



Financial Crisis Report

Written and Edited by David M. Miyoshi

Advancing in a Time of Crisis

Words of Wisdom: “If your plan is for 1 year, plant rice. If your plan is for 10 years, plant trees. If your plan is for 100 years, educate children.” Confucius

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



HAPPY NEW YEAR!

2019 will be a watershed year. It will determine the next president of the U.S. and the direction, either north or south, the country will take economically. D. Miyoshi

The Best Investment for 2019

Here are the candidates for the best investment for 2019 (despite what’s now happening to the stock market):

- Crypto currency
- Tech stocks
- Pot stocks
- Casinos

And the winner is.....?

According to John Del Vecchio of *The Rich Investor* the winner is Casinos. Here’s is a story that explains why.

It was the 80s – and Trump was the champion of American Capitalism

Trump Wins Public Favor with Ice Rink!



Trump helped rejuvenate many parts of decaying New York during the 70s and 80s – including the Wollman Rink in Central Park. His efforts saw the project completed in just six months, after it had stalled for years. New York loved the man known as the “King of Manhattan.”

In a few short years, he had become one of the most well-known entrepreneurs in the entire United States.

And, in contrast to today, he was almost universally well-liked.

Not only was he wildly successful...

According to *The New York Times*, it took Donald just 15 years to take his father’s business – previously worth \$40 million – into the \$1 billion-dollar range.

The *New Jersey Monthly* called him a “developer non-paraleil”, Latin for:

“The developer without equal.”

As you might expect, all this attention only served to feed Donald’s ambition.

So, when he decided to move into the casino industry in the mid-80s, he expected more success.

The Best Investment for 2019

And in the beginning, that’s exactly what he got.

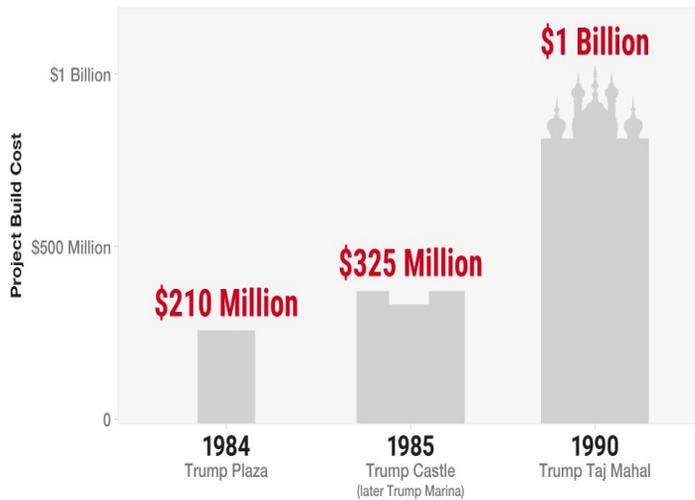
The casino industry catapulted Trump’s net worth to \$3 billion almost overnight!

By 1990, Trump owned not one...

Not two...

But three massive Atlantic City casinos.

Trump’s Budding Casino Empire by 1990



His empire included the \$1 billion-dollar monster, the Trump Taj Mahal.

Trump Builds “The Eighth Wonder of the World”



At the time of its opening, the Trump Taj Mahal was the largest casino in the world... and at 120,000-square-feet, the second largest building on Earth, behind only the Pentagon.

According to *The New York Times*, Trump’s net worth was a staggering \$3 billion around the time he purchased the casino!

Yet in Trump’s mind, it was just the beginning.

His dream was to build the greatest casino empire the world had ever seen...

And with a two-decade long hot-streak behind him, could you blame him for aiming high?

But almost as quickly as his empire was built – it came tumbling down

In the early 90s, Trump was hit with a double-dose of bad luck.

Just as he was launching the largest casino in the history of the world, the United States (not to mention a few other places like Japan) were hit with a harsh recession.

According to the Bureau of Labor Statistics, the economy shed more than 1.6 million jobs.

Most middle-class Americans were struggling to stock the pantry let alone spend a weekend at the casino.

Trump’s gaming revenues dried up.

To make matters worse...

The Federal government passed Trump’s most hated piece of legislation right on top of the recession.

Public Law 102: But Now That it’s Gone the Casino Industry is Set to Explode



The Best Investment for 2019

Like in the early 90s, sports-betting is the largest gaming market. By far.

Americans spent \$73 billion on general gaming in 2016... while *The Washington Post* reports that the sports-betting market is worth \$400 billion on its own. More than 5 times the size!

With this law gone, all that money – previously going to illegal bookies – is set to flow into casino companies. The right one could make you a fortune. Read on to find out more.

Public Law 102.

This bill outlawed sports-betting in 46 states. And, in all Donald's casinos.

That was bad news. Sports-betting was the biggest source of revenue available to bookmakers and casinos.

Casino Association chairman Nicholas Ribis said:

"Sports betting is the single most important issue for the industry at this time."

Public Law 102 was, ultimately, the death blow for Trump.

He was robbed of a huge source of potential revenue... and along with his shrinking profits... it was enough to push him into Chapter 11 bankruptcy.

He simply couldn't pay his bills.

It was Trump's most humiliating defeat

Trump's fall from grace was epic.

He went from golden boy... to laughing stock.

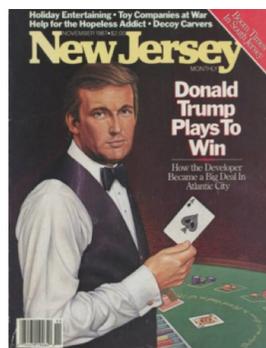
He had to sell his airline.

He had to sell his \$29 million super yacht...

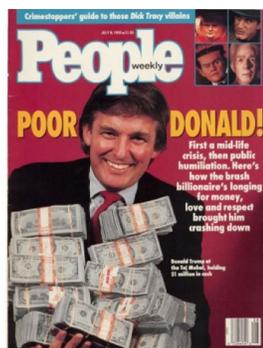
As well as the Grand Hyatt Hotel in Manhattan.

But worst of all, he was dragged through the mud by the media.

From Golden Boy to "POOR DONALD"



The 80s



The Early 90s

And more than anything, Trump blamed Public Law 102!

He remarked at the time:

The Atlantic City casino industry would "just close up" if the bill passed. And as one commentator put it, Trump's prediction was "spot on."

Atlantic City had a huge spate of casino bankruptcies all through the 90s...

Yet for Trump, this wasn't the end of the pain.

Trump's defeat has burned him for nearly three decades

"How Can Anybody Lose Money Running a Casino?"

Trump was reminded almost daily of his biggest defeat during the most important months of the election.

The famous phrase above came from a Hillary Clinton campaign speech in 2016 – where she teased Trump for his bankruptcy.

Yet this has only fueled Trump's desire for revenge.

His bankruptcies are the black mark that every opponent has used against him over the last 27 years...

In politics *and* business.

It's something he simply can't forget.

Of course, you might be wondering...

Why exactly does all this matter?

And what does it have to do with an investment that can make investors a lot of money in short order?

Because...

Trump loves PAYBACK and he's finally in a position to get it!

It's no surprise that mere months into his presidency the U.S. Supreme Court ripped up **Public Law 102**.

Of course, there's nothing official connecting the Supreme Court decision and President Trump.

But Del Vecchio guesses, with his rumored plan to get back into the casino industry after his presidency, that's just the way he wants it.

And with the power of the presidency at his back, he now has the power to bulldoze any obstacle impeding the casino industry into smithereens.

For his casino friends...

For his own bank account...

But mostly, to avenge the most humiliating defeat of his entire life.

And Trump's appetite for revenge is legendary.

The entire 6th chapter of his book *Think Big* is dedicated to the con-

The Best Investment for 2019

cept of revenge... heck, the chapter is even titled, "Revenge."

In it, he encourages his readers to...

"Go for the jugular so that people watching will not want to mess with you."

A writer at *The Independent* recently argued that Trump's ENTIRE presidency is based on getting even. The article was even titled "Trump's Presidency is all About Revenge."

And while Del Vecchio does not know about that.

There is one thing that can't be denied.

Love him or hate him...

You cannot overstate Donald Trump's drive to push the casino industry into the stratosphere as he gets revenge.

This was Trump's biggest defeat.

And it will be his greatest victory in return.

Here are the three events mostly influenced by Trump that Del Vecchio believes will make the casino industry take off and make a lot of money for its investors.

The 3 events set to boost the casino industry.

EVENT 1:

Trump lowers the corporate tax rate by a whopping 40%

In December of last year, the corporate tax rate in America was officially brought down to 21%.

It was previously 35%...

The highest number in the entire developed world.

Trump said after passing it "we're bringing the entrepreneur back into this country."

Of course, this move doesn't only benefit the casino industry.

But it will give casino operators a huge boost – putting billions back into their coffers that would otherwise have gone to Uncle Sam.

EVENT 2:

Trump removes gambling taxes (to compete with China)

Las Vegas used to be the gambling capital of the world.

Now, a city on the south-coast of China, Macau, has revenues that are more than FOUR times that of the Vegas strip.

China Now Dwarfs the US as World's Gambling Hotspot

GGR (Gross Gaming Revenue)



It's even referred to as "the Las Vegas of Asia."

These days, high rollers and celebrities are choosing to spend their gaming dollars in China over the United States... with frequent visits by Leonardo Dicaprio, Robert DeNiro, David Beckham and singer Rihanna.

Valuwalk says...

"With bigger revenues, supersized facilities, a more serious and refined culture with celebrity endorsements to match, Macau is... the new capital of gambling on the planet Earth."

And the biggest reason that China has overtaken the U.S.?

The far-reaching mitts of Uncle Sam!

See for yourself...

Gambling Taxes in USA vs China

USA



CHINA (MACAU)



The USA takes 25-30% of your winnings
(You win \$500, Uncle Sam steals \$150)

China takes 0% of your winnings
(You win \$500, it's all yours!)

As you can see, in America, your winnings aren't exactly YOUR winnings.

The government will take almost a third.

Obviously, this is bad news for casino operators.



The Best Investment for 2019

And bad news for Americans who likes to bet.

If you were a high roller...

Why would you go to a place where they steal your winnings? When you could keep all your money instead?

The good news for casino investors is that this is beginning to change.

The **Tax Cuts and Job Acts (2017)** signed by President Trump has begun to level the playing field.

You can now deduct travel expenses... and other miscellaneous items incurred while gambling... meaning the American gambler can now pay less in taxes by gaming stateside.

This is extremely bullish for anybody buying into the casino industry.

With **Citibank** reporting...

"Gaming stocks stand to greatly benefit from the recent Trump tax reform measures passed by Congress and signed into law by the president."

And that's proven to be the case already...

Incredible peak gains! Casino returns during Trump's presidency:

Casino	Up As Much As
Gravity ADR (GRVY)	675%
Eldorado Resorts (ERI)	369%
Caesars Acquisition Co (CACQ)	110%
Golden Entertainment (GDEN)	231%
Las Vegas Sands (LVS)	45%
Wynn Resorts (WYNN)	135%
Melco Resorts (MLCO)	94%
Penn National Gaming (PENN)	200%
Monarch Casino & Resort (MCRI)	121%

You can expect this trend to continue.

Trump will see to it.

EVENT 3: The U.S. Supreme Court repeals Public Law 102... pumping \$400 billion into the gaming industry

This is the big kahuna.

With this single move, President Trump did something Donald Trump – the civilian – never could.

And it wasn't for lack of trying.

Adam Small of Vanderbilt University wrote that during the 90s,

Trump had desperately tried to *"tear down the wall around sports betting."*

And on May 14th, 2018, Trump finally saw that happen.

The Supreme Court struck down **Public Law 102**, handing Trump revenge for his biggest defeat...

As Del Vecchio has said, there's nothing official connecting the Supreme Court decision and President Trump.

Or the other decisions he's made that look set to boost the casino industry. But his presence alone is enough to shape all levels of government.

Most officials know Trump is pro-casino... and most want to please the President.

And that suits Trump just fine.

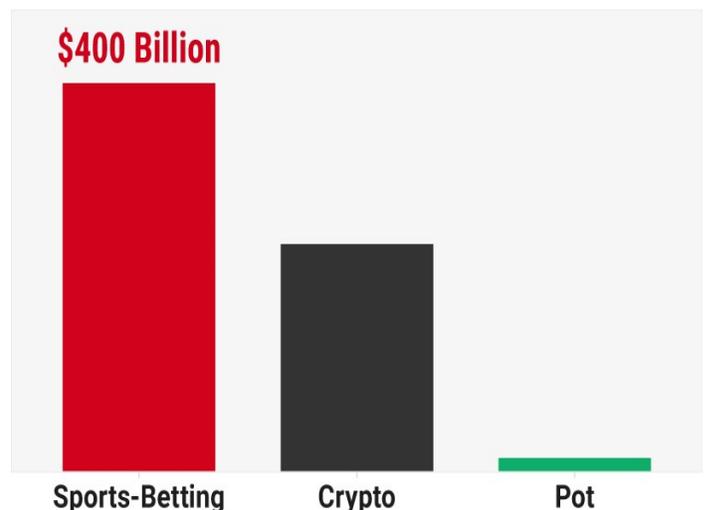
Remember: Trump and his closest friends and allies look set to benefit *directly* from the \$400 billion that's just been unleashed due to the Supreme Court move alone.

But let's put that number in perspective...

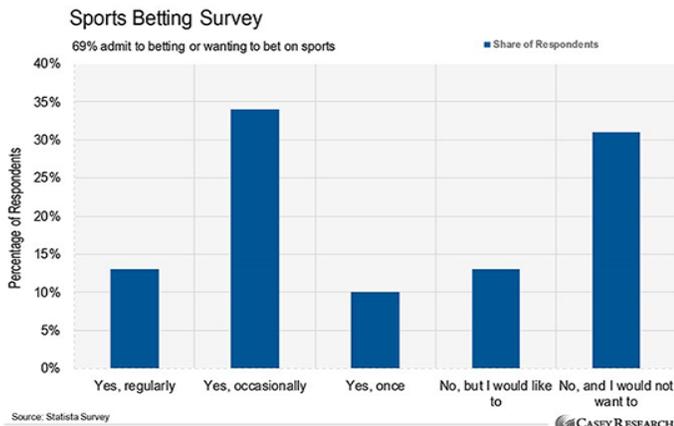
It's more than 2X the size of the ENTIRE cryptocurrency market.

And it's estimated to be more than 40X the size of the total pot stock industry!

Sports-Betting Dwarfs These "Hot" Markets



Stock Picks of the Top Investors for 2018



Even while it was largely illegal, 57% of sports fans surveyed admitted to placing at least one sports bet. That number climbs to 70% when you add in those who haven't placed a bet but would like to.

And here is a final hint:

Sports betting will be done mostly from your smart phone. So, companies that marry the technologies of sports betting with AI, will be the odds-on favorites, especially if Trump, Soros, Musk, etc. get in on them.

Here is to your successful investing in 2019.

D. Miyoshi

Stock Picks of the Top Investors for 2018

For our edification, here are the stock picks of the top 12 wealthiest investors (as opposed to wealthy entrepreneurs such as Jeff Bezos etc.) for 2018 according to *Wealth Management.com*, an investor newsletter I read. We should be mindful that 2018 was one of the worst years ever for stock investing.

Here's to continuing our wise investing and wealth management in 2019.

D. Miyoshi



Warren Buffett
World's #3 Richest Person

Born: 8/30/1930
Home: Omaha, Nebr.

BERKSHIRE HATHAWAY INC.

Biggest Buy
Bank of America Corp. (BAC)

Biggest Sell
Phillips 66 (PSX)

Top 3 Holdings

1. Apple, Inc. (AAPL)
2. Bank of America Corp. (BAC)
3. Wells Fargo & Company (WFC)



Carl Icahn
World's #73 Richest Person

Born: 2/16/1936
Home: New York, N.Y.

ICAHN ENTERPRISES L.P.

Biggest Buy
Dell Technologies, Inc. (DVMT)

Biggest Sell
VMware, Inc. (VMW)

Top 3 Holdings

1. CVR Energy, Inc. (CVI)
2. Cheniere Energy, Inc. (LNG)
3. Herbalife Ltd. (HLF)



George Soros
World's #190 Richest Person

Born: 8/12/1930
Home: Katonah, N.Y.

SOROS
Soros Fund Management

Biggest Buy
Microsoft Corp. (MSFT)

Biggest Sell
NXP Semiconductors N.V. (NXP)

Top 3 Holdings

1. Liberty Broadband Corp. (LBRDK)
2. VICI Properties, Inc. (VICI)
3. Caesars Entertainment Corp. (CZR)



Ray Dalio
World's #67 Richest Person

Born: 8/8/1949
Home: Greenwich, Conn.

BRIDGEWATER

Biggest Buy
Intel Corp. (INTC)

Biggest Sell
CVS Health Corp. (CVS)

Top 3 Holdings

1. Royal Bank of Canada (RY)
2. The Toronto-Dominion Bank (TD)
3. Toll Brothers, Inc. (TOL)

Stock Picks of the Top Investors for 2018

 <p>John Paulson World's #261 Richest Person</p> <p>Born: 12/14/1955 Home: New York, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Bausch Health Companies, Inc. (BHC) 2. Mylan N.V. (MYL) 3. Discovery, Inc. (DISCK)
<p>Biggest Buy Bausch Health Companies, Inc. (BHC)</p>	<p>Biggest Sell T-Mobile US, Inc. (TMUS)</p>

 <p>Nelson Peltz World's #1394 Richest Person</p> <p>Born: 6/24/1942 Home: Bedford, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Proctor & Gamble Co. (PG) 2. Sysco Corp. (SYY) 3. Mondelez International, Inc. (MDLZ)
<p>Biggest Buy PPG Industries, Inc. (PPG)</p>	<p>Biggest Sell Sysco Corp. (SYY)</p>

 <p>David Tepper World's #138 Richest Person</p> <p>Born: 9/11/1957 Home: Miami Beach, Fla.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Micron Technology, Inc. (MU) 2. Facebook, Inc. (FB) 3. Allergan PLC (AGN)
<p>Biggest Buy State Street Corp. (STT)</p>	<p>Biggest Sell Facebook, Inc. (FB)</p>

 <p>Bill Ackman World's #1999 Richest Person</p> <p>Born: 5/11/1966 Home: New York, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Restaurant Brands International (QSR) 2. Chipotle Mexican Grill, Inc. (CMG) 3. Lowe's Companies, Inc. (LOW)
<p>Biggest Buy PPG Industries, Inc. (PPG)</p>	<p>Biggest Sell Sysco Corp. (SYY)</p>

 <p>Jim Simons World's #52 Richest Person</p> <p>Born: 4/25/1938 Home: East Setauket, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. VeriSign, Inc. (VRSN) 2. Humana, Inc. (HUM) 3. Domino's Pizza, Inc. (DPZ)
<p>Biggest Buy Facebook, Inc. (FB)</p>	<p>Biggest Sell Amazon.com, Inc. (AMZN)</p>

 <p>David Einhorn World's #1650 Richest Person</p> <p>Born: 11/20/1968 Home: Westchester County, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. General Motors Co. (GM) 2. Brighthouse Financial, Inc. (BHF) 3. AerCap Holdings N.V. (AER)
<p>Biggest Buy Altice USA, Inc. (ATUS)</p>	<p>Biggest Sell General Motors Co. (GM)</p>

 <p>Daniel Loeb World's #729 Richest Person</p> <p>Born: 12/18/1961 Home: New York, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Baxter International, Inc. (BAX) 2. United Technologies Corporation (UTX) 3. PayPal Holdings, Inc. (PYPL)
<p>Biggest Buy American Express Company (AXP)</p>	<p>Biggest Sell NXP Semiconductors N.V. (NXPI)</p>

 <p>Julian Robertson World's #1399 Richest Person</p> <p>Born: 6/25/1932 Home: Locust Valley, N.Y.</p>	<p>Top 3 Holdings</p> <ol style="list-style-type: none"> 1. Microsoft Corp. (MSFT) 2. Adobe Systems, Inc. (ADBE) 3. Alphabet, Inc. (GOOG)
<p>Biggest Buy Cisco Systems Inc. (CSCO)</p>	<p>Biggest Sell Royal Caribbean Cruises Lts. (RCL)</p>

The Future of War

The Future of War



As a U.S. Marine, I have a love/hate relationship with war. But winning a war is the very reason U.S. Marines exist and my proudest achievement is to have served with such elite world class warriors. But when the bullets start flying and your buddies start dying it becomes a challenge to recall any fond memories of war.

Many have asked me how I think our country will fare in a future war. I am convinced whatever country we fight, the U.S. will undoubtedly prevail. However, this is a broad question and my experience in jungle warfare in Vietnam doesn't qualify me to prognosticate on how our country will specifically fare in a war sometime in the future. Therefore, I will defer to Doug Casey, a financial consultant I follow and cite an interview he recently had with an interviewer named Justin on that very subject of how wars will be fought in the future.

Justin: Doug, how will wars of the future be fought differently than today?

Doug: Well, war's evolving in several ways. For starters, we won't see as many nation states fighting each other. There will, instead, be more conflict between nation states and non-state entities like so-called terrorist organizations.

Over the last 30 or so years terrorism has become a buzzword, supposedly one of the greatest evils of our era. But "terrorism" is simply a method of warfare. So you can't fight terrorism. It's like saying you can fight artillery barrages, cavalry charges or frontal assaults. Terrorism isn't a thing, it's a tactic.

There are about 100 separate definitions of terrorism. I'm not

sure any two US Government agencies can even agree on one. It's a little like trying to define pornography using the standard of the rather confused Supreme Court Justice Potter Stewart, who said "I know it when I see it."

Terrorism is essentially psychological warfare, intended to sway the minds of the enemy. As such, it's much cheaper, much less destructive, and potentially much more effective than conventional warfare.

As Napoleon said, in war the moral is to the physical as three is to one.

I should also mention Sun Tzu in this light. He's become very fashionable in recent years. This isn't the time to discuss his views on warfare, but there's no question he would have been a huge advocate of terror as a method.

Anyway, the big names in the terror world are still ISIS and Al Qaeda, although there will be plenty of others. These groups have good public relations arms. PR is absolutely essential, critical, to a proper terror organization. There are undoubtedly scores of little groups looking to break into the bigtime and become governments themselves. All of them want to gain as much recognition and power as those two groups.

Nation states—governments—are well aware of the value and effectiveness of terror and use their own variations of it. Drone strikes and B-52 raids are prominent examples, but aren't characterized as terror, because it's convenient to say only the bad guys do that.

Terror, as used by non-state actors, is all about what John Robb calls "open source" warfare. One group tries something, and all the others imitate it if it's successful, and improve on it. There are going to be many more non-state organizations in the future. Most of them want to be governments when they grow up. They'll use terrorism to project force.

But you can't attack these organizations directly, like you can a nation state. To do so you'd have to attack civilian populations wholesale, which tends to be counterproductive. So the era of B-52 mass-bombing raids and mass attacks by tanks are over. That's all history. Those weapons are increasingly useless in today's world. Entirely apart from the fact bankrupt governments are about to find they can't afford them.

Justin: And yet, many governments around the world still appear



The Future of War

committed to the technologies.

Doug: Further proof that the only thing we learn from history is that we learn nothing from history—and that’s absolutely true of bureaucracies. The F-35 is a perfect example of this. It reportedly costs around \$100 million per copy, but who knows if you can trust that number with all the strange accounting that the government does. Each of those planes could really cost much, much more.

It’s completely unaffordable. And none of this junk is going to get used anyway. Most of it is just toys for boys, and free money for “defense” contractors, so they can make political contributions.

Of course, it wasn’t always like this. In World War II, it took nine months from its conception on blank paper for the P-51 Mustang to be in production, arguably the best fighter aircraft of World War II. They cost about \$50,000 per copy to make. That’s like \$600,000 today. But with the huge advances in manufacturing techniques, materials, computer tech, and so forth, you can argue prices should be dropping. They’ve been playing with the F-35 since 1992, and it still doesn’t work right.

Justin: If those tools won’t work in future wars, what will?

Doug: Part of the answer is special operations groups. These outfits are well suited to fight non-state organizations.

Commandos and special operations troops used to be just a teeny-weeny part of the US army. They weren’t held in particularly high regard by the conventional military. Now, they’re the fastest-growing part of the military establishment. I understand that there are roughly 70,000 personnel that are special ops in one form or another. And that number will continue growing.

They’re especially good at trying to decapitate the leadership of opposing forces, the command and control systems, without doing a huge amount of physical damage.

That’s important, because if you want to win a war, you need to change the regime—not necessarily destroy the country itself. And it’s interesting that the US government now uses the term “regime change” as opposed to “start a war.” It sounds much more sanitary, and less risky. In fact, however, the Nuremberg Trials determined that starting a war is, in itself, a war crime. “Regime change,” as Iraq and Afghanistan have shown, only differs in semantics from starting a war.

Today, the US Government is the only outfit in the regime change business. They want “regime change” if they don’t like the way a foreign government is acting. It’s actually a fair de-

scription from one point of view, because the people of a country itself almost never want war. At least not unless the regime incites them. The average person in most places just goes about his business. The real problem is with the people at the top. The people in the Deep State. The people who run the government and the people who, in turn, run them. Every “democracy”—a very problematical word—has a Deep State, or a Shadow Government, which is somewhat different. Absolutely including the US. I did an essay on this here and here.

In today’s world, the intelligent way to win a war—the low-cost way and the most-effective way—is not to have all these ridiculous weapons that will bankrupt you if you build them. And if you use them, they could end up destroying civilization.

Justin: So, the answer is to simply kill the people at the top of the power structure.

Doug: Exactly. But that’s almost never done. There wasn’t even a serious effort in World War II to take out Hitler and his coterie. During the Cold War, was there any effort to take out Soviet leaders as individuals? No.

It makes me think that the Top Dogs realize that they’re very vulnerable to being taken out. If governments started doing that, it might not be considered playing fair. But it’s apparently totally fine to terror bomb Tokyo and kill 100,000 people in a night, as the United States did in World War II.

They never even tried to kill Emperor Hirohito, Tojo and the other top Japanese officials, perhaps because then they might return the favor. These are things we need to think about.

Even to this day foreign government officials aren’t targeted. I believe it may even be illegal... The only recent example that I can think of is when they tried to take out Gaddafi in Libya. They used the Air Force as an assassination vehicle, bombing his tent.

This is only done with nothing-nowhere countries. Panama is a similar case, with Noriega, although it was an actual invasion that killed a couple thousand Panamanians. That was OK, in that they were just what’s known as collateral damage. It’s quite unfortunate how the US has gotten into the habit of attacking small, backward places. Not because they’re a threat to anybody. But because they have the wrong allies. Grenada comes to mind. Another completely illegal unprovoked invasion.

It’s reminiscent of a famous incident in the Peloponnesian War.





The Future of War

Athens wanted the use of the harbor of Melos, a small city-state, in their war against Sparta. The Melians refused, saying they were neutral. The Athenians attacked, burned the city, and killed or enslaved all of its inhabitants. Thucydides summed it up with the line “the strong do what they can, the weak suffer what they must.” It was a permanent blot on Athens’ character. I’m afraid the US is making the same mistake.

The days of conquering a neighboring country for profit—stealing the gold, the women, and the cattle—are gone. Anyway, if the rulers of one country don’t like the rulers of another, I’d say it’s appropriate they go after them personally—and not involve millions of innocent bystanders, using the country’s military. I know that sounds quaint, but I suspect there might be more of that kind of thing in the future. It’s only possible with special operations groups. And that’s one reason why these groups are on the ascendant.

The other is that most people on this planet are already living in cities. That means there will be a lot more emphasis on urban warfare. More fighting will occur inside and around buildings as opposed to fields, forests and deserts. And special ops are best-suited for this kind of conflict.

Justin: What about a possible shooting war between the United States and China? You said there was a high probability of that happening recently.

Doug: Well, it seems like all these horrible people Trump has surrounded himself with—like that fellow with the bushy mustache—are banking on one, a conventional war. They seem to figure US aircraft carrier groups will allow them to bring the war to the enemy, but avoid going nuclear.

Unfortunately, the carrier is equivalent to the battleship in World War II. It has many sophisticated defense mechanisms, but there is no defense against the hypersonic weapons that the Russians, Chinese, and soon everybody else, are developing.

The carrier group’s Aegis systems, phalanx guns, and anti-aircraft missiles are useless against hypersonic attack.

Even nuclear weapons are becoming dinosaurs. In our last interview, I mentioned the space weapon, “Rod from God.” Now, this won’t be deployed anytime soon. That’s because—and this is speculation—each rod would be 20 feet long, a foot in diameter, and made out of tungsten, which has an extremely high specific gravity, about 19, the same as metallic uranium. Even lead is only 11. Each rod might weigh 10 or 15 tons.

There are major technical hurdles of getting just one of those into high orbit. Then, there’s the challenge of building a launch platform for a battery of them in space. Then keeping the satellite, the battle station, safe from a preemptive strike.

The basic idea is sound from a number of standpoints, however. I first encountered it in Heinlein’s *The Moon Is a Harsh Mistress*, a really great sci-fi book he wrote in the ’60s. The idea was that the colony on the moon revolts against Earth, and simply launches big rocks down the gravity well to win the war. Something like that will undoubtedly happen in the future.

Justin: Yeah, I read somewhere that it would cost \$230 million just to get each one of those rods into orbit.

Doug: Expensive, plus billions more for the launch platform needed to deploy it. But considering the cost of a B-2 bomber, maybe \$500 million, they might go for it. I’ll wager the future of warfare is going to be decapitating enemy leadership cadres. And it would be much more precise and useful than a nuke.

My guess is that the first decapitation of a major state’s leadership will be done by a nongovernmental organization with an agenda.

ISIS and Al Qaeda are excellent examples. They use open source warfare. Instead of having a very expensive think tank planning out ultra expensive, high-tech weaponry, these people deal with off-the-shelf products, ultra cheap. Somebody does something. They learn from them. They make a mistake. They incorporate what’s learned from that mistake.

When you’ve got hundreds of thousands or millions of young males that can be deployed at near zero cost, they’re much more effective than spending a million dollars training a special ops soldier. Or three million for a cruise missile. Quantity has a quality of its own.

A Muslim teenager with a bomb pack strapped around him can do almost as much damage as a cruise missile. But he’s a lot cheaper and there are a lot more of them. So that’s where things are headed.

If these guys were smart, they’d start attacking individual government officials. They’re backward types, generally ignorant, saturated with medieval theology—but they certainly all know about Hassan-i Sabbah, who originated the term assassin during the Crusades. He was quite effective against the invaders.





The Future of War

Then what would happen if they stopped attacking innocent civilians, and went strictly for government officials? Where are the nomenklatura going to hide? Is the government going to have to encase itself in concrete? How will these individuals protect themselves and their families? The answer is: They can't. Just protecting the President alone, even now, is almost impossible and hugely expensive.

That's the way it's going to evolve because conventional warfare is too expensive, too destructive, and highly ineffective.

Justin: What do you think about artificial intelligence (AI) being used in future wars?

Doug: Well, science fiction has long been much better at predicting what's likely to happen than any think tank. AI is going to be huge. As will other computer warfare, because the whole world is now run by software.

But there are other weapons rapidly evolving, like drones. It's amazing what the US is able to do with their Predators, Reapers, and so forth. All the world's armies are working on their own versions. No doubt the next generation of fighter aircraft will be drones, run by AI, with no need for a pilot. F-35s will be little more than targets for them.

But the next generation of drones will be tiny things, the size of insects. Instead of one big Predator, you're going to have thousands or hundreds of thousands of little bumblebee-sized drones. And each will have a high-explosive payload. Each big enough to take out one individual. And they'll be very hard to stop.

They'll be very effective at going after the people running governments, as opposed to just countering other armies.

Plus, anybody is going to be able to deploy them. You'll be able to make them with off-the-shelf-type products. They'll be cheap. Even a well-to-do individual will be able to launch his own micro-drone war against offensive government officials. But it goes beyond even that.

Everybody's seen the movie *The Terminator*. That scenario used to seem impossible. But AI is advancing at the rate of Moore's Law. So, there's no question that within a generation there will be robot soldiers that are as effective as any of today's individual soldiers. Actually, they'll be more effective, much stronger, and harder to kill.

Organizations are already working on these technologies. It's going to happen. It's unstoppable because the technology is al-

ready cheap, and getting cheaper, and it can be used off the shelf by clever people.

So, it won't just be governments that possess this firepower. Individual war entrepreneurs will develop terminators. And they'll be able to do so faster and cheaper than governments, which are slow-moving bureaucracies.

In essence, technology is headed towards giving small groups, or even individuals, ways to cut the head off the snake.

In the days of ancient warfare, generals and kings led from the front. It was rare for a general to control things from miles behind the front; his army would see him as an unworthy coward. In the Iliad, leaders would go out in front of the army and fight it out, in personal combat. It's hard to imagine chicken hawks like Cheney or Obama doing that—although Putin is a different matter...

I don't think we're going back to the way things were in the days of the Iliad. But technology is going to make the actual miscreants who run governments, and actually start wars, be held responsible—personally. This is a cause for optimism. They'll be much less likely to do something stupid if their own necks are on the line.

Justin: So, do you think this could lead to less bloody conflicts?

Doug: It should. If politicians are forced to accept the consequences of their actions on a personal basis, they're going to be a lot more cautious about encroaching on others' lives and property.

Justin: Since you mentioned *The Terminator*, I have to ask...are you worried about AI or robots trying to destroy the human race?

Doug: I'm not worried about that. You have got to recognize that the ultimate problem of life is death. Technology is the only way there is to cheat the Grim Reaper. At least for a while.

As a result, I'm intensely interested in seeing all types of technology continue to accelerate. It's genuinely stupid to try to slow it down or regulate it. Don't worry about what's going to happen 50 or 100 years from now—chances are, even if we have something that looks like World War 3 in the next few years, our grandchildren will pity us, and see us the way we see medieval peasants.

Unless technology makes some near-term breakthroughs in life





JAPAN'S MONEY TREE

extension, we're all going to be dead by then anyway. It's possible, however. And the prospect of attaining it is worth any risk.

There are going to be some negative aspects to the rapid development of technology—mostly in the ways the State uses it to control its subjects—namely us. But the good news is technology may find the key to letting us each live as individuals for hundreds of years. So, I'm all for completely letting the genie out of the bottle.

The only way we can solve the problems of the material world is with technology, so you've got to let technology expand as quickly as possible, instead of trying to put it back in the bottle because it might be too dangerous.

Of course, all new technologies are initially controlled by governments—gunpowder and rockets being two examples. But once they get into the hands of the average man the tables are turned. Gunpowder gave the peasant the ability to take down the armored thugs that were suppressing him, and brought down feudalism. Rockets were the means to destroy civilization when they were the exclusive province of governments—now there are a half-dozen private companies that will use them to further free and expand mankind.

Things can go wrong. Sure. But that's a chance we're going to have to take.

Once again, I'll say that Ray Kurzweil is almost certainly right that we will have the singularity within a generation. That will change the whole nature of reality unrecognizably, permanently, and totally. We haven't even discussed nanotech, which is going to be the biggest game changer.

People should be thinking about things like this. Instead we're wasting huge amounts of capital on things like the F-35 and new aircraft carriers, which are already dinosaurs. It's criminal because that capital could be used constructively. That stuff is all going to be junk in 20 years. By that I mean actual junk.

Justin: Yeah, I'm sure all those F-35s are going to be collecting dust somewhere. Plus, by then they'll probably be shelling out billions of dollars to build the new fighter jet.

Doug: What do they care? It's not their money... And I'll make a prediction...The military technology being developed right now that's going to make the biggest change is going to be micro-drones.

Think about it. If you can launch a fleet of 10,000 microdrones against an airfield where all the F-35s are stationed, they'll destroy every one of those planes. They'll probably also kill every carbon-based lifeform that's anywhere near that airfield.

The same is true for aircraft carriers. If you could get those microdrones within striking distance, you could totally wipe it out.

Microdrones are going to be very cheap and readily available. You can forget about individual soldiers in the field. A whole army would be dead meat against a swarm of these.

There are quite a few game changers out there. But I'll put my finger on microdrones as being the single biggest technology that's going to change the nature of warfare.

Justin: Thanks for taking the time to speak with me today, Doug. Good stuff, as always.

Doug: You're welcome.

JAPAN'S MONEY TREE

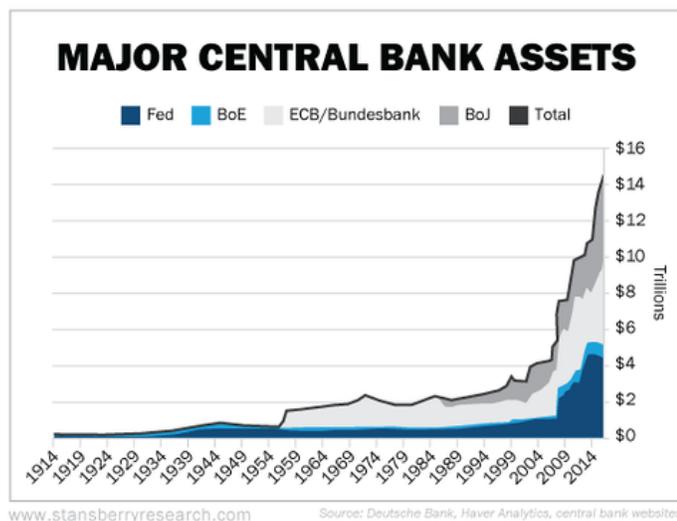


Japan is blessed (or maybe cursed) with what we all dream of having, our own money tree where we can gather money whenever we need it. While the tree actually looks more like a bank, it still acts like a money tree.

This chart below shows that the world's major central banks – the Fed, the European Central Bank (“ECB”), and the Bank of Japan (“BoJ”) – have flooded the world with trillions of dollars of “easy money” over the past decade.



JAPAN'S MONEY TREE



The Fed began unwinding its quantitative-easing program last October. Since then it has reduced its balance sheet by roughly \$400 billion and continues to allow up to \$50 billion more to "run off" each month.

Likewise, the ECB has now stopped its quantitative-easing program and has announced its own plans to begin unwinding next year.

But Japan has just achieved a feat we've never seen from any other developed country before. As news service Reuters reported recently.....

Japan's central bank has become the first among G7 nations to own assets collectively worth more than the country's entire economy, following a half-decade spending spree designed to accelerate weak price growth...

The 553.6 trillion yen (\$4.87 trillion) of assets the Bank of Japan holds are worth more than five times the world's most valuable company Apple and 25 times the market capitalization of Japan's most valuable company Toyota Motor.

They're also bigger than the combined GDPs of five emerging markets – Turkey, Argentina, South Africa, India, and Indonesia.

Yes, that's right.

Today, the BoJ's balance sheet – which holds roughly half of all outstanding Japanese government debt and massive amounts of Japanese stocks – has ballooned to more than the total productive

capacity of the entire Japanese economy.

To put this in perspective, the Federal Reserve's balance sheet reached approximately \$4.4 trillion at its peak. Yet, to surpass U.S. GDP, it would had to have grown nearly five times larger to more than \$20 trillion.

Let that sink in for a moment...

This is truly unprecedented. It makes the stimulus efforts of the Fed and ECB look downright tame in comparison. And again, the BoJ continues to print even more today.

Abenomics rapidly began to cause distortions, as accelerated asset purchases caused the Bank of Japan to hold a huge percentage of outstanding government bonds, at 40% and rising, as well as being the majority holder of index ETFs. Investors who traffic in JGBs have remarked that the market now functions very poorly, since so much of the market is held by the BoJ. It seems that will get worse, not better.

We are getting closer to the endgame for Japan. What happens if yields rise further? What happens if the yen depreciates significantly? How much could it depreciate? Could Japan have a currency crisis? What happens if the BoJ ends up owning the entire bond market? These are the questions that investors are asking, and nobody really knows the answers. We are in uncharted territory.

I believe that a currency crisis isn't just possible--it's inevitable. And it probably happens at about the time that the BoJ owns all or nearly all of the JGB market, and has to resort to canceling the debt. This sounds like a neat magic trick to make the debt go away, but the laws of economics are not to be conned. Anything is possible--a currency crash, a bond market crash--anything. This is the very definition of debt monetization that resulted in hyperinflation in places like Weimar Germany and Zimbabwe. Is Japan different? We shall see.

I don't know exactly how this will all end, but I am quite convinced it could lead to an unfortunate economic ending for Japan.

Just a little bit more of time will tell.

D. Miyoshi

Impeach 45?

Impeach 45?



President Trump once tweeted “Maxine Waters is an extraordinarily low IQ person.” Not many can or would like to challenge that assertion.

Yet, despite her intellectual shortcomings, Waters’ vengeful rant “Impeach 45, Impeach 45” may actually come to pass. The ostensible mental midget of the House, may have stumbled on to something (even though she vehemently denies the videos of her calling for Trumps impeachment).

In mid-December 2018, following Michael Cohen’s testimony that he paid hush money to two women to help Trump’s presidential campaign, it became clear that House Democrats will likely be forced to vote to impeach President Trump in 2019 on allegations of conspiracy to violate campaign finance law, obstruction of justice, and suborning of perjury.

According to Ben Shapiro, conservative commentator and Fox News consultant, the case that Trump committed such violations appears no longer implausible, at least after recent developments concerning American Media Inc. (AMI), parent company of *The National Enquirer*, and Michael Cohen. That doesn’t mean there’s enough evidence to prosecute — but it does mean that there may soon be. And it doesn’t mean that there’s enough there to impeach — but it’s likely that Democrats will do it anyway.

Here’s is Shapiro’s quick breakdown on each potential charge:

Campaign Finance Violation. The case here is that Trump worked with Michael Cohen, pushing Cohen to pay off former Trump paramour Stormy Daniels in the midst of an election cycle after hearing via AMI that Daniels was looking to tell

her story. The alleged crime would be that the Daniels hush money was a campaign expenditure, given that it would not have existed “irrespective of the candidate’s election campaign.” How do we know that Trump wouldn’t have paid off Daniels outside the campaign? AMI has now admitted that it paid former Trump paramour Karen MacDougal \$150,000 “in concert with a candidate’s presidential campaign, and in order to ensure that [MacDougal] did not publicize damaging allegations about the candidate before the 2016 presidential election. AMI further admitted that its principal purpose in making the payment was to suppress the woman’s story so as to prevent it from influencing the election.” Cohen has said that his payoffs were made at Trump’s direction, as well.

Trump’s defense that he would have paid off Daniels “irrespective” of the election thus relies on him calling AMI and Michael Cohen liars — or at least pointing out his long history of hush payments outside of the election. The only alternative defense Trump can offer is that he relied on his lawyer, Cohen, not to violate campaign finance laws; Cohen failed, but that’s not his fault. The problem is that today, Trump stated in an interview that Cohen was responsible more for “public relations than law” and handled “low level work.”

Suborning Perjury and Obstructing Justice. The crime of suborning perjury requires these elements, according to the Department of Justice: “that perjury was committed; that the defendant procured the perjury corruptly, knowing, believing or having reason to believe it to be false testimony; and that the defendant knew, believed or had reason to believe that the perjuror had knowledge of the falsity of his or her testimony.” Cohen is already setting Trump up for this, having pled guilty to perjury himself in his testimony before Congress. Now all he has to establish is that Trump instructed him to lie for him. Trump’s defense: Cohen is lying to procure a better deal from prosecutors. It’s not merely Cohen who puts Trump in the line of fire for suborning perjury: Michael Flynn, who has pled guilty to lying to the FBI, could theoretically do the same, although we’ve seen no indicators that Flynn will blame his lying to the FBI on Trump.

The crime of obstruction of justice under 18 USC 1503 requires that the perpetrator “corruptly or by threats or force, or by any threatening letter or communication, influences, obstructs, or impedes, or endeavors to influence, obstruct, or impede, the due administration of justice.” Similar crimes involve witness tampering (18 USC 1622). If Trump pressured or threatened Cohen to push him to lie to investigators, or encouraged anyone else to do so, such charges could come into play. Cohen may testify to such activity still. And Trump

Impeach 45?

tweeted last week, “Michael Cohen asks judge for no Prison Time. You mean he can do all of the TERRIBLE, unrelated to Trump, things having to do with fraud, big loans, Taxis, etc., and not serve a long prison term?...He lied for this outcome and should, in my opinion, serve a full and complete sentence.”

Because these charges may end up being plausible, House Democrats will be hard-pressed not to push for Trump’s impeachment. The Democratic base has wanted Trump impeached from the very first day. If Trump is guilty of any criminal conduct — or even if he’s innocent, but indicted — the clamor will be too great to ignore.

But is this stuff impeachable?

In 1997, the answer would have been yes.

After Bill Clinton’s impeachment and acquittal, the answer is pretty obviously no.

Clinton was impeached on obstruction and perjury based on his testimony and pressure on others regarding their testimony on Monica Lewinsky. The Senate acquitted him. The political lesson taken from this was that impeachment was deemed inappropriate in cases in which the president’s ability to operate was not threatened by the criminal activity under consideration. The same lesson applies here.

We will hear clamor from Democrats that this is different — it truly isn’t. The campaign finance piece of the puzzle is the most dicey to pin down; it’s not clear that hush money payments can even fall under the rubric of campaign expenditures, which they would have to do in order to become illegal campaign expenditures. Clinton suborned perjury and obstructed justice about ancillary matters; at most, that seems to be what Trump has done here as well.

The hue and cry by the media will be about the hypocrisy of Republicans who voted to impeach Clinton but won’t vote to impeach Trump. But here’s the reality: the Clinton impeachment hearings changed the standard for impeachment. Up until then, both parties seemed to agree that criminal activity by a president was impeachable; Republicans were behind the attempted impeachment of Richard Nixon that ended with his resignation. But Democrats broke that bargain in 1998 and 1999. That led directly to Trump’s election. He campaigned

openly on the fact that he didn’t have clean hands, and didn’t pretend to. Hell, Democrats supported Bill Clinton’s similarly corrupt wife in 2016. To now turn around and pretend that they want to restore honor to the Oval Office by upholding a standard for impeachment simply rings false. Democrats aren’t interested in restoring a moral framework. They’re interested in Republicans restoring a moral framework while Democrats continue to ignore such a framework for their own beloved politicians. The Democrats focus on getting votes, by whatever means available.

And it means that Trump isn’t going anywhere. Instead, he’ll likely be impeached by a Democratic House if the expected indictments drop, and then acquitted by the Senate. At that point, the Southern District of New York will threaten Trump with criminal indictment upon him leaving office, which means that he won’t be able to resign without the possibility of jail time. That means 2020 will be a battle over whether Trump should go to prison. The Democratic slogan will become “Lock him up!” and the Republican slogan will become “Witch hunt!”

But as noted radio talk show host Hugh Hewitt said, President Donald Trump might actually come to relish doing battle over any efforts to impeach him.

“It will be a ratings bonanza,” Hewitt said. “Who likes ratings bonanzas? Who can command the media — or any particular outlet — and appear on 10 minutes notice? Who, in short, might learn to love ‘the process?’ Trump, of course.

“It isn’t a normal presidency seeking normal historical achievements. He already has some of those in his massive tax cut, his two justices on the Supreme Court, a much-needed military rebuild and a new realism regarding China. This president can look at his markers already down on the table and actually come to relish the battle.

“The animal need for House members to be on television, combined with the already accelerating race for the Democratic presidential nomination, guarantees that one dynamic will feed off the other as surely hurricanes do over warm ocean water,” Hewitt said. “The big blowoff is coming. It will last months and months.”

On December 22, 2018 at midnight the Federal government shut down because the Senate could not agree on passing the budget (or the \$5B for Trump’s Wall). So, buckle your seat-

Can We Handle the “Truth”?

belts. It’s going to be a bumpy two years.

D. Miyoshi

Can We Handle the “Truth”?



Truth: the body of real things, events and facts – Merriam-Webster Dictionary

Emblazoned on Harvard University’s escutcheon is the Latin term *Ve ri tas* which means “Truth.” Since its adoption in 1643, the meaning of this motto has not perceptively varied at the school. But in the U.S. the interpretation of the word “truth” may have.

“Most of all, I want to apologize to the people of the United States – you deserve to know the truth” Michael Cohen, former attorney for Donald Trump and self-professed prevaricator of truth before he was sentenced to 3 years in prison.

“Truth isn’t truth.” Rudy Giuliani, attorney for Donald Trump at an NBC interview.



"Quid est veritas?" Pontius Pilate asked Jesus of Nazareth before sentencing. The translation is “what is truth?”

And that seems to be the big question these days.

To me truth is the quintessential value in our cosmos. Without it nothing can be of any significance. And it seems to me that if we have to define what truth is, our society is in serious trouble. I formed this suspicion the day the OJ Simpson verdict was announced. At that moment I remember thinking that the politics of identity had now become more important than the truth.

But, according to Erick Erickson, a nationally syndicated columnist, he believes that while truth is in short supply in the 21st century, western civilization is not really in decline, but is merely reverting to its Greco-Roman pre-Christian norms.

Erickson explains that in the Roman Empire, the vast majority of the wealth was held by the top two percent. Gnosticism was on the rise with a logically incoherent world view that echoed Christianity and promoted androgyny. "Science said" became all the rage even then. People gave lip service to the gods, but it was mostly for show. We are now going full circle.

Nowadays every cultural-sociological movement has a medical doctor and a scientist with a Ph.D. to form the basis of their claims. There are doctors who promote the idea that vaccines cause autism.

There are scientists claiming having children is "scientifically proven" to harm the environment so smaller families are a moral obligation. Some doctors will tell you life does not begin until a child exits a womb. Others will tell you that it is scientifically possible for a boy to become a girl. We are even told that though we might pick whether we are a boy or girl, we are born heterosexual or homosexual.

Language then tracks the political consensus of the scientific community. And it is a political consensus. Secular liberals have worked very hard to co-opt cultural institutions so that, regardless of truth, science reflects opinion instead of the other way around. The two-parent heterosexual nuclear household may be, for thousands of years, the most stable way in which to raise kids, but get a bunch of liberal sociologists masquerading as scientists together in a room and soon they'll tell you science says the two-parent heterosexual nuclear household is bigotry, white supremacy and part of the patriarchy.

The Associated Press has gotten in on this game. The opposite sex's pronouns or new ones can now be used to describe people. A single person can talk about himself in the plural sense to



Can We Handle the “Truth”?

reject the conformity of language. One boy can be they and a girl can be he or even ze instead of she. Likewise, Caitlyn Jenner always was and Bruce never was because in the mind-numbing logic of "gender conformity," Caitlyn was always there just waiting to be revealed.

Truth no longer matters because truth can be whatever one wants. This is a disease of society that started in our culture and floated downstream into our politics. In the 90s, conservatives screamed that character mattered as they tried to impeach Bill Clinton for a lie under oath. The lying under oath, for which Clinton lost his law license, is overshadowed by his affair with a White House intern. In the 90s, feminists praised Bill Clinton and Monica Lewinsky was declared an empowered female. Conservatives who said Lewinsky was a victim were shouted down by prominent feminists who said they would have gladly performed the same sex act on the president in appreciation for what he did for feminists.

Now, decades later, many of the people who promoted the Clintons are throwing them under the bus. Bill is an abuser and Hillary his apologist. It is a sign the Clinton power is at an end. One could hardly imagine this change of heart from the left if Hillary had been elected. But the right is not spared the cultural rot. They served as apologists for a man caught on video bragging that famous men could grab women inappropriately among other terrible things he said and did. They excuse their own behavior by pointing to liberals defending Clinton. Only now is the left throwing Clinton aside to provide legitimacy in their attacks against Roy Moore. Conservatives demand everyone believe Juanita Broderick, Paula Jones, and Kathleen Willey, but they dismiss all of Roy Moore's accusers.

And the “truth” that Michael Cohen was referring to? Well, according to Harvard Law Professor emeritus Alan Dershowitz, the act of paying hush money is not illegal. "A presidential candidate under the law could spend a billion dollars of his own money to do anything in the campaign."

Even if the candidate paid a woman and said he was doing it to help himself be elected president, "that would not be a crime. A president is entitled to make campaign contributions to his own campaign."

And, if he authorized Cohen to make the payments, they are still legal," maintained Dershowitz. "If you look at the very, very complicated campaign laws, the one thing that comes out simply is that a candidate may himself or herself contribute as much as they want to a campaign. If (Michael) Bloomberg decides to run for president he can say I'm not taking a nickel by

contributors. I'll put my own money in the campaign and can do it for any reason whatsoever."

Even if Cohen had told Trump he was breaking the law with his payments, he would have been wrong, said Dershowitz, as such actions aren't illegal.

This runs contra to what prosecutors of Trump are alleging that his payments “functioned as excessive campaign contributions that were not disclosed.” The prosecutors want you to believe as “truth” that money used to influence a campaign, irrespective of its origin, amounts to the use of campaign contributions. In other words, despite what the written law provides, the “truth” in this case is what the prosecutors are declaring it is. Also, the fact that Cohen was originally charged for tax evasion and in order to receive a lighter sentence he turned on his employer Donald Trump and testified that he (Cohen) no longer tells lies and that the “truth” is Trump knowingly ordered him to violate campaign laws. This “truth” told by Cohen in exchange for a lighter sentence than what is mandated for his tax evasion violation does not comport with the classical definition of truth (i.e. conformity with what really happened).

This practice by law enforcement of bartering lighter sentences for the desired “truthful confession” may be an expedient to conclude cases but does serious harm to the credibility of the resulting criminal conviction.

And Trump himself is no champion of the classical definition of truth. Most Democrats and some Republicans call him the biggest fibbing president ever. In his break-through book, “The Art of the Deal,” Trump said playing to people’s fantasies was a key way to promote his business and his properties. “People want to believe that something is the biggest and the greatest and the most spectacular. I call it truthful hyperbole. It’s an innocent form of exaggeration – and a very effective form of promotion.”

Further evidence that our society is challenged with a central definition of truth is that the famed movie director Steven Spielberg is currently in plans to air a 10-part TV episode based on the classic film by Akira Kurosawa titled *Rashomon* about a single mystery that is retold over and over from subjective points of view and depicts the struggles we all face in discerning objective reality and the truth. I recall in the Managerial Administration class at Harvard Business School, this film was required viewing.

Thus, can we say that truth has given way to tribal truth or socially/politically/commercially expedient truth?



Can We Handle the “Truth”?



Advancing in a Time of Crisis

We all know these days the main stream media prioritizes affirmation over information in reporting the news. They all pretty much give in to the pull of polarization and the lure of clickbait. The byword in the pressroom is “if it bleeds, it leads.” And, negative “truth” appears to bleed more than the positive variety.

“He may be a liar, but he’s my liar.”

Another study by UCLA anthropologist Daniel Fessler found that people whose political stances aligned them with American conservatism were far more likely than liberals to embrace falsehoods that warned of grim consequences. (Uh Oh, you mean like a Financial Crisis?)



We further know that these days the whipping boy of choice is president Trump. But Americans appear to understand that the fix is in to get the president. That is why despite all the negative accounts of him, his approval rating still persistently remains at 48%, equal to that of Obama at the same stage in his presidency.

Fessler said “This has been Trump’s stock in trade – foreign powers are taking advantage of the U.S., dangerous hordes are storming the borders, and we must build a wall to keep would-be invaders at bay.”

Financial Crisis Report

But in a capitalistic economy such as the U.S., different perspectives of the truth can command different prices. Recently, Tucker Carlson, Fox News’ most popular news commentator caused a stir when he described mass immigration as making the country “poorer and dirtier and more divided.” While it’s difficult to deny the truth of this comment, it was protested by Media Matters for America a liberal activist group resulting in eight advertisers pulling their commercials from the program. “It’s more important to protect the brand than promote the brand,” said Jeff Greenfield, CEO of C3 Metrics, a marketing research and data firm. So, if a version of the “truth” falls short of comporting with the values of an advertiser, that advertiser can completely stop aligning itself with the commentator. Like car models, versions of the truth attract different customers.

But everything has a long run. And in that long run, the essential truth has a way of reasserting itself. This realization will probably not come in time to save president Trump but hopefully in time to save our society.

Pontius Pilate asked what is truth, and I believe that truth died on a cross only to conquer death. It is that very truth that I believe will one day come calling again asking not what is truth, but what have we done?

We know what goes around, eventually comes around. When once more that time comes calling, we as a society better be ready.

Rome, here we go again.

D. Miyoshi

On Christmas Eve 2018, a column in the *Los Angeles Times* appeared on a study of the role of fact checking with the statements of political candidates. The findings seem to indicate that even though the statements of particular candidates, whether Democrat or Republican, were shown to be false, the voters seem to be saying



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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”.

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