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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 and deadly social disruptions including wars and pandemics. 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 stock, 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.

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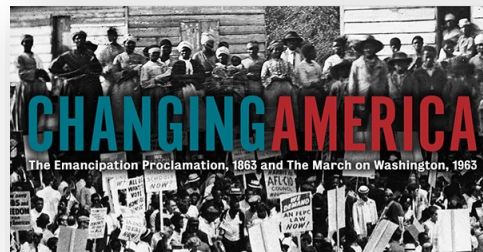
Financial Crisis Report



Advancing in a Time of Crisis

Words of Wisdom “There are decades where nothing happens; and there are weeks where decades happen.” Vladimir Ilyich Lenin

America Will Never Be the Same



On March 30, 2020, the *Wall Street Journal* predicted that from April 1, millions of unemployed Americans will begin defaulting on their rent, their utilities and their credit card payments. They wrote:

“An estimated \$20 billion in monthly retail real estate loans are due as early as this week.” “Many retailers and restaurants have said they are not going to pay their April rents, which in turn poses a threat to the \$3 trillion commercial mortgage market.” This does not appear to be an April fools joke.

On March 31, 2020 the *Nikkei Asian Review* reported that U.S. deaths from COVID-19 surpass 3,000, exceeding the initial toll of the Sept 11 attacks.

On the same day March 31, 2020, the U.S. stock exchange reported that the month of March 2020 has become the worst trading month ever.

Economists at the Fed’s St. Louis district now project total employment reductions of 47 million, which would translate to a 32.1% unemployment rate. That’s pretty serious.

Vladimir Ilyich Lenin once said: “There are decades where nothing happens; and there are weeks where decades happen.” We are living through one of those weeks.

Lenin led the Bolshevik revolution of 1917 and the formation of the USSR (Union of Soviet Socialist Republics) in 1922.

When he said “there are weeks where decades happen,” Lenin meant society can exist in a certain way for a very long time — decades even — and then, all of a sudden, radical upheaval changes everything.

This is the reality now, for both the United States and the world.

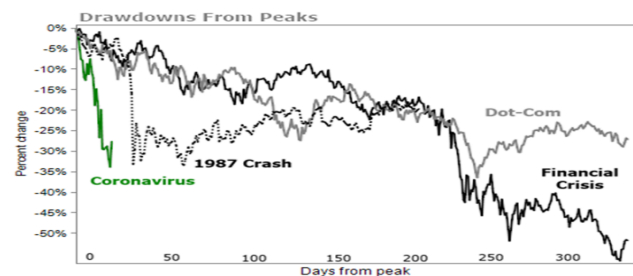
Everything changes now. While some things will go back to normal, others will never be the same.

In all my years I have never seen such economic dislocation and volatility as I have witnessed during the past three weeks. During this period the U.S. stock market experienced both its one-day greatest point drop since 1933 and its biggest 3-day point gain since 1931. For years via this newsletter I have predicted a stock market crash, but I never thought it would happen in this fashion and with so much volatility. For sure, in the coming months of this current “crash” there will be large upticks as happened in late March, but it is clear the ultimate direction of the market is now down.

I compared the drawdown velocities of this crash prompted by the coronavirus (its official name is SARS-COV-2) pandemic with that of the 1987 Crash, the Dot-Com fall and the 2008 Financial Crisis and the coronavirus crash or “Corona Crash” is the steepest of them all.



America Will Never Be the Same



The portent of this is somewhat sobering, to say the least.

But it's certain the coronavirus pandemic will be viewed as a watershed experience in the annals of the world. So much so that modern events can be flippantly demarcated as occurring b.c. (before corona) and a.d. (after disease). Based on its genesis, it begs the question, could this be the first depression caused by law?

We all know the reality of the coronavirus pandemic threatens to bankrupt entire industries. Hotels, airlines, cruise lines, restaurants, gaming, entertainment, real estate, tourism — all of these and more now stand on the brink. The total tally, interwoven throughout a \$21 trillion economy, is too complex to be calculated.

In its very essence, capitalism is about money in motion. One man's spending is another man's paycheck. Every expense counts as someone else's revenue.

When all of that simply stops (especially through government fiat and not economic forces), nobody knows what happens next. Capitalism as a system was never designed to just stop.

With "small business" defined as 500 employees or fewer, there are an estimated 30.2 million small businesses in the United States. The coronavirus pandemic means millions of these are likely to go bankrupt. How many million exactly? Nobody knows.

The typical small business does not have a big pile of cash on hand. Twelve weeks is the outer bound, four to six weeks a more realistic estimate.

If the pandemic forces business to slow or stop for months on end, let alone a year or more, capitalism may not survive that.

And yet, social distancing — and potentially more extreme measures like "shelter in place" or even national lockdown — are probably the right thing to do, in order to keep the hospital system from becoming overwhelmed. Letting the virus "run its course" would risk millions of deaths.

Medical experts on multiple continents are throwing around numbers like "18 months" in terms of how long it could take to stop the coronavirus. Their recommended response amounts to freezing citizens

in place for an extended period of time.

But a capitalist system can't handle that. If you stop the gears for that long, too many businesses die. Too many jobs disappear and never come back. Too many people wake up bankrupt and destitute.

Society would tear itself apart if everything had to stop for a year or more. Not because people would grow restless, but because tens of millions of Americans would run out of money, and hope. Not to mention suffer or die through malnutrition and starvation.

I note at the time of this writing a little over 3,000 Americans have died due to the virus, while roughly 40,000-60,000 Americans die every year due to opioid abuse. Approximately 80,000 die annually due to alcoholism.

What would these numbers be in a bad recession as hard-hit people struggle to cope? What about an uptick in crime, spousal abuse or suicide? How many lives would be ruined due to depression?

All of us can think of more examples of suffering that would result from a continued shutdown of the businesses in our communities. Most people dying of the coronavirus are already older and already have health problems. We should care about their plight... but in being overly cautious about their wellbeing, we're creating new victims, and no one seems to notice.

This experience will emotionally scar a generation. It's going to make the political divide worse, especially along wealth and income lines. For sure, this Thanksgiving, there will be more passionate discussions around the dinner table.

I hope our leaders are wise enough to see this and more importantly that their agendas would allow them to acknowledge it.

We are now in a situation where the proverbial "impossible force" has met an "immovable object."

The "impossible force" is the coronavirus pandemic. Dealing with the pandemic in a responsible way, and keeping the hospitals from being overrun, requires taking extreme measures for a potentially extended time period.

The "immovable object" is the need to preserve the capitalist system, and thus to preserve the functioning of society itself. If the system breaks down, too many people go broke, and then they go hungry, and then they riot. That doesn't work.

If we do nothing, or a small amount refuse to do enough, we face the prospect of millions of American deaths. That is not acceptable either. On its current trajectory, the death toll is already likely to be shocking. It has to be minimized by any means available.





America Will Never Be the Same

When you put these three realities together, you get massive societal change.

The only way to square the circle — fighting the pandemic, maintaining a capitalist system, and safeguarding lives, all at the same time — is to authorize massive government intervention of a scope and scale not seen since World War II, with further echoes of President Franklin Delano Roosevelt's social change programs in the 1930s.

On March 28, President Trump signed the \$2+ trillion "helicopter money" Coronavirus Aid, Relief, and Economic Security Act passed by Congress that will send thousands of dollars to almost every adult American. The package features one-time payments of \$1,200 to individuals, with an additional \$500 for each child. This begs the question what will this stimulus package ultimately cost? I have heard estimates that it will cost everyone in the U.S. around \$8,000 in the form of extra taxes and inflation. But this cost will come later so for the politicians, it's simply another necessary charge on society that enables them to stay in office.

For recipients of rescue money, it's easy to identify the laid off hotel worker because travelers cancel reservations. It's harder to trace the line back to the restaurant near the hotel that fed workers and guests, or the supply company that handled that establishment's linens. Congress' assistance program is well-intentioned, but it will have to be so broad as to create another economic safety umbrella, or dramatically increase access to existing programs.

On the business side, we can see that airlines and hotels will suffer, but is it the place of the government to rescue them? Are we going to rescue the fracking industry because the Saudis and Russians are fighting, and neither side is too upset that their tiff is destroying American companies? Will we make investor retirement accounts whole because people own stock in all of these companies? Where do we draw the line, and what do we say to those on the other side of that line, the ones who didn't quite make it in?

It's eerily similar to saving the car companies, and some, but not all, of the banks during the financial crisis. Picking winners and losers with taxpayer money is a dangerous game that is certain to make some people happy, and many people angry. But the more things change, the more they stay the same.

We already had a trillion-dollar national deficit and a national debt above \$23 trillion. But now those numbers are about to go supernova. The federal government will be spending money on a scale and scope the world has never seen.

It won't just be the United States, either. In Europe, they are caught on the horns of the same dilemma: How do you preserve some semblance of market function while properly fighting the pandemic?

China, too, will have to lift its country out of lockdown mode at a time when demand from its biggest export customers (Japan and the

west) has collapsed. The same is true for Japan.

The whole world is going to be spending trillions. We are going to see the biggest flood of fiat currency spending the world has ever known, perhaps by an order of magnitude.

But we don't know what the immediate effects will be — in terms of follow-on inflation — because all of that spending will be geared toward countering the massive deflationary forces of halted commerce and broken businesses. When countries around the world cut their commerce activities by a third or a half all at once, that is like the deflationary equivalent of an economic hydrogen bomb.

And yet, the government spending aspect is only one small part of this.

To deal with the inevitable surge in hospitalizations and demand for intensive care unit beds, the military is likely to be deployed.

We may well see MASH units — Mobile Army Surgical Hospitals — set up in multiple large American cities. We could also see hotel rooms and schools, now empty, retrofitted to handle the sick or quarantined.

When we come out of this, the federal government will be a bigger leviathan than ever before. But that won't be the result of some bureaucratic plot. It will be because, for some problems, there is no other entity that exists with the scope and scale to handle the problem.

That is why, to get a sense of what happens next, we have to look back 70 to 90 years, to the massive social programs of the 1930s and the nationwide mobilization programs of World War II.

We have entered wartime conditions to beat a global pandemic — an invisible threat that, if left undefeated, could overturn an entire way of life.

The good news is that, with near total certainty, we know we will win this battle. One way or another, the virus will be defeated.

Pandemic conditions will recede, a vaccine will be rolled out, and some form of "herd immunity" will be established. We'll be back to eating in restaurants again, enjoying sporting events and concerts, flying to vacation destinations.

And yet, the great unknowns loom large. We'll be a different country on the other side of this, with a whole new set of opportunities and problems. In many ways, the structure of society will be changed.





Challenge of Predicting Coronavirus' Ultimate Impact

The market is trying to make sense of this too, which partly explains why things have been so wild. Nobody hates uncertainty more than Mr. and Mrs. Market, and right now neither they nor anyone else has a firm grasp on what tomorrow looks like.

But day by day, we'll pick up more clues and take the steps that need to be taken — and with persistence and patience, we'll get through.

But one thing is for sure. With the ongoing social distancing regulations, I am already sorely missing my regular monthly breakfast bull sessions with my high school buddies.

D. Miyoshi

Challenge of Predicting Coronavirus' Ultimate Impact



Predicting the long term outcome of the Coronavirus pandemic is impossible and as for the near term, it may be futile.

In college I took classes on logic and statistics. The concepts were easy to understand. But applying them to every day events was a huge challenge.

In total 705 people of those aboard the Diamond Princess cruise ship tested positive for the coronavirus. (which seems like ages ago).

The nightmare started slowly. On the supposed final night of the cruise, the captain made an announcement over the loudspeaker. A passenger who'd fallen ill and left the ship nine days before had tested positive for the virus.

The guests, with the permission of the crew, continued to vacation as usual. They danced, watched performances, and ate from the buffet together.

But by the next day, things had changed. Guests were checked for high temperatures and coughs. They were confined to their rooms and were told they'd be isolated there for 14 days.

Clearly, the ship was not prepared for this. Medicine was in short supply. Rules were unclear. No virus test kits were available on board. And people didn't know if they could catch this mysterious coronavirus through the ventilation... or what would happen if they got infected.

Each day, many passengers counted the ambulances that pulled up to the docked ship to gauge the number of new infections.

Eventually, all the passengers got off the ship — evacuated by their own governments and put into longer quarantines at home. Crew members only started to disembark the ship on February 28, after weeks on board.

Being confined on the ship was an absolute nightmare. The Japanese government has been roundly criticized for its handling of the situation. Thereafter, a senior official in Japan's health ministry said, "I admit, our isolation policy was not perfect."

But look how close it came to taking a different trajectory and being even worse... The lockdown was imposed only the night before the passengers were to disembark. It was only a couple days before that when the first positive test came back.

This ship was hours from releasing hundreds of infected patients to a port in Japan, from which they'd have climbed on to planes to take them to the U.S., Australia, Britain, and more.

Had that happened, the spread of coronavirus may have been set on a very different path.

Predicting the Complex

Let's go back to just before the Diamond Princess arrived at its Japanese port.

Had you gathered up all the information on the coronavirus and carefully plotted what would happen next with the virus, you couldn't possibly be right...

First off, the accuracy of your prediction might've hinged entirely on whether those passengers get off the ship. Instead, the quarantine was put in place.

And would your prediction have included the behavior of a couple of panicked Japanese bureaucrats?

The point is, thousands of decisions happen every day, relative to





China is rewriting coronavirus history and nobody will stop it

this cruise ship and the financial markets, that could have changed the outcome...

In other cases, when does the Chinese government lock down a city? How does Hong Kong encourage people to stay home? Just how much economic growth is a politician willing to sacrifice to prevent the virus's spread?

Both the spread of disease and financial markets are complex... in the mathematical sense.

In the mathematical sense, a complex system has multiple parts that interact in various ways that cannot be predicted.

Put it another way, even if you can describe all the initial conditions and the ways the pieces affect each other, you still cannot predict what will happen.

You've likely heard the saying that a butterfly flapping its wings in Brazil could cause a tornado in Texas. In fact, chaos theory got its start in weather forecasting...

Scientists thought better models and more satellite data could eventually lead you to a perfect model of the weather... But they realized that weather was chaotic. Even if you could plot every atom in the atmosphere, you still couldn't model next week's weather perfectly. A tiny shift in a breeze could end up with much different results.

That brings us back to the virus.

The situation's complexity means that trying to predict how the coronavirus will spread is impossible. We do not know what will happen because we cannot know what will happen.

Anyone who offers you anything else is doing little more than guessing.

To put it back into a mathematical framework... If you precisely knew the initial conditions of the virus right now – meaning, you knew each individual who was infected, how the infection spreads, how many people may spread the disease without any symptoms, what the mortality rate is, and how close we are to a vaccine – you still couldn't predict what would happen.

You'd have to properly predict every decision by a cruise ship captain or government official. You'd have to predict who shakes hands at a meeting or who sits next to whom on an airplane.

The smallest changes can have big effects. You just can't know them all.

Of course, we don't have anywhere near perfect knowledge of the initial conditions. No one can fully answer any of those questions.

Financial markets are the same. One big investor could shift some assets around and that could trigger a panic sell-off. The feedback loop between the market's activity and the people who react to it has so many variables that making large predictions is impossible.

So how does this relate to us? Well, unless you are a politician, honesty and truth are the best policies.

Most responsible experts admit they don't know what will happen with the virus and the markets. We could see another 30% or 40% slide. We could see stocks rally briskly. You can make coherent arguments for both.

For those trying to predict what will happen over the next few weeks – or even the next few months – are making a tough gamble. There will be some who wager and end up profiting. But for most individuals it will be best to sit it out until matters settle.

D. Miyoshi

The following article appeared in the *Nikkei Asian Review* on March 23, 2020. It is written by Natasha Kassam, a research fellow at the Lowy Institute in Sidney and a former Australian diplomat.

I thought it was insightful and offer it here for your consideration.



China is rewriting coronavirus history and nobody will stop it

Were it not for the unique institutional advantages of the Chinese system, the world might be battling a devastating pandemic." So boasted a supposedly prophetic editorial in the state-owned China Daily newspaper on February 20, when most COVID-19 cases were contained within China.

It does not look so prophetic now: there are more cases outside of China than inside it and the World Health Organization has declared



China is rewriting coronavirus history and nobody will stop it

a global pandemic. At least the daily new confirmed cases of the coronavirus in China have dropped from the thousands to zero on some days last week.

As the crisis of COVID-19 has shifted from being a China problem to a global one, Chinese authorities have switched gears. From the early days of a defensive cover-up and censorship, they have surged into an all-out propaganda offensive.

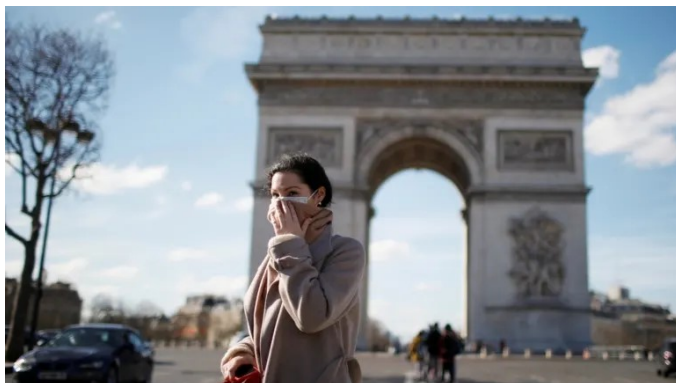
The message lauds the strength and resolve of China's party-state and deflects scrutiny of the systemic failures and cruel incompetence of the Chinese Communist Party's initial response to COVID-19. The rest of the world, struggling with the outbreak, is allowing this message to go unchallenged.

At the outset, Beijing was focused on the domestic audience: the party-state's vocal defense of its efforts to contain the virus was aimed at countering popular scrutiny at home. The narrative simultaneously blamed the local governments in Hubei province for its governance failures while touting the central government's efforts to salvage the crisis.

The propaganda machine in China is known for its ability to rewrite history within the country, through a combination of censorship and repression, and the ensuing days and weeks have seen this success replicated overseas.

Now China's message for the world is threefold: it has bought the world time to prepare for the pandemic; the virus may not in fact have originated in China; and China will help people who have been failed by their governments.

On some level, Chinese doctors and other front line heroes did buy the world time -- time that has been squandered in many countries. But the world might not have found itself in this position if not for the initial cover-up of the outbreak. That most countries are deep in the crisis as China emerges from it makes this view resonate all the more.



A woman wearing a protective mask walks near Arc de Triomphe in Paris on Mar. 15: the world might not have found itself in this position if not for the initial cover-up of the outbreak. © Reuters

The rise of the conspiracy theory that the COVID-19 did not emerge from Wuhan has been amplified through official messaging. A Foreign Ministry spokesperson from China tweeted on March 12: "When did patient zero begin in US? How many people are infected? What are the names of the hospitals? It might be US army who brought the epidemic to Wuhan."

If you type "was the new coronavirus" into China's largest search engine, Baidu, the first suggestion is now "made by the Americans?" A number of China's ambassadors have since doubled down on the theory.

This propaganda push may be retaliation for some prominent Americans giving airtime to the conspiracy theory that the novel coronavirus was weaponized by Chinese scientists. But any additional uncertainty or confusion also helps to deflect blame for the crisis away from the China's party-state.

Finally, China is seizing on the absence of clear and credible information from authorities that people can trust. This is only helped by the many failures of foreign governments to properly prepare for the onslaught of the virus and the genuine contribution that China is now well-placed to make.



Xi Jinping in Wuhan appears in the CCTV state media broadcast at a shopping center in Beijing: China is seizing on the absence of clear and credible information from authorities that people can trust. © Reuters

China has sent teams to Iran and Italy, and is planning for Spain, gestures that have been well-publicized. Serbia's President is appealing for help from his "friend and brother" Xi Jinping after the EU, which does not include Serbia, restricted exports of medical equipment. Pacific Island officials are receiving tele-briefings from China on how to manage this crisis.

Contrast China's behavior to that of the competing superpower, the U.S., which blindsided its security ally Germany in attempting to



Is this a Possibility?

purchase exclusive access to a possible coronavirus vaccine.

China can present itself as a benevolent and responsible world power, stepping up to the plate. This accords with the ambitions of China's leaders to demonstrate that China's system is more effective than that of the West. Xi Jinping's long-standing emphasis on governance reform seeks to show that authoritarian states, like China under him, can coexist and compete in an effective way with established democracies.

But China's approach has also evolved into a global push, and most countries are in no position to argue. The shortcomings of others in preparing for this public health crisis have made it almost too easy for China to pivot.

Buried in our own crises that we should have seen coming, China's leaders are rewriting history so that they are not held responsible for the world's fatalities, disruption and inevitable economic recession.

By buying this propaganda line, we are effectively erasing the many missteps and governance failures at the outset of this crisis and the thousands of documented and likely undocumented deaths of victims in China, many of whom were front line health care workers. But the story of China's victory in the "people's war" against COVID-19 has already been written.

End of Article

Is this a Possibility?



If I took all the governmental missteps made in the U.S. during the 10 years this newsletter has been published and recreated them into a scenario of what could happen in the U.S. for the remainder of 2020, here is my admittedly pessimistic outlook for the year. It is based on the predilection that, at least up to now, governments (everywhere) tend to overact and the public (everywhere) tend to overreact. But I am in no position to criticize the feelings or actions of anyone who has lost their livelihood because the government simply declared they are no longer needed.

As we now see, the world of getting and spending is shutting down.

Without revenue, neither businesses, households, nor the government will be able to pay their bills.

Stocks have crashed but they will rise again ("a bear bounce," in the vernacular of Wall Street) on all the "bailout" news, and then eventually give up another 50% of their value.

Business will default on its \$16-trillion-debt pile. Millions of people will lose their jobs. The Secretary of the Treasury, Steven Mnuchin, says that upwards of 20% of the workforce could be unemployed (the same as in the Great Depression of 1929).

Congress will pass their multi trillion-dollar rescue program and the feds will print money by the trillions to assist the situation. Spending will rise. But lower output... and more currency in circulation... will raise prices.

In the summer, the virus will slow down. Then, the economy will begin to recover. But people all over the world will begin to mistrust the dollar (and other "paper" currencies). Prices will rise as real growth is suppressed by inflation fears.

Most likely, the virus will return in the autumn, though there's no way to know how bad it will be. But at some point, there won't be enough "cash" to keep up with the rising contempt for it.

ATMs will run out. The economy – still fragile, with interest rates below inflation – will need more bailouts and more helicopter money to keep going.

Then, the feds will face a terrible choice. Printing more money may bring a hyperinflation, like Weimar Germany, Zimbabwe, or Venezuela.

But not printing will risk a deep depression... a "throw out all the bums" shock in the next election... or even a revolution.

Is there a Paul Volcker who will stand up and bring a halt to the money-printing? Is there a Ronald Reagan who will back him up? Is there a Horatio in Hamlet who will stand at the bridge and say "enough?"

The feds will likely make their choice... the same choice that was made by the German president of the Reichsbank von Havenstein and the governor of the Bank of Zimbabwe Gideon Gono. They will PRINT. Stocks will soar as people "rotate" out of bonds.

The bond market will collapse. Debts will be wiped out by inflation. So will debt-based credits.

Scenes of financial corruption, economic shamelessness and orgies





A Tour of the Future

of social degradation, violence and chaos – now unimaginable – will flash across the screens in America.

Yes, this is pessimistic. But it has not happened yet. I hope it doesn't for all our sakes. But it is a distinct possibility that we should work to prevent and also prepare to endure.

D. Miyoshi

A Tour of the Future



This is short article by Jim Rickards, a financial consultant I follow. It's about his look into the future 6 years from now. I think it's worth a few minutes of reading time. It's his version of 1984. D. Miyoshi

Dear Reader,

As I awoke this morning, Sunday, Oct. 13, 2026, from restless dreams, I found the insect-sized sensor implanted in my arm was already awake. We call it a "bug." U.S. citizens have been required to have them since 2024 to access government health care.

The bug knew from its biometric monitoring of my brain wave frequencies and rapid eye movement that I would awake momentarily. It was already at work launching systems, including the coffee maker. I could smell the coffee brewing in the kitchen. The information screens on the inside of my panopticon goggles were already flashing before my eyes.

Images of world leaders were on the screen. They were issuing proclamations about the fine health of their economies and the advent of world peace. Citizens, they explained, needed to work in accordance with the New World Order Growth Plan to maximize wealth for all. I knew this was propaganda, but I couldn't ignore it.

Removing your panopticon goggles is viewed with suspicion by the neighborhood watch committees. Your "bug" controls all the channels.

I'm mostly interested in economics and finance, as I have been for decades. I've told the central authorities that I'm an economic historian, so they've given me access to archives and information denied to most citizens in the name of national economic security.

My work now is only historical, because markets were abolished after the Panic of 2024. The crash of 2020 was bad, but the Panic of 2024 was the final nail in the market's coffin. That was not the original intent of the authorities. They meant to close markets "temporarily" to stop the panic, but once the markets were shut, there was no way to reopen them without the panic starting again.

Today, trust in markets is completely gone. All investors want is their money back. Authorities started printing money after the Panic of 2008, but that solution stopped working by 2022. Probably because so much had been printed under QE7. When the panic hit, money was viewed as worthless. So markets were simply closed.

In 2024, the Group of 20 major powers, the G-20, abolished all currencies except for the dollar, the euro and the ruasia. The dollar became the local currency in North and South America. Europe, Africa and Australia used the euro. The ruasia was the only new currency — a combination of the old Russian ruble, Chinese yuan and Japanese yen — and was adopted as the local currency in Asia.

There is also new world money called special drawing rights, or SDRs for short. They're used only for settlements between countries, however. Everyday citizens use the dollar, euro or ruasia for daily transactions. The SDR is also used to set energy prices and as a benchmark for the value of the three local currencies. The World Central Bank, formerly the IMF, administers the SDR system under the direction of the G-20. As a result of the fixed exchange rates, there's no currency trading.

All of the gold in the world was confiscated in 2024 and placed in a nuclear bomb-proof vault dug into the Swiss Alps. The mountain vault had been vacated by the Swiss army and made available to the World Central Bank for this purpose. All G-20 nations contributed their national gold to the vault. All private gold was forcibly confiscated and added to the Swiss vault as well. All gold mining had been nationalized and suspended on environmental grounds.

The purpose of the Swiss vault was not to have gold backing for currencies, but rather to remove gold from the financial system entirely so it could never be used as money again. Thus, gold trading ceased because its production, use and possession were banned. By these means, the G-20 and the World Central Bank control the only forms of money.

Some lucky ones had purchased gold before 2020, when it was under \$2,000 an ounce, and sold it when it reached \$40,000 per ounce early in 2025. By then, inflation was out of control after the Western democracies conducted a failed experiment in Modern Monetary Theory, and the power elites knew that all confidence in paper currencies had been lost. The United States was hit especially hard. The only way to re-establish control of money was to confiscate gold. But those who sold near the top were able to purchase land or art, which the authorities did not confiscate.





Advice on Avoiding the Coronavirus (SARS-COV-2) and Flu

Those who never owned gold in the first place saw their savings, retirement incomes, pensions and insurance policies turn to dust once the hyperinflation began. Now it seems so obvious. The only way to preserve wealth through the Panic of 2024 was to have gold, land and fine art. But investors not only needed to have the foresight to buy it. They also had to be nimble enough to sell the gold before the confiscation, and then buy more land and art and hang onto it. For that reason, many lost everything.

Land and personal property were not confiscated, because much of it was needed for living arrangements and agriculture. Personal property was too difficult to confiscate and of little use to the state. Fine art was lumped in with cheap art and mundane personal property and ignored.

Stock and bond trading were halted when the markets closed. During the panic selling after the crash of 2024, stocks were wiped out. Too, the value of all bonds were wiped out in the hyperinflation of 2024-25. Governments closed stock and bond markets, nationalized all corporations and declared a moratorium on all debts.

World leaders initially explained it as an effort to “buy time” to come up with a plan to unfreeze the markets, but over time, they realized that trust and confidence had been permanently destroyed, and there was no point in trying.

Wiped-out savers broke out in money riots soon after but were quickly suppressed by militarized police who used drones, night vision technology, body armor and electronic surveillance.

Highway tollbooth digital scanners were used to spot and interdict those who tried to flee by car. By 2026, the U.S. government required sensors on all cars. It was all too easy for officials to turn off the engines of those who were government targets, spot their locations and arrest them on the side of the road.

In compensation for citizens’ wealth destroyed by inflation and confiscation, governments distributed digital Social Units called Social Shares and Social Donations. These were based on a person’s previous wealth. Americans below a certain level of wealth got Social Shares that entitled them to a guaranteed income.

Those above a certain level of wealth got Social Donation units that required them to give their wealth to the state. Over time, the result was a redistribution of wealth so that everyone had about the same net worth and the same standard of living.

To facilitate the gradual freezing of markets, confiscation of wealth and creation of Social Units, world governments coordinated the elimination of cash in 2024-25. The “cashless society” was sold to citizens as a convenience. No more dirty, grubby coins and bills to carry around!

Instead, you could pay with smart cards and mobile phones and

could transfer funds online. Only when the elimination of cash was complete did citizens realize that digital money meant total control by government. This made it easy to adopt former Treasury Secretary Larry Summers’ idea of negative interest rates. Governments simply deducted amounts from its citizens’ bank accounts every month. Without cash, there was no way to prevent the digital deductions.

The government could also monitor all of your transactions and digitally freeze your account if you disagreed with their tax or monetary policy. In fact, a new category of hate crime for “thoughts against monetary policy” was enacted by executive order. The penalty was digital elimination of the wealth of those guilty of dissent.

The entire process unfolded in small stages so that investors and citizens barely noticed before it was too late. Gold had been the best way to preserve wealth until the Panic, but in the end, it was confiscated because the power elites knew it could not be allowed. First, they eliminated cash. Then they eliminated diverse currencies and stocks. Finally came the hyperinflation, which wiped out most wealth, followed by gold confiscation and digital socialism.

By last year, 2025, free markets, private property and entrepreneurship were things of the past. All that remains of wealth is land and some (illegal) gold. The only other valuable assets are individual talents, provided you can deploy them outside the system of state-approved jobs.

Jim Rickards for *The Daily Reckoning*

Advice on Avoiding the Coronavirus (SARS-COV-2) and Flu



I’ve been collecting medical and pandemic expert advice on staying healthy with the threat of coronavirus. Know that preparing and protecting yourself is NOT being paranoid. It’s being smart and will help you stay safe, comfortable, and potentially save yourself money. Illness causes losses... loss of work, the expenses of medical treatment, hardships, etc. Your staying healthy



Is Coronavirus less deadly than originally thought?

is also about being a loving and caring family member, friend, neighbor, and co-worker. It's important to recognize that many people WILL be going to work sick and to places that you frequent: stores, restaurants, gyms, theaters, hair/nail salons, etc. some will go to work sick because they can't afford to miss a day of pay, some can't afford medical appts, some may lose their job if they call in sick, some may not have sick days available at work, some may not have money for co-pays/deductibles/medical bills... it's unfortunate 24% of workers don't get paid sick leave (per DOL) and *69%* of workers with the lowest wages don't get paid sick leave. So that makes it extra important you protect yourself.

If people step up vigilance around good hygiene, hand washing, sick contacts, etc.; our small actions on a population wide basis (our community/neighborhoods) will have a big impact in slowing the spread of the virus. Crisis comes from panic and uncertainty. The best way to avoid fear and vulnerability is to focus on yourself, your readiness level, your behavior — what you can do...and your doing that will help others at the same time.

To protect yourself and loved ones, here is a list of collected advice from doctors and pandemic experts:

1. Wash Your Hands often! You can't wash your hands too much! Drs. recommend that you wash long enough to sing "Happy Birthday" twice
2. Make, use, share "Sanitizing Kit(s)" - for your car, kids, purse, office, home, gym. "Sanitizing Kit" contains: Hand Sanitizer, Hand Sanitizing Wipes, Bleach/Bacterial wipes for your daily activities i.e. door knobs, wiping down cell phone, computer keyboards, tablets, remote control, keys, mailbox, your "green" grocery bags, the dog's leash - (NOTE: regarding these "sanitizing" supplies - buy NOW, stock up, order now - many of these items are already sold out!)
3. Start now practicing NOT touching your face. Drs. say people touch their faces unknowingly as much as 500 times a day. And scientists say hand contact with your face makes you extra vulnerable to becoming sick.
4. Have a "Flu Kit" on hand at home: a thermometer, meds for aches and pains, fluids with electrolytes, cough syrup, soup, crackers, tissues, ginger ale -whatever will give you comfort at home riding it out.
5. Advance fill your prescriptions if you can. Pharmacies are hotspots for sick people. Avoid making trips to your pharmacy.
6. Stock up on groceries, gas, toilet paper, cash on hand (small denominations), things you need daily/weekly. Have on hand what you will need for a minimum of three-four weeks being stuck at home - if sick, if quarantined, if supplies run out at stores (shipping, deliveries, supplies could run low due to demand, and/or being short staffed due to people being sick, logistic issues, etc.)
7. KEY is to be self-reliant and most importantly - MINIMIZE your public exposures...avoiding opening doors, handling grocery carts/baskets, gas pump handles, handrails, elevator buttons, backs/armrests of chairs/benches in public, key/checkout pads, ATMs, etc... basically try to avoid touching things in public. (hence, the reason to carry a lot of hand/anti-bacterial wipes!)

8. Increase the number of times you wash your hands daily... and wash up over your wrists (like doctors do).... and when out and about frequently use Handi-wipes and sanitizer... make it habit, i.e. when getting in and out of car, paying for things, checking out at stores, etc.

9. Stop shaking hands. People will understand.

10. Cough in your elbows.

11. Daily - wipe down your steering wheels, door knobs, car door handles, cell phones, backpacks/purses, wallets, etc. with anti-bacterial wipes

12. Wipe down your counter, surfaces at home with anti-bacterial cleaners (watch what you put on the counters i.e. purses, backpacks - -- don't re-contaminate)

13. Wash, replace your towels for clean ones at least twice a week - especially your hand, kitchen towels.

14. Keep your home (and car) extra clean.

15. EMERGENCY supplies - this is a good time to check your first aid kit. Be sure you have supplies to clean and dress cuts (band aids, keep a roll of duct tape), plus super glue as emergency stitches. Never hurts to add blood clotting agents. You don't want an unneeded trip to the ER.

16. Supplies for your pets - food, meds, etc. (again to avoid shopping/public exposure, and/or if your regular deliveries don't run on time/run out/have high demand-little supply)

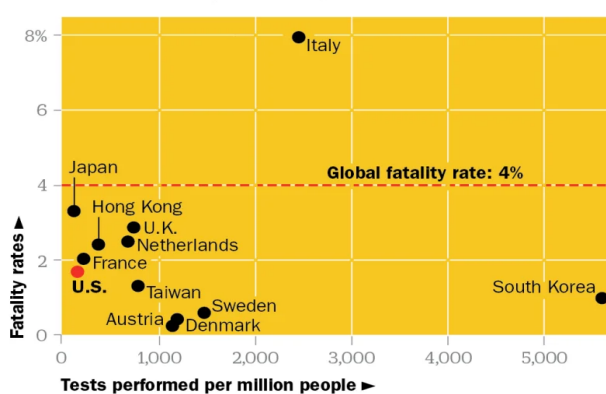
17. AND - Keep your immune system boosted w/ Vit C, healthy foods, good nutrition, exercise, fresh air, good sleep.

Wishing everyone much health.

D. Miyoshi

Is Coronavirus less deadly than originally thought?

COVID-19 case fatality vs. testing rates





Is Coronavirus less deadly than originally thought?

On March 25, Neil Ferguson, the epidemiologist creator of the highly cited Imperial College London coronavirus model, which has been cited by organizations like *The New York Times* and has been instrumental in governmental policy decision-making, offered a massively downgraded projection of the potential death toll.

Ferguson's model originally projected 2.2 million dead people in the United States and 500,000 in the U.K. from COVID-19 if no action were taken to slow the virus and blunt its curve. The model predicted far fewer deaths if lockdown measures — measures such as those taken by the British and American governments — were undertaken.

After just one day of ordered lockdowns in the U.K., Ferguson presented drastically downgraded estimates, crediting lockdown measures, but also revealing that far more people likely have the virus than his team figured.

Ferguson explained, “I should admit, we’ve always been sensitive in the analysis in the modeling to a variety of levels or values to those quantities. What we’ve been seeing, though, in Europe in the last week or two is a rate of growth of the epidemic which was faster than we expected from early data in China. And so we are revising our quotes, our central best estimate of the reproduction... something more, a little bit above of the order of three or a little bit above rather than about 2.5.” He added, “the current values are still within the wide range of values which modeling groups [unintelligible] we should have been looking at previously.”

A higher rate of transmission than expected means that more people have the virus than previously expected; when the number of those with coronavirus is divided by the number of deaths, therefore, the mortality rate for the disease drops.

On March 25, the New Scientist reported that based on both those revised estimates and the lockdown measures taken by the British government, Ferguson predicted, hospitals will be fine taking on COVID-19 patients and estimated 20,000 or so fewer people will die from the virus itself or from its agitation of other ailments.

Ferguson's change of tune came days after Oxford epidemiologist Sunetra Gupta criticized the professor's model.

“I am surprised that there has been such unqualified acceptance of the Imperial model,” Gupta said, according to the *Financial Times*.

Professor Gupta led a team of researchers at Oxford in a modeling study which suggests that the virus has been invisibly spreading for at least a month earlier than suspected, concluding that as many as half of the people in the United Kingdom have already been infected by COVID-19.

If Gupta's model is accurate, fewer than one in a thousand who've been infected with COVID-19 become sick enough to need hospitalization, leaving the vast majority with mild cases or free of symptoms.

Ferguson did continue to argue that the Oxford model is too optimistic about death rates.

On March 26, after widespread reporting on his new death rate estimates — including by White House Coronavirus Response Coordinator Dr. Deborah Birx, who cited his 20,000 estimate during a press conference Thursday — Ferguson issued a statement on social media to “clear up confusion” about his revised estimates:

“I think it would be helpful if I cleared up some confusion that has emerged in recent days. Some have interpreted my evidence to a UK parliamentary committee as indicating we have substantially revised our assessments of the potential mortality impact of COVID-19. This is not the case. Indeed, if anything, our latest estimates suggest that the virus is slightly more transmissible than we previously thought. Our lethality estimates remain unchanged. My evidence to Parliament referred to the deaths we assess might occur in the UK in the presence of the very intensive social distancing and other public health interventions now in place. Without those controls, our assessment remains that the UK would see the scale of deaths reported in our study (namely, up to approximately 500 thousand.”

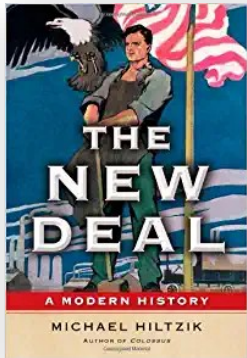
Based on what Drs. Ferguson, Gupta and Birx are saying, I take it the Coronavirus is more infectious than originally thought but also is less deadly than originally thought.

So, going into April perhaps we will see a lessening in the ratio of deaths to infections from the coronavirus. I hope so.

D. Miyoshi



America's new "New Deal"



On March 9, 1933, in the midst of the Great Depression President Franklin Roosevelt instituted the New Deal which was a program that aimed to stabilize the economy and provide jobs and relief to those suffering to restore prosperity to Americans. Over the following eight years, the government instituted a series of experimental New Deal projects and programs, such as the CCC, the WPA, the TVA, the SEC and others. Roosevelt's New Deal fundamentally and permanently changed the U.S. federal government by expanding its size and scope—especially its role in the economy. America ultimately emerged from the depression during WWII.

On March 28, 2020 President Donald Trump signed a \$2 trillion stimulus bill called the Coronavirus Aid, Relief, and Economic Security Act, that was unanimously passed by congress the day before. This is the largest program in U.S. history..... ever.

According to *CNBC* the Stimulus Bill provides:

One-time direct payments to individuals, stronger unemployment insurance, loans and grants to businesses and more health care resources for hospitals, states and municipalities. It includes requirements that insurance providers cover preventive services for COVID-19.

Qualified individuals will receive cash payments of \$1,200. Couples will receive \$2,400... with an additional \$500 for each child.

The Bill's purpose is to stem the overwhelming economic damage caused by the shutdown of businesses and social

activities in the wake of the coronavirus pandemic.

But shutting down businesses only stems the supply of goods and services. The demand for these goods and services still exists no matter if people come down with COVID-19.

If the rescue program fills an idle person's pocket with fabricated money, it still does not increase supply. It merely increases the bid for existing supplies.

Say's Law

In Economics 201, I was taught Say's Law. It says supply creates its own demand.

Over two hundred years ago, the law's originator Jean-Batiste Say argued that "Products are paid for with products."

One man produces bread. Another produces shoes.

The cobbler who requires bread for his dinner appears before the baker. And the baker who must clad his feet appears before the baker.

They may transact in money... but money merely throws an illusory veil across their transactions.

Ultimately the baker buys his shoes with the bread he has baked. And the cobbler purchases his bread with the shoes he has cobbled.

Mr. Say concludes:

Money performs but a momentary function in this double exchange; and when the transaction is finally closed, it will always be found that one kind of commodity has been exchanged for another.

The U.S. Government now attempts to outlaw Say's Law

Assume now a free economy in which supply and demand are allowed their unfettered reign. Assume an economy — that actually does not presently exist.



America's new "New Deal"

You can expect supply and demand to come to terms, to come into rough equilibrium.

If there is less demand, prices will fall to meet it.

But when the government prints money with no production to match it... it attempts to outlaw Say's Law.

Here is what 18th-century thinker David Hume thought.

Imagine a kindly fairy slips money into all the nation's pockets overnight. Thus, doubling the money supply at a stroke.

Is this nation doubly rich?

Probably not. The money supply has been doubled, but no additional goods have entered existence.

The new money will simply chase existing goods. We can therefore expect prices to approximately double by inflation.

The Real Source of Wealth

The late economist Murray Rothbard explained:

What makes us rich is an abundance of goods, and what limits that abundance is a scarcity of resources: namely land, labor and capital. Multiplying coin will not whisk these resources into being. We may feel twice as rich for the moment, but clearly all we are doing is diluting the money supply. As the public rushes out to spend its new-found wealth, prices will, very roughly, double — or at least rise until the demand is satisfied, and money no longer bids against itself for the existing goods.

This is the wisdom of classical economics. But then came the Great Depression, and out it went...

When people get desperate, out comes the cranks, chisellers, dreamers, something-for-nothing and wine-from-water men. All promising salvation, all offering their quack medicines.

And apparently they ended up in Washington as politicians and lobbyists.

Destroying Food While People Starved

In the Depression, the farmers were in a bad way. But the politicians argued that these poor souls could not raise enough money for their produce or their livestock and they needed a hand up.

So, they figured a program was required to raise prices. The brain trust then in operation devised a unique scheme to set fire to the crops and kill the livestock, but not butcher the animals to bring to market but precisely the opposite — to keep them off the market.

So, while millions starved, entire crops were set ablaze. And millions of animals went into the ground... rather than being fed to hungry souls. All to raise the price of farm products.

But what about the poor nonfarmers who had to pay more for their basic necessities? How would higher food prices help them? Or the overall economy? Couldn't the money people saved on food allow them additional purchases from other industries?

But the men in power did not say... or did not care for the answers.

That same warped thinking was brought to bear on other industries as well.

A Reign of Terror

In addition, production above mandated levels were not permitted. Nor were prices permitted to fall beneath predetermined levels.

If a person flouted the rules, it was serious.

There is an account of one man, a New Jersey tailor, who was convicted and sent to prison. His crime was he pressed a suit for 35 cents. The law required the job be done for 40 cents.

Meantime, as explained by 1930's journalist John Flynn,





America's new "New Deal"



Advancing in a Time of Crisis



Financial Crisis Report



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

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

the New York's garment industry endured a mighty terror.

The code-enforcement police roamed through the garment district like storm-troopers. They could enter a man's factory, send him out, line up his employees, subject them to minute interrogation and take over his books on the spot. Also, night work was forbidden. Flying squadrons of these private coat-and-suit police went through the district at night, battering down doors with axes looking for men who were committing the crime of sewing a pair of pants at night.

The central lesson.

At a time when lower prices and greater production were most needed... lower prices and greater production were violently suppressed.

That was the economic wisdom of the day.

The Roosevelt administration gave power to the government, to the large corporations and to the trusts all at the expense of the people. This was good for everyone, except the people.

Of course, the New Deal did benefit the people in certain ways. Social Security was born of the New Deal. I, along with other baby boomers are beneficiaries of that program and therefore are in no position to criticize this program. But Social Security will eventually go bankrupt and history will be in a better position to access its ultimate utility to our society.

But now 87 years after the first New Deal,

Americans have become saddled with another stimulus program called the Coronavirus Aid, Relief, and Economic Security Act, that is designed to save them from calamity.

1930s Redux

I am concerned that this, the largest stimulus program in U.S history will become the "new" New Deal. Maybe the color of the program will eventually transpose to become the "Green New Deal" as professed by AOC.



Maybe Modern Monetary Theory will be our next salvation and Medicare for All will be the cure for the next pandemic.

We know these programs all go against the ancient and iron laws of classical economics.

Yet as in the 1930s... a fearful and desperate America may yet embrace them.

Only time will tell.

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