



Financial Crisis Report

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Advancing in a Time of Crisis

Words of Wisdom: "Eighty percent of success is showing up."

Woody Allen

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Except for the Great Depression, we are experiencing the most economically unstable period in the history of the modern world. This period will be marked with extreme fluctuations in the stock, commodity and currency markets accompanied by severe and sometimes violent social disruptions. As is typical of such times, many fortunes will be made and lost during this period. After talking with many business owners, executives, professionals and government officials from around the world, the writer believes that for the financially astute investor, this is a time of unprecedented opportunity given the global trade unbalances and distortions in the commodity and currency markets. The *Financial Crisis Report* is a free compilation of the opinions of David Miyoshi as well as of those advisors he himself subscribes to (with appropriate credits given) on how to benefit during this time of crisis. The writer receives no compensation of any kind from any advisors whose articles or ideas may appear in this report. The reader is welcomed to check on all sources of information mentioned herein. Because the opinions and observations of this writer and other advisors are provided herein without charge, the reader is asked to make his/her own judgment on the contents.

Merry Christmas!



America, the Passing of a Grand Culture

America is arguably the greatest, most powerful country in world history. No other nation has been built upon an idea, the idea of liberty. Margaret Thatcher's 1991 words perfectly reflect the essence of American exceptionalism: that uniquely among the countries of the world, the United States was founded not on bonds of blood or race or religion or tribe, but on the ideals of freedom, equality, and self-government. From that heritage flowed an array of unique characteristics and traditions that shaped how Americans see themselves and their country's place in the world. Most Americans see their country as the most

powerful and influential in the world. And as an American I am proud to have had the privilege of serving in its preeminent force for freedom, the U.S. Marine Corps. Indeed, I love America.

But America is now facing significant challenges to its stature as a world leader. These challenges are coming primarily from within the fabric of its own culture, its social, political and religious makeup. As an apple can ripen to the point of being un-edible, so can a country become debased to the point of losing its viability. Here is how America is ripening.

America's Grand Culture

In addition to Native Americans who were already living on the continent, the population of America was built on immigration from other countries. Despite recent moves to close the U.S. borders to new immigrants and refugees, a new immigrant moves to America every 33 seconds, according to the Census Bureau.

Because of this, America is one of the most culturally diverse countries in the world. Nearly every region of the world



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has influenced American culture, most notably the English who colonized the country beginning in the early 1600s. U.S. culture has also been shaped by the cultures of Native Americans, Latin Americans, Africans, and Asians.

America is sometimes described as a "melting pot" in which different cultures have contributed their own distinct "flavors" to American culture. Just as cultures from around the world have influenced American culture, today American culture influences the world. The term Western culture often refers broadly to the cultures of the United States and Europe.

Determining Right or Wrong

A culture is the main determinant of how a society or nation defines what is right or wrong behavior. In the beginning, America started as a country that determined right and wrong behavior based on concepts of "guilt."

In 1975, while working at my first job as an attorney in Tokyo, I read the classic book by Dr. Ruth Benedict *The Chrysanthemum and the Sword*. This is considered the first book to cogently explain and describe Japanese culture as a "shame culture" and American culture as a "guilt culture."

The Chrysanthemum and the Sword is an interpretation of Japanese personality and character primarily during periods of response to emotional stress and, as Dr. Benedict points out, "All the ways in which the Japanese departed from Western conventions of war were data on their view of life and on their convictions of the whole duty of man."

According to Dr. Benedict, a shame culture is an alternative to a guilt culture. Shame cultures as in Japan are typically based on the concepts of pride and honor,

and appearances are what counts, as opposed to individual conscience in guilt cultures. In Japan, appearing in public in soiled clothes can render that person to shame thus discouraging such behavior. Considering the low crime rate in Japan, it is often argued that a shame culture works better than a guilt culture.

However, Japan is a mono-cultural society, which being easier to control both externally and internally, may have a lot to do with its low crime rate.

One of the most valuable aspects of Dr. Benedict's study is her analysis of the Japanese sense of loyalty, especially as it involves the incurring of obligations and their repayment.

The obligations or "on" of an individual are fivefold: those received from the emperor, from the parents, from one's lord, from one's teacher, and through the contacts of daily life. Each on has its reciprocal payment but the payment is of two kinds, those which have no limit in time or space and which can never be fully repaid (i.e., duty to the Emperor, to one's parents, and to one's work) and those which can and must be specifically repaid. The first is termed "gimu" and the latter "giri" or debts which are repaid "with mathematical equivalence." Such giri payments are of two types: giri-to-the-world, which involves duties to one's liege lord, duties to one's family, duties incurred because of gifts of money or favors, and finally duties to closely related kin such as aunts, uncles, nephews, nieces; the second type of giri, that to one's name, involves the clearing of "one's reputation of insult or imputation of failure." This giri involves also two other factors: "One's duty to admit no (professional) failure or ignorance" and "One's duty to fulfill the Japanese proprieties, e.g., observing all respect behavior, not living above one's station in life, curbing all displays of emotion on inappropriate occasions, etc."





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In contrast, a guilt culture as in America is a society in which the primary method of social control is the inculcation of feelings of guilt for behaviors that the individual believes to be undesirable. In American society, lying, stealing and physical assault are considered wrong and would engender feelings of guilt. Therefore, the individual would supposedly be disinclined to engage in this type of behavior.

A prominent feature of guilt societies is the provision of sanctioned releases from guilt for certain behaviors, whether before or after the fact. There is opportunity in such cases for authority figures to derive power, monetary and/or other advantages, etc. by manipulating the conditions of guilt and the forgiveness of guilt. For instance, in the Catholic Church the priest can dole out absolution to those who confess their sin. This can render a powerful influence by the church over the behavior of its sinful followers. Guilt cultures emphasize punishment (prisons) and forgiveness (churches) as ways of restoring the moral order. One can argue that in America, with its high crime rate the guilt culture is not working because we do not have enough prisons and churches. But I think most would recognize that to be a specious argument. America, is the quintessential multicultural society that by its nature is more difficult to control both externally and internally, which may be a big factor in having a high crime rate.

Shame in a Guilt Society

Both guilt and shame cultures teach people how they ought to behave, but they have very different approaches to wrongdoing. In shame cultures as in Japan, what matters is what other people think of you: the embarrassment, the ignominy, the loss of face. Whereas in guilt cultures as in America, it's what the inner voice of conscience tells you. In shame cultures we're actors playing our part on the public stage. In

guilt cultures we're engaged in inner conversation with the better angels of our nature.

The big difference is that in shame cultures, if we're caught doing wrong, there's a stain on our character that only time can erase. But guilt cultures make a sharp distinction between the doer and the deed, the sinner, and the sin. That's why guilt cultures focus on atonement and repentance, apology, and forgiveness. The act was wrong, but as for our character, there's no indelible stain if we make up for it or "do our time in prison."

In shame cultures, if you've done wrong, the first rule is, don't be found out. If you are, then bluff your way through. Only admit when every other alternative has failed, because you'll be disgraced for a very long time indeed. We could witness this in the Toyota scandal wherein management took an inordinate amount of time to acknowledge the problem of engines not shutting off and the Takata Air Bag scandal wherein the company failed to acknowledge the problem of exploding air bags until it was too late.

Shame has a place in any moral system, but when all we have is trial by public exposure (as in the case of the guilt society in America), the more reluctant the individuals who are responsible (such as the Japanese executives) will be to confess to the transgression and the more suspicious the surrounding society will become of these individuals.

The Changing American Culture

We have all read that after helping blow up the world economy, American bankers went on to "fix" the Fed Rate, arguably the most important interest rate in the world; that the most heralded sports heroes took performance enhancing drugs; that the chairman of the National Association of Securities Dealers concocted





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the largest Ponzi scheme of modern times; that drug companies modified and hid data so no one would figure out how many heart attacks their best selling medication caused; that presidential candidates cheated on their wives, and used campaign funds to hush up the facts.

And that list is hardly a sampler.

Empires come and go while moral landscapes ebb and flow. Yet something important has been happening in the last hundred years in America – It has morphed from a guilt society to a shame society to a shameless society and finally to a legalistic society. Today a major criterion of much public performance is not whether what you do is legal, but whether you'll get caught and thrown in jail.

The personality of the people have changed as well. In 1949 sociologist-lawyer David Riesman published *"The Lonely Crowd."* The book argued that from the 19th to the 20th century Americans had changed from living in an "inner directed" to an "other directed" culture—and with it their personalities.

The documented shift was from a guilt culture to a shame culture.

Guilt was built on the individual understanding that what you did was wrong because it violated an inner moral code. You did not act in a certain way because you felt guilty—because it was the wrong thing to do.

Riesman argued that society had shifted to a shame culture. Inner, moral guilt was no longer foremost in prescribing action. You did the right thing because you worried about what your neighbors, friends and community might think.

Shame, not guilt, now directed the bounds of behavior. America had become more like Japan. The differ-

ence is by this change American society has suffered far more than Japan.

From Shame to Shamelessness

It's sometimes hard to track the moral landscape of whole societies; it's easier to look at its leaders. Richard Nixon won the election of 1960 but lost the presidency. The dead voters of Illinois, brought forth by Mayor Daley of Chicago, pushed John F. Kennedy into the winner's column in Illinois—and the nation. In 1960, Nixon accepted—quietly—the "will of the nation." Yet as president, he was not going to allow legal niceties to deny him office.

The Watergate affair mushroomed out of the active planning of the White House's "Dirty Tricks" Department. There were enemies' lists, wiretaps, break-ins, spying on schoolteachers and dirty games galore. Fearing Edmund Muskie as a potential presidential opponent, this "unofficial" government department fabricated a letter about Muskie's wife. When Muskie tearfully responded, his presidential campaign ended.

Watergate, with its multifarious attempts to suborn and defeat democratic processes, would have never become known except for dogged investigative journalism and a public highly skeptical of the conduct of the Vietnam War.

Did Nixon feel guilty about Watergate? David Frost might have managed to achieve a minor public apology, but Nixon considered what he had done part of the nature of politics.

The main problem was he get caught. But he didn't feel shame, he was shameless.

From Shamelessness to Legalism

The Monica Lewinsky hearings took tragedy and transformed it to riveting, historical farce.





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The President had had an affair with a White House intern. The daughter and niece of gossip columnists, she had clearly sought the liaison—and kept an impregnated dress in her freezer as proof. For this Clinton was impeached.

But what was the impeachable transgression? Lying under oath. Somehow lying about sexual affairs became tantamount to treason. Lying about fornication became a reason to throw out a morally tarnished but democratically elected leader. That many of his accusers demanding impeachment had themselves had affairs—including with Congressional pages—seemed immaterial. Clinton clearly had lied. His famous response to being caught in the act—“It depends on what your definition of 'is' is.” In the time following impeachment, his popularity soared. In the mind of Clinton and his followers, the definition of a single word determined his guilt or innocence under law.

The New Face of Business

Jeffrey Skilling was so successful as corporate chief that for six years in a row his Enron Corporation was listed as “most innovative company in America” by Fortune magazine. Yet when caught creating numerous “off the books” financial entities which proved the “success” to be a total sham, Skilling stonewalled. He had not done anything wrong. It was just the way business was done.

And still is done. Goldman Sachs had a prominent short seller concoct tranches of the most toxic mortgage securities. It then sold this mortgage “package” to some of its “favorite” large customers— while at the same time betting the mortgages would go belly-up.

Heads I win—Tails I win

The response of Goldman executives when the deed was discovered—we did not absolutely do anything wrong. Not only was the trade “legal”, but the buyers

were “big boys” who knew what they were getting into. There was no guilt, no shame—just umbrage that anybody bothered to investigate.

And the rest of us? Did we know what we were getting into? Where is the outrage when a former governor and senator makes disappear a billion dollars from people’s accounts (Jon Corzine and MF Global)? When Russel Wassendorf loots Peregrine Financial?

No wonder Bernie Madoff railed against his investors. They were just greedy, he said. I gave them what they wanted. They should have been grateful for all his hard work.

Madoff went to jail. When Glaxo Smith Kline paid a \$3 billion fine to the government for selling drugs illegally, the corporation was found to have committed “misdemeanors.” Who was put in jail for violating the law? The corporate logo? The giant fine was a speed-bump compared to corporate profits on the same drugs.

When Hillary Clinton erased 30,000 emails that were subpoenaed, it was just part of house-keeping and cleaning out her irrelevant personal communications on yoga classes and weddings.

The Rise of the Gamesman

In 1973 the book “*The Gamesman*” was published through the Harvard Business Review. While at the business school, I was able to read it in the library. Written by Rosabeth Moss Kanter and Michael Mac-coby, it analyzed thousands of interviews with junior executives, trying to describe the “coming” corporate leader who would transform American business. The authors discovered the “Gamesman”—a quick witted, charismatic, natural leader. He (it was mostly males in those days) was also amoral, entirely out for himself, and unconcerned for his co-workers, col-





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leagues, and community. Guilt was not part of his lexicon—except as subterfuge.

The Gamesman certainly did rise in American society. With the surge of media and the Internet Age, gamesmen took over as chiefs of many institutions of American life (in business, politics and religion).

As Jay Leno has pointed out, “Politics is show business for ugly people.” Many high-flying gamesmen however are not ugly but telegenic. They look good doing media—and really sound good as well.

And they make people feel good—for a while. They are charismatic, fast talking “visionaries” excited about our collective future.

But today that future is already our past and present. Today many gamesmen operate as politicians, corporate chiefs, university presidents, church leaders.....and as president of the U.S.

And they are getting really good at social media, especially Twitter and Facebook.

Corruption and Bankruptcy

Successful societies operate on trust. We trust that the dots and numbers on our computer monitor’s banking and brokerage statements represents real wealth. We can buy things with that money, fund our kids’ education, perhaps at some far future day even retire. We trust that contracts will not be broken or can be remedied in the courts. We believe that our life partners and children are faithful to us.

That’s a lot harder when a society changes its moral basis from guilt to shame to shamelessness to legalism—from doing the right thing because it’s right—to just trying to not get caught breaking the law.

Old folks like me were keenly disappointed watching the actor supposedly embodying Marc Zuckerberg in “The Social Contract” break deals and treat women and former partners with impersonal contempt. But the young folk saw a guy who became a billionaire in a few years and built an “awesome” company from nothing. They cheered.

Facebook’s IPO had left many people penniless. Yet as the Goldman executives might say, “they had their eyes open. They knew what they were doing.”

When trust is denied or destroyed you no longer are sure what others are doing or why—and begin to distrust your own actions.

Personalities, like societies, change over decades. Yet the more successful changes embody trust in institutions—and loyalty and adherence to the basic morality of those institutions. They are successful because they are not corrupt.

But corruption does not just kill economies. Corruption wrecks nations. If basic facts are denied or denigrated disaster often follows. Fake News may be engaging and evocative, but ultimately, it’s destructive.

Even Gloria Steinem said, “the truth will set you free—but first it will really piss you off.” Well, it’s time to become pissed off. To save what we’ve got, we first must recognize we have a problem.

And acknowledge that corruption now infects all segments of American society be it politics, business, academia, arts or the humanities.

Corruption affects and infects a great portion of the “Swamp” in Washington D.C. as well as those on Wall Street and Main Street. It is now permeating the





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IRS, the CIA, the FBI, the DOJ, the VA and a host of other alphabet soup agencies that we used to trust. We have a problem when we just can't get over that sinking feeling that there is a cover up of the biggest mass shooting in U.S. history. The people need to know the truth about Las Vegas, whether there were multiple shooters, whether it was an arms operation gone awry, or a ploy to encourage the use of more screening machines or a propaganda crackdown of 2nd amendment rights or a cover up of a Saudi Arabia Coup d'état or whatever truth the authorities can admit to. If it is due to error on the part of the government agency admission of the error will encourage rectifying measures to be undertaken thereby encouraging trust in the agency and ultimately in our institutions.

We must recognize the fundamental infirmity in human nature, that power corrupts a person and absolute power absolutely corrupts the person. Power leads to hubris and an inordinate sense of entitlement. Witness the sexual harassment foibles of Harvey Weinstein, Matt Lauer, John Conyers, Al Franken, Roy Moore, Bill O'Reilly, Donald Trump and whoever else will soon be caught in the next scandal.

Corruption even animates the tactics used in securing votes by Democrats and Republicans in their efforts to control the American political landscape. We talk in terms of not what is right or wrong but in terms of what is right and left. We are reminded of the timeless lesson penned by the famous professor of history Alexander Tyler.

"A democracy will continue to exist up until the time that voters discover that they can vote themselves generous gifts from the public treasury. From that moment on, the majority always votes for the candidates who promise the most benefits from the public treasury, with the result that every democracy will finally collapse over loose fiscal policy, (which is) always followed by a dictatorship."

The typical politician's rallying cry (especially Democrat) is "vote for me and I will get you those freebies."

But despite what the politicians say, the economic law of the universe that "nothing is free" still applies.

Thus, unless we have a transformative change in how our society behaves and our country is governed, America will eventually go bankrupt, both morally and financially. I am a proud American, and I hope to heaven we make this transformative change happen.

Looking on the positive side, the U.S. still enjoys relative political, economic and religious freedoms that are still denied to billions around the world and throughout history... and we live in a free market society where entrepreneurs and business people constantly knock themselves out to bring us new products and services that are usually better, cheaper and more efficient... and that for the most part educational attainment has never been greater, human life spans have never been longer and standards of living have never been higher and there is much vigorous competition for investment ideas.

But if we continue down the path we have blazed for the past 20 years, I am afraid we will fall short of this transformative change and our country will become bankrupt.

If and before that happens, let's be sure we effectively build and secure our estate here on earth for ourselves and our descendants and insure that we secure our ultimate salvation in heaven.

D. Miyoshi



How to Legally Make Money on Weapons

How to Legally Make Money on Weapons

No, I don't mean selling refurbished AK-47's to a band of Central American guerrillas. But I do mean investing in companies that make components for U.S. high performance military aircraft.

When I was young I loved making model military airplanes. I remember I couldn't wait to get the latest Revell model kit for the P-51 Mustang, the North American F-86 Sabre Jet and the P-38 Lockheed Lightning. My favorite model jet was the Douglas Skyrocket.

While I thought of these planes as military weapons I didn't realize they would evolve into being a critical means of achieving tactical air superiority for our armed forces. In fact, the form these jets now take are of the highest top-secret information in the government.

The U.S. jets that are now being planned for launch will give a huge tactical advantage to the U.S. Air Force, Navy and Marine Corps. In competition with the new jet aircraft of Russia and China, they will form part of the global Hypersonic Arms Race.

To gain insight into the companies that make the components for the newest U.S. tactical fighters, I turn to Bill Patalon of Money Map Press who professionally covers the U.S. defense and aerospace industry. The companies that make the components for these jets will also provide a huge profit opportunity to shareholders of these companies.

First, let's take a look at America's newest spy plane - a **Mach 6** "drone" that will change the game of aerial intelligence.

Recipe for a Spy Plane

The spy plane we're talking about is the **Lockheed Martin (NYSE: LMT) SR-72 "Son of Blackbird"** - a hypersonic jet that's already under development and that will enter service late in the next decade.

Lockheed's "**Skunk Works**" - a legendary "black budget" project developer - is creating the jet.

So is **Aerojet Rocketdyne Holdings Inc. (NYSE: AJRD)**, the rocket-engine specialist Lockheed has tapped to help develop the "scramjet" engines that will push the **Son of Blackbird** to six times the speed of sound.

Patalon has been following this **spy plane saga** for his investors since late 2013.

Because of the hypersonic speeds involved, the heat that's generated and the tricky design problems that will likely be encountered, the Lockheed team is apparently resorting to an old aviation design trick - a trick that's often employed with paradigm-shifting designs because it's so effective.

The team is employing something known as "**demonstrator**" aircraft.

Think of a "demonstrator" as a kind of "flying test bed" for different parts of the under-development SR-72. In 1970s and '80s - the earliest days of "**stealth**" technology - companies used demonstrators to test materials and the "signatures" of jets that were supposed to be invisible to radar.

Jets like the Lockheed "**Have Blue**" jet, the **Northrop Grumman Corp. (NYSE: NOC) "Tacit Blue"** (a plane so odd looking it was unofficially referred to as the "**Flying Whale**") and the **Boeing Co. (NYSE: BA) "Bird of Prey"** contributed significantly to the creation of such important planes as the Lockheed **F-117 Nighthawk** stealth fighter, the Northrop **B-2 Spirit** stealth bomber, and the Boeing **X-45** and **X-47** unmanned combat air vehicle (UCAV) drones.

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These jets all have two things in common: They were top, top secret when they were being tested. And they were later (years later) declassified.

But other demonstrators - probably lots of them - remain highly classified, including the **General Dynamics Model 100 "Sneaky Pete"** flying triangle. These demonstrators flew at the mysterious **Area 51** test range and were either destroyed (some reportedly bulldozed and buried right on site) or are stored in a reputed Area 51 classified "museum" known as "**Dyson's Dock**."

The fact is, these jets just aren't spotted very often - and when they are, it's often a guessing game as to what they are or what they can do.

Unsolved Mysteries

A friend of Patalon - a radio hobbyist and aerospace writer named **Steve Douglass** - made national news three years ago when he photographed unidentified "flying wing" jets as they created contrails while zooming high over **Texas**. The **U.S. Air Force** said they were not B-2 stealth bombers - but would say nothing else.

In 1989, engineer **Chris Gibson** - a trained member of **Britain's Royal Observer Corps** - grabbed headlines when he spotted a "flying triangle" refueling from a **Boeing KC-135** tanker and being escorted by two **General Dynamics F-111 Aardvark** bombers. Most experts believe this was a will-o'-the-wisp jet known as "**Aurora**," a spy plane so fast it could reach any point on the globe in under three hours.

In the 1990s, the **U.S. Geological Survey** picked up several sonic booms over southern **Nevada**. They were made by something traveling at several times the speed of sound - and it wasn't a space shuttle.

There's also a famous "doughnuts on a rope" satellite image - which seems to depict the contrail of a hypersonic aircraft as it travels from the **U.S. West Coast** to the **East Coast** and out over the **Atlantic Ocean**.

These examples underscore a point. They call these "secret aircraft" for a good reason: We are not meant to see them - and usually don't.

But a brand-new report says that one of these "secret demonstrator" jets was recently spotted - and experts have tied it to the under-development SR-72 Son of Blackbird jet.

According to a Sept. 27 report in *Aviation Week & Space Technology* - the "bible" of the aerospace business - a demonstrator prototype of the jet was seen at a "black project" plant in **California**.

According to journalist **Guy Norris**, an "unmanned subscale" (a scaled-down version of the real thing, but one that really flies) was seen at the Air Force's **Plant 42** in **Palmdale**. That's where Lockheed's "Skunk Works" is based.

Norris said the drone flew into Palmdale on an early morning in July, escorted by two Air Force **T-38** jets. He said Lockheed wouldn't comment.

But the sighting fits with all else we know - about the SR-72 and about the use of top-secret demonstrators. And it also tells us that the project is progressing, meaning two of our companies - Lockheed and Aerojet - will be looking at some long-term contracts with a hefty dollar value.

That's good news to investors.

Such prospects - coupled with the new commitment to missile interceptors, the **DARPA "Phantom Express"** project, and new growth in the commercial launch arena - bode well for these two companies whose long-term prospects are bright. Patalon estimates a 207% profit in **Aerojet** and 150% for **Lockheed**.

This development also "moves the needle" for investment stories in drones, the commercial space market and hypersonics.



How to Legally Make Money on Weapons

Lockheed, for instance, recently won a \$147 million contract to develop a Mach 20 hypersonic bomber. Known as the **Tactical Boost Glide (TBG)** weapon, it would be air-launched from a bomber (or, in the future, from a version of the SR-72) and could hit any spot on the globe less than an hour after it was launched.

The TBG would be fitted on the nose of a rocket that's carried on a "hard point" under an airplane's wing. TBG itself is an arrowhead-shaped vehicle powered by a ramjet or scramjet. The rocket boosts TBG to an even higher altitude - and then the scramjet or ramjet kicks in and zooms it to hypersonic speed. That builds up the lift for it to "glide" to its target.

Given its hypersonic know-how - as well as its partnership with Lockheed - Aerojet will likely have a role in that, too.

This Legend Is No Myth

The Son of Blackbird is a needed follow-on to the earlier Lockheed **SR-71 "Blackbird,"** a **Cold War** spy plane that achieved legendary status.

From the time it became operational in 1964 until it was retired in 1989 (and then retired again in 1998), the SR-71 was unparalleled in its ability to fly fast, fly high and literally outrun the missiles enemy defenders fired to bring it down.

In fact, during its entire operational career - 3,551 mission sorties totaling 11,000 hours (including 2,750 mission hours being flown at **Mach 3**) - no Blackbird was ever felled by enemy fire.

That's no surprise, of course: You can't hit what you can't catch.

The needle-nosed black jet cruised easily at Mach 3.2 and flew its missions at 85,000 feet - right at the edge of outer space. That extreme performance, and the spy plane's 2,900-mile mission range, meant the Blackbird could "overfly" potential "hot spots" in

North Korea and Vietnam - or even a nuclear test site deep inside **China** - and bring back "the goods" that **Pentagon** decision-makers desperately needed in order to act.

Spy satellites, for all their benefits, lacked the flexibility of a supersonic spy plane.

Jets, you see, can be directed to a specific target at a desired point in time, while satellites are shackled to their orbiting tracks. In fact, in cases where the president or military decision-makers need to look at a specific target, it can take as long as 24 hours before a satellite can be in the proper orbit. That's much longer than it takes to plan and launch a spy-plane mission. And because the overflights of satellites can be predicted, a targeted enemy can camouflage or otherwise hide the assets our military leaders want to see.

These shortcomings quickly became apparent when **Congress** forced the Blackbird's first retirement in 1989. Just four months later, with **Operation Desert Storm** swirling, **U.S. Gen. "Stormin" Norman Schwarzkopf Jr.** was told that the expedited reconnaissance the Blackbird could have given him was no longer available.

In part because of that lesson - and several others like it - several SR-71s were brought out of retirement in 1993. But the program was killed for good in 1998, leaving a gap in America's strategic reconnaissance capabilities that new drone-type aircraft are just beginning to fill.

With that, the U.S. Congress notched an achievement that had forever eluded our enemies.

It brought down the Blackbird.

That's left a hole in the Pentagon's ability to keep tabs on enemies - or new "hot spots" around the world.

Making matters worse is the reality that **Beijing** is investing heavily in "space weapons" - hoping to render China's enemies "blind" during a fight by blasting apart or electrically neutering U.S. spy and navigation





WHY MOST OF US DON'T MAKE MORE MONEY

satellites.

The **Son of Blackbird** would counter any move like that - and, being unmanned, wouldn't expose a pilot to enemy fire.

It would combine hypersonic speed, stealth and maneuverability into a fearsome package.

It's not just a matter of worrying about the loss of the aircraft. It's also the fact that the loss of the aircraft often means that the badly needed information isn't obtained.

"Hypersonic is the new stealth," **Brad Leland**, portfolio manager for air-breathing hypersonic technologies at Lockheed Martin, told *Aviation Week & Space Technology*. "Your adversaries cannot hide or move their critical assets. They will be found. That becomes a game-changer."

All those things make the SR-72 a high-priority program.

The sighting of the secret test jet confirms that - and provides some long-term muscle to Lockheed and Aerojet.

We'll keep watching this.

D. Miyoshi

WHY MOST OF US DON'T MAKE MORE MONEY

Have you ever wondered why we have to try so hard—why it often feels like we're fighting against ourselves to think the thoughts that will bring a financial windfall our way?

Why Can't I make More Money

Well, that's the problem: You are fighting against yourself.

In order to change your thoughts, you have to first address your past conditioning around money—or your money *blueprint*.

This blueprint, or internal preset program, is informed by our past—and we don't just have one for money! We have blueprints for our relationships, our careers, our self-image, and more ... unless and until we take control of our mindsets and reprogram them for the better.

T. Harv Eker is the brilliant mind behind the money blueprint concept and the author of one of my favorite finance books, *Secrets of the Millionaire Mind*. In it he says:

“We live in a world of duality: Up and down, light and dark, hot and cold, in and out, fast, slow, right and left ... Consequently, just as there are ‘outer’ laws of money, there must be ‘inner’ laws. The outer laws include things like business knowledge, money management, and investment strategies. These are essential. But the inner game is just as important.”

In order to raise our consciousness and attract more financial abundance, we have to start by getting clear on our blueprint. Eker says you discover your financial blueprint by thinking back on your childhood and answering these three questions:

What did I hear about money when I was younger?

e.g., “Money doesn't grow on trees!”

What did I see with regard to money when I was younger?





WHY MOST OF US DON'T MAKE MORE MONEY

e.g., We always had just enough money to pay the bills. No more, no less.

What did I experience around money when I was younger?

e.g., Mom was able to pay for all of my class trips, but I never saw her travel or spend money on herself. I got the feeling that you had to make financial sacrifices for your family.

These questions are important because what you heard, saw, and experienced as a child builds that blueprint; it determines what you feel you're capable of earning or achieving or calling in. There's no mistaking that your thoughts, your beliefs, and your character are key factors in your level of financial success (or success, period).

You control your mindset, and your mindset defines your life.

So, if you happen to have a negative money mindset—and don't feel bad; most of us initially do!—how can you “fix” it? I call this “reprogramming” because you are actually working to rewire the parts of your brain that subconsciously tell you:

I can only earn \$50,000 a year.

I can only earn as much as I need to pay the bills.

I should spend my money as soon as I earn it.

You don't just get rid of these and other disempowering thoughts. You change your relationship to them.

And, according to Eker, you do that by following these four steps. Practice them deeply and often, and you'll soon find your mindset shifting and your abundance flowing.

Trust me—I've gone through this myself.

1. Be aware.

Become aware of your fear around money and the ways you have been sabotaging your financial abun-

dance. You've already started this process by asking yourself the questions above! You are exposing destructive (and long-held) patterns. This will help you dismantle them and put more positive patterns in their place.

2. Understand.

Understand where your thinking around money originated (by identifying specific money modeling or financial experiences from your past), and connect the dots between those experiences and any fear-based thoughts, actions, or energy you have around money. How has this tainted your abundance and success?

3. Dissociate.

Just as you might dissociate from a toxic friend, it's time to dissociate from your toxic beliefs. By now, you're likely beginning to see that your previous thought and behavioral patterns are not valuable, not truthful, and not actually you. Can you see that you have a choice in this present moment to think differently, to act differently, to be different? You do. What choice will you make?

4. Recondition.

This last step is an important piece of the whole puzzle; this is the work that will rewire your subconscious mind. On a daily basis, you will need to practice a series of empowering techniques that retrain your mind to respond supportively with regard to financial abundance. You're probably familiar with a lot of these techniques already: reciting mantras or affirmations, meditating, practicing yoga, or just a daily practice of checking in with yourself and asking, “What worked today? What didn't?”

You can pick the techniques that work best for you. Just make the time every day to practice reconditioning your mind with a new, positive money blueprint. In this step, you go beyond talking or reading about financial abundance; you are now creating a more empowering pattern!



Thanksgiving, the real story

It's unlikely that you'll rewrite your money blueprint in a day, a week, or even a few months. But the more time you spend paying attention to, understanding, disassociating from, and reconditioning these harmful patterns, the closer you'll get to your ultimate financial goal.

Train your mind to think more empowering thoughts around money, and you'll be amazed at the abundance you manifest.

Here is to your next big financial success.

D. Miyoshi

Thanksgiving, the real story

A week ago on November 23, we celebrated one of America's significant holidays..... Thanksgiving. This is the day we give thanks for all our blessings (and/or lack of curses thereof). But, surprisingly the official story taught to us in elementary school of how thanksgiving came about is a myth. Richard Maybury, publisher of *The Early Warning Report*, a newsletter similar to this newsletter about the coming economic crisis, tells us the real story of Thanksgiving. Here is what Richard reveals to us about Thanksgiving..

Newspapers, radio, TV, and magazines devote vast amounts of time and space to Thanksgiving. It's all very colorful and fascinating.

It's also very deceiving. The official story of Thanksgiving is nothing like what really happened. It's a fairy tale, a whitewashed and sanitized collection of half-truths that divert attention away from Thanksgiving's real meaning.

The official story has the pilgrims boarding the Mayflower, coming to America, and establishing the Plymouth Colony in the winter of 1620-1621. This first winter is hard, and half the colonists die.

But the survivors are hardworking and tenacious, and they learn new farming techniques from the Indians. The harvest of 1621 is bountiful. The Pilgrims hold a celebration and give thanks to God.

They're grateful for the wonderful new abundant land He has given them.

The official story then has the Pilgrims living more or less happily ever after, repeating the first Thanksgiving each year.

Other early colonies also have hard times at first, but they soon prosper and adopt the annual tradition of giving thanks for this prosperous new land called America.

The problem with this official story is the harvest of 1621 was not bountiful, nor were the colonists hardworking or tenacious. 1621 was a famine year, and many of the colonists were lazy thieves.

In his *History of Plymouth Plantation*, the governor of the colony, William Bradford, reported that the colonists went hungry for years because they refused to work in the fields.

Instead, they preferred to steal food. He says the colony was riddled with "corruption" and "confusion and discontent." The crops were small because "much was stolen both by night and day, before it became scarce eatable."

In the harvest feasts of 1621 and 1622, "all had their hungry bellies filled," but only briefly. The prevailing condition during those years was not the abundance the official story claims. It was famine and death.

The first "Thanksgiving" was not so much a celebration as it was the last meal of condemned men.

But in subsequent years, something changed. The harvest of 1623 was different. Suddenly, "instead of famine, now God gave them plenty," Bradford wrote, "and the face of things was changed, to the rejoicing of the hearts of many, for which they blessed God."

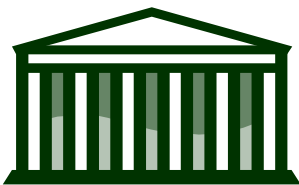
Thereafter, he wrote, "any general want or famine hath not been amongst them since to this day." In fact, in 1624, so much food was produced, the colonists were able to begin exporting corn.

What happened?

After the poor harvest of 1622, writes Bradford, "they began to think how they might raise as much corn as they could, and obtain a better crop." They began to question their form of economic organization.

This had required "all profits and benefits that are got by trade, working, fishing, or any other means" to be placed in the common stock of the colony, and that "all such persons as are of this colony, are to have their meat, drink, apparel, and all provisions out of the common stock."

Thanksgiving, the real story



Advancing in a Time of Crisis



Financial Crisis Report



David M. Miyoshi is a California attorney with a Martindale-Hubbell AV Preeminent Rating for Attorneys. He earned his Bachelor of Science degree from the University of Southern California, a Juris Doctor degree from the University of California, an MBA degree from Harvard University and an International Graduate degree from Waseda University in Tokyo.

He is Managing Attorney of Miyoshi Law, an International Law Firm where he approaches legal issues through a commercial lens and is a trusted legal and business advisor to his corporate and estate clients. In military service in Vietnam, he led a Combined Action Platoon as an officer in the U.S. Marine Corps and received the Naval Commendation Medal with "Combat V".

He appears in 14 Who's Who publications throughout the world and is listed as a specialist in international business, real estate and estate planning.

A person was to put into the common stock all he could, and take out only what he needed.

This "from each according to his ability, to each according to his need" idea was an early form of socialism, and it's why the Pilgrims were starving.

Bradford writes "young men that are most able and fit for labor and service" complained about being forced to "spend their time and strength to work for other men's wives and children."

Also, "the strong, or man of parts, had no more in division of victuals and clothes, than he that was weak." So, the young and strong refused to work, and the total amount of food produced was never adequate.

To rectify this situation, Bradford abolished socialism in 1623. He gave each household a parcel of land and told them they could keep what they produced or trade it away as they saw fit.

In other words, he replaced socialism with a free market, and that was the end of famines. Many early groups of colonists set up socialist states, all with the same terrible results.

At Jamestown, established in 1607, out of every shipload of settlers that arrived, less than half would survive their first 12 months in America. Most of the work was being done by only one-fifth of the men, the other four-fifths choosing to be parasites.

In the winter of 1609-1610, called the "Starving Time," the population fell from 500 to 60.

Then the Jamestown colony was converted to a free market, and the results were every bit as dramatic as those at Plymouth.

In 1614, Colony Secretary Ralph Hamor wrote that after the switch there was "plenty of food, which every man by his own industry may easily and doth procure." He said that when the socialist system had prevailed, "we reaped not so much corn from the labors of 30 men as three men have done for themselves now."

Before these free markets were established, the colonists had nothing for which to be thankful. They were in the same situation as Ethiopians are today, and for the same reasons.

But after free markets were established, the resulting abundance was so dramatic, the annual Thanksgiving celebrations became common throughout the colonies.

And in 1863, Thanksgiving became a national holiday.

Thus, the real reason for Thanksgiving, deleted from the official story, is: Socialism does not work (Bernie Sanders did you hear that?). The one and only source of abundance is free markets, and we thank God we live in a country where we can have them.

Now, we just have to keep it that way (this is the hard part).

D. Miyoshi



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