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Advancing in a Time of Crisis

Words of Wisdom: “Education is not the learning of facts, but training the mind to think.” -Albert Einstein

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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.

IS THIS MUELLER'S COLLUSION REPORT?



News sources say Special Counsel Robert Mueller will be releasing his Report on the Trump Russian Collusion very soon, perhaps within a few days. But other reports say even after its submission, the Department of Justice (DOJ) may not release the report for public consumption. And Democrat Senator Adam Schiff said if this occurs he will bring a lawsuit to force its disclosure.

Not one to stand around and wonder whether the report will or will not be released to the public, I thought I would try and dig up information on what it would contain. A friend and fellow dog lover whose cute Golden Retriever is a girlfriend of my Golden and who is an experienced internet sleuth clued me in on an article that was released on February 22 by Chad Day and Eric Tucker of the Associated Press. This report appears to reveal the possible nitty-gritty of the Mueller Report. I can't say under oath this information will be the essence of the Mueller report but I can say it is illuminating and so I present it here for your consideration.

D. Miyoshi

Donald Trump was in full deflection mode.

The Democrats had blamed Russia for the hacking and release of damaging material on his presidential opponent, Hillary Clinton. Trump wasn't buying it. But on July 27, 2016, midway through a news conference in Florida, Trump decided to entertain the thought for a moment.

“Russia, if you're listening,” said Trump, looking directly into a television camera, “I hope you're able to find the 30,000 emails that are missing” — messages Clinton was reported to have deleted from her private email server.

Actually, Russia was doing more than listening: It had been trying to help Republican Trump for months. That very day, hackers working with Russia's military intelligence tried to break into email accounts associated with Clinton's personal office.

It was just one small part of a sophisticated election interference operation carried out by the Kremlin — and meticulously chronicled by special counsel Robert Mueller.

We know this, though Mueller has made not a single public comment since his appointment in May 2017. We know this, though the full, final report on the investigation, believed to be in its final stages, may never be made public. It's up to Attorney General William Barr.

We know this because Mueller has spoken loudly, if indirectly, in court — indictment by indictment, guilty plea by guilty plea. In doing so, he



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tracked an elaborate Russian operation that injected chaos into a U.S. presidential election and tried to help Trump win the White House. He followed a GOP campaign that embraced the Kremlin's help and championed stolen material to hurt a political foe. And ultimately, he revealed layers of lies, deception, self-enrichment and hubris that followed.

Woven through thousands of court papers, the special counsel has made his public report. This is what it says.

RUSSIA, LOOKING TO INTERFERE

The plot began before Bernie Bros and "Lock Her Up," before MAGA hats and "Lyn' Ted," before there was even a thought of Trump versus Clinton in 2016. It started in 2014, in a drab, concrete building in St. Petersburg, Russia.

There, a group of tech-savvy Russian nationals, working at an organization called the Internet Research Agency, prepared "information warfare against the United States of America." The battleground would be the internet, and the target was the 2016 U.S. presidential election.

Using a game plan honed on its own people, the troll farm prepared to pervert the social networks — Facebook, Twitter, YouTube and Instagram — that Americans had come to depend on for news, entertainment, friendships and, most relevantly, political discourse.

It would use deception, disinformation and the expansive reach of the electronically connected world to spread "distrust towards the candidates and the political system in general." Ultimately, it would carry a budget in the millions, bankrolled, according to an indictment, by Yevgeny Prigozhin, a man so close to the Russian president that he is known as Putin's chef. (Prigozhin's company has denied the charges).

It was a long game. Starting in mid-2014, employees began studying American political groups to see which messages fell flat and which spread like wildfire across the internet. The organization surreptitiously dispatched employees to the U.S. — traveling through states such as Nevada, California and Colorado — to collect on-the-ground intelligence about an America that had become deeply divided on gun control, race and politics.

As they gathered the research, the trolls began planning an elaborate deception.

They bought server space and other computer infrastructure in the

U.S. to conceal the true origin of the disinformation they planned to pump into America's social media blood stream. They began preparing networks of fake accounts they would use like sock puppets to masquerade as U.S. citizens.

The Russian trolls set up accounts that appeared to be associated with Black Lives Matter, the Tennessee GOP, Muslim and Christian groups and the American South. By late 2015, as Clinton sparred with Vermont Sen. Bernie Sanders, her rival for the Democratic nomination, and as American media still saw Trump as a longshot to emerge from a crowded Republican field, the Internet Research Agency began secretly buying online ads to promote its social media groups.

By February 2016, they were ready. A memo circulated internally. Post content about "politics in the USA," they wrote, according to court papers, and "use any opportunity to criticize Hillary and the rest (except Sanders and Trump— we support them)."

As disinformation scrolled across American computer screens, an entirely different Russian operation readied its own volley.

In March 2016, as Clinton and Trump began to emerge as the leaders of their respective parties, Russian military intelligence officers began setting a trap.

Hackers in Russia's military intelligence, known as the GRU, started sending dozens of malicious emails to people affiliated with Clinton's campaign, the Democratic Congressional Campaign Committee and the Democratic National Committee.

Like Watergate, it was a break-in. But this time, the burglary tools were emails disguised to fool people into sharing their passwords and in turn provide hackers unfettered access to their emails. The goal was to collect as many damaging documents as possible that could be released online and damage Clinton's candidacy.

In a few short weeks, the hackers had penetrated their targets and hit the motherlode: the private Gmail account of Clinton campaign chairman John Podesta.

A RECEPTIVE CAMPAIGN

While the Russians were hacking, a young Trump campaign adviser named George Papadopoulos received some startling news in London.





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It was April 26, 2016. While traveling through Europe, he had connected with a Maltese academic. The professor, a middle-aged man with thinning gray hair named Joseph Mifsud, had taken a keen interest in Papadopoulos upon learning that he had joined the Trump campaign as a foreign policy adviser. To dazzle his young friend, Mifsud boasted of his high-level Russian connections and introduced him to a woman named Olga — a relative, he claimed, of Russian President Vladimir Putin.

Mifsud and Olga wanted Papadopoulos to arrange a meeting between Trump aides and Russian officials. Eager to ingratiate himself with the campaign, Papadopoulos brought up his newfound connections in a meeting with Trump and several high-ranking campaign officials, saying he could broker a Trump-Putin summit. When he raised the idea, his lawyers later said, Trump nodded with approval and deferred to another aide in the room, future Attorney General Jeff Sessions, who said the campaign should look into it. Sessions would later say he remembered telling Papadopoulos that he wasn't authorized to speak for the campaign.

When he walked into a London hotel for breakfast with Mifsud, Papadopoulos expected to discuss Russia's "open invitation" to meet with Trump. But the conversation quickly turned to another subject. Mifsud confided in Papadopoulos that Russia had "dirt" on Clinton. What kind of dirt? "Thousands of emails."

What happened next remains a mystery. Prosecutors haven't revealed exactly where Mifsud got his information or what Papadopoulos might have done with it. The encounter, the first known instance of a Trump aide hearing of stolen emails, would later help kick-start the Russia investigation. But at the time, it was just one of many connections already established between the Trump campaign and Russia.

Unbeknownst to the public, Trump personal lawyer Michael Cohen had been trying to broker a business deal in Russia for the Republican candidate. The proposal was for a Trump Tower Moscow. A letter of intent was signed. Cohen had discussed it with Trump and his children. Cohen had even gone so far as to reach out to the Kremlin directly for help, speaking with an official about ways to secure land and financing for the project.

While Cohen pursued the deal, another person with Russia ties joined the Trump campaign. Paul Manafort, a longtime Washington insider, had made millions as a political consultant for Ukrainian President Viktor Yanukovich and his pro-Russian political party in Ukraine. Over that time, Manafort developed a close relationship with a man named Konstantin Kilimnik, who the FBI says has ties to Russian military intelligence. Manafort also had worked for a Russian billionaire named Oleg Deripaska who is close with Putin.

But in March 2016, Manafort was looking for a comeback. His business had dried up after Yanukovich was ousted and fled to Russia. The millions that Manafort had hidden from the IRS while enjoying a lavish lifestyle were largely gone. With the Trump campaign, Manafort saw an opportunity to get back on his feet. He and his protege, Rick Gates, quickly worked their way into the highest levels of the campaign, and they began trying to make sure old clients had heard about their new positions.

As Trump clinched the Republican nomination, Manafort and those around him began preparing for a general election battle against Clinton.

The Russians did, too. The Internet Research Agency boosted its support of Trump — and disparagement of Clinton. Using stolen identities and bank account information, the troll farm also began buying political ads on social media services, according to Mueller.

"Donald wants to defeat terrorism ... Hillary wants to sponsor it," read one. "Hillary Clinton Doesn't Deserve the Black Vote," read another.

Meanwhile, hackers with the GRU secretly implanted malicious software — called X-Agent — on the computer networks of the DNC and the DCCC. It allowed them to surreptitiously search through the political operatives' computers and steal what they wanted. As the hackers roamed the Democratic networks, a separate group of Russian intelligence officers established the means to release their ill-gotten gains, registering a website, DCLeaks.com.

By May, the Democratic groups realized they had been hacked. The DNC quickly hired a private cybersecurity company, CrowdStrike, to identify the extent of the breach and to try to clear their networks of malware. But they kept it quiet until they knew more.

On the Trump campaign, Papadopoulos continued to push for a Trump-Putin meeting, unsuccessfully.

At the same time, another Russian outreach found a willing audience in Trump's eldest son, Donald Trump Jr.

In early June, Trump Jr. exchanged a series of emails with a British publicist representing Emin Agalarov, a pop singer in Russia, whose father had partnered with the Trumps on the 2013 Miss Universe pageant in Moscow. Emin Agalarov and Trump Jr. had become friendly, and the publicist, Rob Goldstone, had become a common intermediary between the two wealthy sons.





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Over email, Goldstone brokered a meeting between Trump Jr. and a Russian lawyer. He said the lawyer had documents that could “incriminate” Clinton and they were being shared as part of the Russian government’s support of the Trump campaign. “Seems we have some time and if it’s what you say I love it especially later in the summer,” Trump Jr. wrote back.

The meeting was held at Trump Tower in Manhattan on June 9. Trump Jr. attended along with Manafort and Trump son-in-law Jared Kushner. Participants in the room would later say the meeting was a bust, consumed by a lengthy discussion of Russian adoption and U.S. sanctions. To Trump Jr., the information wasn’t useful ammunition against Clinton. He was less concerned that it came from Russia.

Days later, on June 14, the DNC publicly announced it had been hacked, and pointed the finger at Russia.

By then, the Russian hackers had launched DCLeaks.com. According to Mueller, the DNC announcement accelerated their plans.

They created a fake online persona called Guccifer 2.0, which quickly took credit for the hack. Through Guccifer, the hackers masqueraded as a “lone Romanian hacker” and released caches of stolen material.

The efforts attracted the attention of WikiLeaks, the anti-secrecy group led by Julian Assange from his exile within Ecuador’s embassy in London.

On June 22, 2016, the group sent a private message to Guccifer: “Send any new material here for us to review and it will have a much higher impact than what you are doing.”

Over the next several weeks, WikiLeaks requested any documents related to Clinton, saying they wanted to release them before the Democratic National Convention when they worried she would successfully recruit Sanders supporters.

We “think Trump has only a 25% chance of winning against Hillary ... so conflict between Bernie and Hillary is interesting,” WikiLeaks wrote.

Using Guccifer, the Russian intelligence officers transferred the files to WikiLeaks, hoping for a big online splash.

They wouldn’t have to wait long.

LEAKS AND CIGARS

July 22 was supposed to be a big Friday for Hillary Clinton’s presidential campaign. The former secretary of state was planning to announce Virginia Sen. Tim Kaine as her running mate. The party’s convention was just days away.

But at 10:30 a.m. Eastern time, WikiLeaks stole the limelight, releasing more than 20,000 stolen DNC emails.

The cascade of stolen material was almost immediately picked up by American news outlets, conservative pundits and Trump supporters, who in the wake of Clinton’s FBI investigation for using a private email server, were happy to blast out anything with “Clinton” and “emails” in the same sentence.

So was Trump. After publicly questioning that Russia was behind the hack of Democratic groups, he took to the stage in Florida to make his famous call to Russia, “if you’re listening.” He would later begin praising WikiLeaks.

Smelling a possible political advantage, the Trump campaign reached out to Roger Stone, a close confidant of Trump’s who is known for his bare-knuckles brand of political mischief. Stone had been claiming to have connections to WikiLeaks, and campaign officials were looking to find out when Wikileaks would drop its next batch of documents.

According to an indictment against Stone, after the first release of DNC documents, “a senior Trump Campaign official was directed to contact Stone about any additional releases and what other damaging information” WikiLeaks had regarding Clinton’s campaign.

In August, Stone began claiming he had inside information into Assange’s plans. At the same time, he was privately sending messages to a radio host and a conservative conspiracy theorist (reputedly Alex Jones)—both of whom had claimed to have connections to WikiLeaks—seeking anything they knew. (No evidence has emerged that these messages made it to Assange).

That same month there was a meeting that went to the “heart” of the Russia investigation, according to a Mueller prosecutor. It involved Manafort, and it remains an enigma, at least to the public.

Court papers indicate Manafort had previously shared polling information related to the Trump campaign with Kilimnik, his old Russian pal. According to emails and court papers, Manafort—looking to make money from his Trump access—had also been in touch with Kilimnik about providing private briefings for the billionaire Deripaska. (There’s no evidence such briefings ever occurred).

Meeting with Manafort and Gates at New York’s Grand Havana





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Room cigar bar on Aug. 2, 2016, Kilimnik brought up a possible peace plan for Ukraine in its conflict with Russia. What happened at that meeting is in dispute and much of it remains redacted in court papers.

But the Mueller prosecutor would note: The men left separately to avoid unwanted attention.

As the campaign entered the final stretch and Trump's advisers waited for the next WikiLeaks dump, Russian trolls— who had gained hundreds of thousands of social media followers — were barraging Americans with pro-Trump and anti-Clinton rhetoric, using Twitter hashtags such as "#MAGA" and "#Hillary4Prison."

By early October, Stone was looking for more. On Oct. 3, 2016, ahead of an expected news conference by Assange, Stone exchanged messages with Matthew Boyle, a writer at Breitbart who was close to Trump campaign strategist Steve Bannon.

"Assange — what's he got? Hope it's good," Boyle wrote to Stone.

"It is," Stone wrote back. "I'd tell Bannon but he doesn't call me back."

Hours later, Assange held a news conference in which he appeared to waffle on whether he would release additional documents about Clinton.

Bannon reached out to Stone: "What was that this morning???" Stone chalked it up to a "security concern" and said WikiLeaks would be releasing "a load every week going forward."

By Oct. 7, the Trump campaign was embroiled in its own scandal. The Washington Post released audio of Trump bragging about sexually harassing and groping women. But within hours, WikiLeaks gave Trump's team a break.

The first set of emails stolen from Podesta's accounts popped onto WikiLeaks' website. Stone's phone lit up. It was a text message from a Bannon associate.

"well done," it read.

A SERIES OF LIES

The first documented lie in the Russia investigation happened on Jan. 24, 2017, in the White House office of freshly appointed national security adviser Michael Flynn.

It was the Tuesday after Trump's inauguration, and Flynn was settling in after a whirlwind presidential transition.

Since Trump's victory in November, Flynn had become part of Trump's inner circle — and the preferred contact between the

Trump team and Russia. In late December, Flynn had asked Sergey Kislyak, Russia's ambassador to the U.S., to reject or delay a U.N. vote condemning Israeli settlements in the West Bank. Days later, as the Obama administration imposed sanctions on Russia for election-meddling, Flynn implored Kislyak not to escalate a "tit-for-tat" fight over punishment imposed on Moscow for election interference.

But on that Tuesday, when FBI agents asked Flynn about those conversations, he lied. No, he said, he hadn't made those requests of Kislyak.

Days later in Chicago, other FBI agents confronted Papadopoulos as he had just stepped out of the shower at his mother's home. Though his mother would later say she knew it was a terrible idea, he agreed to go to their office for questioning, where he misled them about his conversations with Mifsud, the Maltese professor.

Months later — after Mueller's May 2017 appointment — Cohen lied to Congress about the Trump Tower Moscow project, saying it ended much sooner than June 2016. Cohen would later say he was trying to be loyal to Trump and match the public messaging of a president who had adamantly denied any business dealings with Russia.

Even when Trump aides tried to come clean and cooperate with Mueller's team, they couldn't keep their stories straight.

As he was working out a plea agreement with Mueller, Gates lied to investigators about his and Manafort's Ukrainian lobbying work. Manafort pleaded guilty and agree to cooperate but a judge later determined he had also misled Mueller's team about several matters, including about his interactions with Kilimnik. Those lies voided the plea deal.

The deceptions played out as Mueller methodically brought criminal cases. He indicted the Russian hackers. He did the same to the troll farm. He exposed Manafort's tax cheating and his illicit foreign lobbying, winning at trial and putting the 69-year-old political operative at risk of spending the rest of his life in prison. And one by one, his team got guilty pleas from Flynn, Papadopoulos and others .

Most recently, he indicted Stone, accusing him of witness tampering and lying to Congress about his efforts to glean information about the WikiLeaks disclosures. Despite emails showing him repeatedly discussing WikiLeaks with Trump advisers and others, Stone told lawmakers he had no records of that sort. (Stone has pleaded not guilty.)



Bezos' Battle

In the backdrop of all this is Trump and his family.

Mueller's grand jury heard testimony from several participants of the June 2016 Trump Tower meeting arranged by Trump Jr., but no charges have been filed.

The mercurial president himself has made no secret of his disdain for the Mueller investigation and his efforts to undermine it. Mueller has investigated whether any of Trump's actions constituted obstruction of justice, but the special counsel hasn't gone public with what he found.

And it's unclear if he ever will.

End of Article

Noticeably absent from the article was mention of any unlawful FISA warrants or the U.S. government's covert use of foreign agents to lure American citizens into compromising political positions. Not to mention that despite being the original objective, there was no mention of a conclusive finding of collusion with Russia. Well, perhaps this article is the version cleared by the DOJ.

The Mueller Report will be issued in the wake of the rather damning Michael Cohen inquiry by the House Committee on Oversight and Reform. In the inquiry Cohen called president Trump a racist, conman and cheat. But he also refuted allegations made in the Christopher Steele dossier that he visited Prague in 2016 to meet with Russians. This visit was a central allegation in the dossier that was the basis for the Mueller Collusion Report. So, now the question is will the Democrat's allegation of Collusion by Trump morph to Obstruction by Trump? Only time will tell. Stayed tuned.

D. Miyoshi

Bezos' Battle



Jeff Bezos is the richest man in the world. And one of its biggest hypocrites.

Bezos' very public split from his wife of 25 years to be with his mistress garnered lots of media attention and continues to do so, which apparently stresses Bezos out.

In January, the National Enquirer published intimate messages Bezos sent to his mistress, Lauren Sanchez, from his iPhone.

And in February, news broke that editor of the National Enquirer David Pecker had gotten his hands on something even more intimate – a below-the-belt selfie Bezos sent Sanchez.

This is when Bezos cried foul that the publication was politically motivated to cover the story.

That was the start of Bezos circulating his own conspiracy theories. Bezos claimed that the National Enquirer had been encouraged by Trump to pursue the story. The Amazon founder cited his ownership of the Washington Post and the repeatedly negative coverage of Trump it published as motivation.

But that wasn't far fetched enough for the embattled entrepreneur. Bezos also pointed the finger at Saudi Arabia, suggesting they could be the shadowy hand that moves the tabloid magazine against him. Bezos once again claimed that reporting by the Washington Post was again the motivation, in this instance recalling coverage of slain journalist Jamal Khashoggi.

Well, as they say "Sex sells."

But what should catch our attention here is not the lurid details of Bezos' private parts or private life.

Rather, it's a claim by Bezos' security team that a "government entity" may have gotten hold of his iPhone messages.

For us, the irony doesn't go unnoticed...

As we've have suspected all along, Silicon Valley has been colluding with the Deep State to build a surveillance state in America.

And Amazon – along with fellow Silicon Valley giants Google and Facebook – is at the heart of this alliance.



Bezos' Battle

In fact, *Bill Bonner Letter* coauthor Dan Denning believes Amazon could pose the biggest threat of all three...

Amazon has become the single most dangerous company in American history. It's on the verge of becoming the digital secret-keeper of the Deep State – the modern equivalent of J. Edgar Hoover's FBI, with personal files and dirty secrets on thousands, perhaps tens of thousands, or perhaps even ALL Americans.

You see, the company is trying to make itself an indispensable cog in the surveillance machinery of the Deep State.

Amazon is already a leading vendor of face recognition tech...

The financial paper *The Daily Cut* reported that Bezos' firm has developed advanced face-recognition software called Rekognition.

It's helping the Orlando Police Department track, identify, and analyze Americans in real time using CCTV cameras and officer body cameras.

That's a frightening prospect. But it's not the only way Bezos is making Amazon essential to the U.S. surveillance state.

In 2014, Amazon inked a secret deal with the Central Intelligence Agency (CIA) for cloud-computing services.

The deal, worth \$600 million, saw the CIA and the National Security Agency (NSA) upload the sensitive data they collect to an Amazon data center built on CIA premises.

This allows all 17 U.S. intelligence agencies to seamlessly share information with each other. (Yes... there are 17.)

And in April, the Pentagon will likely award Amazon \$10 billion to contract out its data centers to the U.S. military.

It's called Project JEDI...

That's short for Joint Enterprise Defense Infrastructure. The *Daily Cut* reports that the aim of JEDI, according to public documents, is to "unlock the power of data and analytics" for America's warfighters... or to use technology to generate more "operational" information and give the U.S. military an edge in its war against everything and everyone.

Think about it... The U.S. government is outsourcing its secret-keeping and intelligence databases to a single company.

And it makes Amazon a key partner in building and maintaining a Police State in America.

Bezos is even making himself useful to the U.S. Air Force...

In addition to Amazon, Bezos heads up his own space company, Blue Origin.

And last October, it announced a deal with the U.S. Air Force to build a rocket to take military satellites into space.

Bezos later tweeted that he was "proud to serve the national security space community."

This isn't how most folks think of the Deep State...

Ask the ordinary Joe what the Deep State is... and he'll likely tell you that it's a creature of government.

But regular readers know the Deep State is really a public-private partnership – a hybrid between key areas of government and the private sector. *The Daily Cut* reports again...

The Deep State is not a tightly run conspiracy. It's a cartel of interests brought together for the sake of wealth, power, privilege, and self-preservation.

The Deep State is self-serving, in other words. And that, again, runs counter to mainstream perception.

For a long time, Americans accepted the existence of a Deep State – the NSA, the CIA, along with their surveillance programs – as long as it was in the service of fighting foreign enemies.

You may even argue that Amazon is just doing its patriotic duty in aiding the Intelligence Community. But what if it were to train its sights on folks at home who don't toe the line?

Think about the future... If your data is being warehoused for all of time, who's to say that you won't be found guilty of a new crime 10 years from now?

Maybe it'll be a thought crime. Or maybe it'll be some pattern detected in your data that shows you're on the path to some "radical" action.

Either way, neither the state, nor private companies such as Amazon,





The Most Dangerous Woman in America

have any business watching us all the time – at least, not in what’s supposed to be a free country.

These days it is no longer a secret. Everyone can see what is happening. The feds are keeping tabs on us. But it is becoming clear they’re working on taking it a step further – and building the ultimate tool of social control. What’s coming will be a privacy crisis so deep... so intrusive... and so Orwellian that it threatens to change what it means to be a citizen in a democracy.

I guess the ultimate question I have now is which is more frightening – the growth of the surveillance state or the growth of socialism in America?

You pick.

D. Miyoshi

The Most Dangerous Woman in America



“I think that there’s a lot of people more concerned about being precisely, factually, and semantically correct than about being morally right.”
Alexandria Ocasio Cortez to Anderson Cooper on *60 Minutes*

Ocasio Cortez’s statement begs the question, is it better to follow the dictates of an irrational but morally upright person instead of those by a rational but immoral person?

At 29, Alexandria Ocasio-Cortez (or AOC as she is more known these days) is the youngest woman ever elected to Congress. And the self-described democratic socialist is a rising star in the Democratic Party.

But she’s also pushing policies that could harm the U.S. economy...

In a recent interview with Nick Rokke of the *Palm Beach Daily*, AOC said that Modern Monetary Theory (MMT) needed to be “a larger part of our conversation.” In other words, she wants to see the U.S. put this theory into practice. This is the problem, because it could be the most dangerous economic theory you’ve never heard of.

Now AOC is no John Maynard Keynes by any stretch of the imagination. But her impact upon Millennials may lead to economic disaster for our country the likes of which Keynes could not have imagined.

If the U.S. indeed goes down this path (and it could, since MMT has many supporters among millennials), you’ll need to prepare now to protect your wealth.

A Dangerous Theory

MMT has been around since the early 1990s and has roots in Keynesian economic theory.

Keynesian theory is the namesake of famed British economist John Maynard Keynes. During the 1930s, he advocated increased government spending to pull the U.S. and other Western economies out of the Great Depression.

Similarly, MMT adherents advocate increased government spending, too. In a nutshell, they argue that since governments can print unlimited amounts of money, they can always cover their debts. So, in theory, governments can’t default.

But it doesn’t end there...

Advocates also want to “spend money into existence.” That means they believe the government can grow the economy through deficit spending. After all, a government that prints its own money can always print more to cover its debts.

So, it’s easy to see why this theory would be attractive to AOC and her fellow progressives: It’s free money.

They can pay for all their pet projects like universal basic income, free healthcare, free college tuition, and green energy without worrying about the bill—whether it’s \$21 million or \$21 trillion.

In principle, most people don’t have anything against these noble causes. Most people would love to see everyone wealthy, healthy, and educated.





The Most Dangerous Woman in America

But most people are realists (however that number is admittedly growing fewer) ... Government handouts aren't the way to achieve these goals—no matter how magnanimous they are. And they won't help the economy grow.

If printing money was the path to prosperity, then the Soviet Union would've been the world's richest country. And Venezuela and Zimbabwe would be among the richest today. Yet, the USSR is defunct and the other two are economic basket cases.

Here's the bottom line: Unrestrained money-printing that goes toward economically unproductive causes will cause inflation. That's why Venezuela and Zimbabwe are failed states.

But since when has real-world economics ever stopped politicians from trying out some crackpot theory? After all, they buy votes any way they can.

As successful investment guru Bill Bonner says: "Crazy plans that hurt the economy have a way of becoming the law of the land—especially when the laws of the land are already crazy and absurd."

Socialism by Another Name

As said, there's nothing wrong with wanting to help people be healthier, wealthier, and smarter.

But providing free healthcare, guaranteed income, and free tuition isn't the way to do it. The Soviets learned this lesson the hard way.

The best way to achieve health and wealth is, dare I say, through free markets. But the problem is that the younger generation is increasingly gravitating toward MMT instead.

A recent University of Chicago survey found that 45% of millennials have a positive view of socialism.

Among minorities (the fastest-growing demographic group in America), the number is even higher.

When you break it down by party lines, 61% of millennials who identify as Democrats view socialism positively. Astoundingly, 25% of Republican millennials do, too.

The Green New Deal

We recall in high school history class that the New Deal (without the Green) was launched by the Democrats in 1933 as a series of economic, financial and political reforms in the depths of the Great Depression and served as the hallmark of president Franklin Delano Roosevelt's administration. The program promised "a chicken in

every pot."

Eighty-six years later, AOC released her much-hyped "Green New Deal" proposal. The plan — if you can call it that — is based on MMT and will totally upend and reshape our economy while eliminating all carbon emissions including but not limited to, as explicitly written in the plan "farting cows". The plan really sounds like it was written by well, a chicken who smoked pot. Credit here has to be given to Nancy Pelosi, who of all people called the plan "the Green Dream." This must have been during one of her more lucid moments.

Matt Walsh of the *Daily Wire* reports that the Green New Deal is so vague in parts, delusional in other parts, and unbelievably childish through every part, that serious engagement with its ideas is impossible. It reads like something a four-year-old in Soviet Russia may have dreamt up. All Walsh can do, all he needs to do, is tell you exactly what it says. You can see yourself why a thorough rebuttal is not necessary.

Walsh cites five highlights:

1. "Upgrade or replace every building in US for state-of-the-art energy efficiency."

Yes, every building. There are over 5 million commercial buildings in the U.S. Add that to the approximately 127 million households, which is to say nothing of all the schools and churches and hospitals, and you have a project that would cost trillions of dollars and take decades, at a minimum, to complete. And we're only getting started.

2. "Totally overhaul transportation by massively expanding electric vehicle manufacturing, build charging stations everywhere, build out high-speed rail at a scale where air travel stops becoming necessary, create affordable public transit available to all, with goal to replace every combustion-engine vehicle."

3. If we are building enough high-speed rail to make air travel "unnecessary," we would of course need this mythical railway system primarily built across the ocean. There is about five thousand miles separating California from Japan. This railroad would need to span across that entire stretch of the Pacific, which is 13,000 feet deep on average. Doing business in Japan will become akin to doing business on the moon.

3. "A job with a family-sustaining wage, family and medical leave, vacations, and retirement security for Americans who are unable or unwilling to work."

There are currently about 325 million people in this country, not counting illegal aliens (whom, Walsh assumes, AOC would include in this entitlement). Where are these jobs coming from? Who is providing them? Why support people who are unwilling to work?





The Most Dangerous Woman in America

AOC did have an answer to that last question. She previously stipulated that "economic security" would be provided to all those "unable or unwilling to work." So, jobs would be plucked off the job tree and handed out to anyone who wanted one. If you don't want one, presumably you'll be sent to the economic security tree where a limitless supply of money awaits. (I have since learned that the promise of support for those "unwilling to work" has since been "walked back". Somebody who took high school economics must have looked at the plan).

4. "Plant lots of trees."

That is an actual sentence in the document. It is at least practical, unlike the other items listed. But it is also so vague as to be useless.

5. Abolish cows.

Actually "farting cows," specifically. Yes, the phrase "farting cows" appears, verbatim, in this allegedly serious proposal written by a United States congresswoman. Here is the full context: "We set a goal to get to net-zero, rather than zero emissions, in 10 years because we aren't sure that we'll be able to fully get rid of farting cows and airplanes that fast."

The implication is that getting rid of gassy cows is a goal, but it may not be achievable in 10 years. This may be the most reasonable concession AOC makes. But, long term, what will happen to the farting cows? Will they be sent off to an island for flatulent bovine? Will they be launched into space? And how will we make up for all the lost meat and milk that many Americans depend upon to live? Does AOC have plans to genetically engineer cows who don't pass gas? These specifics are not provided.

And how will she pay for any of this? She provides few, other than to admit that "even if every billionaire and company came together and were willing to pour all the resources at their disposal into this investment, the aggregate value of the investments they could make would not be sufficient."

Confiscating all the wealth in the country is a start, you see. Then we kill all the cows. Then we tear down all the buildings. Then when everyone is broke and homeless and starving, we can figure out where to go from there. A flawless plan, you must agree.

Well, all I can say is, as much as president Trump is rude, representative AOC must be equally as dense.

Amazon Departure

In February Amazon decided to abandon its plans for having a headquarters operation in New York. AOC took credit for the departure. That started another brouhaha.

Job Creators Network, a nonpartisan organization founded by entrepreneurs like Home Depot co-founder Bernie Marcus, purchased a billboard in New York City slamming AOC for killing tens of thousands of jobs for New Yorkers that would have generated billions of dollars in economic activity.

"It comes after AOC vigorously defended her role in sinking Amazon's move to New York City in the face of bipartisan criticism," Fox News reported. "The freshman Democratic New York congresswoman has faced days of criticism from normally friendly media voices and fellow Democrats over her role in Amazon's decision to pull back from building a \$2.5 billion campus in the Long Island City neighborhood of Queens."

The billboard, located on 42nd street near 8th Avenue, reads:

25,000 Lost NYC Jobs

\$4 Billion in Lost Wages

\$12 Billion in Lost Economic Activity for NY

Thanks For Nothing, AOC!

After enduring days of criticisms, including from local Democrats like New York City Mayor Bill de Blasio, Ocasio-Cortez exploded in a Twitter rant. The Daily Wire reported:

On Tuesday evening, Democratic Rep. Alexandria Ocasio-Cortez issued a series of tweets defending her role in ultimately killing the Amazon HQ2 deal — which would have brought 25,000 jobs to her district and nearly \$30 billion in tax revenues to the state — and emphatically asserting that she does "understand" how tax incentives work.

The defensive thread was prompted by criticism from Crain's New York Business editor Erik Engquist, who said that while he usually defends the democratic socialist congresswoman as intelligent, her troubling comments about the state "invest[ing] those \$3 billion" instead of supposedly giving it to Amazon have left him speechless.

"I've been telling @AOC critics that she is smart, but what do I say when she says nonsense like 'we could invest those \$3 billion in [@amazon tax breaks] in our district. We could hire more teachers. We can fix our subways, we can put a lot of people to work for that money,'" Engquist tweeted.

"Not sure how many pundits talking about Amazon even read the deal or where it was going," AOC responded. "\$500+ million of the deal was *capital grants.* \$2.5 billion in tax breaks. It's fair to ask why we don't invest the capital for public use, + why we don't give working people a tax break."

"Frankly, the knee-jerk reaction assuming that I 'don't understand' how tax giveaways to corps work is disappointing," AOC continued. "No, it's not possible that I could come to a different conclusion."



Ten Celebrity Estate Planning Lessons

The debate *must* be over my intelligence & understanding, instead of the merits of the deal."

In late February, New York Governor Andrew Cuomo took aim at AOC and other far-left New York Democrats in a statement for killing the Amazon deal:

Amazon chose to come to New York because we are the capital of the world and the best place to do business. We competed in and won the most hotly contested national economic development competition in the United States, resulting in at least 25,000-40,000 good paying jobs for our state and nearly \$30 billion dollars in new revenue to fund transit improvements, new housing, schools and countless other quality of life improvements. Bringing Amazon to New York diversified our economy away from real estate and Wall Street, further cementing our status as an emerging center for tech and was an extraordinary economic win not just for Queens and New York City, but for the entire region, from Long Island to Albany's nano-tech center.

However, a small group of politicians put their own narrow political interests above their community — which poll after poll showed overwhelmingly supported bringing Amazon to Long Island City — the state's economic future and the best interests of the people of this state. The New York State Senate has done tremendous damage. They should be held accountable for this lost economic opportunity.

The fundamentals of New York's business climate and community that attracted Amazon to be here - our talent pool, world-class education system, commitment to diversity and progressivism - remain and we won't be deterred as we continue to attract world class business to communities across New York State.

What To Do Now:

So, what should supporters of free market ideals do?

The answer is simple: Prepare yourselves for the financial crisis that will be caused by these gwoing economic programs.

When the time comes, you'll want to own physical assets like real estate and commodities. These assets will be in demand no matter what AOC and Washington do.

But the best hedge against the blowback from goofy economic theories is, dare I say, gold. I refer you to the very first article in the very first issue of this newsletter in October 2011 on the benefits of gold in a financial crisis.

But we should understand that even if the government doesn't go full-blown socialist under the guise of MMT, I don't expect it to stop its free-spending ways anytime soon. That's why you should allocate at least 5-10% of your portfolio to gold. Note, I am not saying it is

time to panic and to fill up your cellar with bullion bars. There is time but simply file this suggestion away in your mind for later strategic reference.

The move toward MMT won't happen overnight. In fact, it may take years. But it's gaining traction. And once it's full steam ahead, you'll want to own some gold... Because even in loony times, it will maintain its value.

Just keep the faith.

D. Miyoshi

Ten Celebrity Estate Planning Lessons

This is taken from an interesting article that recently appeared in *WealthManagment.com*, an estate planning data service I subscribe to.

Appreciating the mistakes of famous people can help us learn important lessons in planning our own estates.

Celebrities often do a great job accumulating wealth during their lives only to allow it all to slip away after their deaths with improper (or none at all) estate planning.

Though there's an undeniable element of schadenfreude that makes these disaster stories ghoulishly enjoyable, there are also important lessons to be learned. The problems experienced by celebrity estates are often the very same ones that trip up more typical clients, simply writ larger.

Here are 10 valuable lessons we can learn from celebrity estate planning mistakes:



1. James Gandolfini: Take Advantage of the Marital Deduction

The actor and producer most known for his role as mafia boss Tony Soprano in the HBO hit series *the Sopranos* didn't slip anything by the IRS in real life. When Gandolfini died in June 2013, his will left \$1.6 million to various friends and relatives, and be-

Ten Celebrity Estate Planning Lessons

queathed land and property in Italy to his kids (this element has its own issues). The rest of the estate was divided so that 30 percent went to each of his two sisters, 20 percent to his wife and 20 percent to his daughter.

Setting up the estate that way failed to take advantage of tax incentives for the surviving spouse, namely that by giving the entire amount to his wife, it could have transferred tax free. Granted, Gandolfini may have been concerned that his current wife wasn't the mother of all of his children, which is reasonable. However, even in that case, proper trust planning could have been employed to allow him to take both the advantage of the spousal exemption and to ensure that his kids got exactly what he wanted them to inherit.

Taxes and fees on the legacy ultimately amounted to about 55 percent of Gandolfini's total net worth.



2. James Brown: Clarity Is King

The “Godfather of Soul,” who died in 2006, left a will that bequeathed his worldwide music empire to an education charity, as well as carving out personal and household effects to six children named in the will. For certain grandchildren, he created a family education fund of up to \$2 million. Tomi Rae Hynie, who was his girlfriend at the time, received nothing. Hynie and several children contested the will. The fairly sloppy estate plan forced Brown's heirs to spend over six years duking it out in court, ultimately losing millions to taxes. In May 2013, the South Carolina Supreme Court upheld Brown's plans to benefit charities, which appeared to be his intent. However, it's important to remember that statements that may seem easy to interpret when the client is standing right there to help clarify can be much more difficult to deal with when they're no longer around.



3. Michael Jackson: Fund Your Trusts

Jackson's estate plan was a mess. He created a trust, but never fully funded it, defeating a primary purpose of having one. This—along with naming non-family members, including attorney John Branca and music executive John McClain, as executors without properly explaining his decisions to family members while he was still alive—led to years of public family fights in probate court.

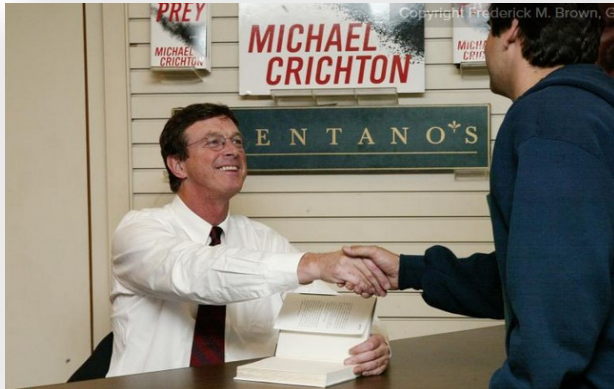


4. Howard Hughes: Write It Down

Following the death of the iconic businessman and aviation pioneer in 1976, a Nevada court eventually ruled Hughes died intestate, despite several wills put forth after his death. And while Hughes often noted while alive that he wanted his estate to advance medical research, he didn't put it down in a binding, written will.

Eventually, the \$2.5 billion estate was split in 1983 among 22 cousins, although the court ruled that the Hughes Aircraft Company was owned by the Howard Hughes Medical Institute, sold to GM in 1985 for \$5.2 billion.

Ten Celebrity Estate Planning Lessons



5. Michael Crichton: Remember Unborn Children, Particularly in Blended Families

When Crichton, author of numerous bestsellers, including *Jurassic Park*, died in 2008 from cancer, he left behind a pregnant wife, Sherri Alexander—but failed to update his estate documents to include his eventual son. When Alexander sued to include her son in the will, Crichton's daughter, Taylor Crichton, opposed the move and set off a public court battle. Eventually, a judge ruled Alexander's son could inherit. Such conflicts are easily avoidable by simply updating existing documents.



6. Doris Duke: Choose Qualified Trustees

A tobacco and energy heiress, on her death in 1992, Duke entrusted her wealth to her butler, who was to manage the over \$1

billion foundation and charity work. Unfortunately, it turns out the butler was not the most trustworthy, using the funds to finance a lavish lifestyle at the cost of the charities. A costly court battle ensued.

Though clients' initial instinct is often to choose those closest to them as trustees, that's often not the best approach. Even if the person is honest, the duties of a trustee are complex and demanding, so they may lack the requisite expertise. Often professional advisors or even institutional trustees are the better option especially for high-net-worth clients.



7.

Casey Kasem: Beware Blended Families

The late disc jockey's current wife and children from a previous marriage engaged in a highly public and often ridiculous conflict over his end of life treatment and, sadly, the disposition of his remains after his death. From public meat-throwing to accusations of kidnapping to alleged corpse theft, things got way out of hand.

However, as insane as this conflict seemed, its origins lay in the difficulties commonly faced by blended families everywhere. Disparate elements that are bound together by a single individual, particularly in the absence of blood relation, can often come unglued when that individual passes, and chaos can ensue.

What's the Real Issue Behind the Border Wall Debate



8. Philip Seymour Hoffman: Update Your Documents

This one is short and sweet. Philip Seymour Hoffman died unexpectedly and though he had an estate plan in place, the documents hadn't been updated to reflect his current financial and family situation, which cost him some money and caused his family some strife.

His untimely death reinforces the reality that estate planning is not a one-off activity and that an estate plan is a living document that must be constantly updated. Often the best approach is to encourage clients to revisit their estate plans after major life changes or milestones: having a child, buying a house, getting a new job, birthdays ending in 5 or 0, etc.



9. Burt and 10 Aretha: The Power of Privacy

Estate planning discussion often gravitate towards taxes and conflict prevention. However, another key role an estate plan can play is in ensuring privacy by helping avoid probate. Earlier this year we got an object lesson in the power of estate planning to ensure privacy with the deaths of Burt Reynolds and Aretha Franklin.

Franklin died intestate, which means that the fiercely private singer's estate will pass through public probate (though there may be some ways to avoid this fate under Michigan law specifically).

Burt Reynolds, on the other hand, left a will that became public.

However, it offered very little information about the disposition of his assets other than that his son had been taken care of in a separate trust. Since assets in trust pass outside of probate, that's likely all we'll ever know about that.

Even for clients who don't have to worry about family fights or estate taxes, estate plans can still serve a valuable purpose in avoiding probate and ensuring privacy.

What's the Real Issue Behind the Border Wall Debate



"Give me your tired, your poor,
Your huddled masses yearning to breathe free,
The wretched refuse of your teeming shore.
Send these, the homeless, tempest-tost to me"
Emma Lazarus (1849-1887)

For the United States, immigration has always been a necessity and an agony.

These days, there is not two days that go by without reading, seeing or hearing about the debate over a wall separating the United States and Mexico. Why the obsession over a mere wall? Probably because it goes to the very heart of American society. The wall itself is about preventing illegal immigration, but the debate inevitably flows to the question of immigration in general, as it always has in American history.

An Agonizing Experience

The American nation was forged from fragments of other nations. The English, Scotch-Irish, Swedish, Germans, Catholic Irish, Italians, Jews, Africans and Asians joined together, or, better yet, were crushed together, to create the American nation. It was a painful process. At any given point, Americans believed



What's the Real Issue Behind the Border Wall Debate

that the way America was then was the way it ought to be. Thus, the settlers from England were appalled at the arrival of the Scotch-Irish, who were seen as unassimilable and irredeemable brawlers, drunkards and thugs. When the Irish Catholics arrived, many feared they could not assimilate to a predominantly Protestant society. Indeed, the debate over whether a Catholic could become president dominated the 1960 Kennedy v Nixon election, more than a century after the Irish influx began.

Virtually all immigrants who came to the United States were those being crushed in their own societies (except, of course, for Africans slaves, who were brought to the U.S. through no choice of their own). They left families, customs and all that was familiar for a new start. The Jamestown and Plymouth colonies were built on this process. It was the core American experience: suffering through being a stranger in a strange land while being distrusted and even loathed.

The nation-building process in the U.S. was an agonizing experience. Some have romanticized it, forgetting that the melting pot was hot enough to dissolve human souls, and that the pain fell both on the immigrants themselves and on those with whom they merged. Yet immigration was essential. The first European immigrants who arrived were too few to create a nation that could settle and exploit the continent, spark industrialization, and win wars. Had the U.S. remained simply an English nation, it would have been annihilated long ago. Immigrants were indispensable to the creation of a viable country, and, inevitably, most would come from "your tired, your poor, your huddled masses," as Emma Lazarus put it. The United States welcomed immigrants out of necessity and even desperation, the same factors that drove immigrants to the U.S. in the first place.

But the reality of immigration lies not only in the broad story of the American nation, where the agony is lost in the glory, but in the details. George Friedman, CEO of Stratfor Consulting and renowned geo-political consultant immigrated with his family to the United States from Hungary as an infant. The family settled in a tenement in the Bronx. The most important part of their story was not that they were poor, but rather that their family was torn apart. Friedman's parents brought his sister and him to the United States because they had no choice. Their home abandoned them in World War II, and America welcomed them. For immigrants, however, America is a mistress who gives generously of her pleasure but is ruthless in her demands. You must be completely devoted to America to enjoy her pleasures to the fullest. Friedman's parents had lived through too much and had grown too weary to pay that price. They didn't hope for the ecstasy America offered; they were content with sanctuary, however meager.

Friedman's hopes diverged from his parents' needs. His parents were loving, yet, in a way, they became irrelevant. They could not guide him on his path. In those years, many immigrants settled in the Bronx. The Jewish kids banded together. So did the Irish, the Italians, the Puerto Ricans and the African-Americans. They drew strength from each other, rather than from their families. The cruel paradox of immigration is that it divides parents and children. The children long for America while the parents long for relief. And when the children band together, they learn the first lesson of America: It has pity for the weak and respect only for the strong.

One learns this lesson on the streets, where one discovers that pain is not the worst thing in the world. Cowardice is. Winning is everything. Fighting fearlessly and losing brings opportunity for redemption. Fleeing the field of battle to huddle with one's parents denies one pride and entry into America. America is for those who have the strength not only to play baseball or to excel in school but also to learn the lesson of the streets and to pay the price of entry.

Imagine what the Bronx was like back then. Young thugs, or would-be thugs, roaming the streets, seeking and fearing the moment when they must prove their manhood. The boys and girls, driven by hormones, as much strangers to their parents as their parents were to them, alone in a world to make what rules they could. The law was what you made of it, and the cops were just another gang, albeit a very dangerous one.

The Bronx was once a genteel borough of New York, with state-ly apartment buildings and vast parks. But it was at the bare limits of gentility. Those whose families came a century before were now gone, and the children of the new immigrants turned much of the Bronx into a nightmare. The parents of these children lived their lives in terror, fearing every trip to the grocery store. The dream of a little safety brought them back to the war zone.

A Predictable Response

Immigrants tend to move to neighborhoods with low rents, and they often live together so they have people around them who speak their language. They're satisfied with simply making a home in their new land. But their settlement can create havoc for those who were there before – those who also live in low-cost neighborhoods and now must compete for jobs and housing. As the new immigrant group expands, word spreads that this particular group is uniquely dangerous, and the belief grows that immigration must be stopped. For those who have the means to insulate themselves from the fear and uncertainty, on the other hand, this process isn't a cause for concern. For them, immigration is a concept, not a reality, and so they see it as a charitable



Why the Government Really Wants Us to Drive Electric Vehicles

endeavor.

The reality is that the United States cannot survive without waves of immigrants. It's never been able to grow without immigrants, and there's no reason to believe it can now. But the process of immigration becomes more painful the closer you come to it. The idea that those afraid of immigration are racist misses the point. Immigration directly impacts many of those who fear its effects. Many of those who don't fear it live in well-off communities where new immigrants tend not to settle.

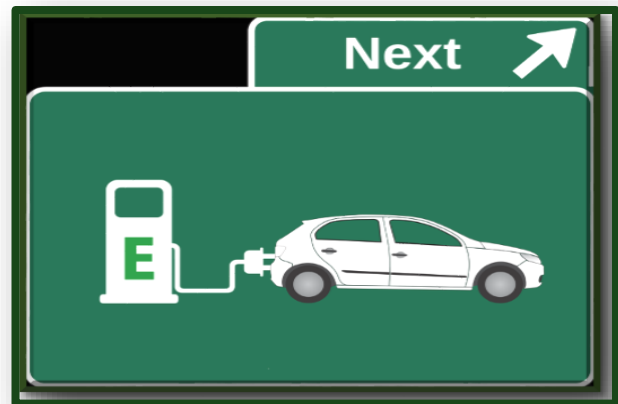
Fear is a predictable response to immigration. The English feared the Scotch-Irish. Protestants feared Irish Catholics. And the cycle continues. Even a group as disreputable and hated as the Scots made the transition, and now, fully integrated for centuries, they loathe and fear new arrivals.

In two centuries of debating immigration, both sides have been systematically oblivious to the realities underlying the debate. The advocates of immigration are oblivious to its disproportionate impact on those who live in poorer neighborhoods. Those wary of immigration are oblivious to the impact of ending it in a time of declining birthrates, and to the fact that immigration is embedded in the nation's soul. The beauty of America is that every American can have an opinion that makes little sense. It is as charming as a gang brawl in a schoolyard. But in the end, America has survived this debate many times, and the outcome has always been the same.

The U.S. economy has always depended on a constant inflow of low-paid workers. What has been true since the founding remains true now or the migrants would not be still coming. This has brought with it tension, violence and pain, far more for the poorest Americans than for the wealthy, who have benefited from immigration. But we cannot stop immigration. Nor can we make those insulated from its effects understand or care about the pain this process inevitably causes. Welcoming immigrants is not an act of kindness but a necessity. Those who think of it as an act of kindness misunderstand the lives of immigrants and those who live among them. Immigration transcends mere politics because it is in itself an existential growing pain of the United States.

D. Miyoshi

Why the Government Really Wants Us to Drive Electric Vehicles



By now, most consumers are aware of the growing trend of electric vehicles (EVs).

According to the Paris-based International Energy Agency (IEA), 125 million electric vehicles will be on the road by 2030. That's up from an estimated 3.1 million in 2017.

And according to a 2018 survey from the American Automobile Association (AAA), roughly 20% of Americans are considering going electric for their next car purchase. That would include me as well.

And the adoption of this technology has been aggressively pushed by governments. In the U.S. alone, government subsidies for electric vehicles have been estimated as high as \$20 billion.

But according to Jeff Brown, Editor of the *Near Future Report*, the push to migrate from internal combustion engine (ICE) vehicles to electric vehicles isn't what most think.

Brown says there's a deeper story here...

Popular Motivation

The most popular motivation used by both consumers and governments is a simple one... EVs are better for the environment. They produce less, or no, pollution. Just ask Ms. Ocasio-Cortez.

But sadly, this is a logical fallacy.

Taken out of context, yes, an electric vehicle produces less pollution than an ICE vehicle. Or does it?

The answer lies in a simple question that is rarely ever asked... where does the electricity come from?



Why the Government Really Wants Us to Drive Electric Vehicles

Take a state like where I live, California. According to the California Energy Commission, 61.6% of energy used in the state comes from coal (fossil fuel), large hydro projects (damages natural habitats of freshwater rivers and lakes), natural gas (fossil fuel and California's largest individual power source), and nuclear energy (radioactive waste). And only 29% comes from renewable sources, two-thirds of that being solar and wind (we have all seen the wind towers near Palm Springs and the solar farms on the way to Las Vegas).

That means nearly 62% of the electricity used to power an EV in California comes from fossil fuels and energy sources that are highly destructive to the natural environment.

Surprising, isn't it?

And California is one of the best states in the country for generating renewable energy due to its sunny and, in some places, also windy climate.

Look at a state on the other coast, New York. The New York Times reports that 94% of its energy comes from natural gas (37%), nuclear (33%), and large hydro projects (23%).

That's right, 70% of the electricity fueling an EV in the state of New York is "burning" carbon or a form of nuclear power.

The point is, EVs are only as clean as the energy used to fuel them. Therefore, the use of EVs will not directly lead to a cleaner environment. So, if saving the environment isn't the real motivation for the adoption of EVs, then what is?

Flooded Market

One of their main advantages of EVs is that they are less complex vehicles.

Consider this: The average ICE car has 2,000 moving parts. The EV equivalent has just 20. That's just 1% of an average ICE. Incredible right?

As a result, EVs break down less often and are much cheaper to maintain. This makes them attractive to both automobile manufacturers and to consumers.

EVs also represent an attractive opportunity for automotive manufacturers because the market for ICE vehicles is so flooded.

More specifically, carmakers hoping to sell a new automobile have to compete with used cars. After all, a well-maintained used car can still accomplish the principle task of getting you where you need to go. But it comes at a significant discount.

In the case of EVs, a fairly new market for cars, there just aren't that many used cars on the market. The market for EVs is pretty much a greenfield opportunity.

It is this opportunity for profit, not concern for the environment, that motivates automakers to pursue EVs. In a capitalist economy, that's an understandable motivation.

But what about government motivations for EVs? What has the incentive been to stimulate this industry?

Orwellian Possibility

Governments typically tell the public that the EV subsidies are for environmental reasons. It's a simple explanation, but that's not the whole truth...

Many governments have offered economic incentives like discounted pricing, tax rebates and the use of priority driving lanes to encourage consumers to buy these new EVs.

There is certainly a hope that these kinds of incentives will become a catalyst for domestic corporations to invest in the technology, create new jobs, and hopefully manufacture these new EVs locally and thus stimulate the economy.

And there is plenty of truth to that, especially in markets that have existing automobile manufacturing plants.

But what if we step back further, and think even bigger picture?

Consider that the next evolution of EVs will be self-driving cars. EVs tend to be designed much more like upgradeable computers than traditional ICE vehicles.

Tesla is a perfect example. Software updates are pushed out to Teslas around the world, several times a year, to "upgrade" the cars.

Oftentimes, those software updates are new performance features for the car, like the self-driving functionality.

Why would a government push for the mass adoption of remotely-connected, self-driving cars? There are some very Orwellian possibilities that many are not considering.

Real Motivations





Why the Government Really Wants Us to Drive Electric Vehicles



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.

Self-driving cars must always be connected to a network. Tesla's EVs connect to its network over 4G wireless networks today, which will become 5G wireless networks beginning this year 2020.

And with this the government will know the location of every self-driving car at all times. And with the right authority, a self-driving car could be rerouted to a government's choice of location at any time.

For example, what if someone suspected of a crime was trying to "drive" out of state? The local government could simply reroute the car to the nearest police station.

And there's something else...

Consider Waymo, the self-driving division of Alphabet, the parent company of Google.

We should get a kick out of articles that claim Waymo's motivation is to become a manufacturer of self-driving cars... Yeah, right!

Google's motivation is simple: It wants to collect as much data as possible about consumers and sell that data to whoever will pay for it.

Think about it. According to the U.S. Department of Transportation, the average American driver spends about an hour a day in a car.

In a world where cars and taxis drive themselves, that frees up an hour of time to look at a screen, surf the internet, watch videos... and you guessed it... look at ads that are served to you.

Google is spending so much time and money on research and development on autonomous driving technology so that it can license that technology to car manufacturers in exchange for being able

to retain, and sell, the data that it collects. Plain and simple.

Force for Good

Now, in no way am I negative on new technological developments. Far from it. I am a complete proponent of bleeding edge technology. Our lives are about to improve exponentially in the coming years thanks to new technology.

Self-driving electric vehicles are a tool. And like any tool, they can be used for good... or bad.

Understanding the less obvious motivations in the world of technology is a critical part of being a responsible and full contributing citizen of the country who can make the best informed investment decisions for him/herself and family.

By looking beyond the "official reasons," we are better able to understand the direction of important technology trends and where are society is heading.

Here is to our informed decision making.



D. Miyoshi



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