



# Financial Crisis Report

## Happy New Year 2020



### Advancing in a Time of Crisis

**Words of Wisdom:** “You and I have a rendezvous with destiny. We'll preserve for our children this, the last best hope of man on earth, or we'll sentence them to take the last step into a thousand years of darkness.” 1964 Ronald Reagan

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### Welcome to 2020



According to the Chinese Zodiac 2020 is the Year of the Rat. Although a zodiac's year is traditionally the most unfortunate, laden with bad omens and mishaps, it appears 2020 will perform reasonably well for the Rat. For those born in this year, success will come in the form of career and they should celebrate the fact that their efforts will be rewarded and seen. But, on the other hand, it is written that their health and relationships will prove to be a struggle.

Well, now that we know the career and health prophecy for rats in 2020, the question turns to what's the economic prophecy in 2020 for the rest of us? With the designation "2020" you would think we should have a clear vision of what's in store for this year.

Here is what financial astrologer Grace K. Morris MA predicted for 2020:

*“What's apparent at this time is we're on the cusp of a major redistribution of power as solar system power brokers Saturn and Pluto are poised to form a conjunction that will culminate early next year in the astrological sign of Capricorn.”*

I don't know what that means, especially with Saturn and Pluto in there. So, to predict what will happen economically in

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.

**H**appy New Year and welcome to the second decade of the 21<sup>st</sup> Century. To properly begin the year, I am looking forward to seeing my high school buddies at our monthly breakfast get together held on the first Friday of the month. It's a blessing to be able to enjoy the fellowship of a bunch of great guys you grew up with back when the earth was still forming. Now that we are more matured in our years, I remain amazed at how knowledgeable the guys have become (or perhaps always were) on issues beyond cars and girls. The laughter, spiritual support and outlets for sanity that we give to each other are priceless. Friendships are indeed one of the true blessings of being human. And to successfully organize, grow and sustain such valued social get togethers over a long term truly takes a gifted and blessed person as my friend Chris who put together this group certainly is.



## Welcome to 2020

2020, let me turn to something I am more familiar with, that is, recent financial events.

In a nutshell, the U.S. Federal Reserve has been running a complicated simulation in which it has pumped billions of dollars into the economy in order to levitate asset prices, stimulate consumption and investment, and suppress unemployment.

In fact, if I had to make ONE prediction for 2020, it's that this unprecedented experiment in central bank intervention will fail massively and take the entire bull market with it. The press conferences, the research reports, the official statements, the tweets. It's all just window dressing.

In reality, Federal Reserve Chairman Jerome Powell and company are making it up as they go along! This makes the experiment – and the bull market itself – much more fragile than we might think.

### “Big Four” Banks Under Pressure

Effectively, U.S. government deficits have put pressure on big U.S. banks. These banks are called Primary Dealers in the Federal Reserve System. They are obligated to buy newly issued government bonds.

And because the U.S. government is now running huge deficits, the banks are using their cash to fund U.S. deficits, driving up the overnight price of cash for everyone else. (The Congressional Budget Office reports the Fed ran up a \$342 billion deficit in the first two months of fiscal year 2020.)

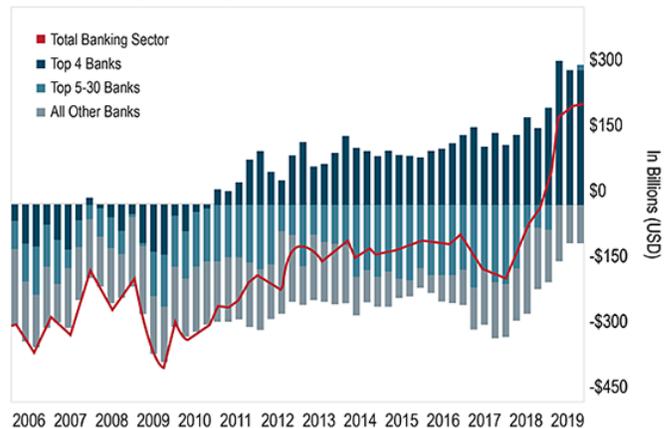
The Bank of International Settlements weighed in on the story in December. It showed that the lion's share of liquidity in the repo market is provided by just four U.S. banks – JPMorgan, Citibank, Bank of America, and Wells Fargo.

That means if those banks make any major change to their reserves – a preference for more cash or a shift toward

bonds – it directly affects the reserves available in the system to other players (banks and hedge funds).

The “Big Four” U.S. banks have all the cash in the system

### Net Lending Through Repos and Federal Funds



BONNER & PARTNERS

Source: Bank for International Settlements, NY Fed

Can we see how the dots are connected or how the dominos might fall? The Fed is providing liquidity to the banks, who are spending their cash on U.S. government bonds.

And why is the Fed providing liquidity to the banks? Because the banks are providing liquidity to heavily leveraged hedge funds. And if the hedge funds don't get that liquidity, they might be forced to LIQUIDATE.

To be clear, if the Fed doesn't provide liquidity to the banks so THEY can provide liquidity to hedge funds, the hedge funds might have to sell assets to raise cash. A situation in which one is forced to sell assets to raise cash and de-lever one's position feels a lot like a “financial crisis.”

That kind of crisis feels a lot like Long Term Capital Management (LTCM), which was really when the Fed first got in the business of bailing out Wall Street by opening up the taps. (If you remember, LTCM was a massive hedge fund that almost collapsed in 1998. The Fed stepped in to bail it out on the grounds that LTCM was “too big to fail.”)



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So, the taps are open and gushing. The Fed's pumped \$300 billion in liquidity into markets since mid-September. The Fed's balance sheet is back over \$4 trillion. At this rate, the balance sheet will go over \$4.5 trillion by May of this year – a new record.

But more to the point for investors: the stock market is now directly correlated to, and dependent upon, Fed liquidity. Without more fake money, the stimulation ends and this baby is going down.

Now, it's possible (but definitely not probable) that once banks and hedge funds get through the end of the calendar year, the "problem" goes away. Banks replenish their cash reserves in line with regulatory requirements. Hedge funds roll over leveraged positions without having to engage in panic selling. And the Fed quietly goes about buying all those new Treasury bonds issued by the government (monetizing the debt, as we say).

But we can't ignore that the financial markets are now thoroughly dependent on the Fed to keep the bull market going. The Dow, the Nasdaq, and the S&P 500 are at all-time highs.

But let's enjoy the merriment of the Holiday Season while we can. It may not last that long into the new year and the new decade.

The point is, at the bottom, all financial crises are born from too much leverage and too much speculation. The 2000 dot-com boom was confined to one sector (technology). Then came the real estate boom, where Alan Greenspan's emergency interest rates bred an insatiable housing bubble and a Wall Street speculation bonanza.

The response to the 2008 crisis was to double down on the same policies. Endless bailouts, interest rate cuts, and then a record intervention in the overnight money markets. Things haven't improved since 2008. The crisis – like some sort of virus attacking America's auto-immune system – has simply moved to a new part of the body economy (corporate and government debt).

Back in August, Bill Bonner recommended his investors to

reduce their allocation to bonds and increase their allocation to tangibles and precious metals. With all this going on, that decision seems timely. The recent repo crisis is a "flare up." The kind of inflammation that could lead to a conflagration. A bonfire of the equities to start. And then bonds later.

In order to not only protect my assets but to increase them, I look forward to Bonner's follow up recommendations.

And, I am looking forward to enjoying breakfast and fellowship with the guys at our next Friday breakfast meeting.

Happy New Year!

D. Miyoshi

## Competing Amongst Asians in America



I am an Asian American who by lot, whether I liked it or not, had to scholastically compete against other Asians and I have to say it wasn't easy. Only by differentiating myself, was I able to effectively compete. While my college grades were quite good, they were only the minimum required for an Ivy League school. But for whatever reason, providence smiled upon me when I took



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the GMAT test and I was able to score in the top 1%. (Accordingly, I don't embrace the movement in California to drop admissions tests for college). That along with describing in my application to graduate school the life lessons I learned as a young lieutenant leading a Combined Action Platoon in combat in Vietnam was probably what gained me acceptance into the graduate studies program of an Ivy League school. It was imperative that I needed to differentiate myself from the other determined Asians who believed providence required them to be in that same graduate program.

Statistics show that Asian-American ethnicities academically outperform native-born Americans. Asian-American includes East Asians, Filipinos, South Asians, and Southeast Asians, despite the fact that Southeast Asians tend to come from poorer and less educated families. A study published in the Proceedings of the National Academy of Sciences found that the main factor explaining this large gap in achievement was the exertion by all Asian groups of "greater academic effort." This means that Asians do better in school than whites, blacks and Hispanics because they work harder, a fact that enormous quantities of statistical data analysis allows us to say with scientific certitude is true. It's also a fact visible to the naked eye. "Swing by the library at 2 a.m.," is advice that anyone who wishes to know by what means Asians outperform their white counterparts in all measurable indices of academic achievement should act on. I marveled at this myself when every game day Saturday on my way to the football stadium I would see the library bustling with Asian-Americans.

Hard work is presumably a value that Americans admire. But the amount of hard work that Asians take as a cultural baseline is fundamentally different than that of any other American subgroup. If you live in Japan, you will come to notice the many young Japanese students who put themselves through the ordeal of preparing for the single national college entrance exam who repeat the same mantra: "If you get four hours of sleep a night you will get in to college. If you get five hours of sleep a night, you will not." This naive faith in the integrity of meritocracy may strike many Americans, who are all by now inured to the fact that slots at leading universities are all for sale to the highest bidder, as comic.

Schools in heavily Asian districts tend to become academic pressure cookers where the competition is too intense for most other kids. This has resulted in white flight from school districts in Cupertino, California, and in an open confrontation between the administration of a heavily Asian school district of West Windsor, New Jersey, and some parents in that district. The principal, citing a student survey indicating high levels of student stress, issued directives limiting homework and the number of AP classes. This event coincided with the announcement by a consortium of educators led by the Harvard Graduate School of Education that there was a moral crisis afflicting young people induced by the academic rat race. The answer, of course was a plan to de-emphasize academic work in favor of intangible qualities such as "authenticity." In retrospect, this new rubric was clearly a kind of insurance plan for where we may be headed: toward the end of affirmative action, which the Supreme Court may well rule to be unconstitutional in the next few years. So it may come to be that Affirmative Action quotas will be replaced with "authenticity."

Wesley Yang is an Asian male who has competed all his life against Asians. He wrote a compelling article in the publication *Tablet* in which he admitted he is a clear beneficiary of affirmative action and the non-merit-based system of granting privilege that it perpetuates. Although Yang graduated in the bottom half of his suburban New Jersey high school class, he managed to get into the University of Michigan, UCLA, Oberlin College, NYU, and Carnegie Mellon. His birth year was the nadir of the postwar American birthrate, so his cohorts was nearly half the size of those that came before and after him. So Yang admits it was much easier to get into college then than now. Out of sheer stubbornness, he applied to a tier of colleges more selective than the ones his guidance counselor urged and got in nearly everywhere.

Why did this happen? In retrospect, Yang probably benefited from a kind of racial arbitrage. Because he was Asian the admissions officers assumed him to be qualified. But his interests and experiences were unique to the typical Asian so they considered him special.

Yang was of Asian descent but expressed interest in the humanities and who avowed an ambition to become a





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writer. He was bad at math. He was good at English. He didn't play the violin. He played the electric guitar. He wasn't on the science team. He made it to state-level competition in poetry recitation. His grades were crap. But he considered himself to be smarter and more interesting than lots of people who got better grades. Whether or not this was true, the admissions committees agreed with him.

He got into the most competitive of the schools to which he applied, Oberlin, by winning over the interviewer. His academic record surely placed him close to the bottom decile of all applicants to the school. But he was, in retrospect, exactly the sort of person they were looking for along a couple of key dimensions. In his youth, he had attended a local mainline Protestant church and absorbed through osmosis the distinctive ethos of that place modelled by a pastor and Sunday school teacher who had protested the Vietnam War in their youth before returning to the established Church, where they sought to infuse some of their countercultural energy into the bulwark of tradition. Yang no longer believed in a supernatural entity or attended that church by the time he interviewed for college, but he had already been inducted into a distinctive class.

All of which is to say that simply by being who he really was, he had both differentiated himself sufficiently to make for effective branding and made a special appeal to a particular interest group that would want him within the university (in my particular case, being saddled with rather run of the mill grades for an Ivy League institution, it may have been the life experiences in combat in an unpopular war that put me over the top).

Yang was serenely unconscious of all this throughout the process. But that's the point Yang wants to make: College admissions officers pride themselves on their ability to find candidates like Yang—ones who were likely to cut against the grain of stereotypes while being just like everyone else in the ways that mattered. To rake from the rubble a handful of diamonds hidden in the bottom decile is surely what an admissions officer lives to do.

Yang did not go to any of the fancy colleges, mainly because he could not afford it. But others were better prepared than him, and some of them were made privy to this principle of selection through which they were granted access to the inner sanctum. Harvard law professor Jeannie Suk Gersen, writing in *The New Yorker*, described a moment familiar to many who have received the summons:

“When I won a scholarship that paid for part of my education, a selection panelist told me that I got it because I had moving qualities of heart and originality that Asian applicants generally lacked. Asian applicants were all so alike, and I stood out. In truth, I wasn't much different from other Asians I knew. I was shy and reticent, played a musical instrument, spent summers drilling math, and had strict parents to whom I was dutiful. But I got the message: to be allowed through a narrow door, an Asian should cultivate not just a sense of individuality but also ways to project “Not like other Asians!”

I am “not like other Asians” provided “other Asians are like other Asians”—and if other Asians are in a deep sense deficient in the things that matter—in the “qualities of heart and originality that other Asians lacked,” as Suk put it. It's an offer of deliverance within a demand for deference.

In one sense this could be called racist. In another sense this is just the way institutions of privilege have always reproduced themselves and must by necessity do so in order to preserve a continuity of values and behavioral standards across time. You're not like the others, you're different, is what these schools whisper into the ears of everyone who makes it into them, regardless of their race or class. You're like us, not like them. It's that act of differentiation that constitutes the members as a distinct class pledged to the perpetuation of the talismanic power upon whose authority all its graduates rely through their lives.

It's privileged class information—class information that newcomers to the country by definition do not have in their possession—to know that there are cheat codes for getting into the elite colleges that don't entail million-





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dollar gifts to the university or using special education consultants such as R. Singer (in fairness, these expedients are generally resorted to only by the truly subpar progeny of the lurid wealthy and crudely ambitious). The well-informed know that colleges aren't looking for the well-rounded candidate, per se, but rather the well-rounded class. It's therefore better to become the country's best squash player or bassoon player than to attain a perfect GPA. They also know that there are dozens of excellent colleges in the United States that offer class bona fides and that you needn't sacrifice your youth and mental health to the worship of a few brand-name institutions (even though these days those brand names count for more than ever).

Yang interviewed many parents of third-generation Asian-Americans who have caught on to this game—by training their kids from an early age, for instance, to excel at fencing or squash. These costly and exclusive sports indicate class membership and offer a back door into the elite schools through the strong athletic preferences that are a part of so-called holistic admissions that we take for granted as a normal practice, but which is in fact one of many strange things we do that makes us an anomaly among nations. An Asian applicant thus equipped instantly benefits from racial arbitrage in branding and is evaluated as part of an entirely distinct category from those who pitch themselves into the crab barrel where they must struggle against all the other violin-playing Asian pre-meds for what can only be a fixed number of spots within a class that is meant to be diverse along multiple dimensions.

Yang also interviewed multiple people involved in the admissions process, some of them Asian themselves, who concede that, yes, you do see quite a few virtually indistinguishable applicants from Asian backgrounds. Why would it be otherwise? New immigrants lack understanding of America's byzantine admissions process, which is unique in the world in its pretensions to divine the inner secrets of a student's soul. They also bring their own cultural presuppositions to the raising of their children, some of which align very strongly with the way our colleges evaluate students, and some of which diverge just as strongly. They apply the formulas of their home countries, with mono-racial populations, where college admissions is controlled

solely by a single entrance exam, where rote learning (or, as some would have it—mastering a body of knowledge) isn't stigmatized as somehow destructive to creativity, and where the legitimacy of academic competition isn't under constant siege.

A study of a group of white parents found that the same people who were initially supportive of test-based meritocracy became much less so when they were informed of the overwhelming extent to which Asians dominated testing. There are those who claim that a faction of Asians, in seeking to contest the affirmative action regime—a move that looks increasingly likely to be successful—have made themselves into the handmaidens of those professing white supremacy.

Yet a plausible case can be made that something closer to the opposite is true: that blacks and Hispanics who have served as a moral pretext for rejecting strict meritocracy and discount the "soft bigotry of low expectations" thereby maintaining an opaque system of racial gerrymandering throughout U.S. colleges—provide cover for the suppression of yet another minority group (Asians) in a way that effectively preserves a preponderance of white students. A study published by Princeton University scholar Thomas Espenshade found that an end to affirmative action would mean that 4 out of 5 affirmative action slots would go to Asian-Americans.

One way of looking at the white parents surveyed above is to call their variable commitment to meritocracy hypocritical. That could be true. But another way to put it would be to recognize that what we're seeing now is a clash of values between distinct cultures that live together within the same set of institutions. Mass immigration has changed the racial and cultural demographics of America in ways that lead inexorably to a series of tense confrontations over every kind of value, such as the meaning of merit, how it is measured, and which qualities we select for in our educational institutions. Having the most ethnicities in the world, it's inevitable America would have this challenge.



## China vs America and our Lessons in Asia

But (facetiously speaking), we shouldn't let all this distract us from tackling the more important "politically correct" issues such as impeaching the president, climate change and gender identity. Questioning the clash of cultures is not PC, especially if you want their vote.

D. Miyoshi

## China vs America and our Lessons in Asia



**A**lthough an apparent trade deal was reached in early December between China and the U.S. there remains a distinct lack of trust between Beijing and Washington with China doubting whether it can rely on any agreement made with President Trump and the U.S. unconvinced Beijing will deliver on promised reforms. This mistrust can still lead to precarious trade sanctions and serious trade embargoes. This same scenario happened ninety years before between the U.S. and another mighty Asian country and the aftermath was horrendous. We must take to heart what we learned then if we as a country are to remain dominant in the world.

### The Lessons of Pearl Harbor

According to George Friedman of *Geopolitical Futures*, there have been many lessons drawn from the Japanese attack on Pearl Harbor. One was that wars need not begin according to international law. Another was that attacks can be unexpected and that con-

stant vigilance is necessary. Still another was that underestimating an enemy can be catastrophic. And yet another was that failure to understand how new technology changes the nature of war can be disastrous.

The list of lessons learned is of course longer than the list of lessons remembered, one of which is particularly germane at this moment: When imposing economic sanctions, the more powerful the sanctions, the greater the pressure on your adversary to strike back. At a time when the U.S. is shifting from the use of military force to the use of economic power, the lesson of why Pearl Harbor was attacked needs to be considered carefully.

### War Plans

Prior to World War I, Japan was the leading industrial power in the Western Pacific. After World War I, Japan expanded its military sphere of influence. It had sided with the Anglo-French alliance during the war, and as a reward, German holdings in the Western Pacific were turned over to it. This paralleled the growth of Japanese naval power, and it seemed that the American position in the Pacific, built around Hawaii and the Philippines, was in danger.

The United States had developed a series of global war plans after the end of World War I. War Plan Black assumed a war with Germany. War Plan Red assumed a war with Britain (not quite as insane as it sounds, since the U.S. had been dueling with Britain over control of the North Atlantic since its founding). The plan that was taken most seriously was War Plan Orange. For the U.S. Navy, War Plan Orange was the basis of all planning between 1920 and 1941. It assumed that the Japanese would move against the Philippines in order to take control of the resources in present-day Indonesia and Southeast Asia. The U.S. assumed that Japan could not achieve its goals unless the Philippines was in Japanese hands, since U.S. ships in the Philippines could cut the flow of supplies to Japan. The U.S. plan was to accept the conquest of the Philippines and then send the U.S. Pacific Fleet, a massive force built around battleships, westward to force the Japanese navy into a decisive battle that the U.S. fleet would win.

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The entire premise behind War Plan Orange was that the Japanese had a hunger for raw materials. That was the decisive reality. Japan was a significant industrial power but was bereft of minerals at home. They had to import nearly all the raw materials needed for their domestic industry and defense. The U.S. assumed that at some point Japan would move south and it would intervene in China to undermine such a move. The U.S. national defense strategy was built not on Europe but on Asia, and on the assumption that Japan would move south.

The Japanese did not move beyond Japan until 1940. They had treaties with both the Netherlands and the French to supply a wide range of raw materials. But the collapse of France and the Netherlands put in question the value of those treaties and posed an existential problem for Japan. Japan saw Indochina as unable to guarantee compliance with the treaties, and so it moved into Indochina. The United States believed that if it simply accepted the move, it would guarantee Japanese control of China and open the door for their expansion into the South Pacific and the Indian Ocean basin.

The U.S. solution to this was actions they regarded as a means short of war. It halted all sale of U.S. oil and scrap metal to Japan and had U.S. agents buy up Indonesian oil not for shipment to the United States but to prevent Japan having access to it. The Americans demanded that Japan withdraw not only from Indochina but from China as a whole. The U.S. sought to put Japan in an impossible spot on the assumption that an aggressive Japanese response would trigger War Plan Orange, force a confrontation with the Japanese fleet somewhere between Taiwan and Borneo, and finish the Japanese.

The Japanese were familiar with the concepts behind War Plan Orange due to numerous naval war games that simulated it. The danger of peacetime readiness is that it reveals the kind of war you expect to fight. The Japanese knew that if they failed to comply with U.S. demands, U.S. sanctions would cripple them at best. But if they did comply with U.S. demands, they would be reduced to an American vassal state.

Their third option was war, but knowing the specifics of U.S. war plans, they would have to fight the war in a way that would deny the U.S. the opportunity to bring its fleet of battleships to bear. They knew that the U.S. expected to lose the Philippines but that the Americans intended the loss to lead to the destruction of the Japanese navy. The Japanese understood the threat that resisting or complying with U.S. sanctions posed, and that war waged as the U.S. expected it to be waged would lead to defeat. The Japanese had hoped to avoid war with the United States, but American sanctions convinced them that the U.S. intended to break Japan. What the U.S. saw as an alternative to war the Japanese saw as forcing their hand.

Most important, the Japanese would not fight as War Plan Orange expected. They would not engage the American fleet in a surface battle. Rather than serving as the culmination of war, the Japanese decided they had to engage the U.S. fleet as the first act of war. Thus, they chose to use aircraft carriers as the main strike force that would approach from a completely unexpected direction (from the northwest), and try to fight the decisive battle not with a surface fleet against a surface fleet, but with naval air power against a surface fleet in port.

To emphasize, the Japanese did not intend or expect war with the U.S. until the U.S. put sanctions on them. Japan saw itself as maintaining access to raw materials guaranteed by treaty. It saw U.S. sanctions as an attempt to compel Japan to capitulate without engaging in war and capitulation as permanent subordination to the United States. Under this pressure, the Japanese chose war but deliberately avoided the war the U.S. had planned. They ultimately lost by underestimating the recuperative power of the United States. But they understood that their core geopolitical problem was lack of resources, which compelled them to capture Southeast Asia.

### Economic Warfare

The Japanese could not back off; they had to be aggressive. The United States saw the challenge posed



## China vs America and our Lessons in Asia

to U.S. security by Japan's imperative as requiring the imposition of pressure that challenged Japan's fundamental interests. Rather than capitulating, the Japanese chose to launch a war in a totally unexpected way. The U.S. had constantly signaled how they would wage a war with Japan, and the Japanese adjusted their own war plan in ways the U.S. didn't expect. The Japanese were aware of the extremely high risk of the war but thought the U.S. would negotiate rather than try to invade Japanese-held territory. Japan viewed war as less risky than sanctions. Both sides were wrong. The Americans did not anticipate the Japanese response to sanctions directed at fundamental Japanese interests. The Japanese did not understand that after Pearl Harbor, the U.S. would wage war asking and giving no quarter.

American strategy during and especially after the Cold War has depended heavily on the use of sanctions. Over the past decade, the U.S. has shifted its posture away from military action toward economic warfare. In China, Iran, Russia, Turkey and numerous other countries, the first American response to divergent interests is not to wage war but to take what is seen as a less threatening step of imposing sanctions. The United States produces nearly 25 percent of the world's gross domestic product and is the largest importer in the world. This gives it significant options and forces other countries to consider whether complying with U.S. demands is less harmful than the risk of resisting those demands.

The Japanese example is a classic case in which sanctions, deliberately targeted against a country's core interests, caused the country to choose a military option rather than to duel economically. Tokyo realized it would lose the latter and had a chance with the former. The core lesson of Pearl Harbor was not that economic pressures aren't a valuable tool, but that the assumption that the adversary would not choose a military response is uncertain. The more effective the sanctions, the greater the chance of a military response. The assumption that the adversary has no military options may be true given expectations of capabilities. But, as with Japan, effective sanctions can compel the other side to develop innovative and painful solutions.

The danger of War Plan Orange was that it drilled into a generation of naval officers a perception of how a war would be fought. The combination of effective sanctions and the gift of a clear understanding of American war plans caused the Japanese to shelve the economic confrontation and commence an unexpected opening to war.

In undertaking economic sanctions, there must also be parallel and unexpected military options on the table. The predictability of U.S. operational principles allows the enemy to innovate unexpectedly. The assumption that the economic dimension will remain economic because we wish it to fails to understand one of the main lessons of Pearl Harbor.

Friedman has no argument against economic sanctions; they have been used for decades. But Friedman warns us to carefully select who the sanctions are directed against and how they are applied. They can create a situation where the sanctions are so effective that war can seem like an attractive alternative. If such sanctions are required, the U.S. should not expect the adversary to go to war in a way that is most advantageous to the United States. As with Pearl Harbor, the adversary will strike where we least expect and as hard as possible. The more desperate the adversary becomes, the more the military must anticipate an unexpected response.

In 2020, as we deal with China, we must be mindful of what happened ninety years ago. In Asia today, Japan is America's #1 major ally and one of the world's foremost economic powers. But except for providence, it could have turned out very different. We count our blessings.

D. Miyoshi



## North Korea vs America, the Next Lesson in Asia



**W**e thought diplomatic efforts between the U.S. and North Korea toward rapprochement were working. But after three summits and many photo ops later, the U.S. finds itself back at square one with Kim Jon Un. And as if we don't already have enough problems dealing with China, rumors are now swirling that North Korea is about to test an intercontinental ballistic missile. The source for this latest rumor is U.S. intelligence, though North Korea has been warning it will perform such a test. North Korea tested three ICBM boosters in 2017. Those tests didn't prove mastery of missile reentry capabilities or an effective guidance system, but if North Korea does eventually demonstrate such capabilities for an ICBM, it will change the dynamic between the North and the United States. Pyongyang has demonstrated its ability to field a nuclear weapon and to successfully test-fire non-intercontinental weapons. That means that the continental United States is not at risk of a nuclear attack from the North. But if an ICBM is successfully tested, this means that, regardless of intentions, North Korea has the ability to strike the United States. That would force the U.S. to rethink its strategy.

### U.S. Strategy

The U.S. has accepted the idea that North Korea has the ability to strike neighboring countries allied with the United States, including Japan and South Korea. But the United States had no strategy for neutralizing the North's nuclear capability. An attack on nuclear facilities with non-nuclear weapons would have probably eliminated the weapons,

but its success would have depended on two things. First, that the intelligence the U.S. had on the location of these facilities was completely accurate. Second, that all facilities that needed to be struck were vulnerable to air attack or possibly attack by special operations forces. Some, particularly those housing key facilities and storage, might have been buried deep underground or hardened in some way to render them minimally vulnerable to non-nuclear military action.

George Friedman of *Geopolitical Futures* informs us that the United States was not prepared to initiate a nuclear attack on North Korea, since it could set a precedent that might turn against American interests. Just as important, North Korea had developed an alternative strategy that was hard to counter. Over the decades, it created a heavy concentration of artillery and rockets well in range of Seoul, which is close to the North Korean border. A U.S. attack on North Korea would have been countered by a massive artillery attack by the North on Seoul. And with artillery well dispersed in hardened locations, suppression by air before massive damage and casualties would have been difficult.

The U.S. strategy was to accept the existence of shorter-range nuclear weapons and to engage in negotiations to persuade North Korea to abandon its nuclear arsenal. These discussions failed for obvious reasons. North Korea's strategic goal is regime preservation and territorial integrity. Surrounded by countries that theoretically could have an interest in attacking the North, the development of a nuclear deterrent was essential to its national strategy. The North believes that while any attempt to intrude on it is still only a theoretical possibility, the farfetched can turn out to be a real threat, and nations need a deterrent for farfetched options that the other side may suddenly find to be quite reasonable.

What emerged was a fairly stable situation. North Korea could not strike at the U.S. The South Koreans were pleased that Seoul was not at risk under the circumstances. The Japanese recalculated the risks from the North without a U.S. deterrent but did nothing overt. The option of an American strike still remained but it was unlikely. The option of a North Korean attack on Seoul was even



## North Korea vs America, the Next Lesson

more unlikely. The U.S. was not going to get Pyongyang to abandon its nuclear capability, but at the same time, Washington was not on a hair trigger to strike the North. What appeared once to be a near-war situation now seemed contained. This should have been a satisfactory solution for both sides; the North Korean regime was secure and the threat of a nuclear attack on the United States was left off the table.

### A Window of Opportunity

This is why the current rumors of a North Korean ICBM test seem hard to fathom, as it only increases the risk to the North. According to Friedman, a test of an ICBM is unmistakable given its trajectory and speed. The major issues over an ICBM's effectiveness relate to both the robustness of the launch vehicle and warhead, and the quality of the guidance system. The chances that the North will attain a fully functional ICBM after only a handful of trials are not necessarily zero, but fairly close. In the end, the guidance system is the trickiest part of the development process and must be tested in ways that the U.S. could spot.

In other words, if North Korea tests an ICBM capable of hitting the United States, there most likely will be a gap, perhaps a long one, before it attains a reliable system. North Korea, therefore, would be signaling the intent to deploy a weapon that could deliver nuclear warheads to the United States without having one. And it is in that window, the precise size of which is not fully predictable, that the U.S. could act without risking a nuclear response.

At that point, the U.S. calculus has to be reconsidered. The U.S. was prepared to risk the North getting a regional nuclear weapon in exchange for North Korea's refraining from developing a warhead that could reach the U.S. Now the U.S. has to determine whether it will risk a North Korean first strike on the United States. And this time, the U.S. is the one that will have to examine what is considered farfetched. Military options that could fail, and assaults on Seoul that had been taken off the table, could be put back on the table. The regional powers didn't want a U.S. strike on North Korea. But now the question is no longer what they will tolerate but what the U.S. can risk. Can the U.S. live with a North Korea capable of striking the United

States with nuclear weapons? This becomes a much different problem, and one that the U.S. has in the past clearly communicated to North Korea, with suitable threats.

This therefore raises the question of why the North would move from a position of relative security, to one where risks to it mount greatly. Why would North Korea challenge a clear red line that the U.S. has drawn? What benefit can it gain? If it gets an ICBM, Friedman assumes that it still would not wish to challenge the United States given the size of the U.S. nuclear arsenal. North Korea has behaved rationally and with cunning in the past. Why take risks that it didn't have to?

One explanation Friedman gives is that Pyongyang is fueling this speculation to frame some future negotiations but has no intention of actually testing an ICBM. Another explanation might be that North Korea reads the current U.S. political chaos as creating a window between test and deployment that would force negotiations at a time when the U.S. is willing to be more flexible on emerging issues, either for political gain or because of uncertainty of authority. Or perhaps the North has calculated that a nuclear threat to the United States has more value than what it risks.

### The Next Lesson

And with that Friedman adds another theory to the present set of farfetched ones. North Korea's closest ally is China. Friedman notes that in the past that evolutions in the nuclear threat have tended to take place at times when China was facing significant friction with the U.S. The U.S. would ask China to intervene with North Korea, and then, on returning to the negotiating table, Beijing would reasonably point out that it had done a major service for the United States, and it would be ill-bred of the U.S. to press China on the lesser more minor economic matters.

Despite the recent trade pact, U.S. - China tensions over trade continue ongoing. Both sides know and feel it. A nuclear confrontation with North Korea would certainly divert U.S. attention and passion away from China. And inevitably, the U.S. would ask China to intervene and be



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relieved when its intervention succeeds. It's interesting that China has already issued a warning to North Korea not to do anything to destabilize its situation. Since China ought to welcome the looming nuclear spat so that it can step in and smooth things out between the North and the U.S., of course for a price, their warning to the North makes little sense. China's warning would explain why North Korea would be taking unnecessary risks in testing ICBMs. Of course, given the warning, a test may not even be launched.

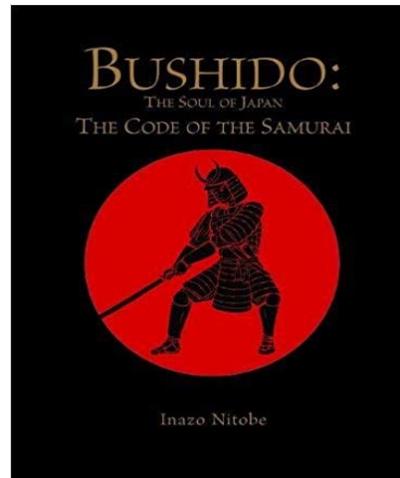
A North Korean ICBM test would make little sense, as it would undercut the safety of the regime and the country's territorial integrity. But in the world of the farfetched, which we must at least consider, North Korea cannot readily refuse Chinese requests, and signaling that there might be an ICBM test or two is not something the North can take to the bank. A far-fetched idea is not a probable explanation but it's still a possible one. Friedman only posits this scenario for consideration because it's hard to understand why North Korea would goad the United States at a time when American politics would seem to make the U.S. less predictable.

The usual American answer on all complex political problems is that the other side is crazy and irrational. North Korea has not survived since World War II by being crazy. Ruthless, yes. Willing to take risk, certainly. But are the risks of North Korea conducting ICBM trials only illusionary or is there a more sinister reason involving China and its quest to become the economic and military leader of the world.

It may yet be another big geo-political lesson for America in its strive to maintain global hegemony.

D. Miyoshi

## American Samurai



**T**his past Veterans Day I had the pleasure of participating in an Exhibition entitled *The Go For Broke Spirit Legacy in Portraits* presented at the Japanese American Cultural and Community Center in Los Angeles.

The Exhibition brought together the stories of the Japanese American soldiers who fought in America's wars and the works of photographer Shane Sato and writer Robert Horsting. Sato's portraits of Japanese American WWII veterans are featured in his book *The Go for Broke Spirit: Portraits of Courage* and *The Go for Broke Spirit: Portraits of Legacy*.

In my work with Japanese executives in Japan and the U.S., we often talk about Japanese culture and Bushido, the code of the warrior, and how they both affect the way in which business and commerce is conducted in Japan. *The Go For Broke Spirit* Exhibition brought to the fore how the Japanese American soldiers who fought in WWII with the 100<sup>th</sup>/442 RCT/MIS, together the most decorated unit of its size in U.S. military history, were the true incarnation of the code of Bushido. They were the veritable "American Samurai" who set the high standards for later Japanese American military veterans like me to try to attain and whose heroic deeds helped to eliminate prejudice and discrimination against Japanese Americans in America.



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While “American Samurai” is not an official epithet of the 100<sup>th</sup>/442 RCT/MIS, it’s a moniker I coined for this article after reading *Wolfhound Samurai*. This is a novel by Vincent H. Okamoto, an attorney, judge, author and the most decorated Japanese American soldier in the Vietnam War and is a truly engrossing and engaging story of the life changing encounters of a Japanese American soldier in the Vietnam War. Unquestionably the back matter of the book features the most thorough coverage of interesting facts about the Vietnam War available. It’s a great read.

To enlighten us about the code of Bushido, I cite the following article written by Renita Foster, Public Affairs Officer of the 100<sup>th</sup> Infantry Battalion Veterans Education Center. It best explains the code as it was practiced by these Japanese American soldiers in WWII.

### *Bushido Code of Ethics Places Honor Above All Else*

An exclusive enlisted Nisei military unit, the first of its kind, was activated on June 12, 1942. Called the 100th Infantry Battalion (Separate), it was comprised of 1,432 prewar draftees from the Hawaii Provisional Infantry Battalion. “We loved the idea,” said Goro Sumida, who served in the 100th as an Infantry Scout, “We were all Hawaiian boys who were good friends and couldn’t wait to show our stuff!”

Grandstand their “stuff” was more like it. Armed with an extraordinary philosophy known as Bushido” (way of the warrior), the 100th distinguished itself with phenomenal soldiering skills at Camp McCoy in Wisconsin and Camp Shelby, Mississippi. “Bushido is the very core of the Nisei,” explained Terry Shima, Executive Director of the Japanese American Veterans Association. “Bushido is the way they desired to serve America in Europe and Asia during World War II despite all the discrimination after Pearl Harbor.”

Bushido, a Samurai code that places honor above all else, consisted of at least five major principles governing behavior in life and was taught religiously to all Nisei children. A few of these principles are:

On – obligation, debt of gratitude. One should always pay back a debt to one’s country, organization, or person.

Giri – a sense of duty and honor, or burden of obligation. Defined as “to serve one’s superiors with a self-sacrificing devotion.”

Gaman – internal fortitude. Troubles are to be kept to oneself. Do not show hurt.

Haji – shame. Do not bring shame to your family name. In war, fight for your country. Be careful and try to return but die if you must.

Shinbo – endurance, perseverance, persistence. Success comes from shinbo.

Because of Bushido, Nisei children who pledged allegiance to the American flag did not think twice about fighting for it. To them, it was the natural thing to do. “Bushido also explains why the Nisei volunteered for dangerous missions in Asia under Merrill’s Marauders and the Office of Strategic Services,” continued Shima. “Many of them were convinced they would not come back alive, yet they offered to serve.”

Sumida and Robert Arakaki, who joined the 100th Infantry Battalion in Italy as a Replacement in 1944, declared it was the Bushido philosophy and training that made them exemplary soldiers and squelched any and all fears that come with combat. “For extra luck, I also carried an omamori. It was sort of a pouch with red beans that were supposed to sprout because of the moisture inside. The beans stood for good health and growth,” said Arakaki.

Two Nisei soldiers designed the 100th colors during basic training. The eagle’s breast featured a crest with an ape leaf, symbolizing the gift of life in the Hawaiian culture. A mahiole, or feathered helmet worn by





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Hawaiian chieftains, was added to remind them of their roots. The ribbon in the eagle’s beak bore the battalion motto, “Remember Pearl Harbor.”

To add to their outstanding basic training record, five Soldier’s medals were awarded to the 100th at Camp McCoy for “heroism while not in combat”. During training one day, several Nisei soldiers risked their lives to prevent the drowning of several local residents in a frozen lake.

After deploying in August 1943, the Nisei warriors fought in combat for the first time on September 2, 1943, near Salerno in Southern Italy. Although it suffered heavy casualties, the Battalion fought well, earning six Distinguished Service Crosses in its first eight weeks of combat.

Despite their superior fighting tactics and courageous spirit, casualties continued to be heavy. Within five months, the initial number of 1,432 Nisei soldiers had dwindled to 521. The “little iron men” of the 100th were now known as the “Purple Heart Battalion.”

Before the war was over, more than 33,000 Nisei had served in America’s greatest conflict. In November 2000, they were recognized by a grateful nation, which built the National Japanese American Memorial in Patriotism in Washington D.C. located near the U.S. Capitol Building. “The contributions made by the Nisei in World War II settled once and for all the question of loyalty,” said Shima, “They set a precedent for those that followed them like in Korea where Nisei were now repairing cryptography machines. Later in Vietnam, Nisei were flying fighter planes and bombers.”

At 86-years-old, Goro Sumida is one of about 300 members left from the original 100th Battalion. A regular at the 100th Infantry Battalion Veterans Club in Honolulu, Hawaii, he still plays poker, his favorite card game learned during the war. “We only made

\$21 a month and by the time you finished paying for everything like haircuts you only had about \$10 left. So we decided the best thing was gamble with it,” laughed Sumida.

Along with playing cards, Sumida and Arakaki, President of the 100th Infantry Battalion Veterans group, relive the “good old days”. Arakaki emphasizes how proud they all were to have their own Nisei unit and all that they accomplished. “It may not fit anymore, but I still have that uniform,” said Arakaki with a huge grin, “And Bushido still rules my life today – I’m not afraid of anything because that is the way I learned.”

The Bushido legacy thrives today in the 100th Battalion, 442nd Infantry (Army Reserve) – the only infantry unit in the U.S. Army Reserve – which combines the identities of the 100th Infantry Battalion and the 442nd RCT. Many of its soldiers are descendants of the two original Nisei units and it has been adopted by the 100th Infantry Battalion veterans. Based at Fort Shafter, Honolulu, Hawaii, the 100th Infantry Battalion has reservists from Hawaii, American Samoa, Guam, and Saipan. Just over a year ago, they were activated and deployed to Iraq.

Smiling proudly, Arakaki says, “I think they live Bushido better than we did!”

End of article.

I, as a third generation Japanese American (Sansei), have much to be grateful for what the American Samurai bestowed upon me and my generation. We must never forget who they were and what they did for their country, their families and us, their descendants.

**“Poor is the nation that has no heroes, but poorer still is the nation that having heroes, fails to remember and honor them.” Marcus Tullius Cicero**

D. Miyoshi



## Is America in a Civil War?



**D**uring the 1930's Great Depression, the FBI sent agents across the country to take the pulse of the nation. There were legitimate fears of a socialist revolution. That risk was staved off by a wave of socialist-inspired reforms that provided the first real economic safety net for Americans.

Thirty years later, as the nation reeled from desegregation and the Vietnam War, some Americans predicted another civil war. Again, social programs as well as the influence of the emergent liberal media establishment, which gave voice to more Americans, seems to have saved the day.

Now, we are in the second decade of the 21st century, and concerns are growing about another civil war. Is this merely history repeating itself? Or is there something different this time around?

Something appears different.

In my studies of law and economics, I learned that the roots of conflict are fundamentally more economic than political. In the Great Depression, people simply wanted to avoid starvation. Hunger motivates people to violence. Wisely, the government recognized this and although it offended conservative sensibilities, a series of laws were passed to ensure people at least had food. Since the Great Depression, starvation and malnutrition as a cause of death are unheard of.

During my time in the Marine Corps in the late sixties, the discontent in America was sharp, and sometimes violent, but it was more a clash of old vs. new, with the new winning out, as it always does in time. Revolutions always move from right to left (from conservative to whatever). Once enough changes were made, the cra-

zy talk of civil war died down. Few people were serious about it anyway, and anyone who was could be regarded as a potential terrorist.

Today, the economics are unique. While nobody is at risk of starvation, although Republicans are threatening to reduce food aid, never have so many Americans been so uncertain about their economic futures. Even middle-class Americans now worry about making their mortgage payments and having access to a doctor.

Americans are frustrated because they are caught in an economic double-bind. A good example is healthcare. Some believe Americans should pay for their own healthcare. Despite its absolute necessity, healthcare is a profit industry, with profits built into prices. Yet, many workers are not paid enough to avoid being wiped out by a single medical emergency. This is immeasurably frustrating for most Americans.

Low wages, and high prices have made a lot of people angry. I contrast this with that of Japan where I spend a lot of time and where the wages are low but so also are the prices. It was not that way in Japan during its boom years. But much has changed there in the last 20 years.

In the U.S. there's also a sense of declining value. People are getting less for their money. Less value, more fees and surcharges, and higher taxes. One can visit a restaurant and see that for themselves.

And there are more differences. In the political arena, the rhetoric has become almost seditious especially on the left. Leftist politicians give speeches telling people to "be disruptors." In the media, people have depicted the assassination of President Trump. Recently a gunman shot down the Republican House Majority Leader in a bid to "kill as many Republicans as possible." And the word, "Revolution" is being bandied about as a political term, and it's difficult to avoid the notion that people are being called to arms.

There are also battle lines being drawn in the streets. There are anarchists, ANTIFA, Black Lives Matter, the New Black Panther Party and others who, since the Occupy Wall Street movement (which now seems to have happened ages ago), have led protestors into the street by the thousands, sparking riots. Amidst a cry for tolerance for difference there is a growing intolerance as witnessed by the increased number of attacks on Jews.

There is a sense that more people not only want revolution, but it is being advocated by the left, which is angered with the election results of 2016. Even in the wake of the left's relatively good



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showing in the 2018 midterms there remains significant concern that violence could result. This is especially true as their leaders are now losing hope and are becoming fatalistic. This is inspiring the younger, more radical minds to now take the lead.

Caveat Emptor.

The people who talk about revolution today tend to be young, liberal and idealistic (on this point, nothing much has changed through the centuries). Conservatives also talk about it, but they do so with rhetoric that emphasizes their desire to defend what they have, rather than to take anything over.

But, if history has anything to say about it, both sides will be unpleasantly surprised. We know this because all revolutions fit a pattern. No matter where and when in history, the pattern often repeats itself the same way and for the same reasons. There are exceptions, like the American Revolution, but those are uncommon.

First, the establishment is overthrown by a popular, united uprising. This can often be surprisingly quick, especially if the establishment's loyalist forces fail to quell the violence. The military could be reluctant to strike fellow American citizens, and leaders could hesitate.

In the second phase, the revolutionaries turn on one another, struggling for control. This is where revolutions become bloody and brutal, often tearing apart families and leading to the greatest number of deaths.

In the final phase, a strong leader emerges, unaffiliated with the dominant factions. They gain power by promising law and order and a weary public accepts it. Dictatorship often follows democracy in just this way. History shows us that democracies only last on average about 200 years. So it seems it's about that time for America.

Thus, we are seemingly closer to a "civil war" than we have been since the Great Depression. The threat is real, prompted by economic problems. Our politicians especially those on the left are promoting the danger through divisive speech and behavior. All that is needed is a good, deep cut to social services, or some other great crisis, and the conflict may start. Such conflicts start suddenly and with little warning. Once begun, they take on a life of their own and cannot be stopped until they have run their course.

Recently a client of mine in Asia asked me, is America now in an actual Civil War? He had read this in a local article.

Before answering that question let's define what is meant by a "Civil War."

The Romans were the first to call such conflicts "civil wars." The literal term "civil" comes from the Latin word "cives", which means citizens. Romans named wars after the enemy they were fighting, so in this particular case, to call a war "civil" recognized that it was fought against a particularly familiar, even familial, enemy within Rome itself. Why was this paradoxical? Because the Roman definition of war hinged on it being fought for a just cause against an external enemy. To have a war against fellow citizens was to have a war that was not any kind of recognizable form of warfare at all. This was paradoxical, perhaps even oxymoronic, and it accounts for the fact that for several decades after the term was first recorded it was used very sparingly. "Civil war" is almost like the war that cannot speak its name. Romans didn't want to recognize that they had descended to this destructive form of enmity against their own citizens. Even Julius Caesar, Rome's most famous civil warrior, doesn't use the term "civil war" in the context of his own history, an indication of his reluctance to deploy this deeply unsettling description of contention among the Romans who themselves invented it.

But the first American Civil War in the 1860's was actually fought by and between its own citizens from the north and the south. So, while morally there is reluctance to acknowledge the Civil War was between citizens of one country, in fact it was, so its nomenclature is accurate. But what is not accurate is the generally accepted idea of why the Civil War was fought.

Most people believe the American Civil War was fought over slavery. But that's not true. Slavery was merely a cause for antagonism between ideologues, later a justification for making the North look righteous. The Civil War was primarily a question of economics (recall the roots of conflict are usually economic). The South realized that the North, which already controlled Congress and had imposed high tariffs on imports to protect its manufacturers, to the extreme detriment of the South—was about to do much more. But abolishing slavery wasn't an issue. Lincoln said that many times.

The so-called Civil War was really a war of secession, not really a civil war in the true sense. As alluded above, a civil war is one where two groups are fighting for the control of ONE government. That wasn't the case in the American Civil War.

Now, were the Southerners racist? Of course. But the Northerners were just as racist as the Southerners. Everybody's a racist. This is true through all times and all places. It's inbred in humans to fear and exclude members of different groups. I get this distinct impression whenever I am in Japan, my second home country. It's not philosophically laudable, but it's certainly biologically predict-



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Advancing in a Time of Crisis



Financial Crisis Report



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able. You can go to any country in the world, developed or not and you will find that to be the case. It certainly can be called a human failing. But at the expense of truth, people everywhere prefer to delude themselves with ideals. These days, colleges and universities are especially good at this. Students are taught to believe that favoring their own race over others is somehow immoral and unjustified.

But in the 1860's slavery was on its way out anyway. It was uneconomic with the advent of machinery. In fact, the whole unpleasantness of 1861-1865 was unnecessary. And in a way, the Civil War has a silver lining. If the South had been allowed to depart peacefully, there would have been at least two countries in what's now the U.S. We can only imagine the problems that would have spawned.

But that's a different subject. The current problem we are experiencing in the U.S. is not so much a "civil war" as it is a group (or part of a political party) that is going out of its way to destroy history and the government it so despises. But just the parts they don't like. There are lots of these types—the extreme liberal faculties and administrators of colleges, the students they corrupt, the leftist media. And the typical heedless Americans usually go along because he/she and non-gender doesn't think. Instead he/she and non-gender only feels. The facts are not important. But how one interprets them is. It's very dishonest and unfortunate. The extreme left and its devotees adroitly use identity politics to its maximum effect. They skillfully pit race against race, women against men, straight against gay and standard against not standard. It seems the extreme left want to either completely control the institutions of government, i.e. the courts, the congress and the executive branch, or completely eradicate them from existence.

But in this sea of social chaos, there are some

small islands of hope. When Kanye West donned his MAGA hat and had a meeting with president Trump, he declared himself a superman and in a 10-minute profanity laced rant made more sense than the entire Democratic party has in 4 years. And this is what the Democratic party (especially the far left) is deathly afraid of. They fear recognized people like Kanye West who can open minds, especially the minds of the 90% of blacks who impulsively vote Democratic. More than a U.S. Civil War, we are witnessing the throes of extremists who are fighting for the very survival of the American Democratic party.

In the final analysis, the extreme left in the U.S. wants to turn the government of the U.S. into a totalitarian government. Throughout history these types of movements have always tried to destroy the past of the civilizations they take over. Mao in China did the same thing: trying to wipe out all memory of Chinese civilization, philosophy, and literature that came before the communist regime took over. This is typical totalitarian thinking. It's happening right before our eyes in the U.S. and unfortunately what we're witnessing is symptomatic of a declining civilization. Most people in the U.S. at a gut level understand this but explicity are reluctant to acknowledge it.

But morally, there is absolutely no reason to sympathize with these extremists. We should despise them for trying to send episodes of history down the memory hole. Through the sacrifices of WWI, WWII, Korea, Vietnam, and the continuing wars in the Mideast, what Western Civilization attained in the 20<sup>th</sup> Century, it could very well lose in the 21<sup>st</sup>.

Semper Fidelis to our country and may God be with us.

D. Miyoshi



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