



Financial Crisis Report

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Advancing in a Time of Crisis

Words of Wisdom: “If GM had kept up with technology like the computer industry has, we would all be driving \$25 cars that got 1,000 MPG.” Bill Gates

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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.

FBI Gate?



Upon graduating from law school in 1973, I was contemplating joining the FBI as a special agent because I was told that a Marine Corps Officer had the inside track in being accepted by the FBI, likely because both Marine officers and FBI agents are trained at Quantico. However, I was offered a position in a law firm in Tokyo handling international business transactions, so my plans changed. With what is happening in the FBI these days, I am rather glad my plans changed.

On January 29, the Intelligence Committee of the U.S. House of Representatives voted to declassify and release to the public a four-page memo on the Foreign Intelligence Surveillance Act (FISA) findings that presumably show

massive crimes by FBI senior members designed to bring down the then presidential candidate and current president Trump. The release to the public can be made if the president does not veto the release within 5 days. It is expected the memo will be released sometime in early February amidst a flurry of recriminations and denunciations by the Democrats.

The memo allegedly indicates that president Obama ordered intelligence services to spy on Trump in the hopes of either throwing a free election to Hillary Clinton or to use as grounds to try and impeach Trump should he win. As more supporting evidence is disclosed, this political chicanery may go down as a U.S. political scandal bigger than Teapot Dome, Clinton-Lewinsky, Iran-Contra and even Watergate.

If, as the memo allegedly shows, the FBI and the Obama Justice Department obtained a FISA warrant (or warrants) to surveil President Trump and/or members of his presidential campaign based wholly or in part on unverified and unsubstantiated political opposition research produced and paid for by the DNC and Hillary Clinton's presidential campaign...damaging information on

FBI Gate?

Trump originating from Christopher Steele's Russian government operatives and informants...it would be political corruption and gross misuse of the FISA courts to the highest degree of culpability ever. There have been earlier indications of the Obama Administration's politicization of federal agencies (the IRS, for example), and specific accusations of the politicization of the U.S. national security infrastructure, but this would be unprecedented abuse of the latitude that the national security agencies are entrusted with. Essentially, for the first time in modern history, an entire system of surveillance and data collection was weaponized against a political campaign. This revelation would also cast Russian misbehavior in the 2016 presidential election in an entirely different light. If this proves to be the case, every U.S. citizen (both Republican and Democrat) should be dismayed and seriously concerned for the future of U.S. National security.

In the final analysis, it seems likely we will learn that unverified dossier information was used to obtain the FISA warrant. And we already know the dossier information was obtained at the behest of the Obama Administration and with financing from the Clinton campaign. And it is evident that at least some of the FBI agents and officials (Rod Rosenstein, Peter Strzok, Lisa Page, Bruce Ohr, Nellie Ohr and Andrew McCabe, to name a few) involved in the process were anti-Trump partisans alarmed at the prospect of Trump defeating Clinton. The emails show that the day after Trump is elected, the FBI officials call for a meeting of a "secret society" to deal with the situation. The many messages between Strzok and his paramour Page, indicate that the agents believed that they should "go easy" on the Clinton email investigation because they believed Clinton would become president (and by definition) their boss. This reveals the height of politicization of the top policing agency of the Federal government. The arrogance and recklessness revealed in the emails by the FBI officials (encouraged by the expectation that Hillary would win the presidency) is astounding. The involved FBI officials act as though they are above the law. It is inter-

esting to note that at the time of this writing near the end of January, the main stream media and *Newsweek* are still treating this story as a "conspiracy theory." However, Fox News is broadcasting the story as true. Maybe by the time the whole story is made public we will know what really happened.

But, none of this lets President Trump off the hook. If evidence of collusion exists (by now, I see no reason to believe it does), the fact that the evidence may be "the fruit of a poisonous tree" politically won't matter. Similarly, if Trump obstructed justice (so far, I see no reason to believe he did), abuse by the FBI will be no defense.

On the other hand, this doesn't make the abuse by the FBI trivial. Far from it. If FBI agents and officials acted improperly about the dossier and/or the FISA application, they should be punished to the full extent of the law. Anything less, will set a legal and political precedent that if you are on the "correct" political side, you are above the law.

Interestingly enough, on January 28 the acting Director of the FBI Christopher Wray went to view the memo at the House chambers. It was reported Director Wray was astounded at what was written in the memo. Indications are that deputy director Andrew McCabe had required rank and file agents to modify their 302 investigation reports to go lenient on Clinton. The very next day, January 29, McCabe resigned his post and was escorted out of his office weeks before his scheduled retirement in March. It's reported that fellow agents said McCabe was irate and indicated if he does not get his full pension he will "torch the FBI". So, we are left with the question, is the FBI that corrupt? Do the initials of the organization now stand for "Fraudulent Beyond Imagination?"

Well, I believe the truth will eventually be found. In the coming days, we will see how things sort out, in what may become the biggest political scandal in U.S.



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history. Hopefully, Congress and the Department of Justice will be able to craft a face-saving solution to this issue.

Perhaps this is just part of the normal maturation of a democratic society. Or maybe our country is simply sinking into an ideologically corrupt sh*thole. Well, there is one thing that is clear, the Left and Right have a philosophical vendetta the likes of which only Heaven knows and only God can resolve.

D. Miyoshi

The Consequences of a U.S. War with North Korea



The most intractable problem the U.S. faces in Asia is North Korea – a poor, totalitarian state of roughly 25 million malnourished and isolated people – to acquire nuclear weapons capable of striking the U.S. mainland or its Asian allies, Japan and South Korea. The U.S. has threatened North Korea with all manner of retribution if Pyongyang continues its pursuit of these weapons, and yet North Korea remains undaunted. North Korea is doing this not because Kim Jong Un is crazy. North Korea is doing this because it figures it will be left standing, come what may. At the end of January, as the Olympic teams of North and South Korea prepare to march together in the opening ceremonies, North Korea has indicated it is open to a unification with South Korea. Whether this is

a political or militarily strategic gambit, is yet to be discerned. We shall see.

We do have intelligence indicating that Kim Jong Un's fund inherited from his father is running low because the country has repeatedly carried out costly nuclear tests and test-launched missiles. Part of the reason North Korea is participating in the winter Olympics is to earn some money to replenish the fund. But since September and December of last year the U.N. Security Council's additional sanctions against North Korea have been taking their toll by limiting the country's ability to obtain foreign currencies. The question is will they run out of money before they run out of bravado.

The Current Situation

At the outset it should be made clear that while this problem is the burden of president Trump, in no way is the cause of the problem his fault. This problem could have been solved during the administration of Bill Clinton and/or those of presidents after him through and especially of president Obama. Had any of these previous presidents had the political courage (or morality) to institute restrictions upon the Kim regime to stop its nuclear weapons program this would not be the issue it is today. We should remain gratified that president Trump has the political courage to stand up to Kim Jong Un as no president before him has. In fact on January 11, president Trump told the *Wall Street Journal* he had developed a positive relationship with Kim Jong Un. Maybe it's because he didn't call North Korea a sh*thole country. In any case, in his January 30 State of the Union address, president Trump pledged that America is through with compromise and conciliations and that the best defense against an adversary is unmatched power.

On a light note, we should be wary that both president Trump and Kim Jong Un appear to suffer from *Scleroderma* (this is a facetious use of the medical term for "thin skin"). But on a serious note, there is an actual psychological affliction termed "narcissistic personality disorder" (NPD) which is a psychological condition of people who are woefully incapable of accepting criticism, either constructive or destructive. This is perhaps what both Trump and Un suffer from. In no way is this

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saying they are mentally unstable. Only, that they are unable to accept criticism. In my opinion I find Trump to be quite competent. While I thought president Obama was very competent in his elocution, I thought he was grossly incompetent in his execution. Trump could take some needed lessons on elocution from Obama (albeit his State of the Union address was very well delivered) but Trump is leagues ahead of Obama when it comes to execution of policies. Perhaps Trump suffers from only a benign form of NPD while Un suffers from an acute form. But the case can be made that Trump's ability to govern is seriously compromised by this psychological condition. In Un's case, he doesn't govern a country but instead rules it so his NPD may not prove as inconvenient for him. Whatever the case, for Trump and especially Un, to have a hair trigger (or button) on a nuclear missile is not a good thing.

A Trump administration insider recently told *Newsmax*, "Every war in history was an accident. You just don't know what's going to send him over the edge." An outside adviser to the West Wing added that "this is the most important issue on the president's desk. We are in a hair-trigger environment. And this is potentially a shooting war with nuclear risk."

We remember the assassination of Archduke Franz Ferdinand of Austria Hungary that started WWI, the attack on Pearl Harbor that began WWII and 9/11 that led to the Afghanistan and Iraq Wars, and are reminded of the sobering fact that a single dramatic event can trigger a world calamity.

On the home front, it seems the winds of war are just beginning to blow. The *New York Times* reported that in December at Fort Bragg North Carolina, 48 Apache gunships and Chinook cargo helicopters conducted exercises under live artillery fire to assault targets. In Nevada at Nellis Air Force Base, 119 paratroopers jumped out of C-17 military cargo planes during practice runs that mimicked a foreign invasion.

Further, in this month of February, the Pentagon plans to send more Special Operations troops to the Korean Peninsula ahead of the start of the Winter Olympics,

which take place in South Korea beginning Feb. 9.

So, this is the solemn situation we find ourselves in today. The more the critics of president Trump castigate him (fairly or unfairly) and try to vilify him for making vulgar comments in private (just like other presidents have done), the more Trump will rebel and attempt to justify his position to the possible point of crafting an external "enemy" as a diversion to the condemnations. A convenient and viable enemy would be North Korea or Iran. In connection with this, we should realistically note that except for Fox News, *The Wall Street Journal* and conservative radio talk shows, the mainstream media is by a wide margin defiantly critical of Trump.

The Past Wars

Over the past half century, the United States has fought only one big conventional war—in Kuwait, in 1991. Operation Desert Storm launched a U.S.-led coalition against the Iraqi Army after it occupied oil-rich Kuwait. The combat was quick (six weeks) and successful in its limited goal: expelling Saddam Hussein's forces from the small Gulf sheikhdom. Fewer than a hundred and fifty Americans died in battle.

America's other big wars over the same period—in Vietnam, in the nineteen-sixties and seventies; Afghanistan, after 9/11; and Iraq, on and off since 2003—have been unconventional. They pitted a very well-trained military with the world's deadliest weapons against insurgents, militias, terrorists, or a poorly trained army, all with far less firepower and no airpower. In each, asymmetric conflicts stymied the United States. Wars dragged on for years. Death tolls were in the thousands—in Vietnam, tens of thousands. The aftermath—and unintended consequences—were far messier and bloodier. The price tags were in the trillions of dollars.

South Korea's fears



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In no way does South Korea want the U.S. to launch a pre-emptive strike on North Korea because they know that the South would bear the brunt of a war on the peninsula. South Korea's imperative is to prevent that from happening at all costs. It's one thing for South Korea to urge the U.S. not to undertake an attack in private. It's quite another to do it in public, which South Korea has done repeatedly. It betrays a distrust between Washington and Seoul, and alliances are built on a certain degree of trust.

Consider the following developments in the six weeks leading up to Un's Olympic announcement. On Nov. 17, the chairwoman of South Korea's ruling party contradicted president Trump, insisting that war with North Korea was not on the table. On Dec. 14, South Korean President Moon Jae-in traveled to China, and when he left, Seoul and Beijing's positions on a strike against North Korea were aligned. On Dec. 19, Moon suggested delaying major annual U.S.-South Korean military exercises until after the Olympics in March. Moon has already enthusiastically responded to Un's proposal of discussions over a North Korean delegation at the Winter Olympics, and South Korea's state-run Institute for National Security Strategy has already said it believes the North will ask for the South to remove certain sanctions against Pyongyang – to which it said Seoul's agreement "cannot be ruled out."

Of course, the U.S. doesn't want to attack North Korea either. Washington has been hoping that a combination of sanctions and impressive military threats would cow Pyongyang into submission. South Korea's public and repeated resistance to a U.S. strike undermines the most important part of a nonviolent U.S. strategy to get North Korea to give up its nuclear weapons: a credible threat

of military action.

Un seems to have learned from a mistake that his grandfather made. In 1950, Kim Il Sung ordered an invasion of South Korea. The overt act of aggression, especially in the context of the Cold War, provoked a U.S. response, which caught North Korea by surprise. This time around, Un has no intention of trying to conquer South Korea by force. He is instead biding his time, betting that Washington will not ignore Seoul's pleas. If it does, the U.S. will have done the hard work of destroying the U.S.-South Korea alliance without North Korea having to do much of anything. The goal is to split the U.S. off from South Korea, and eventually to get the U.S. to withdraw its military forces from the peninsula.

Should that occur, the major winner would be China. Relations between Pyongyang and Beijing have been chilly, but on this they converge: China doesn't like the deployment of U.S. military assets in South Korea any more than North Korea does. China's entire strategy right now is based on slowly and incrementally pushing the U.S. farther and farther from China's borders, while arming itself with enough area-denial capabilities to impose significant casualties on a potential U.S. attacking force. China has been the most vocal supporter of a "freeze-for-freeze" agreement – North Korea freezing its nuclear program in return for the U.S. and South Korea freezing military exercises. China doesn't necessarily want North Korea to acquire nuclear weapons, but that is a small price to pay if it results in a break between the U.S. and South Korea.



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War with North Korea

Robin Wright of *the New Yorker* writes that a war with North Korea would probably be a combination of both types of conflict, played out in phases, according to former generals who served in Korea and military specialists. The first phase, they say, would be a conventional war pitting North Korea against American and South Korean forces. It could start several ways, but two scenarios, both pre-emptive actions, reflect how a full-fledged conflict might start—even if unwanted by both sides. Asked if he was considering military action, President Trump told reporters, “Frankly, that’s not a first choice, but we will see what happens.”

In the first scenario, the United States could engage in what is known as a left-of-launch strike just before a North Korean missile liftoff, or in the first seconds of its flight. This could be done kinetically or by cyberattack, although it’s unclear whether the United States has that full cyber capability yet. The regime of Kim Jong Un has already conducted eighteen missile tests in 2017. South Korea reported that Pyongyang may test another intercontinental ballistic missile soon. If the Trump Administration chose to thwart a missile test now or in the future, former generals and military analysts said North Korea is likely to retaliate, possibly escalating tensions into open warfare and unleashing weaponry. Pyongyang fears it might otherwise lose in U.S. air strikes.

The second possible scenario would be North Korea initiating military action because of fears or signals that the United States is close to an attack. The signals could range from small steps, such as Washington pulling out diplomatic dependents from South Korea, to major actions, such as deploying more military aircraft, equipment, personnel, or even nuclear weapons in the South. Pyongyang could pre-emptively attack to fend off what it feared was going to be a full-scale invasion.

Fiery rhetoric from both sides has escalated tensions over the past months. In August 2017, President Trump vowed, “North Korea best not make any more threats to the United States. They will be met with fire and fury like the world has never seen.” A few hours later, the Strategic Force of the North Korean People’s Army countered, “It is a daydream for the U.S. to think that its

mainland is an invulnerable Heavenly kingdom.” The incendiary rhetoric is sucking the air out of diplomacy, a track still heavily favored by South Korea, China, Russia, Japan, and Europe. As a result, brokering any compromise on Pyongyang’s nuclear reality seems more distant, especially given its rapid pace of weapons and delivery-system development, exceeding all intelligence estimates. The only deal Kim might now consider is a freeze—and at a heavy price from the West, which the White House seems unwilling to negotiate.

If war erupted, the first phase would likely play out for at least a month, and possibly many weeks more. “North Korea is in a position now where its conventional warfare has atrophied over the years and not been modernized much,” the retired General Gary E. Luck, the former commander of both U.S. and U.N. forces in Korea said. “But it still has the numbers in its military—because of the type of regime it is—that it could execute a conventional war not far afield from the last time around.” It also now has a nuclear bomb.

North Korea has almost 1.2 million troops in its various military branches, plus another six hundred thousand in its reserves and almost six million in its paramilitary reserves, according to “*Military Balance 2017*,” published by the International Institute for Strategic Studies, a think tank. South Korea’s armed forces are about half the size of the North’s, but it has 4.5 million troops in its reserves and another three million in its paramilitary reserves. Partly because there is still no formal end to the last Korean War, only an armistice, the United States has about twenty-eight thousand troops deployed in South Korea, with tens of thousands more in the U.S. Pacific Command.

In the end, North Korea would lose a war, the generals and military analysts say. The regime of Kim Jong Un would probably collapse.

The Consequences

But a Second Korean War could be deadly—producing tens of thousands of deaths just in Seoul, and possibly a million casualties in the South alone. It would almost



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certainly be devastating physically in both the North and South, military experts say.

“The devastation to the peninsula would be disastrous, just disastrous,” said retired Major General James (Spider) Marks, who served in both Korea and Iraq. During the first Korean War, between 1950 and 1953, the United States lost more than thirty thousand troops in battle. South Korea lost almost a quarter million troops and a million civilians. In North Korea, just over a million troops and civilians are estimated to have died.

Luck, a Purple Heart recipient who served in Vietnam and the first war against Iraq, said “it would be a very tough fight. In the end, we would win, but the price we’d pay to get there would be pretty dadgum high. There would be horrendous loss of life. There are twenty-five million people in South Korea within artillery range of North Korea.” North Korea has thousands of artillery pieces embedded deep in the northern slopes above the Demilitarized Zone that divides the Korean Peninsula.

Lost in tensions over North Korea’s nuclear program are its chemical and biological weapons, Luck added. “They *are* something to be worried about.”

As bad as the scenario for the first phase seems, the second phase could then get worse. “A war would not end quickly after the defeat of North Korean forces,” Mark Fitzpatrick, the executive director of the International Institute for Strategic Studies office in Washington, said. “North Korea would not be immediately pacified.”

A conventional conflict could then devolve into the now familiar kind of insurgency that U.S. forces face in the Middle East and South Asia. Loyalists to the Kim regime might fight on in covert cells and costly guerrilla attacks.

“North Korea would not go down as fast as Saddam’s regime (in less than a month of the U.S. invasion) or the Taliban (in two months), but the aftermath would be similar and probably of greater intensity,” Fitzpatrick said. “North Koreans are brainwashed into believing that

the Kim dynasty is deity-like and Americans are the source of all evil.”

Numerous war games have analyzed what it would take to eliminate the regime and its weaponry, but little has been done to study what might happen afterward. The same problem plagued military interventions in Iraq and Afghanistan: they achieved their initial goals only to get sucked into open-ended quagmire.

Recently Trump tweeted, “The U.S. has been talking to North Korea, and paying them extortion money, for 25 years. Talking is not the answer!” Hours later, James Mattis, the Secretary of Defense and a former marine, publicly broke with the President. “We’re never out of diplomatic solutions,” Mattis told reporters while standing next to South Korea’s Defense Minister, Song Young-moo, at the Pentagon.

In the final analysis, there are only two ways to get North Korea to halt its development of nuclear missiles: The U.S. either destroys the regime or convinces it that continued tests would call into question its very survival. For that to work, the regime would have to believe it could be destroyed.

The U.S. can rail all it wants at the U.N. (otherwise known as Useless Nonsense); it will unfortunately fall on deaf ears. The U.S. can try to assassinate Kim Jong Un but someone else will take his place. The U.S. can forbid China from fueling North Korea; the North Koreans don’t use that much fuel anyway, and they have already demonstrated they will sacrifice much to defend their country.

Ultimately, can the U.S. take out the Kim regime, or at least make Pyongyang think it can? It’s hard to say. There are only two ways to take out the regime. The first – using the United States’ own vast nuclear arsenal – would set a precedent on the use of weapons of mass destruction that Washington would rather not. The second – as stated above, a full-scale invasion and occupation of North Korea – would strain even U.S. capabilities and wouldn’t have the desired outcome. The U.S. might





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be able to defeat the North Koreans in the field, but as Vietnam and the Iraq War showed, defeating the enemy in battle is not the same thing as achieving victory.

Limited military strikes are another possibility. Politically attractive though they may be, they can only delay, not destroy, North Korea’s nuclear program. And they would surely enhance Pyongyang’s credibility. Every U.S. attack that doesn’t succeed in knocking out the political leadership would be used as propaganda, spun in the North Korean countryside as a victory against the “gangster-like U.S. imperialists.”

This is the extent, and limit, of American power. Around the world, the U.S. has been struggling to execute a foreign policy that does not rely on direct U.S. intervention. This is easier said than done, especially when the issue at stake is nuclear war. Analysts can scream until they are blue in the face that North Korea would never use its nuclear weapons because doing so would invite its own demise. But they are not the ones making the decision. They don’t bear the burden of being wrong. The U.S. people bear the burden.

That is the brilliance (if you can call it that) behind North Korea’s strategy. The goal is to prod the U.S. to react to its behavior – and then to use its reactions to shore up support. So far, the strategy is working. The U.S. has said time and again that it will not allow North Korea to have a nuclear weapon. If North Korea gets a nuclear weapon, then what good is a U.S. security guarantee? If the U.S. attacks North Korea without destroying the Kim regime – then North Korea can say it defeated the imperialists as it continues to pursue its current strategy. If the U.S. agrees to remove its forces from South Korea in exchange for North Korea’s halting its testing, then North Korea is one step closer to its ultimate goal: unifying the Korean Peninsula under Pyongyang’s rule. In his latest move in early January, Un put on his new persona as statesman agreeing to meet with South Korea’s president Moon Jae-in to discuss North Korea’s participation in the winter Olympic games and possible improvements in relations between the two Koreas. This all appears part of Un’s gambit to ultimately gain control of the entire Korean peninsula.

But in every scenario, the conclusion is the same: The United States alone cannot dictate terms in East Asia. It cannot bring North Korea to heel.

It cannot make China do what China does not want to do. It cannot even persuade its ally, South Korea, to pretend that a pre-emptive military option is on the table. Although Japan wants to be able to truly defend itself, it still must look at all the things the U.S. cannot do, and for the first time since 1945 it must ask itself a question that leads to a dark place: What does Japanese policy look like if Tokyo cannot rely on U.S. security guarantees?

So, North Korea is the biggest conundrum facing president Trump. Kim Jong Un brags that he has the button on his desk and the entire territory of the U.S. is within his reach. But at this stage, Un has no choice. He knows that if he ever gives up his nuclear weapons and the ability to deliver them, he would soon be dead either at the hands of the Western powers or his by own administration. As author of the “Art of the Deal” the question is will president Trump be able to disable Un’s button and fashion a deal with him, either with his consent or over his corpse? If Trump succeeds it will be the biggest deal of his life.

D. Miyoshi

Cash is King in a Financial Crisis



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In October 2017, a jet laden with emergency supplies was making a beeline for Puerto Rico. Just days before, Hurricane Maria had hit the island hard.

The Category 4 storm left residents without power.





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The roads were carpeted with debris. Half the island had no drinking water.

But the jet wasn't carrying food, water or portable generators.

Instead, it was transporting cold, hard cash.

You see, while the U.S. government struggled to provide adequate assistance to Puerto Rico's residents, the Federal Reserve Bank of New York spotted a crisis no one was paying attention to...

Terror at the ATM

Grocery stores all over the island had food and water in the aisles.

There was just no way to *pay* for it.

With the banks closed, the economy of this small U.S. territory ground to a halt.

At the few ATMs that were still working, hundreds of people queued for hours just trying to withdraw last month's paycheck to feed their families.

Folks left empty-handed as ATMs ran out of cash. This was the situation on the ground just one week after Maria.

Puerto Rico technically had plenty of cash in government facilities. But getting it from the storage sites to the banks was easier said than done.

The problem was threefold:

1. There weren't enough armored cars to transport the money — nor was there gas to fuel them.
2. They didn't have enough security guards on duty to man the armored cars they had.
3. The roads were still covered in debris and practically impassable for the large armored vehicles.

At the time, it was actually easier to fly in pallets of

physical cash from over 1,600 miles away.

So Bill Dudley, the president of the New York Fed, chartered planes filled to the brim with cash to Puerto Rico.

Cash Is King

The lesson here is simple: In an increasingly digital world, it's too easy to forget about the importance of cash.

With the rise of shopping on Amazon and tap-to-pay debit cards, you can go weeks without ever touching physical cash these days.

In fact, if faced with a disaster like Hurricane Maria or a grid-down situation — where ATMs could be offline for the foreseeable future — eight out of 10 Americans would be carrying less than \$50.

Now, I'm not advising you to walk around with a wad of cash in your pocket.

But it's a good idea to maintain a secure stockpile of cash at your home to see you through a crisis.

Getting one started is easier than you think.

It's just like saving up for a big-ticket item like a new television or car.

Just start small. Like, say, building a stash of \$1,000 with \$20 bills. Try not to use larger bills, because they won't be easy to change once the lights go out.

Once you reach \$1,000, I recommend trying to save at least a month's pay on top of that. Then work up to three-four months' pay.

In a prolonged crisis like we saw in Puerto Rico, you might find yourself spending more money than you think. Especially if merchants take advantage of a dire situation and try to price-gouge desperate folks just trying to survive.

Just over a week after Hurricane Maria hit, *The New York Times* reported that one man was walking around



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neighborhoods selling packs of cigarettes for \$10 a pop.

It's tempting to get angry at someone for taking advantage of their neighbors in a time of need. But he was only selling his goods at such a high price so he could afford the price-hiked goods in the stores.

According to the man, he had spent \$1,000 in just nine days and was running out of emergency cash.

This isn't surprising. Two weeks after the disaster, the Puerto Rican government reported that they had received 100 complaints of price hikes on basic necessities and 29 complaints over increased gas prices.

Keep in mind, most of the island still had no internet.

So this is likely only a snapshot of a larger problem. You can't really blame anyone. With high demand and low supply, prices will rise. It's basic economics.

But the takeaway is clear: You can't count on your money in the bank to save you in a crisis. Savvy folks will keep a store of emergency cash on hand at all times.

D. Miyoshi

Is America Operating as a True Democracy?



With all the latest and greatest infighting that is being waged in America between its political parties, social classes and racial groups, some people have asked is America operating as a true democracy (especially after the elections of Obama and Trump)?

According to the late Anders Bergman of Helsinki, he believed the U.S. is not a functioning democracy, at least according to European standards. Here are the reasons why:

- Every citizen should not only be allowed to vote, but should also have the opportunity to vote. Voting should not require registration, and should not for political reasons be made difficult for certain groups. It should be the government's primary duty to make it possible - and easy - to vote. Making voting require registration and making it difficult to register is an effective way of manipulating the democratic process. Of course, the government must make sure the voter is a legal citizen and is not deceased.

- The U.S. has no mechanism to avoid flagrant corruption. Leading politicians are openly for sale, and vote as instructed by their sponsors. Big donors are the ones creating U.S. policies today, not politicians lead by a moral obligation to do what is best for their voters. This is obvious to everyone, even to those on the hard left and hard right.

- Populism is not democracy. Populism, as in the U.S. today, does not accept dialogue or criticism. A populist government, as in the U.S. today, divides the people into "us" and "them". Democracy is all about "we". Working together, and making compromises for the good of everybody. President Trump, are you listening?

- The American system, where not only politicians are exchanged after elections, but also civil servants by the thousands, makes the U.S. a country with as little continuity in governing as any dictatorship. This is also an example of non-existing democracy. In a

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Financial Crisis Report



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democracy you make laws aiming to improve life for the people, and you can rely on those laws to be more or less permanent. In the U.S., a new president with a majority behind him can concentrate mainly on undoing the previous president's achievements. But with the Obama "Deep State" against president Trump, this is not so easy for Trump, especially when the Deep State actors are prime investigatory departments like the FBI.

- The U.S. administration is doing its best to reduce the autonomy of the courts. An independent court system is one of the cornerstones of democracy. Obama was a master at appointing a multitude of judges loyal to his ideological philosophy.

- The U.S. administration is doing its best to reduce the autonomy of the press. An independent, critical press is another cornerstone of democracy. The main stream media is critical all right, especially against Trump. The one exception is Fox News which is critical against the Democratic Party.

- In a western democracy religious views should not be significant when making political decisions. The U.S. was founded partly as a reaction against religious repressions. Now politicians are afraid to express their honest opinions about religion, since being suspected of

not being a true Christian would end their careers. Recently, this has changed. Now it seems being suspected of having any religion may end their careers.

Calling the U.S. a democracy is, of course, part of the smoke screen used by the U.S. leaders to make people think the government is working with their best interest in mind. This is what both Democrats and Republicans are faulted for.

There is no question, most politicians and bureaucrats are primarily looking out for themselves and not the general welfare of the U.S. But we all knew that.

For the Trump administration, there still remains the question, how do we Make America Great Again (MAGA)? It appears this will take much more time and a lot more effort than originally thought.

I have a suspicion that this process could be expedited if the Far Left could get over its emotional hatred of Trump and stop its continual whining and obsession with racism. Perhaps this is easier said than done because the agenda of the Far Left does not embrace MAGA. But you know, it's a real crying shame to squander the most successful social and political experiment in world history.

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