering, the dark violent heart of men, of humankind. What could he do, he who held a secret that could change the destiny of humanity. His only choice was to pursue his dream, his wealth and knowledge were the keys, his plan—to build a new world far from tyrants and autocrats, men like Putin, Xi Jinping, Kim Jong Un, the mullahs of Iran and the dictators of Burma, Cambodia and Venezuela.

He despair deepened when the cruel North Korean despot arrived in Moscow aboard an armoured train, welcomed with the traditional offering of salt and bread whilst his people starved, and as an unholy alliance readied itself for a war to end all wars.

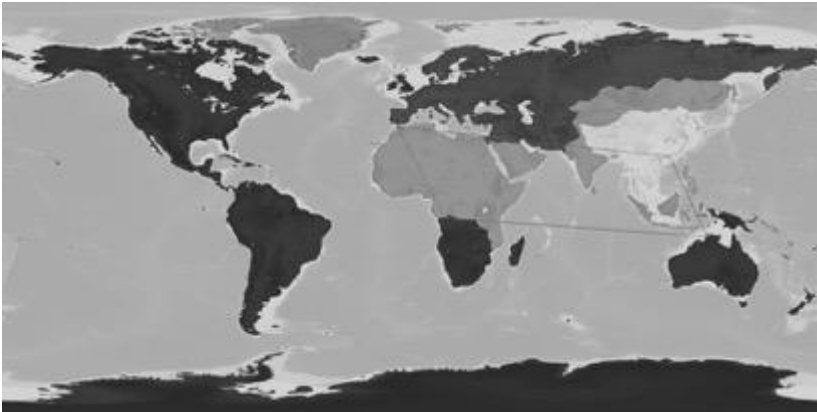
But first things first with Xi Jinping poised, ready to test his arms by taking Taiwan, an idea that made Kennedy wonder what was going on in the mind of this man, he who stood at the head of the world's most populous nation, one of the world's largest pieces of real estate, the world's second largest economy. The megalomania was incomprehensible, the need for more, he who condemned former colonial powers, was now embarking on the same path.

At one end of the Earth the Russian foreign minister declared 'There's an old Russian saying, you don't choose your

neighbours and it's better to live with your neighbours in peace and harmony.' Whilst at the other end, Russia bombed schools and hospitals as it sacrificed the lives of its young men in the meat grinder as they attacked their brothers and neighbours.

Was humanity condemned to war, strife and tyrants? If so it was lost.

The overriding question was, is humanity capable of ruling itself? If not, as it was seemingly the case, then we were all on a one way street to oblivion.



Orwell's world in '1984'

Oceania's political system, Ingsoc, was built around a cult of personality, centred on its leader, Big Brother, a figure not unlike Kim Jong Un, North Korea's tyrant. In brief a totalitarian system where Winston Smith's job at the record department was to falsify historic records, rewrite the reports in newspapers of the past to conform with the present reality, with every article rewritten each time the Party decided a new reality was in order.

Secrets Book III The Bezzle

The objective was to erase anything that contradicted the Party or made it look bad. The original texts were burnt in huge incinerators.

Winston Smith lived in a constant state of uncertainty, to the point he was not even sure the year was 1984.

One of Winston's colleagues worked updating the Party's latest edition of the Newspeak dictionary—a language designed to erase all nonconformity at the root.

The Party controlled its citizens thanks to a vast electronic surveillance system. All were encouraged to spy, including children who regularly reported their parents to the Thought Police, a kind of KGB, which tracked down and arrested those suspected of thought crime—personal and political thoughts unapproved by Ingsoc.

Those who fell out of favour with the Party became unpersons, disappearing with all proof of their existence erased.

It was not unlike the fate of Hu Jintao, the former General Secretary of the Chinese Communist Party, who was unceremoniously hustled out of the Great Hall of the People before the eyes of the world, at the closing ceremony of the 20th National Congress of the Chinese Communist Party.

Or Jack Ma, following his act of lese-majesty by deriding China's big state-owned banks 'as having a pawnshop mentality' or 'the Basel Accords are like an old people's club...we can't use yesterdays methods to oversee financial institutions across the globe'.

In a similar manner Chinese real estate tycoon Ren Zhiqiang, who called Chinese President Xi Jinping a clown and criticized his policies, was sentenced to 18 years in prison.

In 1949, when Orwell's dystopian novel was written, we watched on average four and a half hours of television a day. Now, television was largely replaced by the smartphone, which allowed people to watch a screen literally anywhere, increasing the total number of hours viewed daily to nearly eight. It was more time than we spent sleeping, a third of our lives, fixed to news, social media and entertainment, impacting our entire way of living, influencing our every thought and action, an endless flow of targeted information, political and consumerist, a never ending stream of conflicting messages.

Kennedy saw his plan as the last chance to preserve humanity as Armageddon appeared on the darkening horizon.

CHAPTER 54

Collapse

What happens when the climate crisis meets a failed state? The answer my Uncle John Ennis told me, was at hand, on the other side of the Mediterranean, a country he knew well, Libya, which he had visited when Gaddafi reigned, stable during four decades under its strange leader.

It was the Arab Spring that brought about the fall of Gaddafi, the dictator of a vast almost empty oil rich desert. My Uncle had described it as civilised and prosperous compared to many African nations. Of course, like all autocrats, Gaddafi had illusions of grandeur, like Putin, Xi Jinping and so many others, to a point it could be said it was an inherent human trait that emerged in those who attained absolute power.

The trouble was most of those who aspired to absolute power, often seemed to ignore the risks that stalked those who breathed that rarefied air at the summit of such power.

Gaddafi's demise came in 2011, a pointed stick in his anus, beaten by the mob, as witnessed in a video filmed on a mobile phone. Pulled onto the back of a pick-up, he fell off as it drove away. His semi-naked body was then taken by ambulance to Misrata, where he was declared dead.

There his broken body was placed in a freezer at a local market, alongside the bodies of his faithful loyalists, Yunis Jabr and

Mutassim, where they were publicly displayed for four days, with Libyans from all over the country coming to spit on them.

Jabr's body was later mutilated and spray-painted by rebels.

Twelve years passed whilst war lords fought for power, and Libya was transformed into a dysfunctional state. Laid to waste by division, war, corruption and lack of competent government.

It was under such conditions that more than 20,000 people died, the result of extreme weather and the rupture of two dams in Derna, a city to the east of the country, on the Mediterranean seaboard.

The country's population had increased seven fold since 1950 with most of its towns, such as Derna, situated on the banks of wadis—seasonal rivers susceptible to violent flash flooding.

Since the death of Gaddafi, the country's living conditions dropped with its citizens victims of war and dysfunctional government, a sign of man's catastrophic inability to manage his needs.

In 2023, all the conditions were united for the disaster that struck Libya in the city of Derna.



A poem, *The Rain*, written by Libyan poet Mustafa al-Trabelsi, warned of flood risks in Derna just days before dying when the dams broke:

Secrets Book III The Bezzle

The Rain

*Exposes the drenched streets, the cheating contractor,
and the failed state.*

*It washes everything,
bird wings
and cats' fur.*

*Reminds the poor
of their fragile roofs
and ragged clothes.*

*It awakens the valleys,
shakes off their yawning dust
and dry crusts.*

*The rain
a sign of goodness,
a promise of help,
an alarm bell.*

It was indeed an alarm bell that officials of Derna had chosen to ignore, like the calamitous state of the two dams.

The funds set aside for the dams' maintenance evaporated, foreign contractors quit the country, machinery and equipment was stolen from abandoned construction sites in the absence of government authorities.

The Wadi Derna ran straight through the town, its mostly dry bed without any real embankment. Both dams had been built of compacted earth and clay reinforced by stones and rocks. The al-Bilad dam, which lay about one kilometres south of the city,

had a storage capacity of about 1.5 million cubic metres, while the Abu dam situated 13 kilometres to the south of the first dam, had a capacity of about 22.5 million cubic metres.

When storm Daniel approached the Libyan coast it bore an unimaginable quantity of water as it rolled across the Mediterranean before releasing its torrential downpour into the mountains and valleys above Derna.

The fragilised dams in the narrow valley were a catastrophe in the waiting as the level of the waters rose, as gulleys diverted the torrents of rain down into the lake retained by the dams.

Under the pressure of millions of tons of water, after years of decay and negligence, rent by cracks and fissures, the dams gave way in a catastrophic explosion, and a wild torrent of water, mud and rocks burst forth, hurtling down the narrow valley, carrying everything the lay in its path in its wild race to the sea.

Below in Derna, in the early hours of that fateful morning, those who lived on the banks of the river slept the sleep of the innocent, unaware of the three metres high wall of water that had been unleashed, now hurtling down the valley towards them, carrying death and destruction in its wake as it swept towards their flimsy dwellings faster than the speed of a galloping horse, to wash whole quarters of the city into sea, leaving nothing but an ochre gash in its path.

In the aftermath of the storm rescuers searched for survivors in the mud, amongst the floating detritus of the harbour, in the forlorn hope of finding survivors amongst the thousands who had been swallowed by the wave, buildings as high as seven

Secrets Book III The Bezzle

stories had been swept away as the raging waters swept through the city.

CHAPTER 55

BRICs

Russia's influence in Africa had been intertwined with the activities of the Wagner Group, and particularly in West and Central Africa. On the heels of China, Russia had thrust its influence on the continent, not only through aid and economic development, but also military cooperation with the Wagner Group playing a key role.

That however changed, following the death of Wagner's leader, Yevgeny Prigozhin, who perished in a fiery plane crash in Russia, leaving many wondering what would now happen to the military support from Russia in Africa.

There were not only defence agreements with Russia, but also forestry concessions, mining licenses, and breweries to quench the thirst of Wagner's mercenaries.

Countries like the Central African Republic had fallen under the influence of the Wagner Group, after decades of civil war and strife, as Moscow pulled the strings with its mercenary thugs, namely Prigozhin and the Chechen warlord Ramzan Kadyrov.

Now with Prigozhin dead, and Kadyrov, who had sent tens of thousands of Chechen fighters to the war in Ukraine, said to be terminally ill, Vladimir Putin was forced to reconcentrate his ever shrinking circle of friends and allies.

Before the attempted coup against Putin, led by Prigozhin, the Kremlin had praised Wagner's activities in Africa, and especially in Mali and the Central African Republic.

In 2021, the Center for Strategic and International Studies, a US think tank, identified a new military base being built in Mali for Wagner troops, where the group was active in mining other riches, including gold, after Canadian and South African businesses had lost their licenses.



At the other end of the African continent, Xi Jinping arrived in Johannesburg for a BRICs summit, where he was met on the airport tarmac by South African president Cyril Ramaphosa.

The BRICs countries, Brazil, Russia, India, China and South Africa, represented about 40 percent of the world's population and a quarter of global GDP. All the leaders were present with the exception of Vladimir Putin, who risked being arrested for war crimes on an order issued by the International Criminal Court in the Hague.

Unexpectedly, Xi Jinping skipped a scheduled speech at a key multilateral business forum at the summit and the speech was read by his commerce minister, Wang Wentao. Xi did, however attend, the summit dinner, though no explanation was given for his earlier absence.

China watchers speculated something was not right, perhaps Xi had been sick, but it had coincided with rumours following an earlier absence.

Perhaps it was linked to the disappearance of China's recently appointed foreign minister, Qin Gang, who missed the previous BRICs foreign ministers meeting. It was unusual for Chinese leaders to miss such highly choreographed events.

CHAPTER 56

Backwards

*Extension of debt is not bad if the borrower has the ability to repay.
Extension of debt turns into a problem when debt is not repayable. That is
the essence of Minsky's Ponzi finance.*

Lacy Hunt former Chief US Economist for HSBC

Xi Jinping had other problems on his hands. After taking office in 2012, he had promised to crack down on state corruption and inefficiency. But what he in fact did was to target his enemies, opening the way to a Maoist style personality cult with himself as the great helmsman oppressing China's leading private business empires.

Until that point the country had a dynamic tech sector, led by giants such as Alibaba and Tencent, but Xi Jinping instead of encouraging Chinese achievements in the business world, proceeded to crush that freewheeling entrepreneurial spirit.

It was scarcely believable how such men, once in power, were transformed into autocrats, destroying free spirit, replacing them with grey unimaginative yes-men, as they themselves took on the mantle of absolute power.

With the impending collapse of the real estate sector and its giants, many asked if China didn't find itself faced with the Japanese dilemma.

Not only had the construction industry stalled with a third of all new apartments standing empty, the country's local governments had accumulated a staggering mountain of debt for unneeded infrastructure projects totalling nine trillion dollars with railways and highways to nowhere.

One in five young people was unemployed in a country where it took two working adults to support one senior citizen as economic growth tumbled to just three percent.

To make matters even worse, Xi's Belt and Road Initiative was grinding to a halt after lending developing countries nearly one trillion dollars, most of which would be written off.

Reading Paul Krugman's commentary, I learnt from the distinguished economist, that 'the point at which everyone suddenly realizes that unsustainable debt is, in fact, unsustainable' is called a Minsky²¹ moment, that is a sudden collapse of asset values, which marks the end of the growth phase of a cycle in credit markets or business activity.

In other words China had hit a brick wall.

Even worse, Xi accelerated the disaster by his about turn, reversing Deng Xiaoping's successful policies in exchange for Mao's catastrophic failures. Deng, who had institutionalized party rule, rapid economic growth and an open door to the world.

The badly thought out Belt and Road Initiative was replaced by the Global Development Initiative, the Security Initiative and

²¹ Hyman Minsky an American economist (1919-1996)

the Civilisation Initiative, which stood a good chance of experiencing the same fate.

The leadership was imposing state authority for overseas investments, which **given** the track record of state planners, was nothing less than a formula for disaster.

Xi was reputed for grandstanding, just like in Johannesburg at the BRICs meeting, vague promises, nothing concrete, playing up to the cameras of world media.

But who dared say ‘the king had no clothes’, especially after Jack Ma’s experience, the founder of Alibaba, who described those who defined the country’s banking policies in 2020 ‘as having a pawnshop mentality’.

Jack Ma was holed up somewhere in California, it was said, but nobody knew for sure where. Like Elvis, who according to hoary urban legends, he was seen discreetly greeting personalities at private gatherings of the very rich and famous.

CHAPTER 57

Valhalla

Just as Xi was congratulating himself, his fellow autocrat had a close brush with disaster, escaping a potentially sticky end, just as Yevgeny Prigozhin, founder of the Wagner Group, crashed to a fiery death in a bleak field to the north of Moscow. He was accompanied to mercenary Valhalla with his closest associates including Dmitry Utkin, Wagner's co-founder.

Putin decapitated Wagner just as Prigozhin's mercenaries were gearing up for full mobilisation, thus reasserting his control of the Kremlin.

The man in the Kremlin had in a perfect Stalinian stroke, purged his circle of traitors and paved the way for the future in a way that would have been the envy of his infamous predecessor.

Onboard the doomed plane were ten persons, including the crew, all of whom were killed when the jet dropped out of the sky in a ball of flames, just two months to the day Prigozhin launched his short-lived mutiny against his boyhood pal.

Witnesses to the crash heard a loud bang before they saw the jet fall in a death spiral, confirmed by a video that showed the jet breaking up shortly before hitting the ground.

The end came just days after Wagner-linked media circulated videos of Prigozhin in Africa, where his mercenaries were deployed in Mali, Burkina Faso and several other nations.

As Wagner supporters gathered to lay floral tributes to their leader, outside the group's former centre in St Petersburg, observers speculated Prigozhin, sometimes known as Putin's chef, had been on the FSB's kill list after his failed uprising and exile to Belarus.

Putin was serene as he was filmed enjoying a WW2 memorial concert where he handed out military honours in Kursk, marking the 80th anniversary of the battle for the city in WW2.

Two months earlier, Prigozhin had announced his 25,000 soldiers were ready to march on Moscow, declaring, 'Wagner's commanders have come to a decision. This is not a military coup. It is a march for justice.'

That evening, after having taken the southern Russian city of Rostov-on-the-Don, he sealed his own doom by suddenly announcing a withdrawal on Telegram, 'Now is the moment when blood could be spilled. We are turning our convoy around.'

Thus ended the short lived putsch by Yevgeny Prigozhin, who was described as a 'hero of Russia, a true patriot of the Motherland', whose mercenaries, including thousands of dangerous convicted criminals, had been accused of some of the worst atrocities in Ukraine.

The consequences were far reaching, reinforcing Moscow's intentions in Ukraine and Africa, in its unholy alliance with China, North Korea and Iran.

CHAPTER 58

A Trojan Horse

Sir Patrick Kennedy's bank in Hong Kong was seen with jaundiced eye by HSBC—a behemoth with 300,000 employees, managing three trillion dollars in assets, which it was said would have been the world's fifth-largest power if it were a country.

HSBC was seen by some as being the most Chinese of Western banks and the most European of Chinese banks, and even if its head quarters was established in the City of London since 1993, its heart remained in Hong Kong, in the spectacular tower designed by Norman Foster.

Founded by British colonists in the aftermath of the Opium War, when banking and especially offshore banking was transformed into an art of financial opacity, an art that was cultivated for over 150 years. It was impossible to understand one without the other.

HSBC had more recently been linked to a number of tax scandals, including the Swiss Leaks and the Panama Papers. Almost losing its US license in 2012, when the Justice Department accused it of having recycled almost a billion dollars of drug cartel money into the US economy, via its Mexican subsidiary.

Thanks to the interventions by David Cameron's government, the bank finally escaped with a fine of two billion dollars,

equivalent to one month's profit, making HSBC 'too big to fail and too big to jail'.

Its former CEO Stephen Green, was rewarded with a knighthood from Queen Elizabeth. As was Pat Kennedy, though for different reasons.

Often described as the Trojan Horse of Chinese finance, the black hole of black holes, it was nevertheless protected by London, though it refused the help of the British government during the financial crisis, preferring to recapitalize with Hong Kong businessmen who had made their fortune trading with China.

HSBC had backed numerous Chinese investments in Europe and the UK, including the two Hinkley Point nuclear power plant, financed by France's EDF and China's CGN, before the latter backed out, leaving the EDF holding the baby.

Kennedy's bank INI was seen as the new kid on the block and its unique structure troubled HSBC along with other long established banks in Hong Kong, which neither appreciated Kennedy's unorthodox methods nor his links with the Wu family through his marriage to Lili Wu.

CHAPTER 59

Another Disaster

Pat Kennedy was far from being new to China, more than ten years had passed since he had established INI's banking corporation in Hong Kong, a decision that had proved immensely profitable until 2020, when the democracy demonstrations against new laws imposed by Beijing changed everything.

Then, following the outbreak of the Covid pandemic, he momentarily quit Hong Kong together with his wife Lili, who was Cantonese, and their children, moving his base to Beaulieu-sur-Mer on the French Riviera, where he could commute to the bank's UK headquarters in the City of London.

Pat Kennedy spoke good Mandarin and Cantonese, for a foreigner that is, which gave him a deeper understanding of China, and more important to his banking corporation, how China worked.

For the very vast number of Western businessmen, the Chinese business world was an incomprehensible and impenetrable maze, in which secretive financial conglomerates like Zhongzhi were cyphers.

Analysts at INI feared that the turmoil at Zhongzhi and Country Garden could create a vicious cycle for real estate financing in China.

The alert had come from Caixin, a leading Chinese media website, informing its subscribers that two clients of Zhongrong International Trust had reported the trust had failed to repay maturing products. This followed rumours linking the non-payment to concerns surrounding the viability of the trust's shareholder, the investment giant Zhongzhi Enterprise Group.

Zhongzhi, a sprawling business group with interests ranging from mining to wealth management, was the latest Chinese conglomerate to get into trouble, following the collapse of others including the Anbang Insurance Group and HNA Group.

The real estate's liquidity problem was creating a domino effect on other sectors, including the trust industry. Kennedy feared more trusts with heavy investments in China's deeply troubled real estate industry would also be pulled under.

For those specialised in the arcane web of Chinese finance, Zhongzhi was in fact part of China's shadow banking system, it was amongst the biggest players in the country's three trillion dollar trust industry, which combined characteristics of commercial and investment banking, private equity and wealth management.

What concerned Kennedy most was the risk to the Chinese banking system and contagion spreading to foreign banks like HSBC, Standard Chartered and his own.

At the end of 2021, Xie Zhikun, the founder of Zhongzhi, died suddenly of a heart attack at the age of 61. He was another of those proverbial Chinese rags-to-riches tycoons whose business went bust after a period of meteoric growth in China's anything goes period of economic growth.

Zhongzhi had been founded in 1995, at the start of the boom, in Heilongjiang, the cold northernmost province of China, the name of which translates as the Black Dragon River, a region that is akin to Eastern Siberia, a land covered by forests with long dry and bitterly cold winters, and warm humid summers.

The region known as Manchukuo was during a brief period ruled by the Japanese, a puppet state headed by Puyi, the last Emperor of China, between 1934 and 1945.

Xie, who went by his English name Forest, kept a low profile throughout his career was married to a popular singer Mao Amin.

Zhongzhi started out as a timber company in Yichun, a large city in Heilongjiang on the Amur River which separates Russia from China, a city whose development commenced after the Imperial Japanese army seized the region in 1932.

At the time of the founder's death the group was composed of six financial institutions and four wealth management companies, including Zhongrong International Trust, a major investment arm which the conglomerate had gained control of in 2009.

The rot lay in the fact that the trust company held nearly 300 investment products with a total value of 40 billion dollars, which would soon fall due with an average yield of 6.88 percent, compared to the 1.5 percent deposit rate paid by normal banking institutions.

Already a third of its trust products had defaulted, most of which were linked to real estate investments, due to its miscalculation when it bought stakes in real estate projects a year earlier, betting on a market rebound that didn't happen.

As usual the company was incorporated in the Cayman Islands, even though its main business was in China. However, part of its vast project portfolio was in Malaysia and Australia, which provided a safe haven for its top men if they decided to do a runner.

It's a fucking disaster, Pat Kennedy muttered as he sunned himself by the poolside at his villa in Beaulieu-sur-Mer, the Mediterranean glittering in the bright sunshine beyond the carved stone balustrade of the beautiful Italianate gardens.

He dropped his newspaper under his lounge, it was filled with more bad news. Xi Jinping was to visit Moscow and Belarus, a very bad sign. The ruble had crashed against the dollar and a basket of other currencies, putting it alongside Turkey's lira and Argentina's peso as one of the three worst performing emerging market currencies.

Pat stood up took a couple of steps forward and plunged into the refreshing water of the pool, swam a couple of lengths, then climbed out and dried himself off.

He didn't feel any better.

Even a blind man could see asset prices were over the top, businesses were wildly overvalued.

The worst was yet to come as China looked into the abyss, its real estate business had already gone over the edge.

It reminded him of the Minsky Moment, the sudden, major collapse of asset values that marks the end of the growth phase of a cycle in credit markets or business activity, which occurs when confidence continues to grow in the banking system and

banks, in the belief that asset prices will continue to rise. At which point the borrower could no longer afford to pay the principal or the interest on loans.

It was the situation in which Chinese real estate developers found themselves after Xi Jinping cracked down on high tech firms and his government had imposed a zero-Covid policy, bringing the nation almost to standstill, precipitating the real estate crash and dragging the whole economy down with it.

Little wonder the rich were heading for the door in a save what could be saved rush.

The only chance was to stave off the collapse, giving those who could, time to get their money out to some safe haven before mayhem broke out.

What Pat Kennedy feared most was what happened when autocrats became desperate, diverting the masses by war, setting the world aflame to divert the attention of the mob.

Pat Kennedy had become wiser moving assets around, but now he was running out of options. He'd diversified into land and resources, but the blows were falling one after the other and fast, as the bank's Hong Kong base, instead of being 'One Country Two Systems', it now was hurtling towards 'One Country One System', as Xi Jinping plunged China into crisis, transforming the previously booming economy into a sombre backward looking system, which some feared was leading towards more and more state interference, something that had plunged China into economic disaster under the leadership of the Great Helmsman, Mao Zedong.

Already Hong Kong's unique economy was suffering as was its financial markets. Its import-export trade experienced the sharpest drop since the 1950s, and property prices, both residential and commercial plunged, selling at never before seen discounts of up to 20 percent, as rents fell by 30 percent, all of which was to the greater benefit of Singapore.

Pat Kennedy had attended the Second Global Financial Leaders Investment Summit in Hong Kong, and had come to the sad conclusion that Hong Kong was no longer the international financial centre it had been.

It was the moment to prepare for his planned meeting with Tom Barton and Henrique da Roza to review plans for Latin America, where there were vast resources and land waiting to be developed.

But there where were other things on his mind.

He looked at his watch and tried to figure out what time of day it was in Chetumal, Mexico, then called Michael D'Arcy.

CHAPTER 60

Taipei

Michael, how are you? Thank you for the report. We'll have to speak about that in detail. But first I have a question for you.'

He paused an instant as Michael wondered what was coming next.

'Have you ever been to Manus Island?'

Michael had never heard of it.

'It's in the Bismarck Sea...off the coast of New Guinea.'

'I've been along the north coast of New Guinea, Sir Patrick,' Michael replied cautiously. 'I spent a couple of months there for the Foundation.'

'Of course Michael. Listen I'm in Hong Kong at an investment conference. I'll be accompanied by Charles Albignac, I believe you've met. I know you can't come to China, so I'd like you to meet me Taipei where can talk about different things. You know Central America and a couple of other things.'

Now that I was persona non grata in China it seemed Kennedy had found a replacement, a friend of Camille Clancy's, a French guy called Charles d'Albignac, who I'd met a couple of times, once at André de Launay's chateau in Bourgogne, and another time at a concert held in the small church in Guethary, in the Basque country, where he had been accompanied by a slim

blonde cellist. I remembered he'd been carried away by her interpretation of Edward Grieg's Chanson de Solveig.

It seemed Albignac was well connected, his father had been French ambassador in Jakarta and Rabat and were close to Macron's centrist party.

Michael agreed, trying to sound positive. He would have liked to have taken a breather, but working for Pat Kennedy meant he would now do that on a transpacific flight.

Pat Kennedy would first finish his business in Hong Kong, starting with the conference where he was scheduled to speak. Then, after an INI board meeting, followed by discussions with Angus, he would be able to take off for Taipei, which was just an hour's flight from Hong Kong.

He felt pleased with himself. Meeting with Michael would be a break from the constant bad news from China. It would kill two birds with one stone, the first bird his plans for Latin America and the second Manus Island, which if he'd admitted it, excited him more.



Nearly 48 hours had passed when Michael deplaned in Taipei, where after clearing formalities he was greeted by an INI representative, who led him to a limousine waiting to take him to the Shangri-La Far Eastern Plaza Hotel situated in the downtown district of the city.

It was his first visit to the city, his first visit to Taiwan, and as the limo drove into the city he wondered whether he was in China or not. At first glance it looked like China, different, but

China. At the same time it was not China, not the China he knew, nor Hong Kong. If it had been he would have certainly been arrested on his arrival at the airport.

It was a parallel China, where he was free.

His room on the executive level high in the tower had a panoramic view over the city. He was blasé, he was used to the best, and the worst. He thanked the customer relations manager and tipped the bellhop who dropped his bags in the bedroom of the suite.

Michael zapped the TV and paused on CTI, a local news channel, where a new flash reported Country Garden's difficulties. The headline was in Chinese, but unlike the Mainland, it was written in traditional characters with which he was only passably familiar.

A news alert announced that the Zhongzhi Enterprise Group, was on the brink of collapse, confirming what he already knew. Pat Kennedy's daily briefing, a series of confidential notes for top management, kept him up to date on the market.

That evening he joined Kennedy and Albignac and they dined in the hotel restaurant. Albignac was about Michael's own age and the diner was what could be described as cordial. Kennedy left early making an excuse about business to be attended to leave the two younger men together and the suggestion they get to know each other—bond.



Kennedy, had wondered just how deep the rot ran in China's finance and real estate sectors. What he did know was there were

an estimated 93,000 hedge funds operating in China with more than a third being small players, having less than a million dollars in private equity under management.

Wealthier middle-class households and corporate clients, bought annual high yield wealth products managed by hedge funds, that invested their savings in real estate, stocks, bonds and commodities or issued as loans.

These funds were usually limited liability partnerships, whose funds were provided by private investors and managed by professional private equity fund managers.

Now, Zhongzhi warned its investors it was insolvent with liabilities of 64 billion dollars—more than double its assets. Already with its affiliate investment group Zhongrong, it had missed payments on several products.

Michael was losing count of the dizzying billions and trillions of dollars Chinese businesses and institutions were losing.

The trouble was Zhongzhi was the second largest shareholder in Zhongrong International Trust, one of China's leading trust companies, which had missed payments on its trust products.

The Chinese authorities responded by opening a probe into Zhongzhi, announcing the company was suspected of committing crimes and that mandatory criminal measures had been taken relating to the suspects.

They added that the firm's management had ran wild following the departure of several senior executives and key personnel in the wake of its founder death, Xie Zhikun, who had played a pivotal role in its decision-making process.

A police statement on WeChat announced authorities were attempting to recover assets and had asked Zhongzhi's investors to provide information that could help their investigation.

It was very much like the discourse used following the detention of Xu Jiayin, Evergrande's founder. A sign that authorities were finally acting after at least three years of procrastination, silence and inaction, an indication of the seriousness of China's economic debacle.

The troubles at Zhongzhi, one of the leading players in China's opaque three trillion dollar shadow banking sector, a sum equal to the entire French economy, could destabilise China's entire financial sector, especially with its ongoing real estate crisis, which taken into account with infrastructure and BRI projects had sent the country's financial system reeling with a growing liquidity crunch that was now hitting global markets.

Shadow banking wealth managers operated outside the rules governing conventional commercial banking, since they channelled the proceeds of their wealth products, sold to retail investors, to real estate developers and other sectors.

Unfortunately Zhongzhi's business interests, which ranged from mining to wealth management, could not be readily liquidated to raise cash and reduce its debt burden.

Zhongzhi had diversified from its initial business interests in lumber and real estate in 1995, expanding into woodchipmaking, healthcare, new energy vehicles and finance.

Though the rags-to-riches Chinese tycoon Xie Zhikun aka Forest, founder of Zhongzhi, had died of a heart attack in December 2021, his nephews still held key posts in the group.

Forest had been a member of the CCP, like almost all business people. He had diversified into finance in 2001 and the restructuring of Harbin International Trust and Investment, which later became Zhongrong International Trust.

Zhongrong grew into one of China's most prestigious investment firms with 135 billion dollars assets under management at the end of 2016, at which point its overextended debt burden started to raise concerns.

Forest's wild ride into wealth and asset management, trusts and insurance, had gone over a cliff as had HNA, Evergrande, Dalian Wanda, Country Garden and so many others, though Henry Wang's Delta Group had, as far as I knew, been spared from that kind of fate...for the moment at least.

It was a clear sign that China's real estate crisis was spilling over into its mainstream financial industry.



Michael got on well with Charles Albignac, in fact they had a lot in common, including friends. They headed for the bar where after a few drinks they decided to check out the local night spots, do some talent spotting, Chinese girls looking for a rich Western boyfriend, students and the like, the kind that hung out in many nightspots in Shanghai and most of East and Southeast Asia for that matter.

Charles Albignac had visited Singapore, Hong Kong and Jakarta when his father was ambassador, and night life was nothing new to him.

CHAPTER 61

The Secret

Some months earlier, we, that's Henrique and I, had flown into Waterford airport on one of INI's jets. Situated in the south-east of Ireland it was the nearest airport to Wexford where the Belpharma plant was situated.

Belpharma, a pharmaceutical firm, was one of Henrique's key responsibilities. It was what Sir Patrick described as a special interest project, which was very nice except for the fact he hadn't exactly explained what that interest was.

Henrique wasn't very loquacious either, he seemed to avoid going into any detail when I questioned him, apart from the fact that Belpharma produced one of those cure-alls for old age, Galenus, one of those supplements that John DeFrancis probably took, something that kept him in form. Some kind of snake oil I figured.

Galenus, according to what one of their specialists told me, was a revolutionary formula that destroyed senescent cells responsible for ageing with a rejuvenating effect on the whole body.

He was even less loquacious when I asked him about the senolytic compounds it contained, that is to say a class of small molecules that could selectively destroy senescent cells and improve health.

Secrets Book III The Bezzle

So Galenus was a senolytic formulation that reduced oxidative stress and telomere shortening, which I was given to believe had been shown to be amongst the principal causes of ageing.

The market targeted the over 40s keen to maintain good physical condition and optimal health, eliminating the cells linked to many age-related problems such as inflammation, arthritis, atherosclerosis, chronic diseases and so on.

Apparently LifeGen, Sir Patrick's research laboratory in Sophia Antipolis, had scientifically demonstrated that senolytic compounds dramatically decreased both the number of senescent cells and rejuvenated telomeres.

That evening we ate in the town centre and returned to the company house on the outskirts of Wexford Town, a renovated farmhouse said to have been built in the 18th century, full of stylish old world charm, warm, comfortable with every amenity, where we relaxed and Henrique told me more about the history of Belpharma.

Belpharma was originally a Portuguese owned company, which had a long history in Ireland, Goa in India, and Macau in China, both of which had been a Portuguese colonies, the latter until 1999. It had been founded by an Irish family established in Portugal at the end of the 19th century, the Gallweys, originally from Cork.

Today their main production site was in Ireland, to the south of Dublin, in County Wexford.

'It's was a family owned business, modern and dynamic,' Henrique explained, 'but lacking the capital to grow, plus a new generation that had other plans...branching out into fintech.'

‘Today, Christopher Gallweys, he’s the grandson of the founder, lives in Brazil where he also has pharmaceutical company and agrifood interests.

‘So INI bought out the business, including part of the Brazilian business. Like that we got a ready made base to develop and market Galenus, and Christopher Gallweys could invest in Brazil.’

Pharmaceuticals was big business and Kennedy figured Belpharma plus Galenus, under the right management, had a huge potential. He reasoned that if a vaccine could grant those who received it immunity against a disease, then they could expect to live their allotted three score and ten years, however, Galenus-1, as it was called, offered much more—it could grant them a long *and* healthy life.

Belpharma’s facilities, including those for the manufacturing of small molecule oral drugs, testing, laboratories, offices, packaging and warehousing, would have to be adapted and expanded

The potential in the field of biogerontology—more precisely a cure for old age and the development of a commercial product was prodigious, commencing with a pharmaceutical company capable of producing the Galenus molecule and the formulation of a compound on an industrial scale.

LifeGen, Kennedy’s life science research company, based in Sophia Antipolis, in France, had developed the drug and owned its worldwide patent rights.

Belpharma’s base in Ireland, an EU member country, offered an ideal production platform, where it could count on the

country's broad based pharmaceutical industry with more than 300 life science companies in the field of biotechnology and pharmaceuticals.

Life science was a vast domain that covered the study of plants, animals, viruses and bacteria, single-celled organisms, and even individual cells. With nearly nine million species of animals, about half a million species of plants, countless species of bacteria and viruses, there were more than thirty different branches of life science to explore.

There were of course the multinational giants, including Johnson & Johnson, Roche, Pfizer, Novartis, Sanofi, GlaxoSmithKline and the other big names, producing drugs related to cancer, diabetes, heart and respiratory diseases, depression, osteoporosis, schizophrenia and many other illnesses. Working with those businesses was excluded from Pat's plans, there was no question of Galenus falling into the hands of such powerful groups.



The next day we left early in Henrique's car for Dublin where he told me the jet would be waiting to fly us back to London.

As we headed north along the coast road I thought about Galenus, Sir Patrick and his friends, and I couldn't help thinking how impressed I had been when I met them in Dublin on my return from China, by their physical condition. I'd put it down to the drabness I'd been used to in the detention centre and my journey home across Russia.

John Francis Kinsella

Now on reflection I had to admit they really did look remarkably well, extraordinarily fit for their age, especially John DeFrancis who was I told was nearing ninety.

After we passed Arklow, Henrique suddenly announced we were going to make a detour through the Wicklow Mountains.

I imagined it was a scenic trip to Glendalough, the ruins of an 11th century monastery, which I visited a few times when I was much younger, a must for American tourists and the like, seeking their roots.

Henrique told me Sir Patrick was developing a site near an old lead and silver mine. It seemed curious to me, a site, what kind of a site? Tourism seemed a little outside of his business scope, I mean what was there in the Wicklow Mountains National Park apart from some reforestation work, hiking trails and camping sites.

Henrique said nothing and I waited as we drove into the hills along the narrow Irish country roads. Being Irish myself, the scenery was nothing new to me, a bit desolate if anything.

Glendalough was best known for St Kevin and the medieval Irish monks who followed in his footsteps, although in later times it was the site of several silver mines, traces of which I believed still existed.

After a few kilometres we neared the site of an old mining village and turned onto a recently tarmacked road. There, after a large sign that saying 'Private', we continued along the road past the desolate rocky landscape that led to a fenced area.

Secrets Book III The Bezzle

We stopped at a gatehouse where a large board announced the ‘Wicklow Geological Research Centre’.

Henrique was recognised by the guard, to whom he showed his pass and announced that I was his visitor.

The guard walked over to my side of the car. I opened the window.

Welcome to the centre, Mr D’Arcy,’ he said with a friendly smile as he greeted me.

I was surprised as my name had not been mentioned. Then, as he raised the barrier and waved us in, I recognised the Ares crest on his sleeve. It was the badge of the Foundation’s security firm.

We proceeded past a thickly wooded area of Scots pines and after a few hundred metres pulled up before a low stone building set against the steep slope of the mountain. It was surrounded by the kind of prefabricated cabins you see on construction sites, modular units used as offices, meeting rooms and the like.

There were few cars and a couple of yellow forklift trucks parked in front of the building. To one side was a helipad marked by a large white cross painted in the centre of a circle.

The site was well laid out, none of the crumbling stone walls of long since abandoned buildings that I vaguely remembered seeing before. The installations and visible equipment were shiny new, not the rusting iron hulks of what remained of crushing and screening machines and the broken conveyor frames of yesteryear.

‘Welcome to our research centre, also known as Van Diemen’s Land Mines,’ said Henrique with a broad smile, evidently

amused by my puzzlement. ‘Named by the 19th century miners after that distant Australian colony, for its desolation, so I’m told.’

By now I was more than curious. The visit to the Wicklow Mountains was turning into a mystery tour.

‘Research centre?’ I asked.

‘Yes.’

‘Into geology?’ I postulated.

He laughed.

When Sir Patrick appeared from the stone building, which was evidently the centre’s main building, I was no longer surprised. He was wearing a white coat and held a safety helmet in his left hand.

‘Michael! How was your trip?’

‘Great,’ I managed to reply.

‘Come to the office and I’ll tell you what we are doing here,’ he said draping his free arm around my shoulder.

‘So, how’s our friend Sergei,’ he asked addressing Henrique, referring to Sergei Tarasov.

‘In good shape, but worried about Moscow.’

Sir Patrick grimaced.

He led us to a meeting room and invited us to take a seat whilst he called for coffee.

Secrets Book III The Bezzle

‘This Michael, is a duplicate of our centre in the Colombian Andes, called *Sociedad de Desarrollo Minerales Andinos*,’ Sir Patrick announced turning to me, ‘the real purpose of which is the construction of a shelter.’

A shelter for what I wondered.

‘A refuge for our friends in this dangerous and unpredictable world,’ he said as though he had read my thoughts.

I said nothing, digesting the information.

‘Amongst our friends and their families are your parents,’ he continued.

I wondered if it wasn’t a some kind of survivalist movement or something even stranger.

‘What did you think of Belpharma?’

I told him it was very interesting, high-tech, I said trying to sound enthusiastic.

‘We’ve been watching your progress Michael,’ he said becoming serious. ‘Your many talents will be a valuable addition for our special projects.’

I asked myself what he meant by ‘We’.

He switched on a large flat screen and an image of what I suppose was the Andes appeared.

It was more than a couple of years since I’d been involved with the Fitzwilliams Foundation, including my time in the Shanghai Detention Centre, and I’d discovered that Kennedy's

organisation was undeniably interesting, much more so than met the eye.

On the one hand, I'd had some extraordinary experiences and met many interesting people, but on the other, I'd learnt that my values, our values, were not universal.

'What do you think Michael?'

'I'd be flattered and pleased to be of use,' I replied, as another door opened.

Good, ours is a very close family, and the world around us matters, the future, our future, and above all we value loyalty,' he said with a strange smile, then suddenly stood up as if he'd changed his plan.

'We'll see the mine first, then the film.'



The entrance tunnel, through which a large truck could be driven, was cut into the side of the mountain through a thick geological strata of granite and crumbling schist.

We took what looked like a golf buggy with Sir Patrick at the wheel and headed into the mountain. What immediately struck me were the huge steel doors, more reminiscent of a central bank than a research centre.

The mine's tunnels were broad and the galleries spacious, well-lit, in which there was little sign of any of the kind of activities associated with mining.

Secrets Book III The Bezzle

Pat, as any careful planner, had no intention of putting all his eggs in one basket, or in one mine. Colombia had the advantage of being far from war zones and was almost an inconsequential player in great power geopolitics, of little strategic value, though at the same time distance could be a disadvantage. It was why Pat chose Ireland as a second site, it was an island, a fairly big one, nearer to Europe, but separated by two seas, and was an equally inconsequential geopolitical player of little strategic value.

At a moment's notice, his intercontinental jet could take him and his friends across continents and oceans, from Hong Kong to Dublin or London to Bogota, where they could ride out the inevitable storm, or in a worse case scenario start all over again.

Few could predict the future, but humanity has been on a roller-coaster ride. At the beginning of human existence, there was no growth. Then, when *Homo habilis* invented stone tools, tens of thousands of years passed before anything changed. It was only with the advent of agriculture that real growth began, starting at around 0.1 percent a year. Then, with the Industrial Revolution, growth accelerated to around 2 percent a year, doubling every 35 years.

The most recent doubling took only nineteen years. And it was not just the rate of economic growth that exploded, but also growth in energy, carbon dioxide emissions, land use and scientific progress.

John Francis Kinsella

CHAPTER 62

A Sad Story

One could have been excused for wondering why Yang Huiyan, one of the richest women not only in China, but all of Asia, held a Cypriot passport.

Well now the world knew why. Her fortune slump by 84 percent since its peak in 2021.



Yang Huiyan

It was a sad story. At the age of 23, she had just graduated from Ohio State University with a degree in Marketing and Logistics, when her father, the founder of Country Garden, appointed her his personal assistant.

Fast forward a few years and Yang, still in her early forties, had become a billionaire, after inheriting the shares in Country Garden from her father in 2005, a little over a decade since he founded the company, making her the richest woman in China after the family business raised 65 billion dollars in an IPO on the Hong Kong stock exchange.

The collapse, when it came was spectacular, a story of riches to rags, when Yang lost nearly 40 billion dollars in just two years, according to a Bloomberg ranking of billionaires. But any tears would have been wasted as she was still worth an estimated five billion dollars provided she could cash in her remaining assets.

To support Country Garden, she and her family had forked five billion dollars out of their own pockets, which was in reality one and the same thing as the company's, which the family had no doubt pumped for their huge remunerations, bonuses and God knows what else.

Like many other large groups in China, they had run Country Garden like a family business with little regard to the future, piling up debts, which reached a staggering two hundred fucking billion dollars.

No one was about to shed any real tears for Yang Huiyan.

Country Garden, founded in 1992, had in just three short decades become one of the world's leading property developers making the Forbes' list as one of the world's 500 largest companies.

Listed in Hong Kong it was incorporated in the Cayman Islands, though its business headquarters was in Foshan, Guangzhou Province.

Country Garden had developed over 3,000 housing projects across China, provided housing for more than five million people in more than 1,400 towns and cities.

Its demise came as a shock to investors since had it had always enjoyed a more solid reputation than that of its highly leveraged peers.

Now, like its competitor Evergrande, which owed more than 300 billion dollars, Country Garden's collapse, added to a growing drama that threatened China's entire financial system and its economy.

CHAPTER 63

Ciudad Salvator Mundi

Pat Kennedy quietly activated the preparations for the plan to evacuate of his family and clan to Ciudad Salvator Mundi high in the Andes. The year 2023 had been the hottest ever with the growing fear that the collapse of the Gulf Stream was imminent, an event that would bring catastrophic climate change to Europe and North America.

The darkest era man had ever known now loomed.



I discovered Kennedy's city, Ciudad Salvator Mundi, a utopian city being built on the edge of Barichara, in the Altiplano of the Cordillera Oriental, the northern branch of Colombian Andes, where his company *Sociedad de Desarrollo Minerales Andinos* had been buying up land over the previous ten years and now owned over fifty thousand hectares, including the whole valley that led to an old salt mine.

Outwardly it resembled a Spanish Mediterranean style city, centred around a main square, a pedestrian centre where its residents could walk and shop, where large motor vehicles were almost absent, designed for two wheelers and buggies to carry passengers to parking zones on the outside of the city.

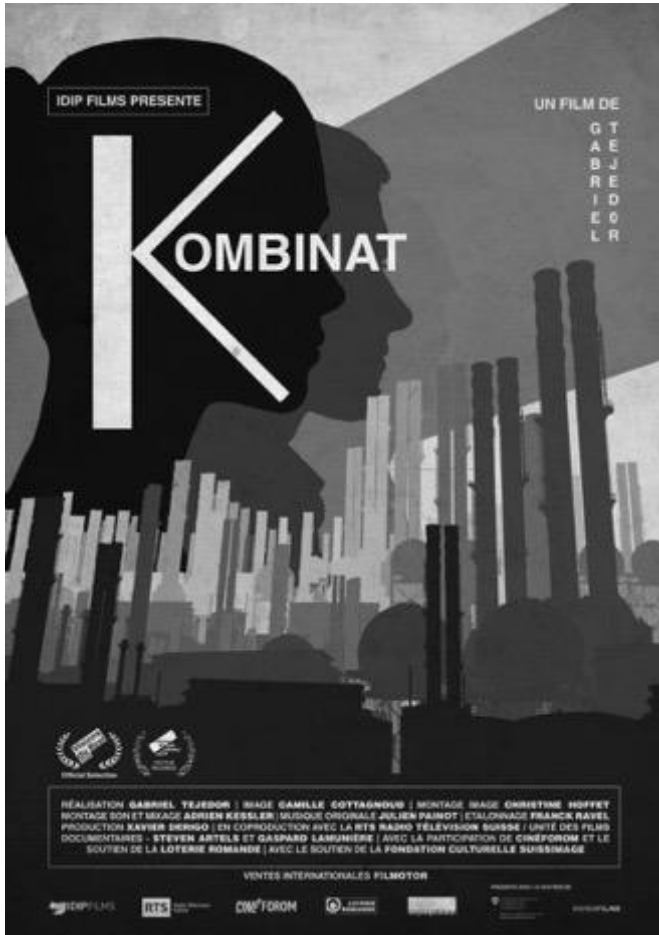
The land rose into a valley where Kennedy's life science research facility was centred, which together with the city and all its dependencies had been the objective of an investment of several hundreds of millions of dollars, becoming one of the largest landowners in the region.

The new city was designed with an urban mix like the traditional cities of the Altiplano, with open spaces, clean energy, and creating jobs for local people, public transportation and services.

Barichara and the regional government welcomed the investment that created jobs and involved the local community though Kennedy had not disclosed the Doomsday nature of his plan.

Kennedy had planned a completely sustainable community with construction and development entirely controlled by his group, avoiding speculation and undesirable third party construction projects.

The city council was headed by Kennedy and his nominees, in a way it resembled a Soviet era Kombinat, where all services and facilities were integrated into the economic structure of a city serving an industrial objective, in Salvator Mundi life science was that objective.



I had lived in Russia had seen the film of the same name, a documentary of Magnitogorsk, a vast industrial complex set in the Chelyabinsk Oblast to the south of the Urals. Magnitogorsk had been designed together with the US consulting firm Arthur G. McKee and a team of German architects headed by Ernst May.

Not all Soviet ideas were bad, it was a question of management, and above all reward, organisation in the form of democracy, free choice without coercion.

I told Pat Kennedy, how I as a student, had visited what had once been Kombinats in Russia and East Germany. Ammophos in Cherepovets—the freezing region to the far north of Moscow, and Rosenthal Paper Mills in Rosenthal am Rennsteig—in the former DDR, that is before German reunification, just over the border from Bavaria.

They were vast industrial conglomerates that employed thousands of workers, organised with everything from housing to schools, hospitals, sports clubs, vacation centres, supermarkets and hotels. A utopian experiment that had collapsed on the fall of Soviet style communism and economics.

Ciudad Salvator Mundi was, however, worlds apart from the smoke belching Soviet steel town of Magnitogorsk. Kennedy's city was built in the clear air and eternal spring of the Colombian Andes, a paradise discovered in New Granada by Spain's colonists at the beginning of the 18th century.

How Kennedy's new city was financed, whilst not exactly a mystery, was not entirely clear, it was assumed to be subsidised by his vast wealth, as apart from the income of its lithium salts deposits, there was not much else.

That was where its life science research centre came in, which when pharmaceuticals was added to the equation, made sense. My presence in Central America was linked to the expansion of the Irish firm Belpharma and the production of LifeGen's

Galenus derivatives, a new anti-ageing molecule developed in Sophia Antipolis, France, another of Kennedy's firms.

From the information I had gleaned, the life science research centre in Ciudad Salvator Mundi was working on the development of different commercial products derived from the Galenus molecule.

In fact I now realised that was the centre's economic *raison d'être*.

I had caught a glimpse of a marketing study marked 'Gilgamesh' which Henrique had referred to on a number of occasions when we talked about Kennedy's pharmaceuticals project. I hadn't received a copy and I hadn't asked too many questions. Pharmaceuticals was not only big business, it was also wrapped in secrecy. Research could cost billions.

Kennedy believed in science and knowledge, which Max Planck said 'advanced one funeral at a time', which he quipped 'was fine as long as it wasn't his'.

CHAPTER 64

Hybrid Warfare

Most people saw climate change as the greatest danger facing humanity, but they were wrong. To John DeFrancis, the greatest danger was war and the disruption caused by war. If for example the Suez Canal was closed because of war it would automatically disrupt our food chain, shipping lanes, ports, transport terminals, rail and road links.

A spark in the Middle East, the Israeli-Palestinian conflict, could set the region on fire, diverting the world's attention from the fight against climate change, which alone would according to many scientists cause mass starvation, which coupled to war and strife would cause the deaths of countless millions.

One only had to look at Palestine or the Donbass Region of Ukraine to imagine a future Domsday scenario, where without government, security and law and order would collapse.

John argued that falling into the trap of appeasement brought with it a future where hybrid warfare promised dystopian societies, where law and order on the streets would fall into the hands of ad-hoc committees and self-appointed gangs, not unlike in Haiti.

It was already visible in certain Central American states where the absence of real political order and public services, left the rule of law to criminal cartels where individual rights were quasi non-existent.

It was a frightening scenario, an apocalyptic twilight of disintegration and despair, a landscape of wilful destruction, like Gaza, death and ruins, Doomsday.

Already between the Mediterranean and the equator, many African countries were unable to grow or buy enough food and had become dependent on war-torn Ukraine for grain and Russia's mercenaries.

Countries like Egypt, imported as much grain as China—the world's largest importer and producer, and those of the Sahel followed by Algeria and Morocco, and Nigeria, were at most risk of famine. Soon the populations of those countries, faced with starvation, would take to the road and head north, in the direction of the Mediterranean and Europe.

Libya, a country wracked by war and political collapse, was a prime example of what happened when leaders were more concerned by their internal power struggles, ignoring pressing questions linked to extreme climatic conditions, the frequency and severity of extreme weather events such as floods, droughts, extreme heat and hurricanes.

Already thousands of Libyans had died after the catastrophic failure of the dams at Derna, when that terrifying wall of water tore down the river valley, destroying entire districts of the Mediterranean port city.

CHAPTER 65

Quantum Supremacy

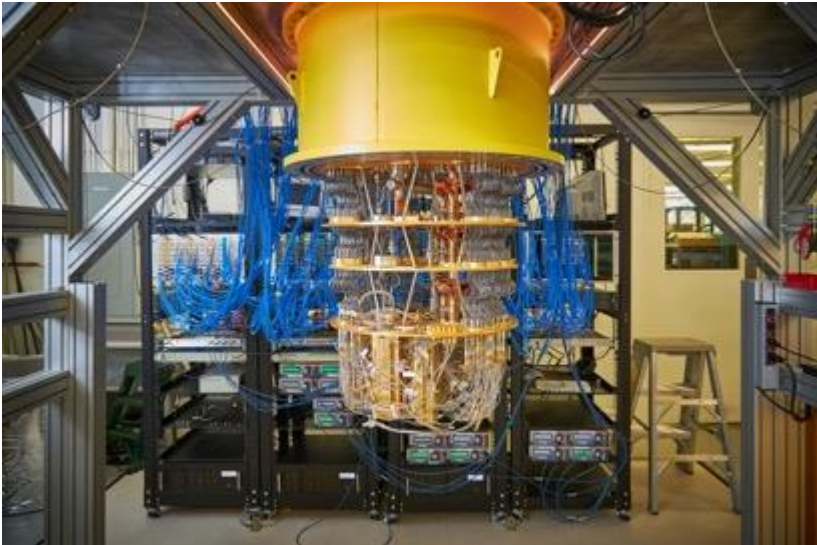
It came as no surprise to Caroline Fitzroy-Grossman, head of Kennedy's LifeGen facility, when Google publicly announced its Sycamore quantum computer had completed a calculation, one that would have taken one of the world's fastest conventional supercomputers 47 years, in just in six seconds.

In other words Google's quantum computer, using the principles of quantum mechanics, was about 158 million times faster than the supercomputer, which allowed it to perform calculations beyond human comprehension.

Thus, LifeGen, by using the principles of quantum mechanics, a branch of physics that studied photons, electrons and atomic nuclei, could in leaps and bounds advance the development of the Galenus-1 molecule and its multiple applications in the science of human health and longevity.

This ability to carry out calculations, handling vast quantities of knowledge, the kind that classical computers could not manage within an acceptable timescale was known as quantum supremacy. Caroline Fitzroy-Grossman saw the combination of quantum computing and AI as essential in LifeGen's task of resolving many of the problems relating to longevity and biological science, the role of man, his survival and his place in the post-Apocalyptic world, Kennedy feared.

His most recent venture in the Sophia Antipolis science park was the application of AI to his LifeGen research programme linked to longevity and health. The advantage was the ability of bots to process data that would accelerate research, however, their use of resources was impeded by conflicting and illogical content in the vast mass of data available and the time needed to process it.



IQM Radiance quantum computer

Liam Clancy's hi-tech firm in Paris headed the project and had made their choice between superconductors and semiconductors. The former needed sophisticated costly energy consuming cooling systems that operated near absolute zero. Liam's team had explained the advantages of semiconducting qubits for quantum computing, was their cost-effectiveness, as they could operate at somewhat higher temperatures reducing the need for expensive cryogenic cooling systems, making the overall setup more affordable.

Their quantum computer was built by a IQM, a Finnish-German firm, one of the world's first builders of quantum computers that had started out at Alto University and VTT in Finland

Semiconducting qubits could be produced using existing semiconductor manufacturing technologies, which were well established and relatively speaking inexpensive compared to the specialized processes needed for superconducting circuits.

Kennedy was fascinated by quantum mechanics and computers. He had followed the computer scientist and physicist Edward Fredkin who had recently died, whose influence on both disciplines had been remarkable.

Fredkin had postulated that the laws of physics, and the Universe itself, were essentially the result of a computer algorithm. An hypothesis that had gone from being being absurd to near mainstream science.

A dropout from Caltech joined the US Air Force in 1953, becoming a fighter pilot and eventually the instructor for the elite corps of tight-formation jet pilots. The Air Force sent him to the MIT Lincoln Laboratory in 1956, to work on computers to process radar information for navigation. Fredkin joined a pioneering computer firm Bolt Beranek & Newman, now part of Raytheon, where he wrote an early assembler language and participated in AI research.

He then spent time at MIT and Caltech, where he befriended the physicists Richard Feynman and Stephen Hawking. At this time he developed the idea that, rather than trying to simulate quantum phenomena with conventional digital computers, some

physical systems that exhibit quantum behaviour might be better tools.

This led to Fredkin suggesting that the whole universe could actually be seen as a kind of computer. In his view, it was a ‘cellular automaton’, a collection of computational bits, or cells, that could flip states according to a defined set of rules determined by the states of the cells around them. Over time, these simple rules could give rise to all the complexities of the cosmos—even life.

CHAPTER 66

Newspeak

Leaders like Putin, Kim and Xi were dinosaurs, governing large parts of the world based on an age old vision of power, where individual human life was of little value, where dogma formulated by past dictators was nothing more than the deranged ravings of disturbed men like Gilgamesh, and when territorial gains were the megalomaniac dreams of power and domination.

Whilst wars wracked a region that ran from the Black Sea to the Red Sea, with the belligerents knocking the shit out of each other for unfathomable historical reasons, another climate meeting was scheduled of all places in Dubai. United Nations Climate Change Conference of the Parties, COP28, was hosted by one of the seven absolute monarchies of the United Arab Emirates, in the very heart of a region that was home to the greatest fossil energy production source on Earth.

The programme, overflowing with Newspeak, was filled with empty promises, as oil and gas was pumped from the sands of the desert. At the same time whilst the delegates spoke platitudes, gold was bought and sold in the Emirate, no questions asked, imported from or exported to, in the most opaque of trades, every corners of the globe, including the Cayman Islands.

For centuries, Arab traders had traded gold, pearls and spices in Dubai's souks, earning the emirate the sobriquet 'City of Gold', which went a long way to explaining why gold, silver,

platinum and palladium could be bought today via online transactions from Dubai traders with physical delivery.

The conference was held at Dubai's Expo City, a vast exposition centre conveniently situated next to the Jumeirah Golf and Country Clubs, between the city centre and Al Maktoum International Airport, during which time climate change, due to carbon emissions from fossil fuels, threatened the collapse of the Gulf Stream.

Scientists described the phenomenon as the shutting down of ocean currents, known as the Atlantic Meridional Overturning Circulation, abbreviated as Amoc.

All the signs were there.

Amoc was calculated to be nearest to its tipping point than in the previous 1,600 years because of global warming with scientific estimates that its collapse could occur between 2025 and 2095 if urgent measures were not taken to reduce carbon emissions.

Amoc carried warm ocean water northwards towards the Arctic where it cooled and sank, driving the Atlantic's currents. But rising atmospheric temperatures accelerated the melting of Greenland's ice cap and that of the carbon-rich permafrost, increasing the flow of fresh water into the ocean, impacting the current.

The collapse would have disastrous consequences, affecting food crops as temperatures and rainfall changed in Europe.

The last change dated back 12,000 years at the end of the last Ice Age, when the ice caps covering the northern hemisphere melted releasing countless quantities of fresh water.

Kennedy's vision was profoundly different to that of present day politicians and scientists, because he would live to see the changes.

The world was in what John DeFrancis described as a pre-war situation, where our civilisation was confronted with the risk of collapse, one that was comparable to that of the Bronze Age collapse, which caused a profound change in the destinies of ancient civilisations, when the Egyptian Middle Empire came to an end, followed by a period of great instability, one that lasted several centuries.

Many feared the risk was imminent.

To start with was what now seemed like a ticking time bomb—China, where for the first time, the Covid event apart, core indicators showed the world's second-largest economy was on the brink of a deep economic crisis as producer prices fell dramatically, multitudes of small businesses faced closure and numerous other signs of instability started to appear.

It was to his mind, the fault of Xi Jinping, who like Putin and so many other one-man-shows, believed he was infallible. It was a syndrome that accompanied a staggering arrogance, coupled by a total ignorance as to the fragile functioning of modern human economies and the risks incurred by war and strife.

The CCP had, in its ignorance and corruption, undermined its country's economy with a classical shot in the foot.



Amongst the things Pat Kennedy needed was a replacement for Michael D’Arcy, following his exclusion from China, and that was no easy task, finding a polyglot with his kind of qualifications.

It had been one of the principal reasons for Kennedy’s meeting with Michael in Taiwan. On the mainland all the warning lights were flashing red and the feedback from Angus in Hong Kong was not good.

The news that the real estate developer Country Garden, was heading down the same path as Evergrande, was a sure sign things were bad with hedge funds quietly offloading Chinese stocks, getting out before something really serious happened.

Not only were many millions of Chinese middle-class families nursing their grievances after having invested their savings in unfinished homes, others were now confronted with the collapse of property prices, and even more were concerned as business fell off and unemployment rose, leaving countless numbers of Chinese deep in debt.

Most immediately affected was the new generation of college graduates, who faced an uphill battle to find a job with more than a quarter unemployed according to official statistics, and probably many more in reality.

It was the first time in well over a generation China was faced with a real economic crisis that impacted ordinary people, largely due to handling of the zero-Covid policy and the government’s strong arm approach which dismayed the people who had come to believe those methods were part of the past.

Secrets Book III The Bezzle

It was a change that belied the idea that successive Chinese leaders largely left people and businesses alone with the proviso they did not mix with politics.

CHAPTER 67

Ascain

I flew back to Paris. I needed time to think things over. France was in the middle of its summer vacation period. On arrival at Paris Charles de Gaulle, it was early in the day and as I waited for my bags I impulsively called Oceane Reagan. She replied. A little sleepy, but evidently pleased to hear my voice. She was in Hendaye on the Basque coast.

I took the first flight to Biarritz, paying over the top for the one seat that was left. An hour and a half later I was in a taxi heading for Hendaye, where I opted for a room at the newly refurbished Hotel Ibaia.

The weather was great, the air clear and dry after the tropics. I headed for the pool and after a few lengths I dropped onto a lounge shaded from the sun by a parasol. There were few people by the poolside, it was normal with the beach so near.

I closed my eyes and dozed off.

Feeling a soft smooth hand on my chest. I started.

It was Oceane.

My arrival coincided with the Basque National Day celebrations which started the next day starting with a running event in a small town called Ascain, a 45 minute drive from Hendaye, along the twisting roads of the Pyrenean foothills.

Secrets Book III The Bezzle

I was in no form for that kind of event, I was no Tom Cruise, but she told me not to worry, I could tag onto her brother who was also running and anyway she'd promised to drive him there.

The next morning we set off for Ascain, for the 52nd Course de la Rhune. There were the four of us with Alexis and his girlfriend Laura. We parked the car about a kilometre from the town centre and made our way to the starting point in the town square in front of the church.

I joined Alexis for our number bibs, then we joined the other runners milling around. It was evident that the 'look' counted, none of the other competitors had an ounce of fat on them, they were ultra fit in their multicoloured shirts, shorts and running shoes. Some wore bandanas around their heads, others special sun glasses, quite a few long running socks, and others a micro backpack. They were evidently pros.

Amongst the crowd was the odd hiker, quite a different species...seniors, some even a little overweight.

The organisers zone thronged with runners looking around for friends and the first aid posts busied themselves making the last preparations in their trailers as the day looked like it would be hot.

Oceane and Laura fussed around Alexis whilst I wandered through the gathering crowd of spectators, enjoying my carefree break, far from my gold smuggling friends and their cartel pals.

It was the first time in weeks that I could relax with normal people. The 14 kilometre race was not for the faint hearted, it was limited to 600 runners and the course rose 880 metres above

Ascain, at the summit of the Rhune, a pyramidal mountain, seven kilometres up and seven kilometres down.

Basque folk music echoed out from the loudspeakers as the organisers assembled the throng of runners behind a colourful inflated arch that marked the starting line.

Alexis was a researcher at the French CNRS, the national scientific research centre, where he headed a team in Lorraine on a programme to develop white hydrogen, something I had to admit I had only very vaguely heard of.

Researchers had discovered a potential natural hydrogen deposit under the coalfields of the northeastern French Lorraine region—possibly the world’s largest reserve of that type of gas.

It seemed like a new chapter in the history of the Lorraine mining basin was about to open. Until now, the region situated in the east of France near Germany was best known for its coal mines, the last of which had shut down 20 years.

From what Alexis had told me the previous evening, this underground gas, hydrogen, or more precisely dihydrogen, H₂, could become a major energy source.

It was a new discovery which according to the GeoRessources Laboratory in Nancy, where Alexis headed a research team, whose work showed the ground under the Lorraine mining basin was exceptionally rich in white hydrogen, a game changing discovery in the development of clean, climate-friendly energy sources.

The hope was white hydrogen could be used to power vehicles equipped with fuel cells and provide a clean alternative for all of

the industries that were dependent on methane, including cement plants, steel production and metallurgy.

White hydrogen, he explained was the term used to designate clean dihydrogen occurring naturally between 1,000 and 3,000 metres underground, from black and grey hydrogen produced by processing coal and natural gas which produced polluting greenhouse gases.

The strangest thing was the discovery was quite accidental, found when they were looking for methane, stumbling on a reserve of up to 250 million tons of naturally occurring pure hydrogen, the equivalent of three times the world's annual production of grey hydrogen.

Alexis did pretty good finishing in the first one hundred. I won't tell you where I finished, it was not that far from the tail end, but I was content given my lack of preparation, not too bad, and Oceane agreed.

John Francis Kinsella

CHAPTER 68

Sunken Treasure

Another story of gold was unfolding in Cartagena de Indias, Colombia, where Anna Basurko was acting as a consultant in undersea archaeology to the Colombian Ministry of Culture, the Instituto Colombiano de Antropología e Historia and the Direccion General Maritima.

Anna was working with the Colombian team on the extraordinary project of raising the *San José*, a Spanish treasure galleon that had sunk in 1708, and which had lain at a depth of 940 metres off Colombia's Baru peninsula, south of the Caribbean city of Cartagena, for more than three centuries.



The San José at a depth of 940m

Six years earlier Anna had headed Pat Kennedy's team to recover the treasure from another galleon, the *Santa Fe*, off the

north-east coast of Colombia, a successful project in cooperation with the Colombian government and its scientific institutions.²²

The *San José*, known as the holy grail of shipwrecks, was believed to hold an even greater treasure than the *Santa Fe*, estimated at many billions of dollars, however, there was a technical problem in that it lay in very much deeper waters.

The *San José*, a one thousand ton galleon, measuring 45 metres in length and 14 metres in beam, armed with 64 canons, was one of the ships sunk in a battle with a British fleet, in which the British suffered one of its greatest defeats in naval history and failed to capture the Spanish treasure.

More than three centuries earlier, the *San José*, a galleon, the *capitana* at the head of a Spanish fleet, had sailed from Portobelo in New Spain, its destination Seville, stopping at Cartagena de Indias before continuing north to Havana, where it then embarked on the Atlantic crossing to Spain.

Portobelo, on the isthmus of Panama, was the transit point for silver from Potosi in Bolivia which produced nine million silver pesos of the precious metal annually. It was transported by galleon to Panama on the western coast of the isthmus and then overland by mule train to Portobelo.

Cartagena, founded in 1533, the centre of New Spain's naval power, into which emeralds, pearls, gold, silver, and tropical hardwoods, flowed from New Spain, known as the 'Queen of the Indies' an impregnable treasure house where the Tierra

²² See 'The Cargo Club' by the author

Firme fleet wintered before its perilous voyage across the Caribbean and Atlantic back to Spain laden with treasure.

On board the *San José* were 12 million reales of gold, silver and other valuables. A similar quantity of gold and silver was carried on the *San Joaquin*, the *almiranta*, which protected the rear of the Spanish fleet.



Spanish routes in the Caribbean in the 17th century

The *San José*, under the Captain General José Fernandez de Santillan, Count of Casa Alegre, was armed with 64 canons and carried 600 men, a huge load for a ship of just 40 metres long, about to confront the perilous Atlantic crossing. The *San Joaquin*, under Don Miguel Agustin de Villanueva, also carried 64 guns and about 500 men. Don Nicolas de la Rosa, commanded a third galleon the *Santa Cruz*, which carried 44 canons and 300 men. In total the convoy was composed of twelve other vessels, mostly merchant ships, but also two other less heavily armed warships.

Secrets Book III The Bezzle

On the evening of June 7, 1708, when the treasure fleet, anchored off Isla de Baru, 30 kilometres to the south of the city of Cartagena, Fernandez was informed of the presence of an English flotilla under Commodore Charles Wager. The following afternoon as the convoy arrived in sight of Bocachica, the entrance to Cartagena's harbour, they were confronted by the English warships, which were waiting in ambush.



The San José

At about four thirty in the afternoon, Fernandez signalled his fleet to prepare for combat and the armed ships manoeuvred themselves into a battle line to face the English flotilla,

composed of the *Expedition*, the *Kingston*, the *Portland* and the *Vulture*.

Wager concentrated his attack on the *San Joaquin*, but after a battle of two hours it succeeded in escaping as dusk fell, at which point the English Commander turned his attention to the *San José*.

A terrible exchange of heavy cannon and musket fire followed, with the ships separated by less than 100 paces, firing at point-blank range, after an hour and a half, the decks of both Wager's warships and the *San José*, were slick with blood. Then, as night closed in, a huge explosion suddenly shattered the *San José*, literally tearing her apart, witnesses spoke of the enormous heat of the explosion, of burning planks and debris falling on the nearby ships. She sank immediately carrying almost the entire complement of 600 officers, sailors, soldiers, officials and luckless passengers down with her, between the Baru Peninsula and the Rosary Islands.

Wager then concentrated his attack on the *Santa Cruz*, engaging the galleon late into the night. After a fierce struggle with over 100 dead, the *Santa Cruz* was captured, but the 12 merchant ships with the *San Joaquin* and its cargo of gold and silver succeeded in reaching the safety of the heavily fortified harbour of Cartagena.

The English were out of luck as their prize revealed itself as nothing more than a few chests of silver coins and silver bars, though they destroyed three Spanish ships and prevented the Spanish fleet from transporting treasure to Europe and funding the Franco-Spanish war effort.

Although Charles Wager became a rich man, his mission was a failure as most of the treasure escaped him, to Cartagena, or the bottom of the deep blue sea, where it laid undisturbed for 300 years.

According to certain estimates 17 billion dollars worth of gold pesos, silver pieces of eight and precious stones were said to have been carried by the fleet.

The galleon had been identified by its bronze cannons, ceramic and porcelain vases and hand guns, leave no doubt that the wreck was indeed that of the *San José*.

According to Anna the expedition would begin in the spring of 2024, depending on weather conditions in the Caribbean. In addition, Kennedy had pledged the backing of his support vessels, the *Sundaland* and *Las Indias*.

The Colombian President Gustavo Petro was proud to announce, ‘This is an opportunity for us to become a country at the forefront of underwater archaeological research.’



Lucy and I had slipped back into our relationship, it wasn't just convenience, it was because we understood each other, we also realised that each of us had our own lives, me my work with Kennedy, and she with her deep interest in archaeology, where in fact she had just started her career.

It was precisely that question that prompted her interest in the Chiribiquete National Park, which I mistakenly imagined was in Guatemala. To my surprise I discovered it was in Colombian

Amazonia. It was also the largest national park in the world composed entirely of tropical rainforest covering 43,000 km².

What interested Lucy was its rock art, more than 20,000 petroglyphs and pictographs in the mountain chain that crossed the park, the oldest of which could be dated as far back as 20,000 BC, which if confirmed would overturn many of the ideas relating to the human colonisation of the Americas.

From Barichara I drove to Bogota where I joined up with Lucy and Anna Basurko as our guide for our little expedition to Amazonia.

Anna had taken part in a prize winning film *Indians* produced by Kennedy's team five years earlier, shot in Amazonia by Matt Halder and Kyril Kyristoforos with the script written by Dee O'Connelly.

Our camp was set up in the forest by our team, led by an experienced guide and Jon Fuentes from the Colombian Ministry of Culture, a good friend of Ana's who enjoyed an excellent relationship with the Colombian cultural authorities after her work in different archaeological projects.

The region was an area of Colombia so vast and remote that contact had still not been made with certain tribes thought to live there.

The first morning we emerged from our tents to a spectacle of low white clouds slowly disappearing into the clear blue sky, revealing a cluster of monolithic tabletop mountains reaching out from the emerald green canopy of the jungle.

‘Tepuis,’ announced Jon, ‘that’s what they are called by the Indians, the house of the gods.’

The formations stood 550 metres above the floor of the equatorial forest, 800 metres above sea level, with almost vertical cliffs, topped by a savannah-like vegetation, a unique biotope.

It was under their sheer rock faces the first hunter-gatherers to arrive in the region left their trace with one of the greatest concentrations of cave paintings in the Americas. Some 75,000 Palaeolithic images, covering the façades of the caves and niches in the rock, 100 metres above the forest.

‘Their discovery made anthropological history,’ Jon told us.



Cerro Azul Colombia

Cerro Azul was located in the Serranía de la Lindosa, about 50 kilometres from the town of San José del Guaviare, the capital

of the department of Guaviare in the southernmost region of Colombia.

We set out early and after a march along a jungle trail, enveloped by an astonishing array of flora and fauna, we reached the foot of the rock face. It took another half hour's effort to climb to the shelf, where after pausing to get our breath, we discovered the spectacular prehistoric panorama of paintings that decorated the Cerro Azul. A dense and varied mural composed of ochre figures—men, animals and plants, almost 100 metres long and 20 metres high, painted by Neolithic man.

As we watched the monkeys swing through the canopy in the jungle below, we realised nothing had changed since the time when those ancient men had painted the same kind of monkeys on the rock face. The figures and handprints reminded Lucy of the paintings she had seen in other places, messages from forgotten worlds, where men had lived in harmony with nature.

Thirty years had passed since Carlos Castaño-Uribe, an anthropologist of the Universidad de los Andes and his companions discovered the site. At that time the war with the Farc raged making any further expeditions impossible.

The first archaeological expeditions to Cerro Azul took place in the late 1980s, but were suspended because of conflicts between armed groups in the region, and it was only in 2014 that researchers were able to resume their work.

Since the peace agreement with the Farc, the risks were of a different nature, the invasion by big business, and according to Jon, the pressure caused by the general colonisation by landless campesinos, which he fear promised a disastrous future for

Colombia's national parks, the habitat of the indigenous peoples, and their treasures.

The extraordinary art includes images of jaguars, crocodiles and deer. They were painted in ochre, on vertical rock faces in Chiribiquete national park, a 12,000 square kilometre Unesco world heritage site that was largely unexplored. There were also paintings of warriors or hunters dancing or celebrating. 'It's the land that time has forgotten,' Ana sighed.

The species also depicted capybaras, snakes and anteaters and it was clear there was great care in the painters observation in their art.

'In the past there had only been vague reports of rock art in the area,' she said. 'Little information or maps.'

Like many prehistoric paintings they revealed the skill of the artists, possibly the ancestors of the tribes that still live in the region.

Previously their age had been difficult to determine because radiocarbon dating could not be used, since they were painted with mineral-based materials derived from iron oxide rather than the charcoal used in European rock art. But more recently uranium-thorium placed the date much earlier to around 20,000 years ago.

We left happy with what we had discovered, a happy interlude, far from the troubles and miseries from the modern world, war, climate change, over population and pollution.

CHAPTER 69

A Few Degrees More

What troubled Kennedy was few really knew how bad the changes that were transforming the planet, he himself had witnessed first hand the damage done to the seas and oceans from the decks of his yachts. Over recent years, climate scientists had made considerable progress in understanding the climate and modelling future changes. But a summer of extreme heat and devastating floods confirmed that the changes and rising temperatures were not only real, but the speed of the transformation was alarming.

The implications for human society were still uncertain, since even the most sophisticated models could not forecast how exactly higher temperatures would impact the environment, and how governments would or could manage the changes.

However, the IPCC, the Intergovernmental Panel on Climate Change, said that an increase of just half a degree would bring much more extreme weather, as was witnessed in Libya, where the devastating floods at Derna had caused the deaths of thousands, due on the one hand to severe weather conditions and on the other the incompetence of absent or dysfunctional government.

That said, the climate of North Africa the Sahara had seen great extremes over the previous 10,000 years, due to natural causes, transforming it from a savanna where vast herds of herbivores

roamed and where lakes were abundant to the world's largest desert, a harsh empty sun scorched wilderness.

Certain signs were more visible than others as illustrated by the melting of ice sheets in Greenland and Antarctica. What would happen, if instead of the agreed maximum temperature rise of 1.5 to 2°C, we were confronted with a rise of 3°C.

Kennedy's new city on the Altiplano of the Colombian Andes made sense. The city he had planned was taking form far from the world's political and climatic hot spots, far from the teeming millions of the Eurasian and African continents.

Planting trees that would shrivel under the hot sun as droughts and forest fires spread, was futile. My Uncle John had often spoken of the plantation nurseries he had seen in the 1980s in Borneo, abandoned for lack of care, water and funding. The idea that a few seedlings would grow into forests was almost laughable when cultivated oil palms would yield regular profits and food.

Old trees sequestered vastly greater quantities of carbon than clusters of small-crowned trees in man-made plantations. Natural forests formed the living heritage of biodiversity, conserving the soil with its ancient microbial and mycorrhizal fungi, along with insect and small vertebrate animal life in a natural topography with its own specific drainage systems, compared to dense, dark, lifeless, flat, geometric tree plantations, which were often created under the guise of carbon capture or some underfunded green washing programme.

Natural growth with its population age spread, from ancient trees to seedlings, supported thousands of species of animals,

plants, fungi and microbes. In contrast, non-native tree plantations supported just a small fraction of that.

The problem was greater than tree plantations, the pollution of our atmosphere and water, destruction of wildlife habitats, overfishing, the disappearances insects and birds, soil loss, the proliferation of pollution, plastics, nitrates, insecticides and other chemicals in waterways.

The question no one asked was why the consumption of fossil fuels continued to grow. The answer was simple. The relentless growth of the human population and its needs, a cancer that was slowly strangling the planet.

In the meantime COP29 was taking place in Dubai, where heads of state were trying to figure out how they could disguise the opposite to phasing out fossil fuels.

The fact was climate summits had become mainstream platforms for leaders, politicians, activists, catastrophists, and for all those seeking the attention of the media, the Macrons and Sunaks of this world.

The delegates talked and talked, whilst the hosts and OPEC members rejected all condemnations of fossil fuels and production cutbacks, while lobbyists swarmed the corridors and meeting rooms seeking to convince parties with conflicting evidence, for, against and every other variation.

The only certainty was fossil fuel producing countries planned to double output. China and India with their vast populations plunged ahead on a wing and a prayer doubling up coal output, whether they died from starvation or asphyxiation had little importance, all that mattered was they died on a full stomach.

Secrets Book III The Bezzle

Between climate change, pollution, war, overpopulation and all the rest, life on planet slide towards a meeting with destiny, a reboot without mankind.

Since the first conference back in 1992, more carbon dioxide from burning fossil fuels had been released than in the entire history of humanity, just as a new record was on the point of being broken for annual CO2 emissions.

Cop29 was a carnival, like the Shanghai car show, all that was missing was the booze and skimpily clad girls...all of which was certainly going on somewhere, entertaining delegates in the suites of extravagantly luxury hotels, in an artificial desert city, where such facilities abounded, before the politicos flew home in their jets.

CHAPTER 70

A Good Bet

I'd heard all the stories of how Henrique had made a fortune with Bitcoin, which he'd bought at its outset for almost nothing, and as of early December 2023, was worth 39,492.20 US dollars, soon to reach all time heights²³ in spite of the numerous scandals and frauds linked to cryptocurrencies.

Henrique's career had commenced with INI's Hong Kong investment division front office trading desk, where he had experimented with a personal account by investing in various securities, which though it was permitted at INI was not the case in all investment banks. His portfolio was nothing spectacular, neither in value nor originality, but over three or four years thanks to a dynamic market he made some handsome gains by investing in Apple, Tesla, Alibaba and Amazon.

However, none of his gains had been as spectacular as that of Bitcoin, the cryptocurrency he had discovered as a student, at the London School of Economics back in 2011, when he invested 500 dollars in Satoshi Nakamoto's cryptocurrency. At the time his friends had pulled his leg, but he believed that the financial crisis of 2008 had ushered in a new era in finance and progressively upped his bet.

²³ 71,191.70 USD March 11, 2024

He had remained stoic as the Bitcoin rose and fell, like a proverbial stock market roller-coaster, as he resisted all temptation to dump the cryptocurrency. Now more than a decade later he reaped his reward, his investment was now worth a fortune as Bitcoin passed the 40,000 dollar mark, again.

Macau, his home, had a long history as a place of gambling dens, but those who gambled were outsiders, from all over China and the rest of the world, families like Henrique's were wiser, nurturing their investments.

How Henrique had become personally wealthy was a subject he avoided, if it was not exactly a source of embarrassment, it made him uneasy. Naturally he followed all news linked to Bitcoin, its market movements and its evolution as an alternative to fiat currencies.

Occasionally he cashed in a relatively smallish part of his Bitcoin gains to acquire property as he did when he bought his town house on Donne Place, ten minutes walk from Kings Road, Chelsea, which he picked up for a snip, five million pounds, a pied-à-terre in London, and a good investment.

With Bitcoin in the news I picked up Zeke Faux's book 'Number Going Up' in a George Town bookshop, which unsurprisingly had made a speciality in how to get rich titles and how to set up offshore companies and trusts.

It was like that I read how 85 percent of the electricity used for Bitcoin mining came from coal and natural-gas plants. By some estimates, mining the cryptocurrencies consumed as much energy as all of Argentina with its population of 46 million.

More interestingly I discovered how Sam Bankman-Fried, who planned to build an apocalypse bunker on Nauru, was found guilty of swindling FTX customers out of some ten billion dollars.

I also took note of how US attorney Damian Williams had warned that other would-be fraudsters should take note of the ex-billionaire's fate.

'Sam Bankman-Fried perpetrated one of the biggest financial frauds in American history, a multibillion dollar scheme designed to make him the King of Crypto, but while the cryptocurrency industry might have been new and the players like Sam Bankman-Fried also new, this kind of corruption was as old as time. This case had always been about lying, cheating, and stealing and we have no patience for it.'

The ex-cryptocurrency mogul SBF²⁴, who had founded the FTX exchange, had even planned to purchase the small Pacific island nation of Nauru as a hedge against apocalypse.

His idea was to construct a bunker on the island that could be used for 'some event when 50 to 99.9 percent of people died'. The plan also included a laboratory to develop genetic enhancement.

Nauru was an island in Micronesia that lay 4,000 kilometres from Sydney and had a total land area of just 21 sq km with a population of 12,500 souls, making it the third-smallest country in the world. In the 1990s, it was transformed into a money-

²⁴ Sam Bankman-Fried

laundering haven for the Russian mafia by selling banking licenses and diplomatic passports.

By 1998, an estimated 70 billion dollars in Russian mafia money had transited Nauru's modest banking system.

Bankman-Fried had been arrested in the Bahamas on accusations of embezzling his customer funds and was extradited to the US.

The case was described as one of the largest financial frauds in history, which caused the collapse of the FTX Group and the disappearance of billions of dollars.

SBF's crimes raised many questions about the fiability and regulation of cryptocurrencies. But it also questioned Effective Altruism, an intellectual movement in philanthropy that Bankman-Fried discovered at MIT, when he met its founder William MacAskill, who preached the concept of Earning to Give, that is striving to earn as much money as possible in order to give.

Following MacAskill's advice, Bankman-Fried commenced his career trading securities, before being hired by the Center for Effective Altruism. He then launched FTX, an international cryptocurrency exchange in parallel with the FTX Foundation, a philanthropic organisation committed to Effective Altruism manned by prominent effective altruists, including MacAskill by himself.

Bankman-Fried's commitment to Effective Altruism helped attract investments, and at the same time his personal fortune rose to 16 billion dollars as he leveraged his client's funds to cover his own trades.

It raised another question, which was how tech billionaires put money into their own special interest projects under the guise of concern for humanity.

It made me wonder about what I was doing, my work with the Fitzwilliam Foundation, Kennedy's Ciudad Salvator Mundi, LifeGen, and by extension with the Wangs.

According to Binance, the world's largest crypto exchange, there were over 26,000 cryptocurrencies, all using blockchain. With a total market capitalisation of 1.18 trillion dollars.

What the fuck! I thought.

Then I realised Edouard's gold bars were as good as or better than bitcoins. They couldn't be copied, duplicated, reproduced, but they could be mined...at great cost. And they could be traded. Stored. They were tangible and couldn't get lost, though they could be stolen. Above all gold, recognised by kings, tyrants and robbers, had been used for trade over thousands of years, and with the exception of coins, which bore the image of the kings and emperors who minted them, it had no identity.

Being rich had never given Henrique grand ideas, nor had it affected him like many young Chinese graduates who saw themselves themselves as being above the manual, gig and service economy that underpinned the Chinese '996 economy'—work from 9am to 9pm, six days a week, an exhausting and all-consuming task for most, a syndrome which led to the *tangping*, lying flat movement, in which workers did the minimum or dropped out altogether.

CHAPTER 71

Hubris

Vladimir Putin had probably not read Mark Twain, who wrote, ‘History never repeats itself, but the Kaleidoscopic combinations of the pictured present often seem to be constructed out of the broken fragments of antique legends.’²⁵

He would have done well to do so, if he didn’t want to go the way of the Romanovs or oversee the demise of his empire as the Soviets had. He would certainly prefer Stalin’s peaceful exit when the time came. The question now was whether the former KGB colonel could succeed in emulating his model, dying in bed, after Prigozhin’s march on Moscow had put the fear of god into him, even if it was aborted.

Putin’s vision of history was unique, as he ably demonstrated when told his audience how Russia had been stabbed in the back in World War I.

The fact was the Tsarist Empire had fought a ruinous land war in Europe, characterised by the extreme incompetence of Nicholas II himself, excessive military losses which led to mutiny and launched Russia on the road to revolution.

If there was one lesson to be learnt by such men, it was that few autocrats survived to see their megalomaniac dreams

²⁵ In a novel co-written with Charles Dudley in 1874 *The Gilded Age*

fulfilled, as evidenced by the Shah of Iran, Saddam Hussein, Ceausescu, Mussolini, Mao Zedong, Napoleon, Fidel Castro...the list was long.

In the same way Xi Jinping had arrived in power in 2012, when a remarkable series of serendipitous events coincided to transform his populous nation into the world's number one industrial power, challenging the US for international leadership.

Such power had convinced him he possessed some extraordinary qualities, meriting him and only him the right to hold absolute power and lead China on to greater things, which came hand in hand with the erroneous belief that his country's winning streak would go on forever. Something the ancient Greeks call 'hubris', a combination of over-confidence, over-ambition, arrogance and pride. All of which led him to launch vast projects and reforms, confident of his clear sighted vision of the future.

Like all such autocrats he did not see the dangers, especially when encouraged by sycophants and the ambitious who hung onto his coat tails, pushing blindly forward believing all obstacles could be crushed and setbacks overcome.

His nemesis came in the form of a pandemic and his underestimation of how deep corruption and greed ran in his country, not only in the ranks of his enemies but also in his own.

When he launched his anti-corruption campaign, little did he realise his actions were no longer suited to the new society that China had become. What had worked under the old communist regime could not work after decades of opening to the outside world. Finance, mercantile interests, geopolitics, raw material

and food needs had changed the world, making it an infinitely more complex place.

The primary goal of the China Institutes of Contemporary International Relations, China's leading geopolitical think tank, which fell under the responsibility of the Ministry of State Security, was to ensure the survival of the CCP and China's paramount leader. It was however a difficult task given it couldn't contradict the desires of the party elite and its infallible leader.

The result was he, like Vladimir Putin, overestimated his power and had embarked on a path filled with dangers.



In Beijing rumours swirled around the dramatic fall of a Xi loyalist, Qin Gang, who after a meteoric rise linked to Xi, was suddenly dismissed, just seven months after being named China's foreign minister, mysteriously disappearing at the summit of his career.

His appointment was seen as leapfrogging other candidates, and his fall from grace was highly embarrassing for Xi, whose judgment was not to be questioned.

Was it a political purge? The kind that happened all the time when high-ranking political rivals of Xi were targeted by anti-corruption campaigns.

Only a couple of weeks earlier Qin was seen at a meeting with foreign officials in Beijing. Then, a foreign ministry spokesperson cited unspecified health reasons for Qin's absence from an Asean conference in Indonesia.

Qin, former ambassador to the US, had accused Taiwan's government of seeking independence, warning it would probably lead to a US-China military conflict.

Rumours of a power struggle flew, even his being compromised by a foreign intelligence services.

Qin had joined the ranks of the Chinese elite who had disappeared without explanation. The most recent of which was Hu Jintao, no less a figure than Xi's predecessor as general secretary of the CCP, the most powerful position in China. His demise took place in full view of the cameras at the closing ceremony of the 20th Party Congress, when Hu was unceremoniously bundled out of the Great Hall of the People.

However, Hu didn't completely disappear, he was seen again making a momentary appearance at the funeral of Jiang Zemin, another former Chinese leader, a reminder to Hu of his own destiny, more valued dead than alive.

On the non-political side was Jack Ma, the billionaire founder of Alibaba Group, had also disappeared in 2020, without explanation. It followed a speech in which he criticised China's financial regulators, and his planned IPO of Ant Group, Alibaba's fintech spin-off, was cancelled.

The disappearances even extended to showbiz stars, like Fan Bingbing, an actress, whose sudden disappearance launched a rumour she had fled China or was under house arrest. A year passed before she resurfaced after being fined more than one hundred million US dollars for tax evasion.

The strange thing was Xi himself had suddenly disappeared from public view in 2012, but when he re-emerged, it was as

Secrets Book III The Bezzle

China's new leader, not like the unfortunate Jack Ma...who reappeared a much subdued figure.

CHAPTER 72

La Semana Grande

It was the occasion for a Clan gathering when Alice Fitzwilliams' three-year-old colt, Salvator Mundi, ran in the San Sebastian Gold Cup. The Semana Grande, a week of festivities that took place each summer, coinciding with Assumption Day, August 15, a Spanish national holiday, like in France.

The Zubieta Racecourse was situated ten kilometres to the south of San Sebastian, in the green Orio Valley in the heart of the Basque Country.

Kennedy's Clan had turned out in style, Dee O'Connelly and Anna Basurko, John DeFrancis and his wife Ekaterina, Scott Fitznorman, my parents, and of course my Uncle John Ennis who had brought along his pal, Colonel Baudouin, the former Belgian SAS colonel.

Oceane and I arrived just in time for lunch, at the owners club. I was pleased to catch up with my parents who had arrived the previous evening from Madrid, likewise my uncle who'd arrived from Paris, and of course Pat Kennedy who was staying in his usual suite at the Hotel de Londres on the Concha.

They congratulated me, the sportsman, after my exploit fourteen kilometres up and down the mountain in Ascaïn. I avoided talking about it by introducing Oceane. They all knew her father, but she was too young to be remembered.

The Donostia-San Sebastian Hippodrome was inaugurated in 1916, its biggest event being on Assumption Day with the San Sebastian Gold Cup.

The Fitzwilliams went back a long way, to the Norman Conquest, and somewhat later in Ireland, like the D'Arcys, though we had picked up an apostrophe some where along the way. The Fitzwilliams were reputed for their shrewd business sense, and thanks to a series of advantageous marriages, they became the largest landowners in the Wicklow region.

The Fitzwilliams Foundation came into being after Michael Fitzwilliams' death, when Pat Kennedy had asked John DeFrancis to assist him as advisor when Kennedy succeeded Michael as CEO of the bank.

Think tanks were in the spotlight in the UK after it emerged that some of the country's most influential analytical institutes received more than substantial donations from overseas sources.

It was a question of transparency and influence as think tanks used ministers to orient government policy and funding in the interest of non-elective parties. With figures like Leonard Blavatnik contributing large sums of money from his family trust to British think tanks to support policies that favoured exchange between the UK and US.

A family trust headed by a Shanghai born billionaire hedge fund manager, Yan Huo, had donated more than one million dollars to the Conservative Party shortly before the 2019 general election.

Huo's alma mater was none other than Shanghai's Fudan University, where Lucy Wang had studied archaeology and her

brother economics, and where I had attended Chinese language classes.

Kennedy and John DeFrancis feared the Fitzwilliams Foundation would come under the microscope, like the Huo and Blavatnik family foundations, not that they had anything to fear as their rule had always been to steer clear of politics.

It was why they kept me away from London whilst things cooled down. As the press sniffing around for headlines were seeking any lurid story about think tanks and their backers who weren't in it for philanthropic reasons and whose real agenda was to influence political debate, as certain had in the Brexit referendum. The media had plunged the world into a Balzacian universe of pamphlets where all kinds of lies and shit flew.

They were part of the Atlas Network, a group of more than 475 free-market organisations in over 90 countries whose objective was to populate the world with ultra liberal voices and its self declared objective to litter the world with free-market think tanks.

Amongst the network were the Adam Smith and the Legatum institutes, though not the Fitzwilliams Foundation which rigorously asserted its independence, as the UK increasingly saw itself as an 'offshore' nation, unattached and free to do what it wanted.

CHAPTER 73

Qin Gang

As a protege of Xi Jinping, Qin Gang rose to foreign minister at the age of 56, before he suddenly vanished. His mysterious unexplained disappearance provoked a spate of wild media speculation.

Including the rumour he was a spy, a theory that was not as far fetched as it could first seem, in a society where fear stalked even the powerful.

Xi's crackdown would have gone almost unnoticed if it had not been for the grave difficulties that affected China's economy since the outbreak of the pandemic.

The Chinese were prepared to accept less political freedom, provided the prosperity they had discovered in the 1990s continued. But with the collapse of hundreds of thousands of small factories, commerces, shops and restaurants, many lost faith, as had the countless buyers of undelivered homes and the millions of young people who found themselves without jobs.

China's indebtedness had exploded, its grand projects stalled starting with the Belt and Road Initiative, its pride was wounded, and Xi turned the screw seeking scapegoats, notably the Taiwanese, raising the fear of war.

High level military, political and business figures were mysterious disappearing and fear ran deep amongst the elites as rumours made the rounds of former Xi acolytes dying in custody.

What the rich feared was the victims were not just members of opposing political factions, but loyalists, Xi's inner circle, which raised questions about the regime's stability, especially after the death in a Shanghai swimming pool of Li Keqiang, a well liked former prime minister which suggested a much larger power struggle.

Had the giant feet of clay? Was it a sign the pretender to life presidency and the mantel of Mao was losing heaven's divine mandate?

The threat to Taiwan was real, grave, and potentially a huge destabilising economic shock, one that would have much wider implications than the Ukrainian war.

CHAPTER 74

Aficionados

As we headed for Bogota in Colombia, I wondered about Barichara, Kennedy's his new city built on the Altiplano, his Holy Grail, Ciudad Salvator Mundi. I hoped it wasn't like Dryden Brown's future city, Praxis, planned on the Mediterranean or some other coast.

I have to admit I didn't know that much about Brown's age, but I guessed he was about my age. What I did know was Brown, a Californian, had raised 20 million dollars for his project, a derisory sum, though he had a following of 50,000 willing to back his 'beautiful, green city'.



An imaginary cryptostate

It was a cryptostate and its largest backer, Paradigm, had been an investor in FTX, Sam Bankman-Fried's cryptocurrency exchange.

Was Kennedy, Brown and other futurists, following in the footsteps of Peter Thiel, the billionaire founder of PayPal, who declared in 2009 that ‘the great task for libertarians is to find an escape from politics in all its forms’.

Since then, Thiel had backed several attempts to create corporate city-states, and when Brown went looking for investors to build his city, Pronomos Capital, a Thiel-backed fund run by Patri Friedman, the grandson of the libertarian economist Milton Friedman, raised 4.2 million dollars.

The biggest investment in Praxis came from the booming world of cryptocurrency, including Paradigm and Alameda Research, another of Bankman-Fried’s firms, and Apollo Ventures launched by the OpenAI chief executive Sam Altman.

Reports said Praxis, now cash rich, had moved into a 759 square metre SoHo office. Brown wore Balenciaga and drank Hallstein water while Balthazar assured the catering for its events as Brown sought new backers, announcing its development team was led by a former G7 Prime Minister, and a former EU Prime Minister.

Residency visas were open to all those who could pay 5,000 dollars upfront.

Henrique da Roza was on the other hand a rich man. Not that he worked to get rich, no, his way to fortune was a bet he had made almost a decade and a half earlier, when he was a student at the London School of economics, at which time he’d bought 500 dollars worth of Bitcoins, worth less than one cent at that time, in other words he bought several thousand Bitcoins. Now one bitcoin was breaking records and I figured Henrique’s

investment was worth well over one billion dollars, which with his other investments, Apple, Tesla and a few other high flyers like Nvidia more recently, made him a very rich man.

Paradoxically he was not a businessman, rather a detached investor, and his relationship with Kennedy was linked to the future of Belpharma, a vision rather than an investment.

Henrique had played a passive role in the story of Bitcoin, the first crypto-currency invented by a certain Satoshi Nakamoto, if he was a real person that is. Nakamoto had opened a Pandora's Box in the world of global finance, launching his digital-age currency, the first non-fiat money, if we exclude gold and silver.

In the time that has passed since the Bitcoin was launched, it has performed better than oil, gold, and stocks combined.

Today the million Bitcoins mined by Satoshi lay untouched, unclaimed, and worth billions of dollars, enough to make him the world's richest man.

But that was another story, what was more interesting was Henrique's fortune. In fact Henrique was almost as much of a mystery as Satoshi, even if his billion dollar fortune was incomparable to Bitcoin's founder's, or Kennedy's for that matter

At the time Henrique made his bet on Bitcoin his friends had pulled his leg, but he believed that the financial crisis of 2008 had ushered in a new era in finance and progressively upped his bet.

He had remained stoic as the Bitcoin rose and fell, on what could only be described as a stock market roller-coaster,

resisting all temptation to dump the cryptocurrency. Macau his home had a long history as a place of gambling, but those who gambled were outsiders, from all over China and the rest of the world, families like Henrique's were wiser, nurturing their investments.

Chinese investors investors were attracted to cryptocurrencies through lack of alternatives, following the collapse in the real estate market. There was also facility, using VPNs and crypto exchanges for transactions and the decentralised nature of transactions that avoided all state controls.

However, crypto attracted digital asset crimes, including money laundering and scams as transactions reaching an estimated 90 billion dollars in 2023 and Chinese retail investors flocked to digital assets easily accessible thanks to online global exchanges like Binance.

With the growing economic downturn Chinese investors who sought offshore security for their cash saw Bitcoin as a safe haven like gold.

It was inevitable that Chinese organised crime was attracted by the advantages of cryptocurrencies, laundering profits from illegal online gambling, and drugs, fentanyl in particular with the production and distribution of chemical ingredients, using cryptocurrency wallets to send and receive funds.

Money laundering linked to the use of cryptocurrencies grew as did the threat of a crackdown by law enforcement agencies making it urgent for people like the Wangs to accelerate their asset transfers overseas.

Secrets Book III The Bezzle

As for Henry, one of his fellow Chinese Bitcoin aficionados, Guo Hongcai, predicted it would reach one million dollars by 2025, a forecast that was not entirely unrealistic. If he was right, Henrique's wealth, in spite a precautionary reduction in his Bitcoin holding, would be multiplied tenfold making him a multi-billionaire, putting him in a class comparable with certain others in Pat Kennedy's clan, including Kennedy himself.

CHAPTER 75

Essequibo

But Henrique had more urgent concerns, as had Tom Barton. What worried them was the longstanding dispute between Venezuela and Guyana over the Essequibo region as the two countries stood on the brink of war, the last thing the Kennedy clan wanted on its Caribbean doorstep.

Venezuela had threatened to annex the densely forested Essequibo region, which constituted two-thirds of Guyana's territory.

The region lay between the Venezuelan border to the west, that of Brazil to the south, and Guyana to the east. A territory of 165,000 square kilometres, a vast empty region half the size of the UK with a tiny population of just 130,000 souls scattered through its dense tropical rainforests.

It was the continuation of an old colonial dispute that went back to the British and the Spanish epochs.

In whose interest had this dispute been reactivated. Russia's? Certainly with Putin trying to divert the world's attention from his war in Ukraine.

In any case any armed conflict would destabilise the whole Caribbean region, where a large part of the world's wealth was concentrated, namely the Caribbean islands, a cluster of micro states and territories transformed into offshore tax havens, shelters, where the rich and corrupt stashed their wealth.

The Caribbean was a geopolitical chessboard, where today's rich and powerful were engaged in a high-stakes game of poker, the continuation of a game that started with the discovery of the New World. Where the nations of Europe fought for control throughout the 15th century. The Spanish, Portuguese, British, Dutch and French in a violent struggle to assert ownership of the many islands and coasts.

Guyana was a former British colony, one of the three colonies that formed the Guianas, the other two being Dutch and French, the former now Suriname and the latter French Guiana. In addition was the Guayana region of Venezuela, formerly Spanish Guyana, and Amapa in Brazil, formerly Portuguese Guiana.

In 1841, Venezuela contested the territorial boundaries established by the British, on the basis it violated an earlier agreement.

Then in 1895, the US warned Great Britain against European colonial projects in the western hemisphere, a threat that was settled in 1899, by a commission composed of two Americans representing Venezuela, two British and one Russian, which ruled in favour of Great Britain.

It was said the Russian had been pressurised to favour Great Britain.

The dispute simmered on until in 1966, the year of Guyana's independence, when an agreement in Geneva provided for a four year time frame to settle the dispute between the parties, in which Venezuela claimed the area east of the Essequibo River.

The dispute however was unresolved and was referred to the International Court of Justice by the UN, a move backed by Guyana, but opposed by Venezuela.

Guyana, situated in South America, was paradoxically part of the Caribbean, and was the home to headquarters of the Caribbean Community's Association, Caricom, which had vigorously defended the principal of Guyana's sovereignty.

The question was why was Maduro suddenly threatening his neighbour when his own country was suffering the catastrophic consequences of his predecessor's government, which had transformed Venezuela into a failed state that had seen seven million of its people flee their country?

The evident risk was Venezuela, supported by Moscow, would provoke another proxy war with the US, diverting its aid from Ukraine and Israel.

Henrique had witnessed the meddling of Russian agents in Belize and Mexico and feared an alliance of autocrats willing to go to any lengths to undermine the US and its allies.



But another event threatened the Guianas, much less sinister than Maduro's claim, something Henrique was more familiar with in the sense his partner, Maria Simmonds, was a Mennonite, indirectly that is.

That threat, less immediately threatening in comparison to Maduro's, appeared in Paramaribo, Suriname's capital, when officials met to discuss the arrival of Mennonite settler farmers.

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The Mennonites were a Christian sect that originated in Europe in the 16th century, following the teachings of the Anabaptist preacher and religious reformer Menno Simons in the Netherlands, Switzerland and Germany.

They started to settle in the Americas in the 19th century, where they sought religious freedom and land, moving progressively southwards from the US to Mexico, Belize, Venezuela, Brazil and Argentina. Others from East Prussia had fled the Nazis as Hitler rose to power in the 1930s.

The latest settlement was in Suriname, Klaaskreek, Brokopondo, a hilly district that was settled by Saamaka Maroons, who had fled from the slave plantations in colonial times.

The government had granted fifty Mennonite families the right to settle in the region. They came from Mexico, Belize, and Bolivia, where they had already created huge cattle ranches and opened up the forest to big agriculture in the vast Kaa-Iya del Gran Chaco National Park, one of the largest in South America.

The Mennonites planned to buy 50,000 hectares of forest land in Nickerie, through an investment company that had been active in different South American countries for decades.

The fears stemmed from the fact Mennonite communities had been accused of being responsible for extensive environmental damage in Mexico, Bolivia, Colombia, Belize, Peru and Brazil.

Local indigenous groups and Maroon tribes in Suriname feared their ancestral lands would be lost to Mennonite farmers, a situation that was aggravated by the fact that Suriname, a country committed to maintaining 93 percent forest cover, was

the only country in South America that did not recognised indigenous people's land rights, many of whom were members of communities whose lives depended on the resources provided by their ancestral forests and rivers.

High Forest Low Depletion countries were defined as those having more than 50 percent forest cover and a deforestation rate under 0.22 percent per year. These included Suriname, Guyana, and Papua New Guinea where I had investigated illegal logging for the Fitzwilliams Foundation.

CHAPTER 76

Hong Kong

*We can't solve today's problems with the mentality that created them.
Insanity: doing the same thing over and over again and expecting different
results.*

Albert Einstein

The news from Hong Kong was depressing. The city was not the same. There was a feeling it had lost not only its financial pre-eminence, but also its soul, as droves of wealthy Chinese left and tourists all but disappeared.

Henrique was worried for his family both in Hong Kong and Macao as the hand of Beijing and the Ministry of State Security weighed heavily on the Special Administrative Regions. The latest news was shocking—the images of the five dissidents spread across the front pages of the press and on the screens of TV news programmes.

Hong Kong police offered 120,000 US dollar bounties for information leading to the arrest of each of the five activists, all of whom had fled China, and were now living overseas.

It was part of a crackdown under a Chinese national security law. So much for ‘One Country, Two Systems’, thought Henrique bitterly.

The five were added to a list of eight overseas activists already marked as fugitives by Chinese authorities.

A Hong Kong police's national security spokesman, declared, 'All of them who have already fled overseas have continued to commit offences under the national security law that seriously endangered national security.'

The security law included as offences—incitement to secession and subversion, collusion with foreign countries or external forces, which punished those found guilty of such acts with up to life in prison.

But what sent a tremor of fear through Henrique was the promise that National Security Department would 'pursue them to the end'. A clear demonstration of the extraterritorial nature of the national security law, which meant he could be seized anywhere, at any time, by Chinese agents.

A Hong Kong court had just sentenced 12 people to jail terms of up to almost seven years in a high-profile case linked to the storming of the city legislature during a pro-democracy protest in 2019.

The incident was a high point during the protests that embroiled the territory in the greatest popular uprising against Chinese Communist party rule since the 1989 Tiananmen Square protests in Beijing. Demonstrators broke into Hong Kong's legislative council building at the beginning of July 2019, smashing windows and flooding into its offices as public anger mounted over the new laws that would allow authorities to send people to mainland China for trial.

Those sentenced included actor Gregory Wong, 45, who had pleaded not guilty, and political activists Ventus Lau and Owen Chow, who had pleaded guilty and were also given jail terms.

CHAPTER 77

Organised Crime

Chinese triads based in San Francisco and Miami were into traditional organised crime, including racetracks, gaming parlours, karaoke clubs, bars, nightclubs and the like.

I knew relative little about the Chinese underworld and organised crime though I had heard many stories in the organisation of tropical timber smuggling from Indonesia, New Guinea and Cambodia.

Henrique on the other hand was a mine of information. Being Macanese he had grown up in a world where legendary Chinese gangs operated, including the Shui Fong 水房帮 one of the main triads in Southern China, operating in Macau, Hong Kong and overseas.

The Shui Fong triad was one of Hong Kong's four leading criminal organisations along with Sun Yee On, 14K and the Wo family triads. They ran everything from traditional crime, including drugs, nightclubs, mahjong dens, prostitution, massage parlours, extortion and loan sharking to more modern crimes, including human trafficking from Mainland China to Hong Kong and abroad, money laundering and financial crime.

Locally they operated not only in Macao and the Hong Kong districts of Yau Ma Tei, Tsim Sha Tsui, Mong Kok Sham Shui Po, but also across Southeast Asia, Australia and the US, notably in San Francisco, and Vancouver in Canada—the point of entry

for the Chinese triads where the Chinese diaspora had been present for more than a century with long established links back to Macao and Hong Kong..

Money laundering and human trafficking had exploded as Xi Jinping's China ran into turbulent waters as debt and unemployment ran wild, a growth industry for the Four Big Gangs 四大黑帮.

The Shui Fong grew out of a workers union in the 1930s at a Hong Kong soft drink company, Connaught Aerated Water Company, in Sham Shui Po, which decades later fought for control of casinos in that Gambling Hell...Macao.

It was said initiates drank human and animal blood mixed with wine, and swore the Thirty-Six Oaths of secrecy and loyalty to their Triad blood brothers.

The gangs included Cantonese, Fujianese, Hakka, Taiwanese, their members grouped by families and the different languages and dialects of China.

Meanwhile, one thousand police officers guarded the courtroom where Jimmy Lai was on trial accused of conspiring to collude with foreign powers under 2020's draconian National Security Law.²⁶ Lai was being held in solitary confinement in a maximum-security prison for his role in the Democracy movements actions to defend Hong Kong's freedoms which had been ruthlessly suppressed under the instigation of Beijing.

²⁶ See Secrets-The Edge of Tomorrow by author

Amongst the accusations was producing and distributing ‘seditious publications’ in other words his Apple Daily newspaper, reputed for its outspoken criticism of the Hong Kong and Beijing authorities.

Jimmy Lai was a victim of an authoritarian state, like Navalny in Russia, both accused and already serving prison sentences handed down by politically driven justice systems.

Under the new laws in Hong Kong, the conviction rate was 100 percent and the 76 year old Lai would certainly spend the rest of his life behind bars.

Both Henrique and I were fugitives from Chinese justice and had to tread a narrow path, though we were less determined than activists like Jimmy and Joshua Wong, both of whom were part of the Hong Kong 47, awaiting verdicts following their collective trial whilst authorities sought to intimidate those who fled overseas by offering 120,000 dollar bounties for their capture.

Tens of thousands of Hongkongers had chosen to leave, a frightening reminder that I too was wanted by the Chinese Ministry of State Security, after my dramatic escape from the Shanghai detention centre, a threat that I now feared would follow me for the rest of my life.

It was not only a trial of Jimmy Lai, but of Hong Kong’s future under de facto rule from Beijing.

So much for the treaty signed by London and Beijing in 1997, which had foreseen a 50 year transition period, under the now defunct banner, of ‘One Country, Two Systems’.

John Francis Kinsella

The tables were turned, Imperial Britain was now at the receiving end of the boot, and Hong Kong, its creation, had fallen under the yoke of Beijing and relegated to a lesser role, a sad destiny for freedom loving Hongkongers.

CHAPTER 78

Another Ghost City

It was a strange story, part of an ambitious plan to build a new China, impressive skyscraper cities, luxury apartment buildings, broad avenues, parks and gardens, shopping malls, in short a brave new world.

Just a couple of hours from Shanghai, I discovered this strange world, but it was not the architecture or the scale that struck me, it was the fact that it was empty.

It was one of China's ghost cities. A phenomena that had attracted the attention of the international press, Youtubers and documentary producers, even tourists of the strange, for at least a decade.

Not far from Hangzhou, a ride on the high speed train from Shanghai, was Tianducheng, a greenfield project built on agricultural land re-zoned for the development plan, a remarkable success except for the fact it was empty.

It was built as part of a plan to house China's burgeoning population...in anticipation of a housing shortage.

The only problem was there were no takers, which raised the question of how could planners and developers have got things so wrong?

One of its features was a replica of that famous Parisian avenue, the Champs Elysees with an Eiffel Tower in the background, set

between manicured hedges and fountains, lined by faux Haussmanian-like facades on either side the avenue.

When the construction of this strange city, designed to house 10,000 residents, started in 2007, it attracted many visitors from populous Hangzhou on the East China Sea, a city of ten million, especially the affluent middle-class, who the developers had imagined were potential buyers.

Just as the developers had no doubt imagined a Parisian replica in the middle of Zhejiang province would be more attractive than the faceless tower blocks of the many new cities springing out of the ground.

But unfortunately and in spite of the one billion dollars invested in the project, there were few takers. Why did Tianducheng, become a ghost city? To start with was its location in relation to Hangzhou, which attracted few takers, just as the unappealing rural landscape had failed to attract the middle-classes of the densely populated regional capital.

Then, real estate developers, like so many others, hadn't figured on the impact of Covid and its fallout—inflation, unemployment, high interest rates and fewer loans. The consequences of that were fewer visitors, even less buyers and an occupation rate of less than ten percent with empty streets, boarded-up shop fronts, rusted iron railings and dry fountains, abandoned shopping malls and empty gardens, in the surrealistic version of the French capital.

But it was not alone, there were also other such cities, replicas of English villages, cities like Venice with canals and bridges. Then there were fantastic developments decorated by sphinx,

pyramids and other monuments. But what was even more surprising was they were all like the fake Paris I had visited, in that they were all more or less empty, very few people apart from the odd couple present for wedding photos, posing before the Chinese copy of some world famous monument—in short ghost cities.

The question was why? It seemed that Beijing planners had foreseen an ever-growing population, which had not appeared, as could be confirmed by what I had seen from train windows, dozens of empty new towns, between Shanghai and Beijing and to Hangzhou to the south. I was told it was the same everywhere.

The oriental Paris was planted in the middle of nowhere, one hour from Hangzhou's central railway station, and if that wasn't bad enough, the air was heavy with the pollution that drifted in from nearby industries.

It was all the sad result of chaotic planning, the work of inexperienced urbanists, conceived for poorly informed buyers, who it seemed were not as easily seduced by the idea as were the promoters.

CHAPTER 79

Galenus-1

Specialists at Rome's Sapienza University had come to the conclusion that human death rates increased exponentially until the age of 80, at which point they decelerated and levelled off after age 105, which led to the idea there was no upper limit to human lifespan.

But Pat Kennedy wasn't interested in simply living to 105, he not only wanted to live longer, but in good health, very good health, in fact without cell senescence. In other words like a young man, one of forty years of age, which he was now doing thanks to Galenus-1.

For the greater mass of human-beings, once an individual reached a certain age, if one thing didn't kill him or her, then another thing would. This meant that concentrating on a healthier life style was more important than taking some miraculous snake oil cure in the hope of greater longevity.

In other words it would be better to concentrate on healthspan, that is to say living a healthier life, enjoying it to the full.

Pat had reached the age when his cohort was at the starting point of an accelerating decline into senescence, but looking at him, few strangers would have given him more than about 45. The same went for my Uncle John Ennis or John DeFrancis, both of whom were a good bit older than Kennedy, but could have passed for healthy sixty year olds. But I had known those

two since I was a kid and knew they had more than well passed that age.

Obviously Galenus-1 worked. I don't know about longevity, but it certainly kept them young. Though it wasn't enough to pop the pill every day. A healthy life style was essential, exercise, a healthy diet and good sleep, avoiding dangerous sports, dangerous living, the kind recommended by Aelius Galenus almost two millennium earlier.

Avoiding the kind of life the likes of Shane MacGowan had lived. He was dead and in what a state!

Henrique was rather tight-lipped when it came to Galenus. It was a pity as Kennedy had enrolled me into his plan. But I gleaned a lot, especially as I was close to the three real life lab animals—Kennedy, DeFrancis and Uncle John. There were others, but as I said I wasn't in on all the details.

I suppose Kennedy's Galenus molecule was better than infusing youth plasma into an ageing blood stream, but then I'm not an expert on longevity and besides that I'm still too young to be worrying about old age and my own mortality.

One American tech entrepreneur was doing just that, and in addition was paying a couple of million dollars a year into research in longevity.

Was it one of those sci-fi dreams of singularity, a post-human existence, when men and machines merged, which was better than the Dracula like idea, or blood and plasma transfusions.

Jeff Bezos had invested in Altos Labs, a startup, working on cellular rejuvenation programming. PayPal co-founder Peter

Thiel had invested millions in the Methuselah Foundation, a non-profit organisation that planned to make 90 the new 50 by 2030.

It had never struck me as a good thing to live into decrepitude, let alone becoming a supercentenarian, like Lucille Randon who died at the age of 118, or Jeanne Calment who made it to 122.

But why not, if I looked as good as Kennedy, who was about to hit 60. It explained why he was ploughing so much into life science research, quantum computing and a safe place to live when the shit hit the fan. And I suppose he wasn't too far off the mark given the way the world was going.

Kennedy liked to remind those close to him of Robert Oppenheimer, the American physicist who led the team that developed the atom bomb, who quoted from the ancient Hindu scriptures, describing his feelings about the force he had unleashed, 'Now I am become Death, the destroyer of worlds'.

Perhaps leaders were fearful of the destruction nuclear arms could wreak, but they were doing a good job with conventional weapons in Ukraine, Palestine, and less talked about conflicts in the Middle East, Africa and Asia.

Humans possessed the power to destroy the world in which they lived and the risk was growing with each passing day as entire regions with their rivers, forests and fields transformed into waste lands.

How far would Vladimir Putin go? Risk ecocide by mining Ukraine's Zaporizhzhia nuclear power plant, poisoning air and water, causing catastrophic environmental damage?

CHAPTER 80

Big Brother

First, Xi Jinping had invented the national security law, then the espionage law, and now the patriotic education law.

There was nothing wrong with focusing on one's own country and its culture, nothing was more natural than a certain patriotism, but patriotism enforced by baton wielding police was paranoid.

Lili Kennedy had been shocked to learn an association that promoted the Cantonese language had been shut down, after Hong Kong authorities decided an essay submitted to a competition it held three years earlier had violated the national security law.

Hong Kong authorities said the fictional essay, depicting a decline in liberties in the city on the group's website, violated the new law.

It was yet another example of the erosion of freedom of expression in the city.

Andrew Chan, chairman of Societas Linguistica Hongkongensis, a cultural association promoting Cantonese, said in a Facebook post, national security officers had visited a home where certain of his family members lived whilst he was out of town. The officers, who did not have a search warrant, demanded that the essay be removed from his group's website immediately.

That the police targeted something related to arts and literature came as a shock to Chan.

After Beijing imposed its national security law in Hong Kong in 2020, dozens of civil societies had been disbanded and more than 260 people have been arrested.

The article in question ended with a quotation from Milan Kundera, ‘The struggle of man against power is the struggle of memory against forgetting.’

Changes were coming, but for the better or worse, was yet to be seen, as the foundations of Chinese capitalism were shifting and Xi Jinping attempted to stamp out freedom as a reaction to the state’s loss of control over its economy, which was riddled with endemic corruption revealed by the widespread collapse of major businesses and financial institutions.

Now, more than two years after the news of Evergrande’s pending meltdown had emerged, Country Garden, the country’s largest real estate firm, announced it was in an equally calamitous situation, struggling with four times as many uncompleted construction projects as Evergrande. Country Garden after racking up more than 150 billion dollars of debts, had failed to make interest payments on two loans, warning markets that if its financial situation continued to deteriorate it faced default.

Country Garden was ranked by Forbes among the world’s 500 largest companies, its CEO, Yang Huiyan, until recently seen as a model of China’s success and courted by top leaders of the CCP.

As for Evergrande, facing more than 2,000 lawsuits involving an estimated one hundred billion dollars in law suits, it delayed meetings with its international creditors scheduled to approve a restructuring plan. The group had filed for Chapter 15 bankruptcy protection in New York, to protect its US assets whilst the company attempted to restructure its finances.

Slowly the rot was spreading into the wider economy as youth unemployment reached record heights coupled with weak retail sales as deflation loomed.

Yang Huiyan faced an uncertain future. Just two years earlier she had been the richest woman in Asia with a fortune estimated at 30 billion dollars, now, as the world was repeatedly reminded by the media, was fighting a losing battle to save her company from collapse and bankruptcy.

Country Garden, which was founded in 1992 by Yang's father, a modest farmer, had grown into China's largest property developer. Now as the Chinese property bubble burst, Yang's billions evaporated like a summer shower under the hot Hong Kong sun.

When Country Garden was floated on the Hong Kong stock exchange, two years after her father, Yang Guoqiang aka Yeung Kwok Keung, had transferred his stake in the company to her, she became Asia's richest woman, a reputation she would live to regret.

The father and daughter team had been driven to their offices each morning in separate Mercedes Maybachs, each costing a quarter of a million dollars.

Like a certain number of rich Chinese, Yang held a Cypriot passport, which gave her unlimited access to the EU, after investing two million dollars in the island state. A privilege, considering the Peoples Republic of China's nationality laws, did not recognise dual nationality.

No doubt she had enough loot stashed away to last several life times, if she was forced to do a runner, like the family of Xu Jiayin, the majority owner of the Evergrande Group, who had seen an equally vertiginous fall in their fortune.

CHAPTER 81

Gabon

Henry Wang's Delta Group, sourced the timber it traded and transformed in its many plants, situated in multiple regions, from Cambodia to New Guinea in Asia, to the Congo and Gabon in Africa, and more recently the countries of Central and South America—all big producers of tropical hardwood.

It was the nature of his business to diversify its sources of raw materials, avoiding breaks in supply chains, and more especially to avoid drawing the attention of ecological activist organisations and the resurgent scandals linked to deforestation.

Historically, many of those countries were ruled by corrupt dictatorships or unstable democracies. One of them was Gabon in West Africa, where the long time ruling family had been overthrown in a coup.

Military leaders had seized power in Libreville, Gabon's capital, ejecting incumbent Ali Bongo Ondimba, following elections, in which Bongo claimed to have won with nearly 65 percent of the vote.

Gabon, an unlikely candidate, was praised for having preserved its tropical rainforests, which covered 88 percent of its territory with an average deforestation rate of less than 0.1

percent over the last 30 years. It was declared as a HFLD²⁷ country—one of just 11 countries recognised as such by international organisations.

The forests of Gabon, including 13 national parks one of which was UNESCO listed, were the home to an immense biodiversity, with more plant species than all West Africa’s forests combined, one of the few places left on Earth where forest elephants could roam from the forest to the sea.



forest elephants by the sea

Gabon’s coup came against a background of encroaching climatic change with one of the hottest summers ever recorded in human history, provoking forest fires and floods in Europe, China and the US.

The media made apocalyptic projections about climate change and its consequences, and they weren’t wrong—rising sea levels, desertification and changes in ocean currents threatened mankind. At the same time there were unpredictable population changes, yes, China and Europe were undergoing falling

²⁷ High Forest Cover Low Deforestation country

birthrates and ageing, but at the same time Africa's median age was just nineteen years, a young population that meant spectacular growth.

The argument was that population would fall by the end of the century, but forecasts were notoriously off target. The only thing that could be relied upon was humanity's history over the last four or five thousand years. A History of relentless growth in numbers, even if there had been the occasional plagues and wars.

The task of accommodating an additional two, three or four billion people with rising living standards, would be an almost insurmountable task, accompanied by profound poverty for many as infrastructure could never sustain such changes.

The impact of population growth and climate change on natural resources was already visible. The stress between the tectonic plates of culture were equally visible as strife and war took their toll, both on human society and the destruction of its natural landscape.

A Sanskrit text dating from 1500BC reminded us, 'Upon this handful of soil our survival depends. Husband it and it will grow our food, our fuel and our shelter and surround us with beauty. Abuse it and the soil will collapse and die, taking humanity with it.'

Today, globalisation had penetrated even the remotest corner of the globe, spreading its destructive work, a process that if continued would culminate in the sudden and brutal collapse of human society as we now know it.

CHAPTER 82

The Black Hand

The UK was known as a notoriously long-time haven for suspect money, with the City of London a hub where kleptocrats and criminals could launder the proceeds of their misdeeds.

A fact reinforced when high level civil servants spoke of ‘offshore’ UK and how it should adapt to its new role outside of the EU, in a fractured world where its glorious history as the leader of a vast empire was long assigned to history.

The UK along with its offshore territories, was a haven where wealthy foreigners could enjoy the freedom of a law abiding democracy, was taken by surprise when Vladimir Putin launched his unprovoked invasion of Ukraine.

The City of London, until recently known by the sobriquet of ‘Londongrad’, had long been the playground of Russian oligarchs and fugitives, found itself having to revise its rule book as international sanctions were slapped on Putin and his cronies.

What that meant to Pat Kennedy, was his bank would have to rethink its business model, especially that of INI Moscow, to accommodate the new rules.

As for freezing assets, that was more complicated, given the fact that there were over ninety thousand properties in the UK, the owners of which were hidden behind opaque offshore companies. They ranged from Knightsbridge mansions to vast homes in Surrey or Kent.

Secrets Book III The Bezzle

It was a curious situation since there were many other rogue states with their tributaries and willing helpers, including China with Laos and Cambodia where criminals reigned, gangs like China's 黑手党 Black Hand, La Mano Nera, or put more simply, Mafiosa.

These gangs operated some of the more sordid organisations, running what were called *shazhupan* 杀猪盘 factories²⁸.

The first time I'd heard that word was in Cambodia. Translated it roughly meant 'fattening a pig for slaughter', Lucy told me, laughing at my ignorance, 'pig butchering', she said, explaining a scam operated by Chinese gangs in Phnom Penh and Sihanoukville—a tourist destination, often with the connivance of corrupt police and officials, with the scammers working in walled compounds where they were prisoners of the gangs.

I was confused slaves, scams and pigs. I thought it was some kind of abattoir, and it was, but the pigs were the naive victims, who were fleeced of their life savings by an investment scam linked to cryptocurrencies and gold.

She told me to watch 'No More Bets'²⁹, a two hour Chinese feature film, a thriller, the story of a scam factory, filled with violence, a drama based on a true events, which Lucy assured me was evocative of the real situation she had witnessed in Cambodia and Laos, the story of criminal organisations that had

²⁸ #shazhupan see Tiktok 'pig butchering'

²⁹ Dailymotion full feature film 'No More Bets' with English subtitles

set up large scale scam factories across the regions bordering Yunnan in China's tropical south.

The most astonishing was many of the scammers operated via companies set up in the UK, where at just one address in a South London suburb, their companies were registered amongst more than 10,000 other firms at the very same address.

According to investigators there were half a million scammers in Southeast Asia alone with hundreds of gangs working across the region in scam complexes—compounds, sometimes attached to hotels and casinos.



Scam factory scene from film 'No More Bets'

In Cambodia, a popular destination for Chinese tourists, Casinos were used as fronts for scammers and money launderers. There, the gangs recruited, tricked and even kidnapped young Chinese jobseekers, luring them with adverts and through

employment agencies, offering attractive jobs in dream destinations.

It was a lawless country where gangs ran every kind of illegal business imaginable, from tropical timber trafficking, to prostitution, drugs, money laundering, crypto fraud and gold smuggling.

Once arrived the recruits became virtual prisoners, they were called 'dogs', forced to work long hours and with little or no pay, who beaten when they protested.

The gangs not only ran hotels, tourist agencies and casinos, but also real estate companies and construction firms. Almost all of the business was carried out by Chinese or Overseas Chinese in countries neighbouring China, some of which abutted the Chinese provinces of Yunnan and Guangxi.

I remembered once asking Lucy if the Delta Group operated in Cambodia, she replied hesitantly that her father had business partners like Kuong Li, and agents who represented his interests in timber products.

The victims of the scammers were also Chinese, not only in China, but also Southeast Asia, the USA, Canada and the UK, and in fact anywhere Chinese was spoken by Chinese immigrants.

Sihanoukville was the capital of a Chinese network of online crime that stretch across Southeast Asia. At the centre was the Victory Paradise Resort, less than 200 metres from Otres Beach.

The city, dotted with unfinished construction sites, had been transformed into a modern day version of Al Capone's Chicago

with Chinatown one of a dozen hubs specializing in underground gambling and online scam centres. Similar facilities also existed near to the borders with Thailand and Vietnam, where tens of thousands of people lived and worked under the thumb of Chinese crime connected businesses.

Since Beijing's crackdown on gambling, Chinese Crime Incorporated had relocated its businesses to Southeast Asia where regulations were almost non-existent and corruption rampant.

CHAPTER 83

Unfriended

Xi Jinping's decision not to attend the G20 summit which was held in India, came as no surprise, considering the difficult relations between the two countries. But there was more to it than that, given Xi had always attended such meetings.

Rumours circulating suggested that his decision could have been linked to internal politics and a leadership reshuffle at the annual Beidaihe seaside meetup, where incumbent and retired leaders of the Chinese Communist Party got together.

It appeared that a group of retired party elders had reprimanded Xi, questioning his policies.

Jiang Zemin had passed away and his immediate predecessor, Hu Jintao, who had been unceremoniously bundled out of the Great Hall of the People at the party's last national congress, was absent.

The message was clear, the ongoing political, economic, and social turmoil, risked undermining the party's support and threatened its authority.

Fingers were pointed, as Xi attempted to deflect blame, by placing fault on past and present leaders and high ranking members of the party.

It was a clear sign of the concern expressed by party elders, an unprecedented criticism of its leader and evidence that decisions

linked to the Covid pandemic and the economy were taking their toll.

This came as China's military entered a zone of turbulence, with the removal of top Rocket Force generals along with the disappearance of foreign minister Qin Gang.

Many were opposed to Xi'ism, which favoured state owned enterprises against privately owned businesses, that together with his Common Prosperity policy—material prosperity, economic growth and distribution of wealth to the poor.

Even more opposed his plans for spiritual prosperity, the social control of society using digital technology, adopting a social credit system and artificial intelligence to monitor, punish or reward citizens as spiritual prosperity centres sprung up across China.

They feared Xi's vision of the future as he took total control over Chinese society.

CHAPTER 84

The Solomon Islands

Chinese demand for valuable timber was driving logging in the Solomon Islands to an unsustainable rate, which if continued would result in the islands' total deforestation by 2036, according to a report by Global Witness.

Using satellite images and trade data, the report, entitled 'Paradise Lost', found that the small South Pacific chain of islands was China's second-largest source of tropical timber after Papua New Guinea.



A stump of illegally logged rosewood

The report estimated that the Solomon Islands was exporting three million cubic meters of wood annually, about 19 times more than their estimated sustainable harvest.

Much of the timber was illegally logged, with logging companies felling trees outside of their concessions and on private land without permission of the landowners.

The government had instituted Timber Rights Hearings to allow landowners to decide who logged their land and how, a process that was subject to frequent corrupt and without legal due diligence requirements.

China, the global destination of one-third of the world's tropical logs, had never taken measures to adequately eliminate illegally sourced materials from its supply chains.

Henry's company, Delta Timber, had invested in Cambodia's timber and construction sectors, which had flourished over the past decade, but was hit by the Covid pandemic and its impact on tourism and real estate.

Fortunately for Henry, China's overriding geopolitical interests in Cambodia and the South China Sea, ensured its backing for Hun Sen, Cambodia's leader, and longest serving head of state on the planet, a dictator overseeing one of the world's most corrupt regimes.

Cambodia, Beijing's closest ally in Southeast Asia, had allowed China to use the Ream naval base in a secret deal. The Union Development Group, a Chinese company, had been granted a 15,000-hectare concession in the Bokom Sakor

Secrets Book III The Bezzle

National Park, close to Vietnam in the south of the country, where it was suspected of developing the concession to facilitate the installation of a Chinese military presence.



Logs for sale on Alibaba

Cambodia's dictatorial one-party rule was backed by army generals accused of systematic human rights abuses, fully detailed in a 284-page Human Rights Watch report entitled 'Cambodia's Dirty Dozen' and a video documentary detailing the unexplained wealth of the generals and their family members.

Henry was a wealthy man, his Delta Group had diversified interests which went a long way in protecting him from the impact of China's real estate debacle. He had surfed the construction boom, building commercial property and upmarket condos over the previous two decades whilst his timber business supplied flooring, windows, doors and kitchen furnishing as well as quality rosewood furniture for the burgeoning middle classes.

China's insatiable demand for luxury furniture had fueled a multimillion-dollar rosewood business in Cambodia led by Okhna Try Pheap, a businessman who controlled a vast, corrupt logging operation with the complicity of government, military, police and customs officials. The timber, including valuable rosewood, was transported by road and river to the Mekong River, from where it was shipped to ports in China, including Hong Kong, Canton and Shanghai.



On a visit to the north of Cambodia, Lucy and her cousin Alice Wang, accompanied by Matt Oakeshott, an Oxford archaeologist, had passed a number of those trundling two wheeled tractors, locally called 'iron oxen', which had largely replaced the four legged kind, towing trailers piled high with different produce and in the more isolated areas freshly cut logs.

Lucy asked the driver to pull over to the side of the road where a man was trying to start one of the tractors. He was watched by a couple of villagers wearing nothing but kramas, checkered cotton cloths wrapped around their waists, as they stoically waited to load a pile of freshly cut logs stacked on the edge of a laterite track. Nearby, stood three white humpbacked oxen that had certainly skidded the logs over the rough ground from a freshly cut clearing.



An iron ox at work

Matt instructed the driver to ask directions from the headman who was wearing what looked like army fatigues. An excuse to find out more about the logs.

Sticking up conversation the driver was given the unlikely story that the logs were cut for charcoal as Lucy inspected them more closely.

‘Rosewood,’ declared Matt. ‘Siamese rosewood, exported to make pricey reproduction Qing and Ming Dynasty furniture in China, I’m sorry to say.’

The exterior of the large logs was a nondescript woody yellow, but it was the rich red interior that identified it as highly valuable rosewood for which men were willing to kill.

Matt counted the tree rings.

‘This one is not far off one hundred years old. Worth several thousands of dollars,’ he announced with a helpless shrug.

John Francis Kinsella

They climbed back into the Toyota and continued their way north.

‘A lot of that furniture is exported to Southeast Asia, though most is consumed in China,’ Matt continued.

‘A company owned by a certain Try Pheap, a politically well connected businessman who runs a large scale illegal logging consortium. They operate with the connivance of corrupt officials to export the rosewood, using police and army officers to protect the movement of their illegally logged timber..’

‘But this is a national park,’ exclaimed Lucy.

Alice laughed. ‘Anything goes here if you’re connected to Hun Sen and his family.’³⁰

³⁰ Secrets Book II

CHAPTER 85

‘some people get rich first’

When China joined the World Trade Organization in 2001, western specialists believed that greater economic engagement with the West would lead to political liberalisation. However, Chinese leaders had made a different pact with the people, that was stay out of politics and the state would provide prosperity.

Both of those visions failed to materialise.

Over the two decades that followed, China grew rich, then, when the pandemic struck, the government instituted a deeply flawed zero-Covid policy, which when the country exited from the tunnel it discovered the broad economy had been severely impacted by the controls.

Demand fell, as a brewing property market collapse plunged the country into a crisis, a kind not seen since Deng Xiaoping reforms started to show fruit three decades earlier. It was transformed into a perfect storm when Moscow launched its ill conceived invasion of Ukraine, which together with changes in society, a declining, ageing population, forebode troubles ahead.

Against this background, Xi Jinping chose the moment to launch his anti-corruption campaign and clampdown on the tech giants like Alibaba, reigning in freewheeling Hong Kong, a belligerent stance on Taiwan and broadening its territorial expansion into the South China Sea.

China's leaders shifted their plan to offering its people security rather than prosperity, which was not what they had signed up for.

It was a serious turn for the worst when Xi started talking about the need for 'common prosperity', reviving a Mao-era phrase that was also invoked by Deng Xiaoping, who said that by letting 'some people get rich first', common prosperity would follow.



'some people get rich first' Jho Low³¹ with Paris Hilton

However, Xi's version of common prosperity, included major crackdowns on business and the ultra-rich, starting with his sudden end of the tutoring industry, worth an estimated 120 billion dollars, at the expense of millions of jobs for young graduates.

³¹ Jho Low wanted for multibillion dollar fraud by FBI in 1MDB scandal

The result was the educated elite were no longer confident that they or their children would be able to improve their lives in the way their parents had.

The government's version of stability was no less than a spanner in the works, with the economy paying the price if necessary, setting the scene for social instability as the economy slowed and discontent started to take root.



All that raised the question as to whether could China succeed in escaping a trap of its own making, one that recalled the fate of Japan, which had been poised to rule the world in 1991.

It was against this background that men like Henry Wang lost faith in China's direction. His parents and grandparents had lived through the prosperous times, when Shanghai and cities like it broke free from the constraints of Imperial China and many Chinese escaped the hard grind of peasant society.

Freewheeling Shanghai and Hong Kong had been built on the labour of millions of Chinese as China slowly opened to the world at the beginning of the 20th century, even if they had suffered the humiliation brought on them by the colonial powers.

War brought an end to that period and Mao Zedong's revolution had not fulfilled its promise with his disastrous Great Leap Forward and the Cultural Revolution.

The Wangs had built their wealth over three extraordinarily prosperous decades and feared they would lose everything if they stood still, waiting for an uncertain future.

It was why Henry Wang decided to implement his plan when the lockdowns, quarantines and other restrictions of its zero-Covid policy came to an end.

He realised that the long term consequences would have a deep effect on his country's growth prospects, and especially the impact on its social well-being.

If the experts were right, China was faced with a shrinking population which with the end of the housing boom would affect businesses. Then there was the regulatory crackdown on e-commerce firms with the CCP attacking the tech billionaires it had once courted.

He could not understand why the CCP had chosen a path of geopolitical expansion over the people's prosperity. Foreign investors were already shying away, seeking to relocate, diversify their supply chains. And America started cutting back on the supply of its technological know-how and advanced computer chips.

Not only would all that hit factory orders and personal incomes, it would reshape international relations and world order.

The door was closing.

After decades of growth there were reasons for his concern. Returns on new investments were diminishing. As one expert put it, 'a new high-speed rail line across mountainous Tibet yields far smaller benefits at much greater cost than connecting Beijing and Shanghai'.

CHAPTER 86

A Chaotic End

Boris Johnson must have certainly felt a macho thrill sending Britain's new aircraft carrier into the South China Sea in 2021. The *Queen Elizabeth* crossed the Mediterranean, the Indian Ocean, the South China Sea, and then the Philippine Sea as it headed towards Guam in the Pacific Ocean.

It was not without a certain risk, as China could have tempted fate by blowing it out of the water like a sitting duck, as it could easily have done so, provoking a third World War. But that was not to be.

It was nevertheless an adrenaline boosting exploit, a reminder to the world of Britain's paranoid legacy of empire. Better than pining over those well dusted images that decorated the Foreign Office and the Admiralty in London, souvenirs of past glory. A time that few could remember, now past its last fading gasps, a time when the Bund was the pride of the Orient, when London ruled Shanghai, and when Hong Kong was the home the Britain's Royal Navy China Station, a stopping off point for its Pacific Fleet.

Of course emissaries to the new Imperial Court in Beijing, dutifully raised the question of human rights in Tibet and Xinjiang, and were unsurprisingly ignored.

China was the second most powerful nation on Earth, even if it was struggling to come to terms with what appeared to be an

increasingly chaotic end of a quasi miraculous transformation, from a poor peasant society into the greatest manufacturing economy humanity had ever known. Unfortunately the CCP had mistakenly believed that to be the work of Communism and the result of its own wise decisions and careful planning.

The truth was China's serendipitous decades had been the result of globalisation and Pax Americana, following capitalism's Cold War victory.

Now, the Chinese economy was entering a period of turbulence, guided by inexperienced leaders. Its real estate market and construction sector, long dependent on rapid urbanisation, was facing terminal collapse as the CCP hardened its grip on power, killing once and for all, the myth that prosperity goes hand in hand with liberalisation.

The idea that China's problems could be summarised by demographics, food and energy imports, debt, and authoritarian governance, was taking hold.

CHAPTER 87

Drug Wars

Most farmers in Putumayo, a vast department of Southern Colombia bordering Ecuador and Peru, where the Andes meets the Amazon, earned a living from selling coca to narco cartels.

Despite decades of efforts by successive Colombian governments, all endeavours had failed to stamp out the cultivation of that smallish shrub used to make cocaine. Two species, scientifically known as *Erythroxylum coca* and *Erythroxylum novogranatense*, had been used by the peoples of South America for millennia, as remedies for everything from altitude sickness to stomach ulcers.

It was the presence of an alkaloid, called cocaine, in the coca leaf that attracted outside interest in the plant in the early 20th century and its use in medical anaesthetics, but cocaine's potential as a narcotic led to its production on a large scale and then its prohibition.

Today, poor peasants in the region grew coca or were employed in fields to pick the leaves and work in rudimentary laboratories, transforming the leaves into a paste, the raw material necessary to produce cocaine. Certain had abandoned farming altogether to concentrate on growing coca and selling its leaves.

Then, after decades of uninterrupted growth, buyers became fewer and prices dropped. It was incomprehensible. Buyers

disappeared from villages, and nearly half a million other households were plunged into deeper into poverty. Coca was the only income that they had and many families were having to go hungry.



Coco plantations

After years of rising prices the coca market in Colombia had inexplicably collapsed, fuelling questions as to why cartels had stopped buying.

The answer was a combination of the US fentanyl boom, Mexicans cartel muscling in on Colombia's drug trade and a simple market glut as Fentanyl replaced cocaine entering through Mexico, or through Vancouver.

The price drop has been so severe and sudden that it has prompted concern from the Colombian government and international organisations such as the World Food Programme that it could cause widespread hunger.

Secrets Book III The Bezzle

The drug trade was a multi-billion dollar worldwide business, a far cry from the days when Pat Kennedy discovered the Colombian drug trade. Today it was a vast multinational, run by the Italian 'Ndrangheta—the Italian Mafia, the Hezbollah, Madura in Venezuela, Chinese triads, Mexican and Colombian cartels and American organised crime.

CHAPTER 88

A Plot

Details emerged of a dramatic assassination attempt on Xi Jinping during the BRICs meeting in South Africa. Apparently they received a confidential tip that several high-ranking officials within the Chinese military, plotted to shoot down Xi's plane using missiles once it entered the southwestern airspace of China on its return.

The head of the plot was believed to be Li Yuchao the former commander of the PLA Rocket Force. It was reported that the plot had been minutiously planned—from timing to the route and location, forcing Xi to altered his flight path to Xin Jiang, from where he travelled back to Beijing by train.

In September Xi Jinping launched a broad crackdown within the Rocket Force, the Defence Ministry and the Central Military Commission. The first wave of arrests saw over 70 individuals detained.

Then, in the early hours of September 15, thousands of MSS personnel descended on the CCP's General Armament General Logistics bureaus where more than 200 were arrested.

It was a clear sign that all was not well with a brutal political struggle over the path Xi had traced over the previous three or four years and it went a long way to explaining the rumours that had swirled at the BRICs conference in South Africa.

CHAPTER 89

A Silk Road

Henrique da Roza, a banker by profession, gave me the benefit of his analysis on the Belt and Road Initiative, as Xi Jinping celebrated the tenth anniversary of its launch.

Behind the celebrations, the party's enthusiasm was dampened by a series of events that had not been anticipated in the heady pre-Covid days.

In 2013, it had been touted as the most ambitious geopolitical project of the century, the Silk Road Economic Belt and 21st-Century Maritime Silk Road Development Strategy. A project designed to develop land and sea routes, trade, and cultural exchange following following the traces of the ancient Silk Road.

A decade had passed during which China had invested more than one trillion dollars, in a series of projects, many so disparate, that it was impossible to say whether they were part of the original plan or not.

That eclectic collection of projects came together in a vast public image building programme designed to promote China on the world scene as a benefactor of lesser and poorer nations.

Others saw it differently, China Inc., controlled its markets through its state owned enterprises, building prestigious projects, dams, ports, power stations, railways and highways, as China's own infrastructure development reached maturity.

Such projects would provide state owned enterprises with business, keep steelworks and cement plants turning.

The problem was China was new to the scene, its actors inexperienced, dangling the promise of loans, industrial development, and currying favour from local politicians along the route.

BRI branding thus became a sure way of unlocking loans from Chinese banks on contracts, which included everything from feasibility studies to training, operating and maintenance contracts with Chinese firms.

Soon the Bank of China would overtake the World Bank and the International Monetary Fund as the world's largest creditor.

It was strange to see how Beijing's BRI policies in Africa and Asia, were beginning to resemble those of Western nations imperial expansion in past centuries.

But all that was before the pandemic and Russia's war in Ukraine, which not only hit China's economy, but ricocheted around the planet hitting nations large and small, and especially those who had signed up for loans on their BRI projects.

The result was some 60 percent of China's overseas loans were hit by the Covid fallout, and deals turned sour as borrowers were unable to repay the loans, transforming China into a debt collector, even a loan shark, as in Sri Lanka, where the resulting political and financial turmoil led to Beijing seizing control of its strategic port.

Others indebted partners like Pakistan, Zambia and Suriname, demanded debt relief, restructuring of loans, from the hard faced

bankers China sent to renegotiate loans and guarantees in exchange for leases on infrastructure projects.

The trouble was, Beijing was totally inexperienced in managing debt crises, restructuring sovereign debt, and the idea of a haircut left them cold as it struggled with its own home-grown economic crisis.

China had been hoping to get its money back, plus a nice bit of interest, as Henrique da Roza put it. But it soon discovered that getting repaid was no easy task.



Back home China was faced with enough vacant homes to house up to three billion people, at least that's what He Keng, a former deputy head of China's National Bureau of Statistics, publicly declared.

To put that number in perspective, that was nearly ten times the population of the entire US, three times the population of the European Union.

Those jaw-dropping numbers were based on the high end estimates made by housing experts about the number of vacant properties in the country.

'How many vacant homes are there now?' asked He Keng at an economic forum in the southern city of Dongguan. 'That estimate might be a bit much, but 1.4 billion people probably couldn't fill them all.'

That astronomical figure was probably exaggerated, but government statistics indicated the total area of all unsold homes

in China was about 750 million square metres, which could be translated into around seven million homes, excluding uncompleted homes, or empty homes bought as investments.

The fact was unsold, uncompleted and unoccupied homes, were in their tens of millions, a hugely problematic surplus that contradicted the central government's story, a construction frenzy that had resulted in entire neighbourhoods of residential developments standing empty.

Which explained all of Henry Wang's reasons to get out before the roof fell in as construction companies ran out of cash and buyers could not repay the loans they had contracted.

The second biggest real estate developer, Evergrande, had gone bust, and now it was the turn of Country Garden, the number one developer, to default, a one hundred billion dollar company that couldn't cough up the interest payment on even a small loan.

It was bad, very bad.

CHAPTER 90

A Documentary Film

We joined Pat Kennedy in Cartagena de Indias, Colombia, where he was meeting with Tom Barton and the Zyborg Filmstudio's team that was to film in the Darien Gap, part of a documentary on the north-south Transamerican Highway and the east-west Transoceanic Highway in Brazil.

The theme was the environmental impact of the highways, the plight of local indigenous peoples in Brazil, and the flow of immigrants on their long voyage through the Central American jungles to the US.

Dee O'Connelly was scriptwriter with Matt Halder director whose studio, Zyborg, based in Cologne, Germany, was to film the documentary. Zyborg had already produced films for the mediatised ecologist Kyril Kyristoros, whose documentaries, 'Rainforest' and 'Indians', financed by Pat Kennedy, had won prestigious international awards.

The original peoples of the Amazon forests had long been victims of not only criminals, but also Christian missionaries, the latter believing in their divine right to convert them to some Midwest religious community.

It was strange, that today, America sent out more than 200,000 missionaries each year, more than any other country, to carry out their evangelising work. Many going with their families to work in communities which had only recently opened to the outside

world. Certain religious movements even mapped so-called uncontacted indigenous tribes, ripe in their view for conversion to one obscure branch of Christianity or another.

My arrival at a large colonial house which served as Zyborg's base coincided with that of the team accompanied by a mountain of supplies that was being transferred to several military style SUVs—style tents, sleeping bags and blankets, freeze-dried food, wind-up torches, radios, water purifiers, medical supplies and for some strange reason nuclear survival kits.

In the lounge, which also served as the reception area, I found Dee O'Connelly, who with several other persons was watching CNN on a large flat screen. What attracted their attention was the breaking news of yet another war, this time it was another episode in the reoccurring conflict between Israel and Palestine.

Dee welcomed me and introduced the team members, outlining their plans, which over the course of the next few hours was overshadowed by a stream of reports coming in about a terrible massacre perpetrated by the Hamas Resistance Movement in an Israeli Kibbutz.

To outsiders it was a conflict of Biblical proportions with its modern roots going back to the 1880s and the beginning of Jewish migration to the region inspired by the idea of a Jewish state.

What did I think? I was reminded of Martin Luther King who once said, 'In the end, we will remember not the words of our enemies, but the silence of our friends.'

As the Israeli historian Yuval Noah Harari noted, 'there is no contradiction between staunchly opposing the Israeli

subjugation and occupation of Palestine, and unequivocally condemning brutal acts of violence against innocent civilians. In fact, every consistent leftist must hold both positions simultaneously.’

Needless to say this terrible episode of a seemingly insoluble and long running conflict figured high in our dinner conversation that evening with Dee, who as a writer and journalist led the discussion.



An Israeli tank in a Palestinian field of sunflowers

Dee had a deeper knowledge of the subject than us others, having written a history of the Temple of the Jews, an experience that had nearly cost him his life, after being caught up in an exchange of cross fire between the IDF and infiltrators from Gaza during his stay in the Holy Land.

Two events ended the ancient Hebrew world, the first when their Temple was razed by Titus in 70AD and the second when

Hadrian crushed the Second Jewish Revolt in 130AD, who rebuilt Jerusalem as a Roman city and named it Aelia Capitolina.

The Jews were then dispersed to the four corners of the Roman world, and Judea transformed into a Roman province, not a stone remained of the Temple, its site forgotten.

That all changed in the 19th century when European Jewish organisations sought to establish settlements with townships and colonies in Palestine, at a time when the region was still part of the Ottoman Empire. The idea was to try and create a new Jewish community in Palestine, to add to the established Jewish communities of Sephardic Jews that had existed in the Holy Land for centuries.

However, the real turning point came in 1917, during World War I, at which time Palestine was part of the Ottoman Empire, an ally of the German Reich, when the British government, in the Balfour Declaration, endorsed the idea of a Jewish national home in Palestine, though not a state.

The Balfour Declaration followed a secret treaty signed between Britain and France defining their spheres of influence in a post-war break-up of the Ottoman Empire. This was determined by the Sykes-Picot Agreement which drew a line roughly east-west through the Middle East, to the north French, to the south British.

At the end of the war the League of Nations was founded at the San Remo Conference in 1920 and Great Britain was handed control of Palestine, part of Ottoman Syria, in the form of a mandate, which the British had occupied since 1917. The mandate was approved by the League of Nations in 1922.

Secrets Book III The Bezzle

British and French interest in Palestine had grown after the construction of the Suez Canal, a passage that linked both imperial powers to their possessions in India and the Far East.

It was why in the early 1870s, the Palestine Exploration Fund set up by the British government, sent a team of army engineers to undertake a detailed survey of the region to the west of the Jordan River. A map was published in 1880 to a scale of one inch to one mile, composed of twenty six different sheets, the first scientifically produced map of the Holy Land.

When Dee O'Connelly researched his book 'The Temple of Jerusalem' he visited the Palestine Exploration Fund's headquarters in London, which remarkably, almost a century and a half after its foundation, still existed. There he bought a CD containing high resolution images of the maps of Western Palestine, produced by the 19th century British Army surveyors.

The details of the century old maps were extraordinary, indicating vineyards, orchards, gardens, woods, scrubs, palms, and fir trees. The locations were designated for wine presses, milestones, tombs, wells, cisterns, and caves. The team surveyed successive regions covering all of the territory west of the Jordan River, between Tyre in the north and Beersheba in the south.

The number of Jews in Palestine was small in the early 20th century. It had increased from 7,000 in 1870 to nearly 40,000 by 1912, representing under ten percent of the total population.

After the British were given the mandate for Palestine by the League of Nations, the Jewish population grew with Jewish immigrants arriving from Russia, Poland and Hungary. Then

when the Nazis took power in Germany 250,000 immigrants arrived.

On May 14, 1948, the day the British Mandate over a Palestine expired, the Jewish People's Council gathered at the Tel Aviv Museum, and proclaimed the State of Israel, which was immediately recognised that night by the United States and three days later by the Soviet Union.

The Arab-Israeli War of 1948 broke out immediately after the proclamation, when five Arab nations invaded territory in the former Palestinian mandate. The start of a war that had not yet ended.

Today the population, that of the combined territories of Israel and Palestine, had reached near fifteen million people, including both Jews and Arabs.

CHAPTER 91

Chicxulub

Kennedy's city in the Andes was planned to survive the worst catastrophe, even a killer asteroid. I'd asked him about a direct hit and he replied that was a possibility, but very unlikely, since experts had calculated the probability of an asteroid impacting so near to the point where the Chicxulub asteroid crashed was one in a billion.

But if it was big enough, it wouldn't matter where you were.

Chicxulub not only killed every dinosaur on Earth, but also every other land animal larger than a rabbit.

Pat Kennedy nevertheless thought he was on the right continent and that was all that mattered to him, and with his salt mine deep under a mountain he might just survive, to start all over again, as humanity had after the Mount Toba explosion in Indonesia, which left just ten thousand humans alive on Earth 78,000 years ago.

It was important that he succeed, as asteroids apart, the risks created by humanity itself grew by the day.

His banking business had undergone changes, due to the impact of evolving geopolitical pressures on its different centres of operation. First hit had been INI Moscow as Vladimir Putin's regime became more and more paranoid and Kennedy's partner Sergei Tarasov was forced to flee to Ireland. Then Hong Kong was hit by the Democracy demonstrations, followed by the

pandemic, and now Xi Jinping's vicious clampdown as he brought the former British colony to heel.

For authoritarian regimes, nothing was easier than eliminating troublesome figures who opposed party rule, like Alexei Navalny, the Russian opposition leader, who had already been subjected to an attempted assassination, confirmed by traces of Novichok, a chemical warfare agent, found in his water bottle.

The same went for Russian oligarchs and Chinese tycoons who didn't toe the line.

The latest victim was a Russian oil baron, Vladimir Nekrasov, who died of acute heart failure, just over a year since the previous Lukoil head, Ravil Maganov, had died after falling from a sixth-floor window at the Central Clinical Hospital, also known as the Kremlin clinic.

Lukoil had taken an unusual public stand against Vladimir Putin's war in Ukraine, demanding negotiations to end the fighting just one week after the invasion. The company's board, including both Nekrasov and Maganov, had issued a statement expressing its 'deep concern over the ongoing tragic events in Ukraine and its deepest sympathy to all those affected by this tragedy'.

Billionaire Alexander Subbotin, 43, linked to energy giant Lukoil, where he was a top manager, was also found dead, at a shaman's home, where according to Russian authorities his body was found in a basement room used for 'Jamaican voodoo rituals'.

One theory was Subbotin was poisoned by toad venom that had provoked a heart attack.

Then there was Vladislav Avayev, a former Kremlin official, who appeared to have taken his own life after killing his wife and their thirteen year old daughter. Avayev had high-level links to the Russian financial institution Gazprombank.

Several days later multi-millionaire Sergey Protosenya, 55, was found hanged in Spain, after allegedly killing his wife and their teenage daughter, Maria, with an axe in a grisly murder-suicide.

Kennedy whose links to Moscow through his bank INI wasn't duped. The list was long, too long to be considered accidental. Especially the notably murky death of Dmitry Zelenov, a neighbour of his in nearby Antibes, on the French Riviera.

The circumstances surrounding Dmitry Zelenov's death were remarkably similar to those of Anatoly Gerashchenko, the former head of Moscow's Aviation Institute, who was said to have fallen down a flight of stairs at the institute's headquarters.

Zelenov, 50, was out to dinner with some friends when after feeling unwell he tumbled down a flight of stairs, sustaining serious head injuries, according to Var Matin, a French newspaper.

He was rushed to hospital, but doctors were unable to save him and his death was confirmed by a public prosecutor the following day.

Terror had been refined as a totalitarian tool by Moscow and Beijing since communist inspired revolutions had brought authoritarians to power. Xi Jinping's model was Mao Zedong, a ruthless dictator, responsible for two of the greatest catastrophes to beset China in the 20th century.

The first was his Great Leap Forward, which he believed would transform rural China into an industrial powerhouse. It was estimated that as many as forty-five million people died from the resulting famine.

The second was his Cultural Revolution, which provoked chaos, causing the deaths of millions. In all, it was estimated that seventy million Chinese died under Mao's regime through purges and famine. A devoted Stalinist, he surpassed even his hero's monstrous crimes against humanity.

Innumerable victims were sent to the *laogai* forced-labour camps. *Laodong gai*,³² was modelled on the Soviet Gulag by the Chinese Communist Party. A system of brainwashing prisoners into unconditional acceptance of Party ideology and rule.

These calamitous experiments in socialism, led to the deaths of millions, under Mao's Moscow trained security chief, Kang Sheng, China's Lavrentiy Beria—director of the Soviet secret police who played a major role in the purges perpetrated by Joseph Stalin, and took sadistic pleasure in torturing his victims, Beria was executed in 1953.

³² *Laodong gai* 劳动改 'reform through labour'

CHAPTER 92

Kennedy

Kennedy's financial empire had expanded beyond anything even he had imagined. The reasons were both simple and complex. Like many successful leaders he had surrounded himself with able men. By training he was an accountant, an auditor and a liquidator, a strange combination of financial professions permitted by Irish law. Early on in his business career he had had a few hard knocks that taught him lessons that he had never forgot, though they had not harmed his spirit of adventure and curiosity.

He saw his investments, now spread across all continents, as building for the future, which was nothing unusual in itself, however, he saw the future differently, not as an individual adventure, but that of humanity, which unless something was done soon was set on a path to disaster.

He was different from other leaders, in that Vladimir Putin, Xi Jinping and their likes would die, soon. Kennedy's future was different, he would live much longer, very much longer. It was why he had chosen South America, a young continent, one far from the wars of the Old World. A rich and almost empty continent.

Kennedy's arrival was linked to his project in Costa Rica, a pharmaceutical plant that I now knew was linked to Belpharma and the Galenus molecule, developed by his research group LifeGen. Belpharma had launched a trial product designed as an

anti-ageing supplement, one that contained a measured version of the molecule, which even with its low dosage offered much more than the promises the usual snake oil supplements did.

The object was expanded clinical trials under the heading ‘plant extracts’, to test the effectiveness of the molecule and conformity trials under REACH, which is to say European regulations, and the Nagoya Protocol guidelines for certification.

Much of this work had already been undertaken by LifeGen, but before work commenced on production, it was necessary to meet all regulations required by diverse legislation in the European Union and then the USA.

The potential was enormous, because once proven on a large scale, the product could be reiterated in multiple forms and with solid patent and copywrite protection would be worth billions.

Kennedy’s projects were enough to keep many men busy and if his Galenus programme wasn’t enough there was Ciudad Salvator Mundi in the Andes, a few hundred kilometres to the south. That together with Matt Halder’s documentary film in Darien, which had been given a new slant with the arrival of Chinese immigrants, explained why Kennedy leaned on Henrique and myself to supply him with a constant flow of information bypassing all conventional business procedures.

The stakes were high with little time for formalities.



Darien was the destination of an ever growing number of immigrants that poured into Colombia in their attempt to reach the US overland, through Central America and Mexico.

Secrets Book III The Bezzle

In Necocli, a small coastal town situated in the Colombian state of Antioquia, they joined a weary crowd waiting for a fast launch to cross the broad bay of open sea to Capurgana in Choco, the neighbouring Colombian state, which shared the border with Panama.

Recently the crowd included a good number of Chinese, those who had lost faith in the future of Xi Jinping's promises, and unsurprisingly, many Cubans and Venezuelans, fleeing their dysfunctional states.

The Cubans had quit Havana by various routes, some via Nicaragua others via Venezuela, Colombia and Panama, as Cuba's economic endless crisis deepened. The former was for those with sufficient money and family links, the latter was reserved for the poorer.

Countries like Nicaragua required no visa for Cuban migrants, and was one of the easiest route to get to the US.

The nearest entry to the US for Cubans was Key West in Florida, just 150 kilometres from Havana by sea, however, unlike Mexico, Florida did not offer a legal point of entry into the US.

In the same way, as the Chinese economy slowed down, more Chinese migrants were tempted to risk the perilous journey to the US border via Colombia and the Darien Gap. Arriving by air, road and on foot, through numerous countries.

They joined the Cubans, Venezuelans, Ecuadorians and Haitians, after discovering the route on social media, a means to escape fading job prospects for young people and the increasingly repressive political climate at home.

Immigration from China was not new, but the Covid pandemic had halted arrivals. But now the numbers reached 30,000—three times more than during the prosperity of the boom years.

They were those who had decided *runxue* was the only possibility. They were made up of white-collar workers, small business owners, and even well-off families, those who didn't qualify for a visa.

The most popular route was through Ecuador, which had no visa requirements for Chinese nationals. From there they made their way into Colombia to embark on their trek north through the Darien Gap and across the countries of Central American and Mexico to the US border. The trek had another name in Chinese, *zouxian*.³³

In 2023 almost 25,000 had been tempted by *runxue* and *zouxian*. Others headed for Southeast Asia, Europe and Australia.

Those confronting the Darien Gap were helped by YouTube and social media with advice on what was needed, how to find guides, how to survive and what to avoid as well as how to bribe police on the way, and what they needed to know when confronting immigration officials in the US.

Their voyage could cost many thousands of dollars, which they would have to reimburse to their families and lenders.

Their hope was to be granted asylum in the US, a long process, though most simply faded into the crowd.

³³ 走线 *zouxian*, walking the line

CHAPTER 93

Belize

'human existence is fleeting'

Belize, a former British colony, independent since 1981, was a small country overlooking the Caribbean, wedged between Guatemala and Mexico. Few could place Belize on a map and sadly even fewer cared much about it. However, for those who knew Belize, it was a laid back corner of Central America with fine beaches, ancient ruins and the home to an extraordinary variety of life with its tropical rainforests.

In fact Belize along with Guatemala, Mexico and Honduras lay within the borders of what had been one of the great pre-Columbian civilisations, that of the Mayas.

Today, what had been a land of cities, villages and farms, was to a great extent covered by tropical rainforests after nature repossessed what was its own following the collapse of the Mayan civilisation, as it probably would after the Doomsday collapse Kennedy feared.

In the meantime jaguars and jaurundis roamed the rainforests of Belize together with many other animal species, including tapirs, peccaries, monkeys, crocodiles and other reptiles. Countless of species of birds, amongst them scarlet macaws, lived in its trees where hundreds of different orchids and exotic plants thrived.

Deep in the forest lay the remains of pyramids and temples, and beneath the tangle of vines and creepers were the yet hidden treasures of yet to be discovered Mayan cities as in nearby Guatemala.

During the centuries when the Mayan civilisation flourished in Belize, its peoples had developed complex agricultural techniques, including terracing and irrigation systems, cultivating staples like maize, beans, and chocolate.

In addition to their complex writing and mathematics systems, the Mayans had invented highly advanced calendar and astronomical systems. Their sites are witness to advanced architectural and artistic skills with pyramids, temples, stelae and sculptures.

After the collapse hundreds of years passed during which the remains of cities were consumed by the forest commercial loggers appeared in the 19th century in search of mahogany and other valuable hardwoods, laying waste to what was already a reforested land.

The population of the Mayan heartland was estimated to have been as many as ten million in what we now know as the Yucatan Peninsula, from the Sierras in the south to the Caribbean in the north, an area about the size of France.

It was a fact that belied the long told story of the New World's emptiness in a region that had already known two waves of civilisation before the arrival of the Europeans.

Rise and decadence defined the three periods of Mayan civilisation—the Preclassic, Classic and Postclassic. The earliest sites discovered in Belize dated from around 2600BC. The exact

cause of the collapses were unknown, but strife was evident from the archaeological record, a time when wars were frequent and cities, some of which had grown to as many as one hundred thousand inhabitants, were abandoned.

The land surrounding cities had been intensely cultivated, and many archaeologists advanced the hypothesis of climatic change and drought as being a possibility.

The collapse of the Postclassic period came with the arrival of the Conquistadors, when much of the Peninsula fell back into a quasi primeval state with the rainforest repossessing its domain.

One historian spoke of overpopulation, competition for resources, ideological decline with failure of the kinship system, drought and environmental degradation; all leading to malnutrition, disease, lower birth rate and social disintegration.

Sounds familiar doesn't it!

Anyway, in the mid-19th century, the loggers appeared, opening up the forest to farmers of all kinds, and men encroached into the natural habitat, destroying its biodiversity as they progressed. Large swathes of forest were laid to waste, and what remained became fragmented, impacting the flora and fauna.

However, the region was large and much of what remained of the cities and monuments of the Mayan civilisation lay hidden, overgrown by the vegetation, deep in the rainforest, waiting to be discovered by archaeologists who dreamed of becoming another Forsythe or a more Hollywoodian Indiana Jones style explorer.

The Yucatan rainforests were still threatened by illegal logging, poaching and climate change, and their impact on the forest's ecosystems and its threatened species.

Caracol, long ignored, was the site of one of the most important regional political centres of the Maya Lowlands, dating from the Classic Period, covering an area of some 200 square kilometres, much larger than Belize City as it is today with more than double its population.

It had also been a religious and cultural centre, influencing a region that encompassed today's Belize, Guatemala and Honduras.

The Maya Forest was the second largest continuum of moist tropical forest in South and Central America, after Amazonia, and remains an important centre of rich biological diversity.

CHAPTER 94

A Lot of Cod

The eastern region of Ukraine had become known as the ‘meat grinder’ after nearly two years of war. A stalemate where Russia threw tens of thousands of young men to their deaths as Ukraine put up a fierce resistance, losing almost as many soldiers as Russia.

It was a battle that resembled WWI with both armies defending trenches. There was a difference, however, that of technology with the war becoming a proving ground for new arms.

The problem was Russia had more men to waste, even if it was forced into buying junk arms from China, Iran and North Korea.

Historically, Russia had waged wars with numbers, when attrition was high, but not synonymous with defeat.

Vladimir Putin it seemed was determined to win whatever the cost. His ambitions, evidently, went far beyond Ukraine and experts said he would not stop until he has restored the Russian Empire, at least in part, with his next victims the Baltic States, Finland, Poland, and perhaps the countries of former Soviet Central Asia.

Other analysts and policymakers portrayed Putin as being bent of genocide—his object was to destroy not only the Ukrainian state, but also its people and culture. As the historian David Marples put it, ‘The Russian leadership seeks to depopulate and

destroy the entity that has existed since 1991 as an independent Ukrainian state.’

As the atrocities committed by the Hamas morphed into a bloody war, I wondered what the fuck was happening to the world. I was seriously beginning to think Kennedy was right. We were doomed if we didn’t change.

The world was in a sorry state, from China, where it now transpires everyone at the top had their hands in the cash box, up to their elbows, to Russia’s brutal war on Ukraine, and now Israel, which as the victim of a terrible crime, felt justified in killing countless women and children, who to them were mere collateral victims of war.

Volodymyr Zelensky had spoken of ‘an obvious policy of genocide pursued by Russia,’ mass killings of civilians, the torture and rape of detainees, the deliberate bombing of residential neighbourhoods, and the abduction and deportation of Ukrainian children to Russia.

Ireland’s position was more nuanced, the Taoiseach, Leo Varadkar, whilst saying that Israel has a right to defend itself, added, ‘Israel does not have the right to do wrong’, concluding, ‘To me, it amounts to collective punishment.’

The position of Irish journalist, Bryan MacDonald, working for RT TV in Moscow was equally nuanced when it came to Ukraine, who for his trouble was sanctioned by the UK government for his cooperation with Russia and banned from entering the UK.

Ireland’s own history, victim of occupation, colonialism, sectarian strife, and its struggle for independence and peace,

made for a strong argument with empathy towards the victims of occupation and violence.

Michael D Higgins, Ireland's outspoken president, on a visit to Rome, as the bombing of Gaza escalated, was firm in his response to Israel's actions. 'To actually announce in advance that you're going to break international law and announce it again and again, and do so on an innocent population, I think that it really reduces all that cod...about the protection of civilians, to tatters.'

CHAPTER 95

Doomsday

Never before had hands of the Doomsday Clock been so close to midnight, the point at which the Earth would become uninhabitable for man.

The clock was established as a central theme of a journal called the Bulletin of Atomic Scientists in 1947, founded by scientists and engineers who were closely linked to the Manhattan Project—the development of the atomic bomb.

At the beginning of 2023, the hands of the Doomsday Clock were positioned at just 90 second before midnight, which didn't seem to excessively worry leaders and their voters.

It wasn't surprising with the war in Ukraine, the destruction of the environment, the relentless rise in the consumption of fossil fuels and climate change.

The Ukraine war and the breakdown in relations between Western powers and Moscow, resulted in Russia's withdrawal from the New Start Treaty at the beginning of 2023 and its announcement early in November that it would also withdraw from the Comprehensive Nuclear Test Ban Treaty towards the end of the year.

At the outset in 1947, the Doomsday Clock was reset at the beginning of each year by the bulletin in reference to the threat of nuclear war between the Cold War belligerents—the US and the USSR.

In 1961, Russia tested the Tsar Bomba, a 50 megaton aerial bomb, tested over the Novaya Zemlya Islands in the Arctic. It was the most powerful nuclear weapon ever tested. Today, in addition to the US and Russia, nuclear proliferation has been extended to France, the United Kingdom, India, Pakistan, Israel, Iran, North Korea and China, the power to destroy the world many, many, times over.

Now, the panel of scientists in charge of the Doomsday Clock had added to their calculations the threat of climate change.

Today's setting at 90 second before midnight was in stark contrast to that fixed at the end of the Cold War, when the hands of the Doomsday Clock's hands stood at 17 minutes before midnight.



Some things however never changed. One of them was Argentina's perpetual economic crisis. A few days after Javier Milei won Argentina's presidential elections, the country's national currency, the peso, fell by 12 percent. It was a continuation of that endless crisis and the 140 percent inflation which had continued to convulse the country, catapulting Milei to power.

He described himself as an anarcho-capitalist libertarian who wanted to replace the Argentinian peso with the dollar, which considering its collapse was perhaps not a bad idea.

His declarations would not do any good to the country's relations with the BRICs bloc, to which the previous government

had expressed its desire to become member, a move supported by China.

Aligning Argentina with a bloc to which Russia, China, Brazil, India, and South Africa belonged and to which Iran or Saudi Arabia aspired to join, was not part of Milei's plans.

Milei, a 53 year old economist and former television pundit, had placed dollarisation at the centrepiece of his plan to save his country.

The truth was about 10 percent of all American dollars in circulation was in Argentina, more than in any other country outside the US, with about 4,400 dollars in cash for every Argentinian, compared to just 3,100 dollars for every American. However, the only fly in the ointment was Argentina's government was basically bust with few pesos or dollars in its treasury.

Unfortunately history had never shown dollarisation to be a panacea for the countries of Latin American that had attempted the solution.

In spite of that a majority of Argentinians agreed with Milei, given the country's unsustainable situation, the fault of successive governments' mismanagement and overspending.

At the start of the Covid pandemic, one dollar bought 80 pesos, now after Milei's election, it bought 800 pesos.

CHAPTER 96

Mexico

COP28 opened with the usual grandstanding, as presidents and ministers were greeted by Arab sheiks in flowing white robes, neatly trimmed beards, smiling darkly under their keffiyeh. On one side the representatives of industrial nations and the would-be developing world, all consumers of oil and gas, arrived, smiling anxiously, hoping their hosts, on the other side, would continue to pump oil and gas at favourable prices, to meet their burgeoning needs.

It was a strange pantomime played to the world media whilst humanity plunged happily forward under the grim shadow of doom and carbon pollution that heated our atmosphere and seas to ever more unsustainable levels.

The conclusion of COP28 was to ‘transition away from fossil fuels’, which as one journalist put it, ‘was akin to promising your doctor that you would transition away from smoking after being diagnosed with lung cancer.’

It wasn’t surprising, COP28 was held in Dubai, in the very heart of the petro-dollar kingdoms, the home of the greatest source of pollution on Earth.



Amongst the major energy producers was Mexico, of which little was said considering it was the fourth largest producer in

the Western Hemisphere, exporting 20 billion dollars of oil products yearly, mostly to the US.

That was not the only thing that puzzled observers about Mexico. The other was the sudden rush of Chinese companies into Mexico, which on closer examination raised the question as to whether or not Mexico was about to replace China as the world's factory?

At first view this could have appeared incongruous, considering Mexico's bent for killing, kidnapping, theft, robbery and extortion.

I'd read that more than 33,000 people were killed each year in crimes related to narcotics, lawlessness and plain murder. What's more kidnapping was common, as was robbery and sexual crimes.

Not very inviting, especially for investing in law abiding businesses such as pharmaceuticals, agriculture and construction.

Well the answer was Mexico had a large educated population, around 130 million, its own energy resources, a long border with the US, and was part of the North American Free Trade Agreement with the US and Canada, where another 62 million Latinos lived.

Edouard's friend Zheng Qingyang, told me that you have to pay protection fees, build links with the Federal Police, hire security firms and bodyguards. Something that didn't seem to discourage the Wangs, they'd experienced that kind of thing in Cambodia and Papua New Guinea.

Mexico was a hub for intermediate goods exported from China, which after being assembled were re-exported to the US, Canada, Central America and the Caribbean.

In 2023, Mexico was the largest trading partner of the US and had become a magnet for Chinese investors.

To convince us Edouard's friend in Cancun organised a visit to a Chinese owned plant near the Port of Altimira, Tampico, on the Caribbean coast, 500 kilometres to the south of the Texas border town of Brownsville, with San Antonio and Huston another 300 kilometres further to the north.

The principal reason for choosing Tampico, in the Mexican state of Tamaulipas, according to Edouard was its seaport. That and its relative proximity to the US. Hardwood timber for Delta's planned sawmill and furniture manufacturing plant in Mexico could be imported from the Caribbean Basin, South America, Africa, and Asia via the Panama Canal.

It was 10,000 kilometres from Shanghai, but five hours by road to the US, or an hour's flight to Houston.

The plant lay in an industrial zone, the Altimira Industrial Park, a joint venture between Chinese and Mexican investors

We were met by a director of the industrial park where a number of Chinese companies had established assembly plants, as the US disinvested in China. These were in electronics, automobile components and household furnishing.

Chinese investment in Mexico had increased tenfold over the previous decade, betting on the country to replace Southeast

Asia as the US turned to North America as the risk of conflict grew in Asia.

The Wangs interest was in producing doors, windows and other home fittings, in other words Delta Group products.

Mexico was rich in natural resources, oil, natural gas, and coal. A dynamic population of 130 million, 60 percent of which were of working-age, offered a highly attractive manufacturing base, serving a wide range of industries, including petrochemicals, power, mining, metallurgy, manufacturing and of course exports.

It was the principal purpose of setting up business in Mexico, exporting to its partners in the North American Free Trade Area—namely the United States and Canada, a vast rich market.

As the US hiked tariffs on Chinese goods in retaliation for unfair practices, many Chinese businesses were attracted to Mexico, which offered a good transit point for the assembly of semi-manufactured goods. There thanks to low labour costs and an advantageous geographical location, goods could be assembled and exported tariff free to the US.

There were, however, hidden charges, relatively higher wages, lower productivity, land and construction costs. But that was seen as a tax for access to the world's largest and most profitable market.

For the Wangs and many other Chinese, investing overseas was also a means of exporting capital, and Mexico was a destination far from China and its spies.

CHAPTER 97

A Lunch in Style

Pat Kennedy called me to meet him in Paris to review his Belpharma project in Central America which now seemed to be a choice between Costa Rica and Columbia. He invited me to lunch at Laurent, a top restaurant on the Champs Elysees.

I was flattered, though I wondered what exactly he had in mind, he called it a working lunch, discuss the follow-up. He'd already received my written report and I supposed he had the next moves in mind. What exactly, left me a little wary. I was getting used to his so-called missions, which had already landed me in some complicated not to say fucking dangerous situations.

The restaurant was situated on avenue Gabriel, just behind the Elysee Palace, the French presidential residence. We had a table in a quiet corner overlooking the gardens.

Laurent had started out as a hunting lodge, then with the French Revolution it was democratised, transformed into a popular dance place for the people, that was before it was rebuilt for King Louis Philippe after the Bourbon Restoration of the monarchy.

Now, with its columns, silver candelabras, fine oil paintings, white table cloths and silver cutlery, it was refined, but to my mind rather staid, for old men.

I suppose Kennedy found it discreet, he was an important man and didn't want to be the object of paparazzi, anti-capitalists, ecologists or whatever.

We talked about Central America, Mexico, geopolitics, and business, Belpharma and Galenus, and Ciudad Salvator Mundi. It was rather vague, but if got it right, he confirmed my role and a meeting would be arranged with the rest of the team.

I wasn't complaining, I had a considerable degree of autonomy, I reported to Kennedy, with my base in London on Queen Anne's Gate at the Fitzwilliams Foundation. In the meantime I still had the place at Seacrest in George Town which he told be to hold onto.

When the coffee arrived he said he wanted to show me something at the Hôtel de la Marine on place de la Concorde. Well, I should remind you that it was not a hotel, it was derived from Latin, inherited from the Middle French word hostel from the Old French, and Late Latin hospitāle. It was commonly used in France for town halls, the mansions in Paris of historical figures like the Hôtel particulière de Sully in Le Marais as well as certain official buildings.

If I remembered rightly, the Neoclassical style building on the north side of place de la Concorde was built by Louis XV as his Furniture Store. It was a funny name for a place to store furniture, especially with its grand and imposing style.

The weather was fine and we walked from Laurent along avenue Gabriel past the American Embassy to place de la Concorde.

On the north side of the vast square were two landmark buildings the first was the Hôtel de Crillon, built in 1758, and next to it, across rue Royale, was its symmetrical twin the Hôtel de la Marine.

With their Neoclassical architecture and façades, commissioned by Louis XV, the two splendid edifices had survived the fall of the monarchy and the French Revolution, the rise and fall of the Napoleonic Empire, the Second Empire, the Franco-Prussian and two World Wars.

So much for history.

Kennedy pointed to the coach entrance of the recently renovated Hôtel de la Marine, where I discovered from the posters there was an exhibition, The Treasures of the Middle Ages from the Al Thani collection, loaned by Sheikh Hamad bin Abdullah Al Thani, first cousin of the Emir of Qatar.

Kennedy had prepaid e-tickets on his phone and we were offered audio guides, which he waved aside turning towards the stairs that led to the exhibition on the first floor.

The exhibition was housed in one part of the floor overlooking the north-side of a central court. The lighting was subdued, almost non-existent, except for the display cases and bright points of light like stars on the ceiling and walls.

The first thing I saw was a stone head, obviously not from the Middle Ages, more oriental, then penetrating further into the dark there was another head that took my breath away. On closer inspection it was a mask, a Mayan mask, of wood, jade, resin, shell, mother-of-pearl, spondylus shell, obsidian and red pigment. It dated from the period between 200–600AD.

There were many other marvels to see, but this was clearly the focus of Kennedy's attention.

On the way out we stopped at the museum bookshop, where Kennedy bought a glossy catalogue of the Al Thani collection and handed it to me.

Then leaving the Hôtel de la Marine we were met by Kennedy's driver who pointed us to the car waiting outside the Crillon. Kennedy instructed the driver to drop us off at the Ritz and his suite overlooking place de la Madeleine where he ordered coffee.

'Did I ever tell you the story of Kinich Ahau, Michael?'

'No,' I replied sipping my coffee.

'It was a jade mask we fished up during the excavation of the Santa Fe, off the Colombian coast.'

I put on an interested smile.

'A similar mask representing Kinich Ahau, the Sun God, a Mayan divinity, was found in a tomb at Altun Ha, near Belize City, in 1968,' he explained.

Kennedy was a collector interested in archaeology, especially pre-Colombian archaeology.

'It was discovered by a Canadian, David Pendergast of the Royal Ontario Museum, together with forty other carvings. It was one of the largest Mayan jade carvings ever found, dating from around 600AD.

‘What was interesting was its size, a unique piece, especially as the Maya had no metal tools, that means it was carved from a single block by stone tools, using sand as abrasive to finish and polish it.’

He like talking about his adventures and collections.

‘The jade carving of Kinich Ahau is now in the museum of Belize City.’

‘What about the one you found?’ I asked.

‘Ah, that’s an interesting question Michael. I’ll tell you about that later. What interests me today are the new discoveries that have been made in Guatemala.’

He was getting to the point.

‘I’ve thought over your report Michael. There are several things that interest me. From the business point of view, I’d like to learn more about Chinese investment in Mexico.’

We talk about Tampico and Delta’s project.

‘Yes Michael, Mexico’s going to be big as the US disinvests in China. I liked what I read in your report and I’d like you to continue your work on that.’

Well it was better than Africa, I thought.

‘But coming back to our mask...’ he paused and I waited for it.

‘Have I ever spoken to you of Ken Hisakawa?’

‘Yes...after Roatan, we, Lucy and I, met Ken at the Copan ruins.’

‘Of course you did.’

I wondered if he’d read my report.

‘Well...I met Ken a few years back, by chance, at a place called El Castillo, on the Rio San Juan, where Costa Rica and Nicaragua meet.’

He told me how Ken had been hired at that time by a company called Environmental Resources Management to work on an environmental impact study along the planned path of a Nicaraguan canal, a Chinese project to build a trans-oceanic canal, an alternative to the Panama Canal.

‘You see Ken saw the report as a cover-up, a public relations operation to hide the facts.

‘But what kept him going, was the discovery of a lost civilisation deep in the remote Honduran jungle and the legendary City of the Monkey God.’

Pat went on to describe it as a once in a lifetime opportunity for an archaeologist with the rumoured existence of plazas, earthworks, mounds and pyramids, pointing to an unknown culture that had suddenly vanished off the face of the earth more than a thousand years before.

Pat spoke like he was mesmerized by his story.

‘Ken had been putting the finishing touches to his work, gathering his material together at El Castillo after several months in the jungle.

‘I suppose it was our common interest in the history of Central America. I remember we talked deep into the night carried away by our enthusiasm.

‘Ken with his science and myself with the means necessary to finance his project brought us together. It was a secret plan, as in a country as lawless as Honduras, any publicity would attract the attention of looters and bandits.’

Pat paused, suddenly aware he was getting carried away.

‘What I’d like you to do is meet Ken again, in New York, talk about his plans in Guatemala and Belize. I’ve prepared some notes on the various matters that interest me in Mexico and Central America. You understand Michael, I’m a little overloaded with urgent business linked to what’s going on in China and Hong Kong, so I’m counting on you.’

He stood up and opened the drawer of a Louis XV writing desk and took out an envelope.

‘I’d like you to follow this up and keep me informed. As usual,’ he said smiling.

He handed me the envelope. ‘Take this with you, go over it carefully. It would be good if you could leave say next week. I’ll inform Professor Hisakawa. I’ve spoken to John DeFrancis. There’s no problem with foundation’s accounts manager,’ he said raising his eyebrows. ‘They’re providing you with everything you need to cover expenses?’

‘No, no problems there.’

‘Good.’ He then stood up, indicating our meeting was finished.

He smiled. ‘Don’t hesitate to contact me if you have any questions Michael. You know where to call me.’

He walked to the door of his suite, the sudden end to our meeting catching me a little off guard, leaving me no time to formulate the questions that were flooding into my mind.’

Before taking a taxi to the Gare du Nord, I stopped off at Galignani, an upmarket bookshop, a short walk from the Ritz on rue de Rivoli, where I took the opportunity to pick up a couple of books, one on the Mayas and another in the same section that caught my eye, ‘The Lost City of the Monkey God’. On the Eurostar back to London I read through Kennedy’s notes, glanced through the Al Thani catalogue and the history of the Mayas, before turning my attention to the story of the Monkey God.

That region of Honduras covered over 80,000 square kilometres, rainforests, swamps, lagoons, rivers and mountains. Described as the Portal del Infierno—the Gates of Hell. It sounded like the Darien Gap, a region of Panama I had explored a couple of months earlier.

On arriving at St Pancras in London, a couple of hours after leaving Paris, I have to admit I was puzzled with many more questions than answers.

The next morning I went to the Foundation’s offices, where John DeFrancis greeted me with a knowing smile.

‘I understand you had a good meeting with Sir Patrick.’

‘Yes,’ I nodded.

Secrets Book III The Bezzle

‘Good. Off to New York I see. You’ll be busy. Just let me know if you need anything special.’

I smiled.

‘He’s a busy man, a lot on his plate,’ he added.

CHAPTER 98

Gold

Casinos were not the only source of Chinese wealth in Laos. There were also gold mines. One of them, Chifeng Gold, one of the world's largest mines, a Chinese company, was situated at Sepon in Savannakhet Province. The mine was about 50 kilometres from the Laos-Vietnam border, at the same level as the old Vietnamese imperial capital of Hue, another 200 kilometres to the east by road.

Since 2003, the Sepon gold, copper and rare earth mine had produced over 1.1 million tonnes of copper and over 53 tonnes of gold. The value of that gold at today's price was about two billion dollars, and the copper eight billion, a lot of money by any reckoning.

The Golden Triangle, historically notorious for opium, was a hub for gold smuggling. Only two currencies have remained constant in the area—narcotics and gold, the latter used in payment for the drugs sold to buyers from Thailand, Laos, Cambodia and beyond.

The Singapore Exchange was Southeast Asia's principle market platform, where gold was traded via gold dealers and bullion banks, with non-stop round-the-clock trading.

The Singapore Exchange and the Singapore Bullion Market Association oversaw the trade in gold which allows businesses

and individuals to import, export, buy and sell the precious metal without limit.

There were no laws or regulations preventing any business or individual from importing gold bars and bullion from overseas. In fact, the Singapore government encouraged investors and consumers to store their gold in Singapore, where there were no goods or services taxes on the import of precious metals for commercial or personal use.

The city state offered storage facilities for precious metals with Brinks operations at its vault in the Singapore Freeport.

In addition, there were no laws imposing limitations as to how much gold could be owned in Singapore by businesses or individuals. Gold was considered a form of personal wealth, and like cash there was no restriction on how much of it could be owned, and even better there were no capital gains taxes, export taxes or estate taxes for holding gold bullion in Singapore.

Curiously Singapore's main export market for gold was Cambodia, where it had exported billions of dollars worth of the metal. Much of that gold was then smuggled into Vietnam, but a large part of it went unaccounted for, where it went was a mystery in a country as corrupt as Cambodia, but I wouldn't have been surprised if part of it had been transported on Delta's Airbus, and probably not for the first time.

Singapore's main competitor was Dubai, one of the largest gold trading hubs in the world and the United Arab Emirates the second largest importer of gold by volume, and a privileged destination for money launderers and gold smugglers.

Many of these criminal group supplied African gold, though not all of it came from Africa. Russia, the world's third largest producer, transited its gold through various African countries, thanks to the Wagner Group and its bases situated in many countries across the continent.

Dubai's free ports were at the heart of this strategy, with no taxes and duties, negligible bureaucratic red tape and arrangements that facilitated the quick repatriation of profits.

Gold from Africa, and indirectly Russia, arrived at Dubai refineries, where it was melted down again and cast into gold bars with the refinery's hallmark. All evidence of its origin was erased, effectively removing links to with Russia and strife ridden African countries subject to Western sanctions. In that way gold delivered to Dubai refiners was transformed into new gold, which could be traded on international exchanges for dollars and banked as clean money.



Wealthy Chinese businessmen and their families were smuggling billions of dollars out of China into offshore accounts as fears grew that Xi Jinping's motives were a backward step, imposing harsher government controls over the freedom of expression and life in general, certain even feared Xi was heading towards an authoritarian communistic style economy, one that had never worked, anywhere.

Their reaction was to invest their money in foreign property, stocks, or into bank accounts, smuggling cash over the border into Laos and Myanmar, where it could be laundered for a price

in anyone of the hundreds of Chinese run casinos that were springing up all across Southeast Asia.

As the upper-middle class Chinese poured millions into apartments in Tokyo, London and New York, or into foreign bank accounts that paid higher interest rates than in China, others were attracted by the glint of gold, transforming cash into gold bars that were smuggled down the Mekong River to the South China Sea and on to the bullion markets of Singapore and Dubai.

Chongqing, one of China's largest cities with a population of over 30 million, lay less than five hours from Kunming in Yunnan Province by high speed train. From Kunming, another high speed train could reach Jinghong, in the Xishuangbanna Dai Autonomous Region, which lay four hours further to the south nearer the Laotian frontier.

Xishuangbanna was the home to the Dai people, an ethnic minority, situated in a mountainous region, cut into two parts by the Mekong River, where China met Myanmar and Laos in the dense tropical rainforest where wild elephants still roamed.

It was estimated that 50 billion dollars were flowing out of China each month, on behalf of businesses and individuals. Worried Chinese had become very inventive, opening bank accounts in Hong Kong in huge numbers, using them to buy everything from property to shares, gold and precious stones.

The best way was through casinos and since Macau had become more regulated, they resorted to Southeast Asia, where hundreds of physical casinos existed, as opposed to virtual online gambling sites. Many of these casinos had been infiltrated by organized crime, functioning like a shadow banking system

that allowed people to move money quickly and seamlessly from one jurisdiction to another with almost no restriction.

Gambling had long attracted organised crime, but the explosion of new casinos in Myanmar, Cambodia, Laos and the Philippines was encouraged by loose or non-existent regulations and endemic corruption.

Those countries in an effort to attract foreign investment had wooed Chinese casino operators at a time when China cracked down on gambling and organised crime began investing in casinos offshore, developing Special Economic Zones in Myanmar and Laos where corruption was endemic.

These Special Economic Zones, complete with casinos, hotels and tourist attractions, became the target of gambling trips for high-rollers, attracting criminal syndicates specialised in moving money across borders.

CHAPTER 99

‘enough is enough’

Valentina and Ma-prang had heard the stories of Laukkai in Kokang in the northeast Shan State of Myanmar. Laukkai bordered the Chinese Province of Yunnan border. Kokang was a disputed region populated by ethnic China, speaking a Chinese dialect, much closer to China in every sense than the majority of the Burmese population.

The region was small with just 150,000 inhabitants all of which were ethnic Han with one third holding Chinese nationality, in fact the region was claimed by China.

Shan Province was now caught up in multiple ethnic conflicts part of a vicious war against the central government in Rangoon.

With a population of 25,000 Laukkai was notorious for its gambling, prostitution, human trafficking and online scams.

Just three years earlier a group of heavily armed gunmen attacked three casinos. In the pitched battle that followed one person was killed and almost 300 staff were taken hostage, leaving 20 burned-out cars lying on the road in front of the hotels, after the gunmen escaped with several million dollars.

With conflict raging in Myanmar foreign visitors were forbidden to enter the country and the two young women decided to take the Chinese high-speed train from Vientiane to Kunnan the capital of Yunnan from there they made their way

back to the Kokang border where they obtained a seven-day tourist visa to Laukkai.



Laukkai

There they discovered a new city like the one they had seen in Golden Triangle Special Economic Zone at Bokeo on the Mekong in Laos, but bigger, 30 casinos and 50 hotels, some 20 storeys high. A flourishing city where the streets were filled with Mercedes, Land Cruisers, Teslas and other upmarket cars all without licence plates.

It was difficult to realise they were in Myanmar, Mandarin was spoke everywhere and the official currency was the Chinese yuan. Even the shops and buildings looked Chinese with few signboards in Burmese and few people wearing the traditional Burmese longyi.



Laukkai seen from the air

Casinos operated inside large hotel compounds complete with gardens, restaurants and shops. Almost all were design in the usual elaborate kitsch styles, sporting names like Henry and Kint Kyan.

Aided by modern telecoms and far from law enforcement, it is now the world's unrivalled cybercrime hotspot, where armies of 'dog-pushers'—as the lowly trafficked scammers are known worked in harsh conditions, like prisoners.

In fact the scam factories, some in multi-storey buildings, were in effect prisons, where the inmates slept eight to a cell, from China, Taiwan, Malaysia, and elsewhere across Asia, forced to work as scammers, operating with the modern telecommunications and IT systems, working online for as much 17 hours a day.

A vast scamming industry had sprung up, organised and controlled by Chinese criminal organisations, gambling both physical and online, crypto fraud, romance-investment cons, and money laundering.

Young women using attractive photos gleaned from social media were forced to pose as sales agents to dupe mostly American victims out of as much cash as possible. Those who didn't meet their target of two or three thousand dollars a week were subjected to beatings and torture.

Some tried to escape, some died by jumping from the roofs, others were pushed.

Since seizing power in a coup d'état at the beginning of 2021, Myanmar's military junta had waged a bloody campaign to control the country, killing thousands and transforming the Golden Triangle to a war zone. There, ethnic rebel armies allied to the opposition, like junta-aligned militias depended on criminal gangs to fund their operations.

At the same time opium production exploded after the return of the Taliban in Afghanistan where production had plummeted to almost zero, leaving the way clear for the cultivation poppies in Myanmar, which more than doubled in 2022 and continued to grow.

Across the region it was estimated 1,000 scam prisons, generated as much as 20 billion dollars a year. In 2022 alone, pig-butcherings and other online cyber scams had cost Americans some 2.6 billion dollars, according to the FBI, forcing authorities in the US to set up a nationwide taskforce based in California to combat online scams.

In Southeast Asia there was a general consensus among leaders that cyber crime be eradicated, and in particular the scam scourge, but authorities were powerless to tackle organised crime.

The rise of cryptocurrency provided a virtually untraceable way of collecting and sharing loot. The main obstacle was the civil war that was raging in Myanmar complicated by China's economic slowdown with no shortage of jobseekers desperate to find work.

The only authority with any real power was Beijing, given China's influence across the region and the fact that its citizens were both victims and perpetrators. Pig-butcherings were almost without exception run by the triad who had set up shop on China's periphery, where the scale of crime and its transnational nature was complicated by multiple jurisdictions and corruption making it a difficult task for law enforcement bodies to investigate and prosecute.



The Wang's were spreading their bets. Henry wasn't abandoning a lifetime's work in China, it was wait and see, rather than burn his bridges, like the old Chinese adage, watch the fire from the other bank.

In the meantime they were using the loopholes created on the lawless frontiers of China to facilitate capital flight and the expansion of the business overseas.

I was learning fast from Pat Kennedy and Henry Wang.

Finally Evergrande was ordered to liquidate by a Hong Kong court, the world's most indebted property developer failed to convince the court that it had a viable restructuring plan, after having been given seven extensions since court proceedings were first brought in June 2022.

The judge delivered the ruling with the ringing remark, 'it is time for the court to say enough is enough'.

Already Chinese were voting with their feet. At the southernmost edge of California, Chinese immigrants passed through a one metre wide gap in the US-Mexican border wall near Tijuana, it was as if they were tourists trip on a day trip to California.

They had arrived in a passer's air-conditioned SUV, and were dropped off like at a railway terminus. They included bankers and small business owners. Some had made the gruelling journey across Central America with their backpacks, the middle-class migrants had flown in directly from China via Mexico City and Tijuana, pushing their roller bags. Others had arrived via Ecuador, which didn't demand visas for Chinese nationals.

They were the lucky ones. The less fortunate, poorer, had crossed rainforests, mountains and deserts along narrow trails through canyons, confronting rattlesnakes and tarantulas. Where temperatures varied between freezing and 40°C and an injury could mean certain death.

Hundreds of migrants died each year along the isolated trails abandoned by their guides.

Secrets Book III The Bezzle

Not far from San Diego, near the small border community of Jacumba Hot Springs, hundreds of migrants were held in detention centres awaiting processing confronted with the harsh weather conditions and their meagre resources.

According to the US Customs and Border Protection agency 37,000 Chinese citizens were apprehended, crossing illegally from Mexico into the US in 2023, 50 times more than two years earlier.

CHAPTER 100

Suicidal

How could Israel right a wrong with another wrong—an action that seemed to me as suicidal as that of its enemies, Iran’s backed Hamas and Hezbollah movements.

It recalled once again the nature of mankind and its innate savagery, instinctive, like the insatiable cupidity of oligarchs and tycoons, who knew no limit, or leaders, whether it was in the expansion of their territories, business empires or the extravagance of their life styles.

It was said Xu Jiayin had an assistant to hold his cigar. The same went for their needless accumulation of jets, yachts and villas. But then again they were no different to their political leaders, it was little wonder they were seen as cannibals in Chinese literature and in the mind’s eye of the peoples they stood over.

Prigozhin, Putin’s pal and mercenary oligarch, raped and looted his way across Africa, as had colonisers of the past, accumulating gold and dollars as he spread havoc with his motley horde of hired rapists and killers, encouraged by Vladimir Putin, on whom he finally turned, before plunging to his own fiery death in a bleak Russian field.

Now that Prigozhin was gone, Putin could count on the Rosgvardia, consisting of 350,000 men, Russia’s internal military force.



Evergrande and Country Gardens were not quoted on the Shanghai Stock Exchange, but on that of Hong Kong. If they were quoted in Shanghai the SCI300 would have been much lower than it actually was. It was why Hong Kong had sharply fallen and Shanghai much less so.

The difference between the two, both in China though with different administrations, was the Shanghai Stock Exchange was heavily regulated by the China Securities Regulatory Commission, a government agency. On the other hand, the Hong Kong Stock Exchange was regulated by the Hong Kong Securities and Futures Commission, which was an independent statutory body established in 1989 under Hong Kong law. The Hong Kong Stock Exchange was more market-oriented and more laissez-faire than Shanghai's.

This double system, of course, arranged the affairs of the Chinese economy, allowing two different systems to function at the same time under two different sets of complimentary regulations.

Of the world's estimated 2,640 billionaires, about a fifth of them were Chinese, a remarkable feat for a country that was ruled by a hardline communist system not so long ago.

But that serendipitous situation was about to change, if Xi Jinping got his way. At least that was the way certain Chinese billionaires were thinking, as crackdowns on tycoons and their political cronies shook the politico-economic climate of the country.

It was no wonder many of China's rich, Henry Wang included, were dusting off their plan Bs, which started by moving their money out of the country.

It was almost laughable that Chinese individuals were only allowed to transfer 50,000 dollars out of the country each year. Any Chinese business man worth his salt, especially those in import-export sectors, had the means to move sackfuls of money out of China, or to circumvent it completely.

Prior to the pandemic billions of dollars flowed out of China each year with foreign travel and tourism. The impact of the government's zero-Covid policy and its economic fallout had momentarily curtailed all that, and even after the restrictions were lifted, the economy, instead of bouncing back, was hit by the collapse of the real estate sector and further restraints as markets dried up.

All this created an atmosphere of fear and uncertainty. Fear of an ideological about turn, fear of a return to collective ideology, fear of the loss of personal freedom.

The Chinese were hard-working and ambitious and felt threatened by the idea that the freedom they had grown used to would be lost. As Xi Jinping's mandate was transformed into the lifelong reign of an autocrat, and the National People's Congress, the highest organ of state power of the People's Republic of China, became a stiff-armed assembly raising their hands in unison to rubber stamp the decisions of their paramount leader.

Little by little the people who watched in dismay had the feeling they were being spied on, their freedom replaced by the feeling of denunciation, confiscation and undisputed obedience.

Uncertainty about the future was bad for business and personal ambitions, and those who had worked hard, scurried to find a shelter for their savings, large or small, the results of their efforts.

Xi was mistrustful of China's financial elites and had sought to tighten its grip on China's wealth. The CCP had become alarmed when billionaire Jack Ma openly criticised Chinese bankers and regulators, and the reaction was immediate, he was slapped down and disappeared from circulation for three months, during which time he was 're-educated'.

Bao Fan, a well-known investment banker, once a kingmaker in the world of fintech, was detained and others were placed under exit bans.

Arbitrary decisions targeting the wealthy, reminded the older generation of the bad old days, forcing many to rethink their future...outside of China. Places like Singapore, where wealthy Chinese were snapping up luxury condos and setting up companies, whilst the very wealthy were moving to London, New York and Vancouver.

As for the ultra-wealthy they had multiple options, homes on the French Riviera or San Francisco, businesses already established in Caribbean, which operated in Hong Kong, the US and the EU.

It seemed that China was no longer a land of opportunity, but a land where you could end up in jail, for the way you thought and the kind of life style you chose.

Much further south in another capital, also named George Town, preparations were taking place for Guyana's Second International Energy Conference at the Guyana Marriot Hotel,

where more than 170 exhibitors and over 500 delegates from all over the world had gathered. Amongst them were the big names in fossil fuels including ExxonMobile, which sponsored the event and was investing 13 billion dollars in the Guyana's oil and gas industry.

Another key investor was the China National Offshore Oil Corp, which amongst other things had a 25 percent in the Stabroek Block, located approximately 200 kilometres offshore, covering 2.6 million hectares, where reserves were estimated at more than 8 billion barrels of oil.

CHAPTER 101

A Mystery Tour

We took off from Cartagena in a northerly direction to Santo Domingo according to Eduardo, exactly where, was a secret, a weekend break, he told us, more like a mystery tour.

I asked him in what country. He smiled.

I was getting to know my way around the Caribbean, but I couldn't remember where Santo Domingo was, after all it was a fairly common name. Luckily there was a map in the side pocket of my seat. I waited a while then surreptitiously slipped it out and thumbed through to the Caribbean. It was the capital of the Dominican Republic, one of the Caribbean's oldest cities, on the island of Hispaniola.

I said nothing and nearly two hours later we landed to our general surprise in Punta Cana, the well-known tourist resort on the westerly point of the island.

When Columbus took possession of the island in 1492, the second largest in the Caribbean, he named it Insula Hispana in Latin. Later it became Hispaniola. Today it was divided into two countries, to the east the Dominican Republic and to the west Haiti, the former 74th on the planet by GDP, and the latter 174th, one of the world's poorest nations, sadly described as a failed state.

The whole island was about the size of Ireland and was the second largest in the Caribbean after Cuba.

We were greeted by a small delegation, headed believe it or not by don Antonio, looking less like a bandido than I remembered. He introduced us two a couple of Dominicans whose names I didn't catch.

Then with almost no formalities we joined a large van at the foot of the Delta Airbus and were driven about 15 km where we turned into the broad access road and a security gate that announced the Catalonia Resort, a package tour all-in paradise, which immediately and unsurprisingly we discovered was thronging with happy tourists and their families.

At the reception we were met by the resort director and his staff with waiters bearing trays of refreshing drinks and invited to a conference room where we were given a brief presentation of the Catalonia.

As I understood it, the resort had suffered during the Covid crisis and had undergone a refurbishment. Now it appeared to be back to normal, but was lacking capital for further upgrading and a planned expansion, and that's, so it appeared, where the Wangs stepped in with their pal don Antonio.

That finished, we were joined by a rather stiff looking Chinese who spoke Mandarin, he was from the embassy in Santo Domingo. He spoke rather freely in Mandarin until I caught don Antonio tell him I spoke Mandarin and he shut up like a clam.

It seemed as if the Wangs had the backing, at least the encouragement of the Chinese official delegation, that's their

Embassy, which was promoting China's political and trade expansion plans in the Caribbean region.

I wondered if they wouldn't get rolled over by the cartels, but on second thoughts China didn't let anyone mess with them, they had their own pretty brutal version of the cartels in the form of the triads, and if necessary they enrolled people like don Antonio.

In 2023, the Dominican Republic's tourist industry had not only bounced back, it had done so with exceptional speed as I was to discover. The resort was packed and the guests seemed to be enjoying themselves as alcohol flowed more than freely in the pool areas, restaurants, disco and casino.

Ten kilometres to the north was the Barcelo Bavaro where we were driven for a glimpse of how the other resorts in the region functioned. About half the guests were North American and the others were European—French, German, British...with a lesser percentage Latinos from the Southern Cone.

Along the road there were more hotel resorts and golf courses, one after the other, some under construction, others apparently abandoned, some thriving.

It was a reminder of the post-Covid world economy.

It seemed that tourist investments now exceeded pre-pandemic levels and the Dominican Republic was on its way to its best year on record for tourism, with more than 10 million travellers for the first time.

The resorts catered for different needs, some for more upmarket golfers others more family. The contrast with the Dominicans was seen as we passed groups waiting for transport

to their work places that were on another planet, where the pigs over ate as they fattened in the sun before returning to their bleak winter landscapes at home.

It was a business and well managed the money rolled in.

Almost every golf course offered an ideal setting for avid players to the most casual amateurs enjoying the exotic surroundings and the kind of links that only the well-off could afford at home.

It reminded me of the Mayan Riviera without the cultural attractions and with Santo Domingo too far for the average tourist given the distance, time and possible dangers.

In any case it was a better bet than Dubai and North African destinations with the Israeli War and the threats hanging over that part of the world.

China was now out, Burma was once again at war, Hong Kong under the shadow of Beijing, whilst India was without the kind of beaches that appealed to European and American tourists.

The next day Edouard and I played a round of golf with don Antonio and one of the local investors at the Corales Puntacana Resort and Club, a fairly challenging course on the easternmost point of the Caribbean island.

We were joined for lunch with a guy from the Ministry of Tourism of the Dominican Republic, who spoke about the development of the Four Seasons Resort and Residences in Tropicalia, a luxury destination located on a 24 hectare site at Playa Esmeralda on the north-east coast of the island.

It appeared that the Dominican Republic was China's main trading partner in the Caribbean region with Chinese companies investing in mining, paper, medical equipment, and other sectors. I didn't know how well that went down with the Americans, but it was no different to what they were doing in Mexico.

In any case there were plenty of opportunities for the Wangs to invest and Edouard seemed pretty taken by the place.

Back at the Catalonia we toured the resort where accommodation ranged from junior suites to our upmarket villas each with its own pool. The idea was to bring it up to a Playa del Carmen style resort with first class golf facilities and a marina where middle-sized yachts and cruisers could anchor.

The Catalonia was one of those ubiquitous Caribbean clubs, pools and bars with multiple restaurants, sports facilities and all the rest. The Wang's plan was to transform the resort into an exclusive up market destination, upgrade its small casino into something more like Kings Romans Casino in Laos, more class compared to those the lay between Bavaro and Punta Cana, which could stay open all night when the big rollers called it a day or a night.

Why not. In any case it seemed the Wangs were into diversification in a big way, which no doubt meant more gold and laundering of some kind or another.

It all rhymed with construction and boats and it was clear they weren't putting all their eggs in one basket, and don Antonio seemed to be at least part of their plan, which seemed logical as they didn't speak Spanish.

That evening we returned to the Hard Rock Casino and the Barcelo Bavaro Palace to visit their gaming facilities—poker, blackjack and roulette as well as slot machines.

Many of the guests came from all over the Latino world, Argentina, Equator, Peru, and also from North America including the US where more than 60 million were of Latino descent.

On the darker side the Dominican Republic had become a trans-shipment point for Colombian drugs, destined for Europe as well as the United States and Canada. Money-laundering via the Dominican Republic was favoured by Colombian drug cartels for the ease of illicit financial transactions.



Whilst we were given the grand tour, just a few hours drive to the west was Haiti where civil war was breaking out, while we enjoyed our Pina Coladas and Mojitos with a spin at the roulette tables, heavy gunfire echoed near Haiti's national palace in Port-au-Prince which lay on the other half of the island.

Haiti was in a state of revolt after armed gangs stormed prisons to release their members being held by the country's justice system.

Port-au-Prince was a true to life dystopian version of what Kennedy feared. Ruthless gangs held the city in stranglehold, preying on its population, carving neighbourhoods into warring fiefdoms, and cutting Haiti's international port off from the rest of the country.

Secrets Book III The Bezzle

For weeks, Haiti's capital has been caught in a grim cycle of violence that far exceeded its usual kidnapping and gang violence. Heavily armed thugs were waging war on the city itself, seeking new territory and targeting police and state institutions. Scared and angry, vigilante groups blocked off their neighbourhoods with trees and chains, killing and burning outsiders suspected of gang membership.



A scene in Port-au-Prince

Only recently a CNN team reported the torture of a woman twisting away from flames as her kidnappers jeered. It was a glimpse into the daily horrors of life in Haiti, where the population had reached a breaking point. Gangs control 80 percent of the capital, and Port-au-Prince became the scene of coordinated attacks as armed gangs burnt down police stations and freed prisoners, in a direct challenge to the country's unpopular Prime Minister Ariel Henry.

‘We have chosen to take our destiny in our own hands. The battle we are waging will not only topple Ariel’s government. It is a battle that will change the whole system,’ announced Jimmy ‘Barbecue’ Cherizier, a former police officer who styled himself as a Robin Hood figure. declaring his intention to overthrow Haiti’s hated prime minister and promised to liberate the country’s 12 million citizens from anti-democratic rule.

Ariel Henry, the country’s acting president, was in Kenya, where he appealed for help, unable to return to Port-au-Prince, he resigned from the position he held since the assassination of the country’s previous president killed by four Colombian hitmen.

In downtown Port-au-Prince, the country’s historic National Palace was still in ruins that dated from Haiti’s devastating earthquake in 2010.

Many Haitians blame their prime minister for ceding ground too quickly to the gangs during the previous three years, while refusing to organize elections that could have brought in a new government and given the country a fresh start. Henry and his allies declared that the current insecurity would make a free and fair vote impossible, but such explanations did little to appease popular anger.

On TikTok and WhatsApp, clips showed gangs flaunting guns and flashy cars with groups like the 5 Second gang, 400 Mawozo and Kraze Barye, whose leader had a two million dollar FBI bounty on his head.

Haiti’s gangs, once seen as thuggish instruments for powerful politicians and business elites, were now given free rein,

independent ‘violent entrepreneurs’ according to a recent report by the Global Initiative Against Transnational Organized Crime.

Haiti’s national homicide rate doubled before the violence, reaching 41 murders for every 100,000 people, one of the highest rates in the world.

All that didn’t prevent crowds of happy vacationing families in the Catalonia, enjoying themselves, an image of the carefree attitude to the dangers that were now stalking the planet, as they splashed in the vast pools of sanitized water, under the clear blue skies and subtropical sun, consuming unbelievable quantities of food, the first world served by the third world, living it up after escaping the winter rigours of Minnesota, Paris, Quebec or London, flying in by jet, five, six even ten hours across seas and oceans in search of the sun.

I was one of them, served by Dominicans, many of them from Haiti. Outside of the fenced resort with its golf courses, tennis courts, swimming pools, beaches and restaurants, was another world where many grubbed in the earth for food as those inside grew fat.

Like the old Chinese saying went ‘Pigs should fear growing fat...’

We were going backwards, if not to the Middle Ages, but to pre-industrial society, pre-French Revolution, when nobles owned all the wealth, estates, farms, forests, castles and manors, with game and fishing rights...and the poor worked for them and owned nothing.

Governments were becoming poorer, indebted, selling off state assets, hospitals and schools, housing, government buildings,

roads, railways, power stations, ports and airports. Which was leased back, rented, causing the state to run up debts on which it paid interest to the rich.

The wealthy like Kennedy, and all those I worked with or for, operated an extractive system to fructify their wealth. The question was, extracted from who, well, the poor, the masses, including most of the middle-class.

CHAPTER 102

The Bezzle

Suddenly things took a turning for the worse. It started with Vanke Real Estate being downgraded to junk by Moody's, the American ratings agency. It was bad, because Vanke was state-owned and considered to be the most stable of the country's top three developers.

Since the beginning of the year Vanke's sales had plummeted 34 percent, a situation that incited the head of the People's Bank of China to talk the market up in spite of prices falling nine percent year on year, which prompted financial markets to dump Vanke's stocks as Chinese institutional investors to cut their exposure as fears for the firm's debts grew.

Vanke's debt was put at 178 billion dollars, normally a staggering sum, except for the fact that it was one in a growing list of staggeringly indebted real estate developers. Vanke joined Evergrande, Country Garden, Sunac and a couple of other that together had the doubtful privilege of having an accumulated debts of over one trillion dollars. Which was a lot of fucking dollars, even for China.

That, added to a long continuous stream of bad news in the sector as China's economic crisis, looked like it was going morph in something even worse.

Fears surrounding the catastrophic situation of China's real estate industry grew, a sector that represented as much as 30

percent of the country's entire economy, which was beginning to look like it would end up in a Lehmann style systemic collapse.³⁴

In March 2016, Xu Jiayin, a Standing Committee Member of the 12th CPPCC National Committee, spoke during a news conference on the sidelines of the fourth session of the 12th National People's Congress, in Beijing. He was at the summit of his glory, Chairman of the Board and founder of Evergrande Group, China's largest property group by sales, and soon to be richest man in China with a worth of 43 billion US dollars.

The CPPCC (the Chinese People's Political Consultative Conference) was a part of and was overseen by the Chinese Communist Party, at the summit of China's political structure.

Now it seemed that Evergrande would not be remembered as being part of China's economic miracle, but for being at the heart of the biggest scam in history. Evergrande was now accused by the official Chinese regulators of fraudulently reporting profits, to the tune of 78 billion dollars, by reporting revenue that wasn't revenue, but the money paid upfront by homebuyers for homes that were never built.

If this proved true, which was more than probable, since Evergrande has already been fined half a billion dollars, the fraud would be greater than that of Enron and Bernie Madoff put together.

³⁴ <https://youtu.be/3N-KmDvbxw4?si=hHdCA4tEy8-btR4Z>

The implications were of the utmost gravity, because if every other developer had used the same accounting methods, as was very possibly the case, then they would have been complicit in the greatest Ponzi system the world had ever seen.

The drama was Evergrande's auditors were none other than PricewaterhouseCoopers, the world's second largest accountancy firm. And the implications of organised fraud would have catastrophic dimensions, since China's struggling real estate construction sector, upstream and downstream, represented between 25 and 30 percent of its GDP.

Any further accusations of illegal doings would not only cripple the industry, but would implicate the highest authorities in the land who had encouraged men Xu Jiayin, who like his fellow billionaires, heads of China's largest home builders, had jetted around the world like royalty in hugely extravagant made to measure luxury airliners, living in grand style in Hong Kong properties worth as much as 70 million US dollars a throw, without taking the necessary action to protect the millions of homebuyers who had paid upfront, investing their life savings, to buy homes that would never be delivered.

This means that the debts owed by developers to overseas and domestic lenders could never be paid, in other words there would be one gigantic haircut with the threat of systemic collapse.

Xu Jiayin, was being held under house arrest, banned for life from capital markets, accused of fraud, boosting profits to borrow huge sums of money on financial markets.

PricewaterhouseCoopers was now being investigated with implications of complicity in the Evergrande collapse, a disaster for the firm.

As for Xu Jiayin, he was now facing life imprisonment, possibly the death penalty, if it was proven that he as CEO of Evergrande had been, according to the country's top regulator, responsible for the falsification of the group's accounts by reporting 78 billion dollars of mind blowing non-existent revenues,

The real question was how come the questions that should have been asked, were never asked?

What was the responsibility of PricewaterhouseCoopers, what were the consequences for approving fraudulent book keeping?

Going back to 2001, there was the case of Enron and its auditors Arthur Anderson, the former collapsed almost overnight and the latter folded as a consequence of approving fraudulent accounts in a scandal of mega proportions.

PricewaterhouseCoopers risked the same fate, if proven guilty, but even more dramatic was the possibility the accounts of China's other developers had been audited in the same fashion, which would mean the whole housing sector had been running a giant Ponzi scheme.

If they and other accounting firms were criminally responsible the implications for China and the Chinese economy would be huge and the debts monumental, more than could ever be repaid, hundreds of billions, even trillions, with a cascade of bankruptcies—businesses, banks, towns and cities, triggering,

given China's size, a global financial crisis, and even systemic collapse.

It was little wonder people like Henry Wang had chosen *runxue*, that is getting out with as much as he could, and fast, before the proverbial hit the fan.

It was how Sam Bankman-Fried operated, what FTX's caretaker, John Ray III, described when he testified to Congress...FTX's collapse was 'really old-fashioned embezzlement. This is just taking money from customers and using it for your own purposes.'

Evergrande's flagship, Hengda Real Estate, had been found to have committed financial fraud by recognising sales in advance, inflating revenues for the years 2019 and 2020 by a total of RMB 564 billion (78 billion US dollars), an overstatement of 50.1 percent of operating income in 2019 and 78.5 percent in 2020.

On the strength of the developer's inflated revenues it had fraudulently issued RMB 20.8 billion worth of bonds in 2020 and 2021, according to the China Securities Regulatory Commission.

It was strange that the China Securities Regulatory Commission had taken so long to uncover what was now called the largest case of financial fraud in the history of Mainland China's securities markets.

The question on everybody's lips was how was it possible in a country obsessed with control like China, the answer was certainly corruption and cronyism, rampant to an unimaginable degree. Was it ubiquitous, was the whole system a fraud?

Xu Jiayin and his likes had rolled in wealth, jets, super yachts, mansions, football clubs, dancing girls, the list was endless. And it was repetitive.

There were 350 private jets in China, some owned by businesses, other operated by charter services. Certain of them luxury airliners, costing up to almost one hundred million US dollars, offering facilities that included conference and dining rooms, lounges, showers and ‘VIP’ bedrooms.

The record went to HNA’s Boeing 787-8 BBJ with a price tag of 325 million US dollars. The starting price was 225 million, however, HNA spent an additional 100 million transforming the aircraft into a flying palace with multiple bedrooms, bathrooms, an oversized master bedroom including a California king-sized bed, a walk-in closet, and master bath with double-size shower, and even heated marble flooring.³⁵ For guests there was a luxurious lounge for relaxing and dining, and a separate seating area with 18 first class seats and six premium economy seats.

HNA’s state-of-the-art composite Boeing had a range of 16,000 miles fully loaded with a charter price of 70,000 dollars an hour.

The Chinese fleet of private jets was nevertheless small compared to the US where 15,000 privately owned jet aircraft flew the skies.

When Evergrande’s troubles were made public with more than 300 billion dollars in debt, it came as no surprise to Henry,

³⁵ <https://youtu.be/59H5nzyQ27Y?si=xLj1ep3FbHvJxG57>

whose firm Delta Timber was already on Evergrande's hook, owed tens of millions of dollars for unpaid goods.

The Shenzhen real estate developer's bubble burst in September 2021. That's was when it first missed a payment on an international bond. Another three more months passed before it was declared in default by Fitch the American rating agency.

Xu Jiayin, who was named in the Panama papers, documents leaked from offshore Panama City law firm Mossack Fonseca, confirmed assets he owned outside China through shell companies. They included one of his homes, a 502m2 Peak mansion at Black Links in Hong Kong, acquired by Evergrande in 2009, and recently sold for over one hundred million US dollars.

The billionaire's other assets include Rolls Royces and private jets, including his 90 million dollar Airbus.

Evergrande's top executives lived in luxury apartment and villas with cars to match, with chauffeurs and housekeepers, ferried in executive jets to resorts where they enjoyed the privileges of exclusive country clubs.

Evergrande had lost 99 percent of its market value, its assets frozen and operations brought to a halt, a disaster for more than 100,000 employees and nearly 800 unfinished real estate projects for the construction of 700,000 apartments across China.

Xu's passport had been surrendered to the police and he faced up to six months detention without charges or access to lawyers and family. I knew, I had been through the process, six months in a detention centre, of course his detention would no doubt be more comfortable than mine, given his connections to the top.

Evergrande risked ending up like HNA had, once one of China's largest private conglomerates, which went bust following a wild spending spree, after the death of Wang Jian in France.

Evergrande had followed a curve similar to that of HNA, a lightening expansion, a period of euphoria and inconsiderate investments and acquisitions that authorities had failed to control as it expanded across multiple industries and regions, financing its development with its customers money as it sucked domestic and foreign investors into its wild expansion.

The tycoon was no stranger to debt, in fact Xu Jiayin had built his empire on debt, the money paid upfront by the buyers of the homes he had contracted to build. Now he was facing prison or even worse, after his wife and son had fled to New York with the billions of dollars siphoned from the deposits Evergrande's customers had made for their dream homes they would never see.

CHAPTER 103

Retribution

To steal or misappropriate money that one has been trusted with, especially to steal money from the organisation for which one works.

As SBF³⁶ started his 25 year jail sentence somewhere in the San Francisco Bay Area, Henrique da Roza shed part of his bitcoin holding, profiting from its upswing as the cryptocurrency passed the 70,000 dollar mark. It was the moment to diversify at least part of his cryptocurrency reserve into something more tangible, like Nvidia or real estate. In that way he hedged his bet, and bet it was.

Henrique wasn't what they called a crypto whale, but he wasn't far off. He was a rich man in his own right, and even though he didn't flaunt his wealth, he had joined the list of those the MSS had targeted for his participation in the democracy demonstrations in Hong Kong and his flight abroad.

He wasn't a priority, but the MSS has instrumentalised Chinese organised crime to do their dirty work and unknown to Henrique his wealth had drawn their attention.

Though Henrique had learned a salutary lesson from the collapse of FTX and Alameda Research, when cryptocurrencies

³⁶ Sam Bankman-Fried

crashed with bitcoin falling to 16,228 dollars in December 2022, it never occurred to him dangers other than American justice and prison existed, not that he had done anything untoward.

His only sin had been becoming rich, very rich.

It was not as if Henrique had been involved in fraud like FTX and Alameda, both of which were operated by SBF, CEO of the former and owner of the latter, and both were incongruously run from the same Caribbean business address in the Bahamas and run by the same management team, in spite of the evident conflicts of interests.

SBF's tangled business web, composed of his cryptocurrency exchange FTX and hedge fund Alameda Research, used its customers' money indifferently in wild schemes and confused the funds they had been entrusted with company assets, spending recklessly on anything and everything from Bahamian real estate to gifts and investments in companies operated by personal friends and donations to political parties.

The confusion was exacerbated by SBF's relationship with Caroline Ellison, who was not only CEO of Alameda Research but also his longstanding girlfriend.

Over a period of three years he built a cryptocurrency market worth around 32 billion dollars and while doing so earned the doubtful title of being 'the world's richest person under 30'. At the same time, however, he splashed out an estimated 8 billion dollars of customers' money on luxury living, real estate, bad investments and whatever else took his fancy.

The excentric billionaire enjoyed rubbing shoulders with stars, media personalities, politicians, business figures and other

billionaires as he played the role of a prodigy half their age slouching around in a grubby T-shirt, cargo shorts and sneakers.



SBF and 'former' friends

SBF and his friends would have done well to have swatted up on John Kenneth Galbraith, the renowned economist, who wrote in his book entitled 'The Great Crash 1929'

At any given time there exists an inventory of undiscovered embezzlement in—or more precisely not in—the country's business and banks. This inventory – it should perhaps be called the bezzle – amounts at any moment to many millions of dollars. It also varies in size with the business cycle. In good times people are relaxed, trusting, and money is plentiful. But even though money is plentiful, there are always many people who need more. Under these circumstances the rate of embezzlement grows, the rate of discovery falls off, and the bezzle increases rapidly. In depression all this is reversed. Money is watched with a narrow, suspicious eye. The man who handles it is assumed to be dishonest until he proves himself otherwise. Audits are

penetrating and meticulous. Commercial morality is enormously improved. The bezzle shrinks.

It was a warning, whose money was the Wangs playing with, or where did Kennedy's money come from, what was the difference between profits and embezzlement? It depended on whose side you were. Whether you were rich or poor.



Henrique was an easy target, a lone operator, oblivious to the dangers that stalked the wealthy in Mexico and Central America.

His body was found on a waste dump outside of Mexico City as the sun rose on a chilly spring morning. It was nothing unusual, it was a favourite spot for gangs to dispose of their victims. According to the police he had been tortured.

The Mexicans authorities put it down to a drug related affair. George Pike, head of Ares, Kennedy's security firm, saw it as the work of the MSS. The long arm of the Chinese Communist Party extending across the Pacific, recruiting Triads and Mexican gangs to eliminate or intimidate enemies of the state.

It sadly reminded me of Max Planck, who'd said science and knowledge 'advanced one funeral at a time'.

CHAPTER 104

A Door Opens

Henrique's body was incinerated in Mexico City and the ashes flown back to his family in Macau accompanied by his partner Maria Scmitt and Pat Kennedy. It was a sad moment for all who saw it as a consequence of Henrique's forced exile following the Democracy Demonstrations of 2019.

Hong Kong was not the same, the old days were a fading memory as Article 23 of the national security law was reinforced with its new definitions of acts of treason, espionage, theft of state secrets and foreign interference.

Henrique had not cracked under torture and died with his fortune intact which was divided between his family and Maria Scmitt, thanks to his foresight, a will prepared in the certain knowledge of the dangers that pursued him for his participation in the 2019 demonstrations.

The immediate consequences for Kennedy was a reorganisation of his Belpharma team for Central America, enlarging Michael D'Arcy's role and reinforcing security with the presence of a permanent security detail for his protection.

It was a shock for the Wangs bringing home the dangers of Mexico and Central America home. But it made them even more determined to pursue their plans in the knowledge that Triads had almost certainly been instrumentalised by the MSS to

eliminate Henrique as a lesson to others who fled or thought of fleeing overseas.

Kennedy informed Michael D’Arcy that amongst the changes Charles d’Albignac would represent Advanced Bio-Engineering in China ostensibly to seek suppliers for pharmaceutical equipment for its clients including Belpharma’s project in Costa Rica. Michael understood why, Albignac as a newbie in China had no records with the MSS, which was a good start, and with his background he would have no difficulty in adapting to the task.

Being invisible for the moment was important given the growing public profile of the MSS as part of Xi Jinping’s increasing focus on security and as China’s most powerful leader since Mao Zedong.



Charles d’Albignac disembarked at Pudong International Airport, travelling on thirty-day business visa, a wide-eyed European arriving in Mainland China for his first visit apart from Hong Kong. After collecting his baggage he bought a ticket for the Maglev, the German-engineered electromagnetic train which connected the airport to downtown Pudong at over 350 kph in just ten minutes. There he took a taxi to the Fairmont Peace Hotel, the landmark Art Deco epicentre of the city’s 1930s hedonism.

He had no welcoming committee, his role was that of a relatively unimportant Western businessman, a representative of Advanced Bio-Engineering, a Dublin company with no connection to INI or any other of its subsidiaries or businesses

inside or outside of China. It was a wise precaution as every evening a list of foreign guests was reported to the PLA, and any links to INI, the Fitzwilliams Foundation or the Delta Group would have been flagged by Chinese intelligence.

Founded in 1983 following a reorganisation of earlier agencies, the MSS was a civilian secret police service that was described as a combination of the FBI and the CIA based in Beijing with emanations in cities and provinces across China. Its role in maintaining state security was heightened as China's economic downturn deepened and the risk of widespread social unrest grew, which forebode catastrophic consequences for the CCP.

The agency was responsible for counter-intelligence as well as political security for the CCP, with widespread operations overseas, recruiting assets, friends of China, double agents and criminal organisations, to further China's influence across the entire planet

Inside China, the MSS had broken with its more low-profile past approach as Xi's government has stepped up warnings to the Chinese public about the dangers of espionage.

Its growing role was seen as it emerged from the shadows to promote its role in the fight against 'subversion, separatism, terrorism and espionage'.

It was early evening when Albignac set out to explore his surroundings, Nanjing Road and the Bund. The weather was perfect and crowds were out in spite of reports about the city being hit by the economic crisis, though he saw very few foreigners. He looked for M on the Bund, a rooftop restaurant that he'd been told was the best in Shanghai. It had closed down.

John Francis Kinsella

He returned to the Fairmont where he went to eat in the restaurant with its fabulous view overlooking the Huangpu River, one of the finest in Shanghai, with the curve of the river laid out before him and the skyscrapers of Pudong on the other side. The restaurant was far from full even though it was a Saturday evening, perhaps a little early, and he started by ordering a classic Martini.

The atmosphere was sedate, it was his first visit to Mainland China, in his new role, a pair of eyes for Sir Patrick Kennedy.



Sunseek 2023

He found a seat at the bar and scoped the scene and pushed the encyclopedic cocktail menu to one side. There were few clients, perhaps it was too early, though looking at his watch it was well past midnight.

He decide to stick with the Martinis.

Secrets Book III The Bezzle

An hour later he called it a day, or a night, Shanghai was no longer what it was reputed to be and he made his way back to the Fairmont, a little disappointed, but in the knowledge he had plenty of time ahead to discover the city and China.

To be continued

ACKNOWLEDGMENTS

This book could not have been written without the data and information published on the Internet and in the world press collected over a period of years, starting in 2000, when I wrote *Offshore Islands*, and Pat Kennedy was launched on his initially precarious international career, some of which is described in this story for clarity.

I have trawled numerous British, Irish, US, Russian, French, Spanish, Chinese, Israeli, Colombian newspapers, news blogs and specialist Internet sites, and books (authors' cited). And of course Wikipedia.

During this period I have collected information during my visits to the USA, China, Hong Kong, Macau, Indonesia, India, Dubai, Thailand, Cambodia, Libya, Egypt, Kenya, Tanzania, Senegal, Mali, Morocco, Mexico, Colombia, Panama, Brazil, Guatemala, Belize, Honduras, the Philippines, the UK, Germany, Belgium, France, Spain and Italy. To this I have added my experience in other parts of the world, notably Ireland, Australia, New Zealand, South Africa, Malaysia, Singapore, Brunei, Taiwan, Japan, Burma, Switzerland, Algeria, Russia, Scandinavia, the Baltic Countries, Poland, Hungary, the countries of ex-Yugoslavia, Greece, Turkey, Russia, Turkmenistan, Jordan, Syria, Israel, Egypt, the Caribbean, Central and South America.

I present my thanks and excuses to all the willing and unwilling contributors to the information included in this book, I am not the first to tread in the footsteps of Jack London, using the information supplied to us from those who convey it. I have

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tried to verify all the facts, but this is an impossible task. In my humble opinion most data reflects real events and the opinions of the vast majority of persons affected, directly or indirectly, by the multiple events and crises that constitute our collective existence.

This story is a serialised novel of events, real or not, where the fictitious characters are fictitious, and where the real characters, such as Joe Biden, Vladimir Putin, Nicolas Maduro, Donald Trump, Boris Johnson and Emanuel Macron, are real.

The story of 2000, and its sequels in 2010-2012, 2013, 2015, 2017, 2018, 2019, 2020, 2021,2022, 2023 are recounted in my other tales.

With my very sincere thanks to all contributors, direct and indirect, knowing and unknowing, willing and unwilling.

John Francis Kinsella

Paris, April 2024

John Francis Kinsella



Yours truly

The top 10 biggest enablers of global corporate tax abuse

British Virgin Islands (British overseas territory)

Cayman Islands (British overseas territory)

Bermuda (British overseas territory)

Netherlands

Switzerland

Luxembourg

Hong Kong

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The Gilgamesh Project

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Book II La Isla Bonita

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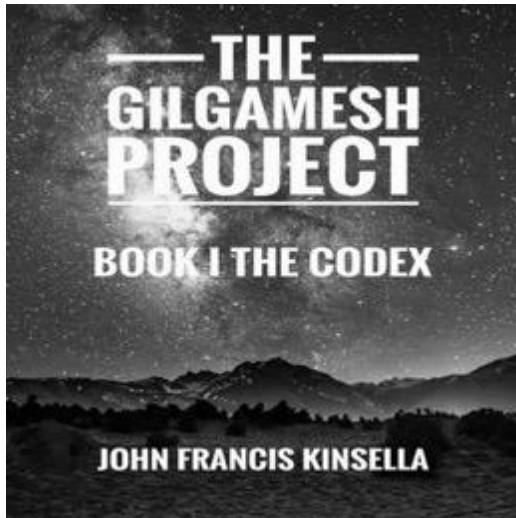
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Secrets: The Edge of Tomorrow

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AUDIOBOOKS

Book I The Codex and Book II La Isla Bonita are now available in Audiobook form, narrated by the author. They can be found at many well-known distributors.



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Literature

Translations

Le Point de Non Retour

The Sorrow of Europe (a biography)

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Finlandia (a biography)

Understanding Architecture

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still not finished...

A Biography of Patrick Wolfe (Fiction, mostly)

