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Financial Crisis Report

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Advancing in a Time of Crisis

Words of Wisdom: “Live as if you were to die tomorrow. Learn as if you were to live forever.” Mahatma Gandhi

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We are experiencing the most economically unstable period and socially erratic period in the history of the modern world. This period will be marked with extreme fluctuations in the stock, commodity and currency markets accompanied by severe and sometimes violent and deadly social disruptions including historic pandemics, conflicts, wars, riots and even regime changing coups. As is typical of such times, many fortunes will be both made and lost during this period. After talking with many business owners, executives, professionals, scholars 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 that exists. 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 historic 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.

The Challenge Asians face on Wallstreet



Photographer: Michael Nagle/Bloomberg

While pursuing an MBA degree in business school, I considered getting a job on Wallstreet after graduating. But several months before finishing school I received an offer to work as an international business lawyer at a major law firm. As an Asian American, after talking to my fellow business school students and considering the smaller number of attorneys in a major law firm, I thought climbing the ranks at a law firm could be less daunting and quicker than climbing the corporate executive ladder of a major bank or trading firm on Wallstreet. With the benefit of hindsight, it appears I could have been right.

Model Minority

Up until the eve of the Covid-19 crisis, the prevailing narrative about Asian Americans was one of the “model minority.”

The model minority concept, developed during and after World War II, posits that Asian Americans were the ideal immigrants of color to the United States due to their economic success.

But this so-called inclusion of Asians in American society has a dark side.

In reality, as cultural historian Robert G. Lee has argued, inclusion can and has been used to undermine the activism of African Americans, indigenous peoples and other marginalized groups in the United States. In the words of writer Frank Chin in 1974, “Whites love us because we’re not black.”

In 1943, a year after the United States incarcerated Japanese Americans under Executive Order 9066, Congress repealed the Chinese Exclusion Act. White liberals advocated for the repeal not out of altruism toward Chinese migrants, but to advocate for a transpacific alliance against Japan and the Axis powers.

By allowing for the free passage of Chinese migrants to the United States, the nation could show its supposed fitness as an interracial superpower that rivaled Japan and Germany. Meanwhile, incarcerated Japanese Americans in camps and African Americans were still held under Jim Crow segregation laws.

Back on Wall Street, Asian Americans are sometimes stereotyped as a “model minority” because of their economic success as a group. They can also seem like forgotten minorities or, sometimes, not even minorities at all. “Honorary whites” is one term. That is particularly so next to their Black and Latinx colleagues, who are statistically even less represented in upper management and, to some Asian Americans, appear to be the main focus of belated efforts on diversity and inclusion.

To many the catchall “Asian American,” coined in the 1960s as a phrase of empowerment, is overly broad. The roughly 5.9% of Americans who identify as people of Asian ancestry aren’t really a monolithic group. They comprise a multitude of ethnic groups and cultures, as well as stark economic realities: Asian Americans, often viewed in elite circles as more advantaged than disadvan-

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taged, have the largest income inequality within any racial community in the U.S.

On Wall Street, the presence of highly educated, well-paid Asian Americans can mask the issues of racism and economic disparities that exist in broader society.

Wall Street hierarchy

For Asians, the Wall Street model is to take in a multitude of college graduates a year, placing them on the bottom of a hierarchy where analysts and associates grind out long hours in support of merger deals or trading activity. By design, few junior bankers make it to the vice president or director level, where annual compensation typically reaches several hundred thousand dollars. Fewer still make it to managing director, where pay packages often total more than \$1 million a year.

As case in point is JPMorgan, the biggest U.S. bank by assets, where about 25,000 employees identify themselves as Asian. While roughly 1 in 4 of the bank's professional workers are Asian, just 10% are senior managers. At the very top of the organization, the bank's 18-person operating committee led by CEO Jamie Dimon includes just one Asian person, Sanok Viswanathan.

Some have had the realization that the playbook used by Asian Americans to reach a certain level of workplace achievement isn't enough anymore.

In a recent CNBC report a Morgan Stanley employee who asked his name be withheld said "Every bank is happy to hire a young Asian who will work double hard and is good at math and analysis but as time goes on however, I noticed how most of the people I knew in Wall Street never really progressed past VP level, and many were laid off when cost-cutting rounds came."

His explanation for this phenomenon is two-fold: Parents of Asian Americans drilled a set of principles into their children — study, work hard — that gets you past the first few hurdles at an investment bank, but that doesn't necessarily help people advance beyond that. Further, little emphasis is given to so-called soft skills like public speaking and finding mentors, things needed at higher levels, he said.

Some corners of Wall Street are friendlier for Asian Americans than others, he said.

When it comes to stock research, people only care if an analyst makes them money, he said. With mergers advice, however, the client is always right, and sometimes owners of mid-sized and small companies didn't want to work with nonwhite bankers, he said. In wealth management, Asian Americans often don't have the social connections to help them succeed.

And, just as with Black and Latinx employees, Asian Americans are hindered because managers are more likely to support and promote people who look like themselves, he said.

'A bit of bragging'



Tom Lee, Fundstrat Global Advisors
Scott Mlyn | CNBC

Tom Lee, the Fundstrat co-founder, said that in his 24 years on Wall Street before striking out on his own, he often saw the careers of Asian Americans stall. What hampers them from progressing is an aversion to drawing attention to themselves and the clubby nature of banking at higher levels, he said.

"I've seen that the most successful people are the ones who do a bit of bragging," Lee said. "Asians aren't really good at that, and I think that hurts us, because it's easy to not realize someone has a lot to offer if they aren't bragging about it."

Despite the general success of the cohort in the corporate setting, Lee says, Asian Americans haven't been involved enough in other areas of civic life, especially politics.

That may be changing, however. Kamala Harris, who is of Indian-Jamaican heritage, became the first "Asian American", Black and female vice president, and former presidential candidate Andrew Yang is a front-runner for New York mayor. Asian American voters were a key constituency in the last presidential election, casting a record number of votes in states where President Joe Biden eked out narrow victories.

Still, some of the Asian Americans interviewed by CNBC said they felt invisible at work. Or worse, given the recent spike in harassment and violence, some felt like permanent foreigners despite having lived in the U.S. for decades. Most Americans can't name a single prominent living Asian American, according to a recent survey.

The Challenge Asians face on Wallstreet

A big umbrella

Part of what has hamstrung an Asian American political movement is that the construct itself has always been an imperfect solution, a term created in the late 1960s to consolidate smaller cohorts to gain leverage amid the wider Civil Rights movement.

Today, the term Asian American includes people from more than 20 countries across East and South Asia, each with their own languages, food and culture. People who have familial roots in China, India, the Philippines, Vietnam, Korea and Japan make up about 85% of all Asian Americans.

In fact, the presence of most Asians in the U.S. can be traced to the Civil Rights movement, which established that a race-based system of laws was unjust.

After an initial wave of immigration to the continental U.S. in the 1850s, Asians were seen as a “yellow peril” and explicitly excluded from coming to the U.S. for nearly a century by laws including the Chinese Exclusion Act of 1882.

That changed after the Immigration and Nationality Act of 1965 opened up migration from Asia, Southern Europe and Africa, instead of solely favoring Western and Northern Europeans. The law would forever change the complexion of the country and happened only after the Civil Rights Act by President Lyndon Johnson.



President Lyndon Johnson signs the liberalized U.S. Immigration bill into law. Attending the ceremony on Liberty Island, (L-R) are: Vice President Hubert Humphrey; first lady Lady Bird Johnson; Mrs. Mike Mansfield (wife of the Senate Majority Leader); Muriel Humphrey; Sen. Ted Kennedy and Sen. Robert Kennedy, on October 4, 1965.

Bettmann | Getty Images

When Johnson signed the landmark immigration legislation in 1965, he was quoted as saying that the previous system “violated the basic principle of American democracy, the principle that values and rewards each man on the basis of his merit.”

Seminal moment



Alex Chi, Goldman Sachs

Source: Goldman Sachs

At Goldman Sachs, partner Alex Chi realized he had a part to play after the recent horror of the Atlanta shootings, at least within the confines of his 40,300-person firm. Some managers hadn’t been aware of the violence against Asian Americans, particularly in public areas like subway platforms.

Now, amid the company’s push to encourage more employees to return to Goldman’s headquarters in lower Manhattan, workers were speaking up, telling managers that they didn’t feel safe. Employees got permission to expense rideshares for their commute, and the bank invited public safety experts to offer advice, Chi said.

“In the past, they would’ve just sucked it up and done what they needed to do,” Chi said. “Now, our Asian American community here is speaking up, and they’re going to their managers and saying, ‘I’m not comfortable. Have you seen what’s going on?’”



CEO David Solomon meets with Asian partners and senior leaders of Goldman Sachs’ Asian Network

David Solomon | Goldman Sachs

Chi also reached out directly to CEO David Solomon, who quickly set up a roundtable meeting where he listened to senior Asian American executives air their concerns. When Solomon shared a photo of the event on social media and the bank’s internal homepage, it opened up the firm to many more discussions where managers acknowledged they hadn’t known what their Asian American

A Scientific Thesis on Stupidity

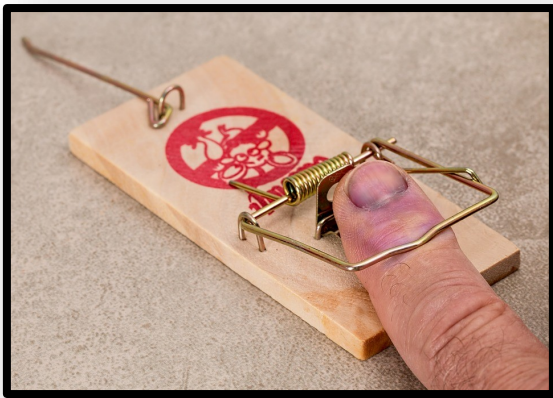
employees were going through, Chi said.

"When I walked out of that room with one of my partners, we turned to each other and said, 'Wow, this is a seminal moment, because here we are with our CEO, talking very openly about Asian American issues,' " Chi said. "That's never happened before."

With that said, things may now be changing for Asians on Wallstreet. And for that matter on Mainstreet as well as in the halls of Congress. That would be a good thing. We will see.

D. Miyoshi

A Scientific Thesis on Stupidity



I have done some pretty stupid things in my life and I suspect (or at least hope) that others have as well. The one thing I could not do is explain why I did those stupid things. Well, to my delight I found an intellectual who has made an attempt at scientifically explaining what constitutes human stupidity and how to protect oneself from it. On April 8, 2021 Kim Iskyan of Stansberry Research wrote an article entitled "How to protect yourself from stupid people". I hope you find it enlightening, if not amusing. D. Miyoshi

One of the human race's greatest enemies... 'The Basic Laws of Human Stupidity'... Are you stupid?... How to protect yourself from stupid people...

Most physicists would argue that nothing beats the strong nuclear force...

By that, I (Kim Iskyan) am talking about the bond between protons and neutrons in the nucleus of an atom. It's 100 times greater than the second-strongest force in physics – electromagnetic force, which binds atoms into molecules.

Both these forces trounce the force of gravity. That force is still powerful, though... It keeps the Earth, the stars, and the solar system

in the same galactic neighborhood.

On a different plane, Albert Einstein – who knew a thing or two about forces as one of the greatest physicists to ever live – once said that "the most powerful force in the universe" actually involved your money... He was talking about compound interest.

In the end, these are all powerful forces. They all play a role in making the Earth spin.

But on a day-to-day level, another force is as powerful as any of these...

It's stronger than anything offered by science, any government, or any military. It operates as if in total unity – though it's an unorganized group, without a leader.

Throughout history, this force has caused more harm – and done more to impede mankind's well-being, progress, and happiness – than anything else on Earth.

It's everywhere... And it's almost impossible to defend yourself against.

And even though we may not realize it, you (and I) may be part of the problem. I'll get to what I mean by that later in today's Digest, but for now...

I'm talking about human stupidity.

Stupidity may be one of the biggest existential threats to humanity... and to our way of life as we know it.

I know that's a big claim – and an unusual one to make in the Digest. But today, I'll explain how stupidity is one of the human race's biggest enemies, and one of our greatest challenges, in every aspect of life... including our finances and investments.

And the only way to overcome – or at least survive – the enemy is to know it...

True stupidity isn't what you might think...

It's not merely about doing dumb things or holding baseless opinions. From time to time, we all do dumb things...

We might be absent-minded, overconfident, or uninformed. We might do something stupid simply because we just can't help ourselves. ("I'll have just one more gin and tonic, please.") And then there's the kind of stupidity characterized by unfounded and baseless – but strongly held – opinions. ("Stocks always rally in May!")

These garden-variety examples of stupidity are relatively harmless. We do something dumb... We might feel silly about it... And then we move on.

But there's a big difference between harmless inanity – and hardcore, toxic stupidity.

What is stupidity then?

In 1976, an Italian economic historian named Carlo Cipolla – a grandfather of the small field of "stupidity studies" – wrote an essay called "The Basic Laws of Human Stupidity."

A cross between tongue-in-cheek satire and scholarship, it was at first published privately in a limited print run for friends and family. Two decades later, it became a bestseller when translations into Italian and other languages went into print... and then again in 2019, when it was finally published in the U.K. and the U.S. for the first time.

Cipolla's basic premise – the foundation of stupidity – is that a stu-



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pid person does things that hurt or disadvantage others... even if he doesn't derive any benefit from his actions, and although he may even suffer himself from his own actions.

To reasonable people, it's irrational to do things that hurt others without benefiting yourself in any way. As Cipolla explains, that's the crux of stupidity...

Our daily life is mostly made of cases in which we lose money and/or time and/or energy and/or appetite, cheerfulness and good health because of the improbable action of some preposterous creature who has nothing to gain and indeed gains nothing from causing us embarrassment, difficulties or harm.

Nobody knows, understands or can possibly explain why that preposterous creature does what he does. In fact there is no explanation – or better there is only one explanation: the person in question is stupid.

We've all been there...

The customer-service representative who seems to take pleasure in booking you on the wrong flight...

The colleague who doesn't keep the rest of the team informed...

The hedge-fund manager who takes on absurd levels of leverage and blows himself up – while destroying billions of dollars in shareholder value...

The politician who thinks the world is his stage, and nothing else matters...

The list is seemingly endless.

They're not careless, thoughtless, having a bad day, or in a difficult situation. Rather, they're stupid. And – to paraphrase the 1964 Supreme Court effort to define pornography – if you're not sure what I'm talking about... look around with this in mind, and you'll know it when you see it.

But Cipolla's definition of stupidity has nothing to do with intelligence, upbringing, or profession...

He takes a distinctly "un-woke" view that human beings are either born stupid or not... It's like blue eyes, six toes, or a particular type of blood.

According to Cipolla, you can't learn yourself out of stupidity... raise yourself above it... or overcome it. And it has nothing to do with social class or profession.

Over the course of his academic career, Cipolla wrote more than 20 books on economic and monetary history, with a focus on post-Middle Ages Europe. And he takes special aim at his fellow academics, as well as Nobel prize winners... The same fraction of all of them, he says, are stupid.

Stupidity isn't situational. And it knows no boundaries of culture, language, or upbringing. So it follows that stupid people are found everywhere – in any subset of society, as Cipolla explains in the Second Basic Law...

Whether you move in distinguished circles or you take refuge among the head-hunters of Polynesia, whether you lock yourself into a monastery or decide to spend the rest of your life in the company of beautiful and lascivious women, you always have to face the same percentage of stupid people.

And what is that percentage?

Far more than you might imagine, Cipolla warns in the First Basic

Law... which maintains that "everyone underestimates the number of stupid individuals in circulation." Cipolla doesn't estimate a specific percentage of stupid people in the world, since, well... it would be an underestimate anyway.

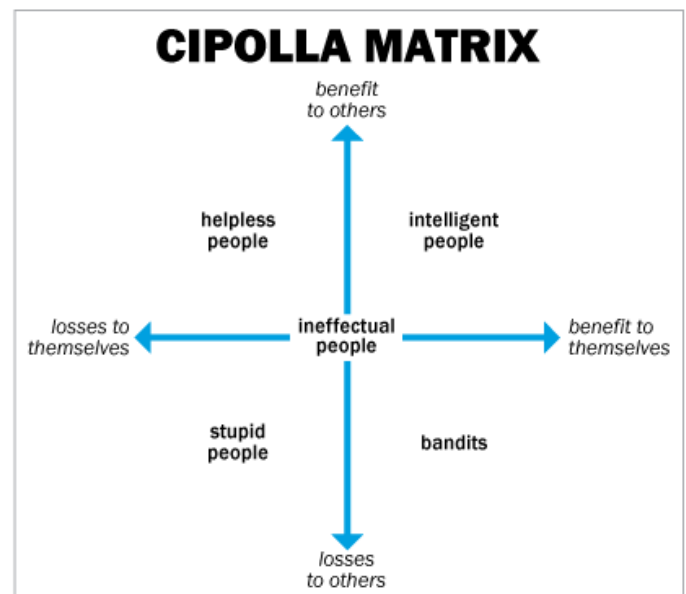
Not everyone is stupid, of course...

According to Cipolla, everyone who isn't stupid falls into one of three groups...

"Bandits" do things that hurt others, to their own benefit – like, say, a thief. Though focused on self-enrichment to the detriment of others, bandits do relatively less damage to society as a whole than stupid people... That's because they're at least looking to improve their own position, even if it's at someone else's expense.

"Helpless" people enrich others – inadvertently, usually – at their own expense, through their own actions. These are the folks who through their own naivety – not positive works – benefit others, and make themselves poorer while doing so.

Finally, "intelligent" people manage to do things that help themselves – as well as others. They're the only people who actually enrich society as a whole, and who push civilization forward.



www.stansberryresearch.com

Source: Carlo Cipolla

No one is purely one thing or another, of course... But everyone has one dominant characteristic. And everyone is at the mercy of stupid people.

And unfortunately, stupid people won't die out anytime soon...

You might think that stupidity would, over time, become extinct. It's a negative trait that doesn't contribute anything positive to humanity, after all.

Charles Darwin, the English naturalist who is best known for the theory of evolution and natural selection, believed that a species becomes extinct when it can't compete with other species... or when there's an environmental force (like climate change) that kills off a species.





A Scientific Thesis on Stupidity

But stupidity is the cockroach of attributes – it will survive rolled-up newspapers, Roach Motels, and nuclear war. Stupidity overwhelms, survives, and propagates.

And maybe even worse, stupid people will support further stupidity. As Cipolla explains, stupid people can vote...

Elections offer to all of them at once a magnificent opportunity to harm everybody else without gaining anything from their action. They do so by contributing to the maintenance of [the same level of stupidity] among those in power.

No matter which way you personally voted in the last presidential election, you're probably nodding in agreement right now. And that brings me to the next question...

Are you stupid?

Like morning breath, we'd all like to imagine that stupidity is something that afflicts others... but that we're immune. But just like we're unlikely to notice our own bad breath, we can't really tell if we're stupid.

Cipolla, who died in 2000 at age 78, doesn't tackle this question in his book... Maybe he worried that his readers might not see the humor in it.

But stupid people don't try to be stupid. They simply are.

Like the rest of us, stupid people don't view their motivations or actions as stupid. Stupidity doesn't allow for the rational introspection that would lead someone to conclude... "Yes, in fact, I am stupid."

However, it's not so bad. As an October 2020 article in *Commentary* magazine about the field of stupidity explains...

One of the paradoxes of Stupidity Studies is that the more you confront actual stupidity in everyday life, the more infuriating it is, whereas the more you contemplate it in the abstract, the more amusing it becomes.

Stupid can still be funny. And the way to stay sane is to keep away from it as much as possible.

And you have to be careful... Everyone is a potential victim of stupid people.

Cipolla's Fourth Basic Law explains that stupid people always do more damage than non-stupid people think they will... because the non-stupids are too rational to anticipate the irrational. As he writes...

One may hope to outmaneuver the stupid... But because of the erratic behavior of the stupid, one cannot foresee all the stupid's actions and reactions and before long one will be pulverized by the unpredictable moves of the stupid partner.

It doesn't help that bandits and intelligent people, as Cipolla writes...

... make the mistake of indulging in feelings of self-complacency and contemptuousness instead of immediately secreting adequate quantities of adrenaline and building up defenses.

To go a bit beyond Cipolla's treatise, perhaps the best way to foresee, and fight, stupidity is to behave like a defensive driver...

We're taught to assume that the other guy on the road doesn't see us... will take the corner too fast... is going to run the red light... will pass without being able to see oncoming traffic... and will generally do things that might hurt us, others, and himself, with no discernible benefit to anyone.

In other words, assume everyone else is stupid and work back from there...

What should you do when you identify stupid? Don't engage with crazy... Don't try to convert them... Just walk away.

You can also try to temper your reaction to stupidity with "Hanlon's razor." It's a rule of thumb that states...

Never attribute to malice that which is adequately explained by stupidity.

In other words... don't assume the other guy is out to get you. Instead, start with the premise that he's just stupid. He doesn't mean you harm... at least, not you personally. He means harm to everyone.

When it comes to the markets...

Cipolla's vision of stupidity suggests that stupid investors are happy to only break even... and want everyone else to do the same. And if they can cause losses for others, all the better.

Look at the ongoing Archegos episode. Here's a truly stupid investor who destroyed tens of billions of dollars in value – and bankrupted his own hedge fund in the process. This is an unfortunate example of stupidity at work in markets... It's the worst possible outcome for everyone involved.

The challenge for the markets is that stupidity overwhelms...

If one stupid person can be a problem, a herd of stupid people (say, lots of investors) is invincible.

They'll wind up doing what is ultimately worst for everyone involved. And they'll overpower – and convert – any intelligent people unfortunate enough to get caught in their midst.

Stupidity is irrational – but in different ways.

If all stupid people behaved the same way, it would be easy enough to figure out their pattern. If you could reliably predict how a mass of stupid people were going to invest, you could get ahead of them – and sell out to them.

But let me paraphrase classic Russian novelist Leo Tolstoy, who wrote...

All happy families are alike; each unhappy family is unhappy in its own way.

In the same way, if intelligence is predictable and rational, stupidity is irrationally different each time.

The best way to make money from stupidity is to avoid it as much as possible...

Whatever the herd is doing, you can be pretty sure that it's stupidity at work. That's true whether it's buying GameStop (GME), spending millions of dollars for a digital token, or dumping solid blue-chip stocks to pour money into some other trendy sector... and otherwise ignoring investment truths that have withstood the test of time.

And when you've identified stupidity in the markets, run the other way. (And certainly don't let stupidity manage your money for you!)

Stupid investors can make money... for a while. We've seen that happen in the examples just mentioned.

But at some point, things will crash down on them. And you don't want to be caught in the crossfire when that happens. You want to make sure you're safe from stupidity.

In contrast to the herds that drive stupid bubbles, intelligence travels its own path and thinks for itself. Not all contrarians are intelligent,



Blockchain is the Future

but you'll find a lot more non-stupid investors in their ranks.

Still, just to be sure, learn to protect yourself from the downside of others' stupidity...

For example, in addition to avoiding the impulse to make money by copying stupid people, use a trailing stop loss on your stocks. That will cap the damage to your portfolio if stupid people turn your intelligent investments upside down.

It's a simple way to protect yourself when you're surrounded by stupidity.

End of Article

Blockchain is the Future



A common physical chain is only as strong as its weakest link. But a weak link in an internet blockchain is nearly impossible to find.

What is a blockchain?

It is essentially a digital ledger of transactions that is duplicated and distributed across the entire network of computer systems on the blockchain.

The blockchain was invented by a person (or group of people) using the name Satoshi Nakamoto in 2008 to serve as the public transaction ledger of the cryptocurrency Bitcoin. The identity of Satoshi Nakamoto remains unknown to date. The invention of the blockchain for Bitcoin made it the first digital currency to solve the double-spending problem without the need of a trusted authority or central server. The Bitcoin design has inspired other applications and blockchains that are readable by the public and are widely used by cryptocurrencies.

So why is it important?

Because of the security it provides to the internet.

Consider this actual event that recently occurred.

In the space of an hour, a hacker destroyed Mat Honan's entire digital life...

The hacker managed to get hold of Honan's email address. Then used his email address to acquire more personal info. And with that, the hacker gained access to Honan's accounts.

First, the hacker took over Honan's Google account and deleted it. Then, he took over his AppleID account and erased all of the data on his iPhone, iPad, and MacBook.

Next, he targeted his Twitter account and used it to broadcast racist and homophobic messages.

Honan is not the only person to suffer a devastating breach of his personal data like this. And just this month, it happened to 533 million others.

The number is mind-boggling. It's 7% of the entire population of our planet. Or the equivalent of the combined populations of the United States and Brazil.

The target of the hack... Facebook users.

In this case, hackers stole phone numbers, full names, locations, email addresses, and biographical information. Even worse, they posted the information on a hacker forum for free.

As the world's largest social network, Facebook has an abundance of your personal information... which makes it a honeypot for hackers.

And that's a huge problem.

With just a little bit of information, hackers can take over your accounts and potentially ruin your digital life and more... just like they did to Honan.

That's because internet security is ineffective. And it has to do with how the internet is structured today. It has a "thin" protocol and "fat" application design.

"Penny Trade" Pays Warren Buffett as much as an extraordinary 4,429%?

In the technology world, a protocol is a set of rules. For the internet, it's TCP/IP. Nobody owns these protocols. Applications, or apps, are computer programs that run specific tasks.

Apps include simple programs like calculators, clocks, and word processors... to mobile apps like media players, games, instant messengers, and maps. Most internet security is at the app level. But what if we could secure our data and value at the protocol level?

And what if that protocol was one of the most secure networks in the world?

Protocols and Applications

As I mentioned above, a protocol is a set of rules. And apps are computer programs that run specific tasks.

The TCP/IP internet protocol is what's known as a "thin" protocol. TCP stands for transmission control protocol. And IP stands for internet protocol.

Without getting into the weeds, TCP/IP establishes a connection between two users so that they can send messages back and forth on the internet.



Blockchain is the Future

No one owns these protocols.

But according to a Harvard Business Review article, more than half the world's most valuable public companies have built business models on TCP/IP. That's \$5.4 trillion in value traced right back to a basic internet protocol.

And many of these companies have also built out their own apps. Examples include Google's YouTube, Facebook's Messenger, and Microsoft Word.

These companies own their applications. They accrue all the data and value from them. And they're responsible for their security. As Facebook's recent hack shows us, that's not very reassuring.

And the design of these apps is the problem. The way the internet is structured, apps become centralized honeypots of data for hackers. That's what makes them so insecure.

Think about it like this: Say you had \$1 million, and a bank gave you two options to secure it.

The first option is to put the entire \$1 million in a single lockbox in a bank vault. And the second option would be to divide your money across 100 secured lockboxes and put them in bank vaults across the world.

If all the bank vaults are the same, then the second option is much more secure. But the first option is how most of today's apps operate. A single, centralized location containing all the valuable data.

That's why Facebook's data breach was so damaging. Once hackers got in, they had access to everything.

But during the internet boom, most of the value came from investing in companies that created these marginally secure apps... not the protocols behind them.

That's why we call them "fat." The profit was in the apps, not the "thin" protocols.

But what if we had fat protocols and thin applications? And what if instead of one location holding all the valuable data, it was spread out across multiple locations?

The value would accrue to the protocol. And today, that's possible with the blockchain.

Turning the Internet Model Upside-Down

A good example is crypto's No. 1 smart-contract protocol, Ethereum.

No other platform can boast the numbers Ethereum can.

Its market cap of \$266 billion is more than double its closest competitor. Its 148 million unique addresses is more than any other platform. And now, it does almost 1.6 million transactions per day – more than any other blockchain, including Bitcoin.

On top of that, it's the leading protocol for decentralized apps (called "dApps"). Nearly 80% of all blockchain dApps are built on Ethereum.

One of the primary reasons projects choose Ethereum is for its robust security.

Whereas traditional apps store their data on centralized servers or networks... most dApps use the Ethereum blockchain for data storage.

That means the data is replicated across all the nodes in the network. And each node verifies all the transactions and data in the network. It's like dividing your \$1 million across 100 lock boxes and stashing them in safes around the world.

So to get to the data, you'd need to take over the entire Ethereum blockchain. And that's a daunting and practically impossible task.

A hacker would need to take over at least 51% of the network. That means buying billions of ETH on the open market. And then gaining control of thousands of nodes (the computers that keep a record of and/or verify ETH transactions) in the Ethereum blockchain.

The price of ETH would likely rise as the hacker buys. And it wouldn't go unnoticed by the vibrant Ethereum community, which undoubtedly would try to thwart any takeover attempts.

The cost is simply too high relative to the payoff.

That's why dApps are the future. They're way more secure than traditional apps in that the value or data they access is spread out across thousands of locations.

It's a huge opportunity...

In theory, all traditional apps could migrate to the blockchain. And we could see the value that now goes to companies such as Facebook go to blockchain protocols such as Ethereum.

The world's largest internet companies are collectively worth over \$7.5 trillion today, while the arguably more secure Ethereum is worth \$266 billion.

With hacks like Facebook's becoming ever more prevalent, we don't think users will be hesitant when better blockchain alternatives arrive.

Because as more centralized platforms are compromised in the coming months and years – and it will keep happening – the greater the appeal and shift toward Ethereum will become.

From the looks of it, Ethereum and blockchain are the wave of the future. It should be noted that in mid-May, Ethereum and practically every other cryptocurrency including Bitcoin suffered huge downturns in value. But in spite of this, the integrity of the blockchain continued totally intact. This is where the future lies.

D. Miyoshi



China is an Economic Paper Tiger



For years, we've heard story after story about the Chinese economic juggernaut, and how it's just a matter of a few years before China surpasses the U.S. as the world's largest economy. There's no question that China's growth has been enormous. The Chinese economy is about 75% the size of the U.S. economy and is growing faster.

But China's population is 4 times the size of the U.S. population. This means that on a per capita basis, China's economy is only about 18% as large as the U.S. economy. China also suffers from corruption, nepotism, and enormous bad debts.

None of this means China will collapse overnight. But it does mean that the demise of the U.S. as the global superpower is greatly exaggerated, and that China has a long way to go.

The following is an article that appeared on April 30, 2021 in *Project Syndicate* that explains in more detail where China fits on the world economic totem pole. It was written by Nancy Qian, Professor of Managerial Economics & Decision Sciences at Northwestern University's Kellogg School of Management and Director of the China Lab. I hope you find it elucidating. D. Miyoshi

The Two Sides of Chinese GDP

Many economists care more about China's per capita GDP, or income per person, than the aggregate measure. The key takeaway is that China remains a poor country, despite its phenomenal headline economic growth over the past four decades.

CHICAGO – Economic reporting about China focuses far too much on total GDP and not enough on per capita GDP, which is the more revealing indicator. And this skewed coverage has important implications, because the two indicators paint significantly different pictures of China's current economic and political situation. They also focus our attention on different issues.

A quick search through all English-language news outlets in the ProQuest database for the ten-year period from 2011-21 shows that 20,915 articles discussed China's GDP, whereas only 1,163 mentioned its GDP per capita. The difference was proportionally even

larger among the eight largest and most elite papers, including the New York Times, Wall Street Journal, and Washington Post, where 5,963 articles referred to Chinese GDP and only 305 discussed the per capita measure. In 2019, China's GDP (measured at market exchange rates) of \$14 trillion was the world's second largest, after that of the United States (\$21 trillion), with Japan (\$5 trillion) in third place. Aggregate GDP reflects the total resources – including the tax base – available to a government. This is helpful for thinking about the size of China's public investments, such as in its space program or military capacity. But it has much less bearing on Chinese people's everyday lives. Most economists therefore care more about China's per capita GDP, or income per person, than the aggregate measure. And the key takeaway here is that China remains a poor country, despite its phenomenal headline GDP growth over the past four decades. China's per capita GDP in 2019 was \$8,242, placing the country between Montenegro (\$8,591) and Botswana (\$8,093). Its per capita GDP in purchasing power parity (PPP) terms – with income adjusted to take account of the cost of living – was \$16,804. This is below the global average of \$17,811 and puts China 86th in the world, between Suriname (\$17,256) and Bosnia and Herzegovina (\$16,289). In contrast, GDP per capita in PPP terms in the US and the European Union is \$65,298 and \$47,828, respectively. To understand the extent of poverty in China, we also need to consider the degree of inequality across its large population. China's current level of income inequality (measured by the Gini coefficient) is similar to that found in the US and India. Given that 1.4 billion people live in China, the country's inequality implies that there are still hundreds of millions of impoverished Chinese.

The Chinese government has said that 600 million people have a monthly income of barely CN¥1,000 (\$155), equivalent to an annual income of \$1,860. Of these people, 75.6% live in rural areas. To leave the ranks of the world's poorest countries, China must significantly boost the incomes of a population about the size of that of Sub-Saharan Africa, and with a similar average income of \$1,657. And the Chinese government is aware that it must do so in order to maintain popular support. All else being equal, it will be preoccupied for at least another generation by the need to increase domestic incomes. But all else is rarely equal in politics, and governments can also bolster their popular support in ways that do not foster economic growth. The Chinese government, for example, emphasizes its role in defending the population against external or impersonal forces, such as earthquakes or the COVID-19 pandemic. It has also recently adopted an assertive stance regarding territorial disputes in the South China Sea and along the Chinese-Indian border. Western countries have responded to these and other Chinese actions in a variety of ways. The US is ramping up its military presence in the South China Sea, while China also faces the threat of economic sanctions and a boycott of the 2022 Beijing Winter Olympics because of human-rights concerns. Experience suggests that sanctions, boycotts, and military pressure are unlikely to achieve their intended aims. Russia, for example, has faced Western economic sanctions since 2014 – and US President Joe Biden's administration recently announced further punitive measures – but the Kremlin has persisted in its policy of occupation in eastern Ukraine's Donbas region. Likewise, the boycotts of the 1980 Moscow Olympics and the 1984 Games in Los Angeles had little effect on either side in the Cold War. On the contrary, military aggression often provokes a political backlash in the targeted country and strengthens support for its government. Economic sanctions can have similar effects and solidify public opinion behind more hardline policies.



Covid Lockdown Stops Businesses but not Disease

The backlash effect is easily observed in China nowadays. Many Chinese think the West is seeking to reassert political dominance and feel painful reminders of colonialism and World War II, when China lost 20 million people, more than any country except the Soviet Union. The strong emotions triggered by Western policies toward China overshadow the fact that some of China's actions are troubling countries like India, Vietnam, and Indonesia, which also suffered brutal colonial policies. These emotional reactions also distract attention from important domestic issues, not least the need to boost incomes. China's poor, most of whom probably care little about border disputes or international sporting events, will bear the brunt of any collateral damage. To engage effectively with China, other countries should remember: contrary to first impressions, it is not an economic monolith. Behind the world's second-highest GDP are hundreds of millions of people who just want to stop being poor.

End of Article

Covid Lockdown Stops Businesses but not Disease

Maybe it's a surprise or maybe it's not. But statistics are now emerging showing that the Covid lockdowns did little to reduce the disease but actually did much to reduce business. In fact, scientific evidence was actually available back in 2006 that shows lockdowns don't work to contain a virus. Meanwhile, evidence from the 50 states in the U.S. and 30 countries around the world shows there is no correlation between lockdown policies and virus spread. You could order extreme, moderate or no lockdowns and the results in terms of case-loads and fatalities were the same.

But lockdowns did destroy businesses and jobs. Large parts of the economy were simply destroyed and will never recover – they're gone. The costs are in the trillions of dollars of lost wealth and output. Much of the lost wealth is permanent.

Growth will return but will be weak. Investors should go into the post-pandemic world with clear vision. The government was wrong in the policy response and they're wrong again in their rosy scenario forecasts.

To belabor this point, I present here an article by Eileen AJ Connelly that appeared in the *New York Post* on May 1, 2021. I hope you find it informative. D. Miyoshi

COVID lockdowns cost countless jobs, don't appear to have saved lives: study



A closed down restaurant on MacDougal Street in Greenwich Village. Stephen Yang

We've locked down the economy instead of the virus.

Jobs are recovering slower in New York and other states holding on to stringent COVID-19 restrictions than in states that fully reopened their economies, even though continued lockdown measures don't appear to be saving lives, an ongoing study by WalletHub shows.

Measures like limiting travel, keeping restaurants operating below capacity and leaving non-essential businesses closed have kept unemployment in New York State among the highest in the nation, while states with fewer restrictions are seeing jobs bounce back faster from the pandemic-induced recession, the study shows.

Tragically, the data also suggests lockdowns didn't do much to help save lives throughout the pandemic, while it's clear that they sent millions to the unemployment line.

WalletHub started ranking states' lockdowns in May 2020, using a formula that assigns a numerical value to mask mandates, large-gathering limits, school closings, "shelter in place" requirements and other measures put in place to try to stop the spread of the deadly coronavirus. The rankings did not account for things like population density, the close quarters in urban households or use of public transportation, all of which play a role in virus transmission.



A shuttered business in New York City, where COVID restrictions led to high job losses.

At the beginning of the pandemic, with the metro area besieged by the virus, WalletHub scored New Jersey's lockdown measures the strictest in the country, followed closely by New York.

On the other end of the rankings, South Dakota, which imposed almost no restrictions, sat on top of the openness ranking, with Utah second.





Covid Lockdown Stops Businesses but not Disease



People gather to celebrate Easter at the Cathedral of Saint John the Baptist in Charleston, South Carolina. The state ranked among the least restrictive.

Daniel Slim/AFP via Getty Images

Over the course of the year, states imposed and eased a variety of restrictions in response to the level of virus cases and COVID-19 deaths. Where lockdowns were lifted, unemployment fell, but the restrictions didn't seem to nudge death rates.

By March 8, 2021, for example, New Jersey had recorded 2,656 deaths per 1 million residents, while New York had 2,500 per 1 million residents, according to the Covid Tracking Project. South Dakota had 2,149 deaths per 1 million residents, but loose-rules Utah had just 617.

A new study shows that the states with the toughest COVID restrictions have some of the highest unemployment rates, but differences in death rates aren't discernible.

STATE	UE THRU MARCH	MOST STRICT	HIGHEST DEATH RATE
HI	1 ST	1 ST	51 ST
NY	2 ND	5 TH	2 ND
NM	3 RD	7 TH	14 TH
CT	3 RD	11 TH	7 TH
CA	3 RD	2 ND	29 TH

Source: Bureau of Labor Statistics; WalletHub. Restrictions ranking calculated using formula measuring mask mandates, restaurant closures, gathering limitations and other restrictions.

A new study shows that the states with the toughest COVID restrictions have some of the highest unemployment rates, but differences in death rates aren't discernible.

STATE	UE THRU MARCH	MOST STRICT	MOVERS LEAVING
NJ	8 TH	4 TH	70%
NY	2 ND	5 TH	67%
IL	12 TH	18 TH	66%
CT	3 RD	11 TH	63%
CA	3 RD	2 ND	59%

STATE	UE THRU MARCH	MOST STRICT	MOVERS ARRIVING
ID	46 TH	47 TH	70%
SC	27 TH	37 TH	64%
OR	21 ST	17 TH	63%
SD	50 TH	51 ST	62%
AZ	15 TH	19 TH	62%

Source: Bureau of Labor Statistics; United Van Lines National Migration Study

Data collected by moving companies showed that states with tougher COVID restrictions and corresponding high unemployment saw more people move away, while loose-rule states with low unemployment saw more people arrive.

The study found little correlation at all between the strictness of lockdown measures and death rates.

In WalletHub's latest calculations from early April, 13 states — including New York, New Jersey and California — plus Washington D.C., still had tight restrictions in place, but were also seeing relatively high death rates.

Meanwhile, 12 states had tight restrictions and low death rates.

Of states with fewer restrictions, 12, including Florida and Texas, had death rates comparable to New York and New Jersey. Meanwhile, 13 states, including Connecticut had both few restrictions and low death rates.

Over the last year, the strictest lockdown states had an average 1,423 COVID-19 deaths per million people, while the lockdown-light states saw nearly-equal average mortality of 1,449 per million people.



New York ranked second in unemployment through March.

Andrew Lichtenstein/Corbis via Getty Images



Covid Lockdown Stops Businesses but not Disease

Denis Nash, an epidemiologist at the CUNY School of Public Health, said the side-by-side comparisons don't capture all the relevant information that go into evaluating whether lockdowns were effective.

States put lockdown measures in place at different times, or avoided interventions because they were seeing different scenarios play out, he noted. Some shut down with little sign of the virus, while New York had a raging epidemic underway by the time lockdown was imposed.



Arizona, though March, had been 19th most strict and was 15th in unemployment.

Michael Gonzales/NBAE via Getty Images

"What if New York didn't lock down last March?" he asked. "We would have seen many many more deaths over a rapid period."

"Context matters," Nash said.

The data comparing ongoing restrictions and lingering unemployment shows a much clearer relationship.

New York, ranked fifth for its still-tough restrictions, had the second highest unemployment rate in the nation in March.



A job center in California, which ranked second in most strict restrictions in the country. AP

Connecticut, 11th on the restrictions ranking, was tied for third-worst unemployment with California, ranked second for restrictions, and New Mexico, which ranked seventh for its lockdown measures.

New Jersey was fourth on the list of still-strict prevention measures, and had the eighth-highest unemployment.

WalletHub analyst Jill Gonzalez conceded that the states with the highest unemployment now were also topping the charts before the pandemic. But, she said, it's also clear some states have bounced back to a better position than they were in before the lockdowns. Some Midwestern states, "have actually seen a little bit of an unemployment decrease," compared to pre-pandemic, she said.



Fans sit among the cut outs as they watch warm-ups between the New Jersey Devils and the New York Islanders at Prudential Center.

Elsa/Getty Images

Meanwhile, states that imposed severe lockdowns were also the ones that saw the greatest exodus of residents in 2020, according to an annual study from United Van Lines. States that moved quickest to reduce or eliminate lockdowns are also among the top destinations for movers.

The study on state migration found the top states to move away from were New Jersey, New York, Illinois, Connecticut and California, all high-restriction states.



Florida has had fewer restrictions on opening businesses than New York.

Matias J. Ocner/Miami Herald via AP

DEFI, the way to defy Wallstreet

The top states to move into were Idaho, South Carolina, Oregon, South Dakota and Arizona – all except for Oregon categorized as low restriction states by WalletHub.

Ironically, the state with the highest percentage of inbound residents was Vermont, which as of April 6 had the tightest COVID-19 restrictions still in place.

End of Article

DEFI, the way to defy Wallstreet



Saundra Hill Scott arrived at the Fort Myers courthouse with one goal: To save her house from foreclosure.

She had all her mortgage bills and all the docs from her lender. She was prepared to fight.

But she never got the chance.

The judge asked her just two questions. Then, he told Saundra that she, her husband, and their three grandchildren had 60 days to work out a deal or vacate the property.

Saundra didn't want to go down without a fight. So, she pressed the judge to look at her paperwork. The judge's response: "I don't need to see that. That's between you and the bank."

Saundra had just experienced the "rocket docket."

You see, Florida had a problem in 2009. The state's court system was overwhelmed dealing with all the foreclosures from the Great Recession.

So, officials had to create a special court. Its mandate was to rubber-stamp foreclosures and get them through the system as quickly as possible.

Then the banks could sell the properties again – this time with clean paperwork.

The judges, who were brought out of retirement, saw 1,000 cases per day. That meant the average homeowner got just two minutes to make their case.

Hence the name "rocket docket."

Millions had the same experience as Saundra in 2009. And it's a prime example of how Wall Street can screw over Main Street.

It was the banks that packaged up subprime mortgages to sell, despite not having the proper documentation.

It was the rating agencies who gave these mortgages top-quality AAA ratings, despite the obviously low-quality loans. All so they could collect fees.

In other words, the banks created complex financial products to profit from as the whole scheme collapsed.

And when it finally came to the day a homeowner could defend themselves in court, they changed the rules with the "rocket docket."

Bruce Springsteen summed up the situation quite succinctly at the time:

"High times on Wall Street, and hard times on Main Street."

When Wall Street Loses, It Changes the Rules

A few months ago, we saw a similar Wall Street story play out in the GameStop and Robinhood saga.

As you've probably heard by now, it started with a group of small-time traders from an online forum called r/WallStreetBets, hosted on the social media site Reddit.

They noticed Wall Street was heavily short GameStop (GME), meaning it was betting on the stock going down. Wall Street's short position was so heavy that it had sold short nearly 140% of GameStop's outstanding shares... 40% more shares than actually existed.

So the members of r/WallStreetBets started a short squeeze. That's where you buy a stock being shorted, push the price higher, and force the shorts to cover their position.

The short squeeze was successful, with GME running from \$20 to nearly \$500 in less than a month.

It put some members of r/WallStreetBets up millions. But the problem was, establishment investors were losing billions.

So, Wall Street stepped in and once again changed the rules.

Several brokers, including Robinhood, restricted the ability to transact in highly shorted stocks like GameStop.

They also raised margin requirements, forcing some investors to quickly come up with more capital.

Wall Street's tactics worked, and GameStop traded south of \$70 in the weeks that followed...

As a result, many small-time traders got crushed. YouTuber David Dobrik, for example, documented how he lost \$85,000 once the restrictions went into place.

Now, it's worth noting that GameStop is still up more than 920% year to date...

And considering Robinhood's hollow claims of democratizing investing, the whole GameStop saga has left Main Street skeptical of Wall Street and institutional brokers. So, Bruce Springsteen's quote is as apropos as ever.

Now, many experts talk about ways to fix the existing financial system to alleviate these disparities.

But "the existing financial system" is the problem...

Gates Bizarre Prenuptial Arrangement

What people need is a place where they can hold and lend assets in their own name.

That's not how Wall Street works. But it is how DeFi (decentralized finance) works.

So, what exactly is DeFi?

DeFi is a broad category of financial applications being developed on open, decentralized networks.

The goal is to build a financial system native to cryptocurrencies that recreates and improves upon legacy financial systems.

And several features make DeFi much better than their traditional finance alternatives...

DeFi provides financial services to anyone with an internet connection, boosting financial inclusion. Your wealth, status, or location don't determine access.

Records are kept simultaneously across thousands of computers instead of a central server. That makes them incredibly secure and resistant to hacking.

And most importantly, no central party is needed to ensure a valid transaction. In a DeFi system, you completely control your assets. So a third party like Robinhood can't prevent you from trading your shares to anyone else.

For most of us, DeFi is entirely new. And it's different from what we're used to in traditional finance, which means it'll require us to deal with changes we might not understand at first.

But it's the future. And it's going to become an increasingly important part of our lives.

That's why we want to be at the forefront of this revolution... And ready to take advantage of new opportunities at a moment's notice.

Main Street's Secret Weapon

One of the most exciting opportunities in DeFi today is a new subclass of cryptos called "Tech Royalties."

And unlike Robinhood's claims of democratizing finance and giving investors more control, Tech Royalties will truly disrupt the traditional financial system.

Tech Royalties are relatively easy to understand. If you know how a traditional royalty works, then you understand how Tech Royalties work.

Just like musicians receive a royalty payment every time their songs are played, Tech Royalties pay investors as the underlying crypto projects grow and expand.

They're a brand-new way for blockchain projects to drive the adoption of their technology by allowing investors to take part and cash in on a crypto's success.

How will platforms like Robinhood or traditional brokerages compete against DeFi projects where investors are truly in control of their assets and are also rewarded for holding them?

They can't. And that's why Tech Royalties are just the beginning of a trend that's going to upend many of today's dominant financial giants.

They'll also make early investors very wealthy.

So continue to watch DEFI. It will surely change how we live and

conduct business.

D. Miyoshi

Gates Bizarre Prenuptial Arrangement (i.e. it's not an agreement)

Many are intrigued by Bill Gates' recent controversial announcement that he will divorce. Here are two reports were recently published in *the Daily Mail* and *the Guardian* that may shed some light on the reason for Gates' decision to divorce. I present them for your reading consideration. D. Miyoshi

Reported Arrangement in Bill Gates' Marriage Would Be a Red Flag to Many Christian Couples



In the wake of the COVID-19 pandemic, Bill Gates has been elevated by the media to the status of some sort of omniscient expert who knows everything there is to know about viruses and how societies should deal with them.

Gates has been seemingly everywhere over the course of the last year, pontificating endlessly about how people should live their lives and in precisely which ways everything about their lives should be micromanaged.

And now, to the surprise of many, it appears that Gates, like many other busybodies, had neglected to put his own house in order before telling others how they should live.

On May 3, Bill Gates and his wife Melinda announced on Twitter that after 27 years of marriage, they would be divorcing, saying that "we no longer believe that we can grow together as a couple in this



Gates Bizarre Prenuptial Arrangement

next phase of our lives.”

The reasons for the Gates’ divorce are private, and we will probably never know the full set of reasons for their decision. However, the couple did have an especially odd and unconventional agreement between them that it’s reasonable to speculate may have strained the marriage and eventually destroyed it.

Friends with Benefits?

According to a recent report published in *the Daily Mail*, Gates originally met a woman named Ann Winblad back in 1984 at a Ben Rosen-Esther Dyson computer conference. The two started dating and were in a relationship for the next three years. It appears that they broke up because Winblad was ready for marriage, but Gates was not.

However, what’s bizarre about this is that Gates and Winblad continued not only to stay in touch but to regularly see each other for many years thereafter.

Indeed, when Bill Gates finally decided to marry Melinda in 1994, one of the conditions of their marriage was that Bill be allowed to spend one long weekend every year alone with Ann Winblad at her beach house in North Carolina.

In an interview in 1997, Gates even revealed that he called Winblad and asked for her approval before deciding to marry Melinda.

Again, no one but the Gates’ themselves ultimately knows the real reasons for their decision to split up, but any reasonable person would agree that there’s something extremely suspicious about a man telling his wife that he wants to spend weekends alone with his ex-girlfriend.

As has by now been widely publicized, the Gates had no prenuptial agreement, even though Bill was already a billionaire at the time he married Melinda. The Gates also have three children: Jennifer, 24; Phoebe, 18; and Rory, 21.

We can now safely add Bill Gates’ name to the long list of elites who struck a high and impressive moral posture in public but who were corrupt — or at least did highly questionable things — in private.

Epstein?

Perhaps a more compelling reason for Bill and Melinda’s breakup is explained in an article that appeared in *the Guardian* on May 10, 2021 entitled “Melinda Gates began divorce moves at time Bill’s meetings with Jeffrey Epstein revealed”

The article reads:

Melinda French Gates had concerns about her husband’s dealings

with the convicted sex offender Jeffrey Epstein when she consulted lawyers to explore the option of divorcing the Microsoft billionaire Bill Gates, according to reports.

The billionaire philanthropists announced their decision to divorce last week after declaring their marriage “irretrievably broken” — but did not explain why.

The Wall Street Journal reported that in 2019 Melinda, 56, hired a team of lawyers from several high profile law firms to discuss a possible divorce. The Journal said several of its sources had said Melinda was concerned about her husband’s business dealings with Epstein, who killed himself in jail in 2019 while awaiting trial on federal charges related to sex trafficking.

Melinda is said to have expressed unease at Bill’s relationship with Epstein since at least 2013. Her meeting with divorce lawyers in October 2019 is said to have taken place at roughly the same time as a New York Times article detailed Bill’s meetings with Epstein, which included an overnight stay at Epstein’s New York mansion.

The article, which detailed Epstein’s connections with the rich and powerful, said none of them “compared in prestige and power to the [then] world’s second-richest person, a brilliant and intensely private luminary: Bill Gates. And unlike many others, Mr Gates started the relationship after Mr Epstein was convicted of sex crimes.”

The Daily Beast reported that Melinda, who has recently introduced her maiden name, French, into her social media profiles, warned her husband about associating with Epstein in 2013.

The website said Melinda was furious with Bill for meeting with the wealthy sex offender and it proved to be “a turning point for the Gates’ relationship”.

A spokesperson for Bill told the Journal the 65-year-old stood by a statement about Epstein given to the New York Times in 2019. In that statement he said: “I met him. I didn’t have any business relationship or friendship with him.

“I didn’t go to New Mexico or Florida or Palm Beach or any of that. There were people around him who were saying, ‘Hey, if you want to raise money for global health and get more philanthropy, he knows a lot of rich people.’

“Every meeting where I was with him were meetings with men. I was never at any parties or anything like that. He never donated any money to anything that I know about.”

The Journal said its sources claimed that Bill and Epstein first met in 2011, several years after Epstein reached a deal with authorities and was sentenced to 13 months confinement for soliciting prostitution from underage girls. The conditions of that 2008 deal were a source



Generals and Admirals issue dire warning about Biden

of controversy 11 years later, when Epstein was charged with sex trafficking. Found dead in a New York jail, he was deemed to have killed himself.

Melinda could become the world's second-richest woman, with a fortune estimated at \$73bn. According to the Bloomberg billionaires index, Bill Gates is currently ranked as the world's fourth-richest person, with wealth totaling about \$146bn.

A 50-50 split is possible because the divorce petition filing also reveals that the couple – who married in 1994 after first hitting it off playing Cluedo (she won) – did not sign a prenuptial agreement, and under Washington state law divorcing couples are expected to share their assets equally.

The current richest woman is Françoise Bettencourt Meyers, the 67-year-old L'Oréal owner, whose inherited fortune is now worth about \$83bn.

“After a great deal of thought and a lot of work on our relationship, we have made the decision to end our marriage,” the pair said in a recent joint statement announcing the divorce. The Gateses have said that they plan on remaining co-chairs and trustees of the \$43bn Bill & Melinda Gates Foundation. The billionaire investor Warren Buffett, 90, serves as the foundation's third trustee. All three have vowed to give away the vast majority of their wealth.

End of Articles

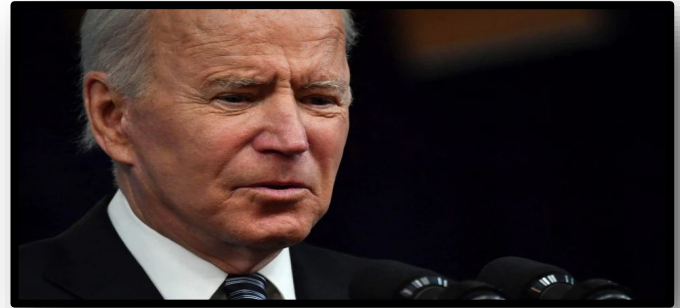
Generals and Admirals issue dire warning about Biden

In early May of 2021, 126 Ex-Generals and Admirals issued a signed letter warning of the dangers presented by Joe Biden, a sitting president of the United States of America. Of such letters, this is a first.

The details of this warning are outlined in an article released on May 13, 2021 written by Ryan Saavedra of the *Daily Wire*.

Following is the article. D. Miyoshi

126 Ex-Generals, Admirals Warn About Biden: U.S. In 'Deep Peril,' Health A Concern, 7 Red Flags Emerging



More than 120 retired generals and admirals from the United States Armed Forces warned in a letter this week that the U.S. was entering a state of “deep peril” under the leadership of President Joe Biden and even called into question his physical and mental health.

The letter, which came from a group called “Flag Officers 4 America,” said that the country was in a fight for survival as a constitutional republic against Marxist forces that seek to destroy American's rights.

“The Current Administration has launched a full-blown assault on our Constitutional rights in a dictatorial manner, bypassing the Congress, with more than 50 Executive Orders quickly signed, many reversing the previous Administration's effective policies and regulations,” the letter states.

The letter expressed concern over what it called “population control” measures, including “excessive lockdowns, school and business closures,” and big tech censorship.

The letter highlighted the following key policy concerns that the former top military officers had:

1. Open borders jeopardize national security by increasing human trafficking, drug cartels, terrorists entry, health/CV19 dangers, and humanitarian crises. Illegals are flooding our Country bringing high economic costs, crime, lowering wages, and illegal voting in some states. We must reestablish border controls and continue building the wall while supporting our dedicated border control personnel. Sovereign nations must have controlled borders.
2. China is the greatest external threat to America. Establishing cooperative relations with the Chinese Communist Party emboldens them to continue progress toward world domination, militarily, economically, politically and technologically. We must impose more sanctions and restrictions to impede their world domination goal and protect America's interests.
3. The free flow of information is critical to the security of our Republic, as illustrated by freedom of speech and the press being in the 1st Amendment of our Constitution. Censoring speech and expression, distorting speech, spreading disinformation by government officials, private entities, and the media is a method to suppress the free flow of information, a tyrannical technique used in closed societies. We must counter this on all fronts beginning with removing

Learning Disorders

Section 230 protection from big tech.

4. Re-engaging in the flawed Iran Nuclear Deal would result in Iran acquiring nuclear weapons along with the means to deliver them, thereby upsetting Mideast peace initiatives and aiding a terrorist nation whose slogans and goals include “death to America” and “death to Israel”. We must resist the new China/Iran agreement and not support the Iran Nuclear Deal. In addition, continue with the Mideast peace initiatives, the “Abraham Accords,” and support for Israel.

5. Stopping the Keystone Pipeline eliminates our recently established energy independence and causes us to be energy dependent on nations not friendly to us, while eliminating valuable US jobs. We must open the Keystone Pipeline and regain our energy independence for national security and economic reasons.

6. Using the U.S. military as political pawns with thousands of troops deployed around the U.S. Capitol Building, patrolling fences guarding against a non-existent threat, along with forcing Politically Correct policies like the divisive critical race theory into the military at the expense of the War Fighting Mission, seriously degrades readiness to fight and win our Nation’s wars, creating a major national security issue. We must support our Military and Vets; focus on war fighting, eliminate the corrosive infusion of Political Correctness into our military which damages morale and war fighting cohesion.

7. The “Rule of Law” is fundamental to our Republic and security. Anarchy as seen in certain cities cannot be tolerated. We must support our law enforcement personnel and insist that DAs, our courts, and the DOJ enforce the law equally, fairly, and consistently toward all.

The letter also called into question Biden’s physical and mental health, which comes after Biden repeatedly fell while trying to board Air Force One and has appeared to struggle to remember things while in office.

“The mental and physical condition of the Commander in Chief cannot be ignored,” the letter stated. “He must be able to quickly make accurate national security decisions involving life and limb anywhere, day or night. Recent Democrat leadership’s inquiries about nuclear code procedures sends a dangerous national security signal to nuclear armed adversaries, raising the question about who is in charge. We must always have an unquestionable chain of command.”

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Learning Disorders

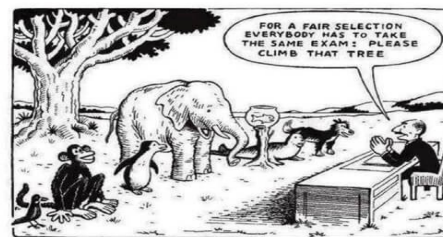


When I was very young, all I wanted to do was read comic books and play cowboy and Indians. I was a daydreamer and didn’t do well in formal school. Fortunately, my parents were patient with me.

One of the greatest tragedies of education is our attempt as parents, as teachers, to label our children. Whether we label them as difficult, a daydreamer, hyperactive, dyslexic, or as simply having a learning disorder, we attach with it a negative connotation. What does this do to our children?

It likely inhibits them from becoming who they are.

Some believe the following cartoon depicts our current education system.



Our Education System

How Children (and adults) Learn

Have you ever wondered how you learn? We are not talking about your education as a child or as an adult. We are talking about how you learn. Obviously, there are things you know NOW that you didn’t know as a new college graduate.

So, how did you learn those things? Who taught you? Who created the curriculum for you to learn?

If one were to guess, we could say you found something that interested you, you used your strengths, you talked to others about it, and applied a good amount of passion. And then you learned something.

In your own eyes, maybe it wasn’t something spectacular. Maybe it was how to build a tree house for your kids, or how to make homemade bread. Maybe it was creating art, or learning how to play an instrument.

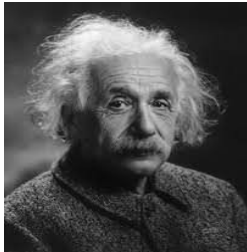
Maybe what you do best can help others, and you learned how to distribute that skill to others. Maybe you’ve even turned it into a profitable business. Maybe you learned how to enact your passion, or just a step on the journey towards making your passion real. Either way, you didn’t need somebody to assign it, and you didn’t need a curriculum to learn it.



Learning Disorders

The following is taken from an article recently featured in *Pinterest* that shows the learning problems some notable people had when they were young.

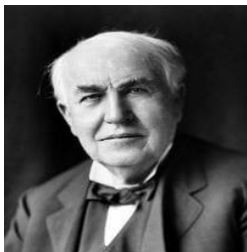
Meet Albert



Albert was labeled a slow-learner as a young child in elementary school. He got average grades. Albert loved to stack a house of cards and got very good at it. He also loved to build toy models. Albert struggled with long division and hated to memorize. He didn't like sports and was considered by many as "dull-witted". His teacher suggested that he leave school at 15, which he did.

Albert Einstein became a Nobel Prize-winning physicist, famous for his theory of relativity and contributions to quantum theory and statistical mechanics.

Meet Thomas



Thomas was a daydreamer. His teachers labeled him "addled" and a slow learner. His mother decided to homeschool him instead.

Thomas Edison became the most famous and productive inventor of all time, with more than 1,000 patents in his name, including the electric light bulb, phonograph, and motion picture camera. He became a self-made multimillionaire and won a Congressional Gold Medal.

Meet Walt



Walt struggled in school and was dyslexic. He dropped out at 16 and became an artist instead.

Walt Disney became a multimillionaire founder of the Walt Disney Company and after winning the Presidential Medal of Freedom, he received an honorary high school diploma at age 58.

Meet John



John was a poor speller and had serious problems in school. He later discovered a love for music and lyrics.

John Lennon started a band called The Beatles, and is widely considered to be one of the greatest pop songwriters of all time

Meet Thomas



Thomas struggled in school and his teachers said he was incapable of learning. He didn't learn to read until he was nine.

Thomas Jefferson became the author of the Declaration of Independence



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ence and the Statute of Virginia for Religious Freedom, third president of the United States, and founder of the University of Virginia.

Meet George

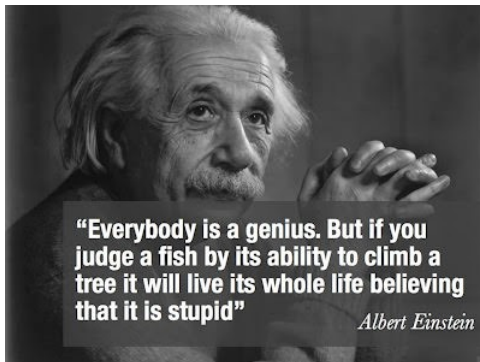


George had trouble spelling and was told he had trouble learning.

George Washington became probably the best known founding father of the United States and the first U.S. President.

“Every Child is a Genius”

In certain ways every child is a genius. Further, I believe that every child has strengths and weaknesses however if every child is made to fit into a perfect square, then many children will fail.



It's certainly something we all need to think about.

D. Miyoshi

Japan is the only country in the G7 that does not legally recognize same-sex unions in any form. Recalling the years I lived and worked in Japan, I came across very few same sex couples. But that situation is now changing. In March 2021, a district court in Sapporo ruled that the country's non-recognition of same-sex marriage is unconstitutional under the Constitution of Japan.

This decision could mark a tipping point for the nation's growing gay rights movement. The following is an article that appeared in *Nikkei Asia* on April 28, 2021. It was written by Rurika Imahashi, Nikkei Staff writer. I present it here for your reading consideration. D. Miyoshi

Marriage equality in Japan: finally within reach?

In the only G-7 nation to prohibit same-sex unions, the mood is changing



A recent ruling by a district court in Sapporo, in Japan's northern prefecture of Hokkaido, has emboldened supporters of gay marriage and set a landmark precedent. (Photo by Yuki Kohara)

TOKYO -- When Kazuo and Hiroshi first met and fell in love, the Beatles had just broken up, Richard Nixon was the American president, and Japan's Okinawa Prefecture was still part of the U.S.

Kazuo and Hiroshi, not their real names, had been inseparable since they met in 1970. They had nothing but "good memories," Kazuo recalled. But when Hiroshi developed cancer 10 years ago, they had resolved to fight it together. They lost that battle.

Hiroshi's death in 2016 was wrenching for his partner, but became even worse in the aftermath. Same-sex marriage is still prohibited in Japan, and Kazuo, now in his early 70s, had been a spouse in all senses except legally.

After his death, Hiroshi's family refused to allow Kazuo to attend the funeral as a family member -- nor to accompany them to a crematorium, where he would have had a final chance to say goodbye. Even now, five years later, Kazuo has no idea where his partner's ashes are laid to rest.

He had no choice but to vacate the pair's home that they had shared for years, where the rental contract was signed under Hiroshi's name. Same for the business they had jointly run, and which Hiroshi's family shut down without consultation. Kazuo had been the de facto manager for more than four decades.

"I feel like I'm half-dead inside, losing my better half," Kazuo told *Nikkei Asia*.

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"If we were man and woman, we would have already been married," he added. "Not having an option [to get married] is tantamount to being ignored. We cannot access legitimate rights and a life."



Protesters gather outside Japan's National Diet to call for the enactment of an LGBT Equality Law. Traditionally, same-sex marriage has gone largely unaired in public debate. © Kyodo

Japan remains an outlier among developed countries, the only member of the Group of Seven advanced economies that has not legalized same-sex marriage. Despite overwhelming popular support -- 82% of Japanese say they support recognition -- a narrow clique of conservatives in the Diet have blocked it, saying it would corrode the traditional form of a Japanese family.

Same-sex marriage is a topic rarely aired in Japan. The government has traditionally avoided the matter, saying that it does not "envisage such unions." As a result, lack of legal protection has left same-sex couples vulnerable in thorny matters such as immigration restrictions for spouses, inheritance, medical visits and joint custody of children.

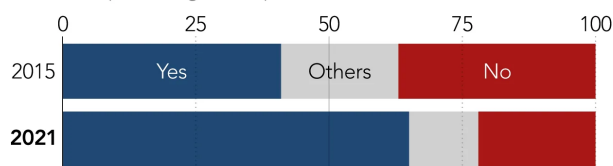
Above all, the yearlong pandemic brought home to many the worst that could happen, said Makiko Terahara, an attorney at law and representative director of the Marriage For All Japan foundation, an advocacy group. "Without legal protection, they have realized how vulnerable and unstable they are."

Half the battle

Nearly 9% of Japanese identify as LGBT. In a recent newspaper survey, most of the population were for same-sex marriage -- the opposite result of the same survey six years ago.

Do you support same-sex marriage?

(Overall, in percentage of responses)



Telephone survey conducted over March 20-21, with 1,564 total responses

Source: Asahi Shimbun, Dentsu

However, this may be in the process of changing. A March 17 ruling by a district court in Sapporo, the capital of Hokkaido Prefecture, has emboldened supporters of gay marriage and set a landmark precedent. For the first time in history, a Japanese court ruled that government's failure to allow same-sex marriages is violating Article 14 of the Constitution, which ensures the right to equality.

"The ruling shows that Japan is at a tipping point," said Yasuhiko Watanabe, a family law expert and professor at Kyoto Sangyo University. "Before the ruling, it was the same-sex marriage supporters who had to explain why it should be legalized. But from now on, it's the opponents who have to explain why it cannot be."

The presiding judge, 51-year-old Tomoko Takebe, left no ambiguity in the matter.

"Sexual orientation is a personal characteristic that is not a matter of choice, and as such, it can be said to be similar to sex, race and so on. It must be said that there are no differences in the legal benefits for individuals regardless of sexual orientation," the ruling said.

Political fear and favor

Opponents fear allowing same-sex marriage will be a threat to the traditional form of a Japanese family. But for supporters of gay marriage, the Sapporo court ruling could put Japan back in step with the rest of the developed world. Globally, 29 countries currently recognize gay marriage, and 34 countries have a similar partnership recognition.

Asia has been more conservative. But if the process plays out as supporters hope, the ruling could line up Japan to become the first country in the region -- apart from Taiwan, classed by China as a territory -- to legalize gay marriage.

Including two male couples and one female couple in Sapporo, a total of 35 plaintiffs have filed lawsuits against the government in five major cities -- Sapporo, Tokyo, Nagoya, Osaka, and Fukuoka -- across the country since Feb. 14, 2019.

Marriage For All Japan's Terahara expects that the final ruling could be made by the Supreme Court in 2023, after the matter is discussed at each area's district and high courts. If the district court's ruling is upheld by the Supreme Court, "although the ruling won't be legally binding, it will certainly move the Diet to amend the law," said Terahara.

However, supporters say the Diet should move first. "What's best would be if the Diet moves before the final ruling comes," said Terahara.

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In a parliamentary session on Feb. 17, Japanese Prime Minister Yoshihide Suga describes same-sex marriage as requiring "extremely careful consideration." (Photo by Arisa Moriyama)

So far, however, the government seems to be treading cautiously. Right after the Sapporo ruling, Chief Cabinet Secretary Katsunobu Kato told reporters that the government would carefully watch the outcomes of the other court cases. The government "does not believe that the Civil Code's provisions on marriage are contrary to the Constitution," he said.

Currently, the Civil Code uses phrases like "consent of both sexes" and "husband and wife," which suggest a union between a man and a woman, but not same-sex marriage.

During a parliamentary session in February, Prime Minister Yoshihide Suga said that recognizing same-sex marriage requires "extremely careful consideration," as it is about "the very foundation of the family." Suga is under intense pressure from his party's conservative supporters, who adhere to the prewar Japanese *ie*. Under that family structure, the power balance favors males, who are also expected put the interests of the state before personal freedom.

Set and forget?

The Constitution of Japan is considered the oldest unamended document of its kind. That doesn't mean there are no agitators for change.

Same-sex marriage



The constitution defines marriage as an agreement between "both sexes," but elsewhere guarantees "equality" for all. Crucially, the Sapporo District Court ruled that sexual orientation is not a matter of choice, and so merits the same legal treatment for everyone.

Article 9



Former Prime Minister Abe, along with others in the conservative ruling party, was adamant about changing this section to lessen some restrictions to military action. One barrier was public opinion, which remained firmly against the change.

State of emergency



In 2020, when the Japanese government first tried to impose a lockdown, they realized that elements of the constitution enshrined personal freedom of movement. Even now, lockdowns are framed as a "request" to stay home, with additional persuasion in the form of subsidies and fines.

Source: Nikkei Asia research

Any bill to legalize gay marriage would face a powerful conservative lobby, with two parliamentary groups expected to resist: the Round-Table Conference of Diet Members of the Shinto Association of Spiritual Leadership, and the Round-Table Conference of Diet Members of Nippon Kaigi.

Both are all-party conservative parliamentary groups. The first is related to the Association of Shinto Shrines -- a religious organization overseeing about 80,000 Shinto shrines in Japan, whose sister organization, the Shinto Association of Spiritual Leadership, is a staunch opponent of same-sex marriage -- and the second is linked to Nippon Kaigi, Japan's largest conservative organization. Many lawmakers from the ruling Liberal Democratic Party are members of these groups, including Prime Minister Suga.

These conservative groups share some core values. They support the amendment of the war-renouncing Article 9 of the Constitution. They oppose introducing a system to allow different surnames for married couples, claiming it will lead to the demise of the family system.

On gender, "the rampant practice of gender-free education is paralyzing the fresh sensibilities of the children who will lead the next generation and robbing them of a sense of national pride and responsibility," Nippon Kaigi argues on its website.

"We are aware that there is a debate [over same-sex marriage], but we are not at the stage of formulating our views internally and do not have a response at this stage," said a representative for Nippon Kaigi.



The interior of the home of couple Miyuki Fujii and Rie Fukuda, plaintiffs in an ongoing marriage equality lawsuit in Tokyo. (Photo by Yuki Kohara)

"Our traditional family values are based on that there are father and mother who have their child and thus life is passed on to the next generation," said a representative at the Association of Shinto Shrines.

"If you grant rights to a minority, the impact will not stay among

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them but the whole of society will be affected," the representative said. "The current marriage system legally protects the couple for the inheritance of life to the next generation. We have to protect that."

Akira Momochi, a professor at Tokyo's Kokushikan University, shares that fear, arguing that allowing same-sex marriage could cause a ripple effect on the fundamental family system. "Whether same-sex marriage should be legalized is a matter that the Diet should decide," he told Nikkei. Momochi is a member of the Nippon Kaigi policy board.

In 2019, opposition parties submitted a bill to the Diet that would allow marriage between people of the same sex. They argue that amending Japan's civil law by using a neutral term such as "party to marriage" instead of "husband and wife," for example, would enable same-sex marriage. But the bill has been blocked by the ruling Liberal Democratic Party and has not yet been deliberated.

The LDP, meanwhile, has said they will submit a separate bill to improve public understanding of the problems faced by lesbian, gay, and transgender people during the current Diet session, which runs through June. However, the party has stressed that the bill is not aimed at supporting same-sex marriage.

"Conservatives think that 'a little leak will sink a great ship,'" said Miyoko Tsujimura, a constitutional scholar and a professor emeritus at Tohoku University.

Narrowing options

With political avenues all but blocked for the time being, same-sex marriage supporters see courts regarded by law experts as the "last bastion of human rights," and their only option for redress.



Couple Rie Fukuda, left, and Miyuki Fujii, at their Tokyo home. (Photo by Yuki Kohara)

Miyuki Fujii and Rie Fukuda, a female couple in their 40s who are plaintiffs in an ongoing marriage equality lawsuit in Tokyo, are in a similar situation to Kazuo and his partner, the late Hiroshi. Six years ago, when Fukuda was diagnosed with cancer, they had to lie that

they were "cousins" in order for her partner Fujii to be able to care for her at the hospital.

"Doctors told us only family members could accompany the patient," said Fukuda.

Throughout the painful treatment, Fujii was a constant support who always cheered her up with warm love and "smiles like the sun." "Every time I got weak, she pulled me out of the darkness," Fukuda said.

But every time Fukuda thought about the worst-case scenario, worries mounted. "If I die, what about our apartment we have been living in together," Fukuda asked. "Can she continue living there? That's what haunted me the most." The couple have been paying the mortgage together, but it was Fukuda who signed the contract.



Above: Fujii and Fukuda hold hands during an interview. Below: Gardening in their shared home in Tokyo on April 12. (Photos by Yuki Kohara)

While many from the LGBT community still refrain from speaking up publicly in fear of discrimination, the couple said their personal experience of losing a parent nudged them to speak up. There were things left unsaid. They wanted to tell their late parent that they were partners, and happy being together. That was when they knew, the pair said, that they did not want to hide anymore.

"It's suffocating to live a lie, hiding your true self," said the couple.

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"You have to create a story all the time, making lies, and that's really painful. We don't want the younger generation to go through this anymore. That's why we took part in the lawsuit."

Same-sex couples cannot be legal heirs to each other even if they have lived together for a long time, and there are tax disadvantages, such as not being eligible for spousal exemption.

Gavin, not his real name, a Taiwan-native gay man in his 50s, has been particularly vulnerable due to his immigration status. He met his Japanese partner in 1993 and they have been together ever since. But his tourist visa expired in 1994, and he had been an "undocumented immigrant" until 2016, when he was detained by the police.

He was desperate to stay in Japan, saying he had no one who understood him back home. His family termed his sexual orientation a "disease," and he attempted suicide several times. For Gavin, who has had barely any contact with his relatives since 1992, his partner and Japan were his home. "I just wanted to be with him in Japan," said Gavin.



A wedding in Taipei: Taiwan's government was the first in Asia to legalize same-sex marriage in 2019. © Reuters

In 2019, the Justice Ministry overturned a deportation order for Gavin, taking into consideration his longtime partnership with his partner. He is now able to legally stay in Japan, but his status is far from secure. "I have to renew my visa every year and there is no guarantee that my application will pass," Gavin told Nikkei.

He said this is unfair compared to marriages between a man and a woman, where the foreign spouse's legal status is more secure. The visa period is longer, for example, and the foreign spouse can apply for a permanent visa after a certain period of time.

The recent Sapporo ruling gave him a glimmer of hope for a future where they could be married. "For a long time, I had to lie to live with my partner," said Gavin. "But I don't want to lie anymore."

A recent opinion survey showed an increasing awareness of mar-

riage equality in Japan. A survey conducted in December 2020 by Dentsu found that awareness of the term "LGBT" jumped from a low 37.6% in 2015 to 80.1% in 2020.

In the same survey, 82% of respondents supported same-sex marriage -- a rise from 78% support in a previous survey conducted in 2018.

The survey also found that LGBT-friendly groups had a high proportion of women and tended to be younger. Anti-LGBT groups, on the other hand, had a high proportion of men, and were more likely to be in their 50s.

Building movement

Around 30 countries and territories have legalized same-sex marriage, through court decisions, legislation and nationwide votes.

Year	Place
2000	Netherlands
2003	Belgium
2005	Spain Canada
2006	South Africa
2008	Norway
2009	Sweden
2010	Portugal Iceland Argentina
2012	Denmark
2013	Brazil New Zealand France Uruguay England Wales
2014	Scotland Luxembourg Finland*
2015	Mexico** U.S. Greenland Ireland
2016	Colombia
2017	Australia Germany Malta
2019	Austria Ecuador Taiwan ← First Asian government
2020	Costa Rica Switzerland
	Chile Czech Republic Japan Philippines (Human Rights Campaign countries to watch; haven't legalized same-sex marriage yet)

Does not include countries that recognize other kinds of relationships, such as civil unions. Same-sex married couples in many of these places do not share the same rights and benefits as different-sex couples, such as the right to adoption *Passed parliament; signed into law 2015 **Supreme Court ruled individual state bans discriminatory
Source: Human Rights Campaign, Nikkei Asia research

Matching the change in awareness, Japan's businesses and municipalities have outpaced politics in providing services and care for the LGBT community. As of April, more than one hundred municipalities across the country issue "partnership certificates" to same-sex couples, which do not extend the same social security and tax benefits that are open to heterosexual couples. Eighty-nine more municipalities will introduce or are considering introducing such measures

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and all combined, 52% of the total population will be covered by the services, according to civic organization Same-sex Partnership Net.

Some insurance companies, for example, already allow same-sex partners to receive insurance payouts. Major mobile phone carriers offer family discounts for same-sex partners.

In 2017, Japan's powerful business lobby, known as the Keidanren, issued a statement urging companies to take action to promote recognition and acceptance of LGBT people.

"As social justice over human rights becomes a hot topic and companies become more and more active globally, being silent is a risk," said a spokesperson for Keidanren. "If companies do nothing, they will fall behind the times."



Plaintiffs for the same-sex marriage lawsuit head to Sapporo District Court on March 17. © Kyodo

Keidanren acknowledges that diversity in the workforce -- including bringing talent from overseas -- is crucial for sustainable economic growth as the country faces a decreasing population. Maki Muraki, head of nonprofit organization Nijjiro Diversity, argues that Japan is currently less attractive compared to other developed countries offering marriage equality.

Some foreign businesses have pressed Japan for action. The American Chamber of Commerce in Japan warned in 2019 that the disparity in legal rights between heterosexual and same-sex couples "makes Japan a less attractive option for LGBT couples, compared to many other countries vying for the same talent."

A spokesperson for J.P. Morgan told Nikkei: "Instituting marriage equality in Japan will support the recruitment and retention of talent by treating the full diversity of the workforce equitably."

Within Japan, some business leaders share similar concerns.

"Japan does not offer a welcoming environment, nor a legal frame-

work, for foreign LGBT workers to use experience here as a pathway to enhancing their careers," said Moriaki Kida, who is currently regional chief operating officer at EY Japan and will take over as CEO in July.

"International opportunities usually come in the prime of one's career and often impact their family members. Currently, LGBT couples cannot relocate to Japan on the same terms as heterosexual couples, so companies must define benefits to attract highly skilled talent to Japan," Kida said. He is certain that marriage equality will increase the attractiveness of Japan as a destination to live and work for highly-skilled LGBT professionals.



Moriaki Kida, incoming CEO of EY in Japan, says that the country does not offer a "welcoming environment" for global talent in same-sex relationships. (Photo by Yuki Kohara)

One rationale for politics to avoid same-sex marriage discussion is that such treatment would require a constitutional change. Japan's postwar constitution is known as rigid, and has never been amended since its adoption in 1947. Article 24 of the constitution says: "Marriage shall be based only on the mutual consent of both sexes, and it shall be maintained through mutual cooperation with the equal rights of husband and wife as a basis."

Tsujimura at Tohoku University argues that there has been a growing consensus among scholars that Article 24 does not rule out marriage between same-sex couples. Article 24 was written to make clear that women who were in a weaker position in Japan's male-dominated prewar society now had the freedom to choose who to marry without the say of third parties such as parents, Tsujimura said.

"Today, it is desirable to change the interpretation of the constitution in accordance with the global trend of respect for human rights including sexual minorities," she added. "It is not surprising that there has been a change in the interpretation of the constitution."

Masayuki Tanamura, a family law expert and a professor at Tokyo's Waseda University, pointed out that Japan's predominance of older men in politics was one reason behind the slow approach. In a rare move, 40-year-old Shinjiro Koizumi, an LDP lawmaker and envi-

The Biggest Policy Blunder of All Time

ronment minister, showed his personal support for marriage equality. But "voices from the young and minorities are hard to reach out to the center of politics," Tanamura added.

'Too indifferent to minorities'

More public interest will be key to moving the discussion forward. "For many people, LGBT are still some people who exist somewhere far away," Takahiko Morinaga, founder of Tokyo-based think tank Japan LGBT Research Institute.

The Dentsu survey also defined 34% of heterosexual respondents as "knowledgeable others," those who are aware of LGBT issues but sees them as another person's affairs. This group accounted for the largest percentage of the total respondents.

"The fundamental problem is that the Japanese society is too indifferent to minorities," said Morinaga, adding that it is essential for Japan to have a common understanding that societies are diverse.

Tanamura at Waseda University agreed. "Marriage equality is a touchstone for the entire Japanese society," said Tanamura. "It raises a fundamental question: Can Japan truly create a society where every individual can live their own life, and where diversity is accepted?"

In the series of ongoing marriage equality lawsuits across Japan, the government, or the defendant, repeats the well-known phrase that it "does not envisage marriage between people of the same-sex."

"The government kept running away from this issue, saying that they don't envisage [gay marriage]," said Takashi, not his real name, one of the plaintiffs in the Sapporo lawsuit in his 40s. "Please don't disguise your negligence with the phrase. No more running."

End of Article

*As a side note, on May 28, 2021 in its current session the Liberal Democratic Party gave up on legislation to promote public awareness of sexual minorities, proving unable to overcome opposition within its own ranks.

Tsutomu Sato, who chairs the LDP's General Council, told a news conference that passage in the current session would be "impossible." The bill, supporting lesbian, gay, bisexual and transgender people, will not be submitted before the session ends on June 16.

Some lawmakers called for quick action because "people are suffering" and "we've had enough discussions." But naysayers brought up such technicalities as defining "the scope of discrimination."

"The General Council has a unanimity rule. We could not reach that," Sato said.

The opposition Constitutional Democratic Party had supported the proposed legislation.

"We are very disappointed by today's outcome," said Tetsuro Fukuyama, the party's secretary-general.

For the LGBT community the struggle continues in the government.

The Biggest Policy Blunder of All Time



We have likely experienced the biggest policy blunder by governments in the history of mankind. Soon we will know for sure.

Renowned lawyer, economist and investment banker Jim Rickards and author of the *New York Times* bestsellers *Currency Wars* and *The Death of Money* best describes this biggest of blunders.

Since the outbreak of the pandemic, the "respectable" media has pushed the theory that the virus came from a wet market in Wuhan, China.

Any talk that it might have come from a bioweapons lab in Wuhan was dismissed as a conspiracy theory.

But the Bulletin of Atomic Scientists, not exactly a fringe organization, published a paper recently acknowledging the possibility that the virus escaped from a lab.

It didn't say definitively that the virus escaped from a lab, but it maintained that it's a legitimate possibility, not just some baseless conspiracy theory.

The origins of the virus are still being debated, but here's what we do know:

The outbreak of the COVID-19 pandemic began in November 2019 in Wuhan, China. From there, it spread west to Milan, Italy and east to Seattle, Washington.

The virus mutated in Italy, then spread to New York, where it hit the tri-state area (NY, NJ, CT) viciously in March-April 2020. Eventually, it spread to the entire world with severe outbreaks in Melbourne, Madrid, London and Lima.



The Biggest Policy Blunder of All Time

Over 3.2 million around the world have died from COVID. Even now, the virus is out of control in Brazil and India.

Although lower caseloads and much lower fatality rates are emerging in the U.S. and elsewhere, the pandemic is far from over.

The progress is due to both herd immunity from infected survivors with antibodies and the impact of experimental gene modification treatments from Moderna, Pfizer, Astra-Zeneca, and others.

The end is in sight, if not quite here. What have we learned?

Lockdowns Didn't Work

Obviously, public health authorities around the world were completely unprepared for a health emergency of this magnitude. There were severe shortages of personal protective gear, masks, oxygen, testing kits and trained staff.

China was grossly negligent to the point of criminality in covering up the outbreak, not allowing foreign experts to research the outbreak or possible cures on-site, and blaming others for their negligence. Still, the list of government blunders doesn't stop there.

The lockdown response used by the U.S. and other countries did no good medically and was immensely destructive from an economic perspective.

Scientific evidence that lockdowns don't work to contain a virus was available in 2006. The anti-lockdown view was widely shared long before that.

Evidence from the 50 states in the U.S. (which had varied lockdown policies) and 30 countries around the world shows that there is no correlation between lockdown policies and virus spread. Orders for extreme, moderate, or no lockdowns all resulted in similar caseloads and fatalities.

Lockdowns had no material impact on the course of the disease.

But, lockdowns did destroy businesses and jobs. Large parts of the economy were simply destroyed and will never recover – they're gone. Lockdowns also increased suicides, drug and alcohol abuse as well as domestic abuse.

The CDC, White House, state governors and other officials adopted lockdown policies without knowing if they worked (they don't) and without considering the costs, which resulted in trillions of dollars of lost wealth and output.

Junk Science

But governments were not the only culprits in giving bad advice and implementing ruinous policies during the pandemic. Scientists were just as negligent. In fact, governments used "the science," however flawed the science turned out to be, to justify their draconian policies.

Often, government and scientists worked hand-in-hand, with science offering flawed projections and governments taking the bad advice and using it to force destructive policies on the public.

There are many examples of this. Perhaps none are worse than the Imperial College-London (ICL) models.

Any model is only as good as the assumptions behind it. Real scientists know that no model is perfect. Good scientists continually update assumptions to compensate for output that deviates from observations.

The best scientists will discard a defective model and start over to produce a better one. These best practices are often ignored by scientists, who are more interested in attention, power or research grants.

That seems to have been the case with regard to the ICL pandemic models rolled out in the early stages of the pandemic and used by governments all over the world to guide policy.

The ICL chief epidemiological modeler, physicist Neil Ferguson, produced forecasts that said the U.S. would suffer 2.2 million deaths; the actual number is 581,056 as of today.

ICL's model said the UK would suffer 500,000 deaths; that actual number is 127,609. ICL's estimates for deaths in Taiwan were overstated by 1,798,000%.

Egregious overstatements also occurred with regard to Sweden, South Korea, and Japan. If that were the whole story, it would amount to nothing more than a discredited scientist and his institution. But, ICL's badly flawed projections had momentous real-world consequences.

Governments around the world grabbed onto the ICL nightmare scenarios to impose lockdowns that had even more nightmarish consequences. This was a case of bad science leading to even worse public policy.

The evidence is clear today that lockdowns, masks and social distancing don't do any good. Our own Centers for Disease Control (CDC) grossly overstated the risk of outdoor transmission of the virus.

The only policy recommendations that made sense were washing



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your hands and staying home if you had symptoms. There were no lockdowns during the Hong Kong flu of 1968 or the Asian flu of 1957.

Let's hope we don't suffer another pandemic of the kind we've just been through. If we do, let's hope cooler heads prevail and don't destroy the economy again for no good reason.

The Coming Aftershock

But despite the happy talk coming out of Washington and Wall Street, the full economic effect of lockdowns hasn't hit yet.

In response to the pandemic, the Fed printed over \$4 trillion of new base money. Congress approved \$3 trillion of new deficit spending under President Trump and \$1.9 trillion under President Biden, with another \$4 trillion of deficit spending on the way later this year.

This massive monetary and fiscal response to the pandemic could be called the visible part of the bailout. There was also an invisible part.

The invisible bailout did not consist of direct handouts or checks; it consisted of forbearance and grace periods on loan and lease obligations. Student loan borrowers were told they did not have to pay interest on their loans. Tenants were told they did not have to pay rent. The rent moratorium was backed up by an eviction moratorium. If tenants did not pay rent, landlords were powerless to evict the tenants.

Meanwhile, the landlords had to keep paying mortgages and property taxes, which put 100% of the economic burden of the pandemic adjustment on the landlords' shoulders. What was the statutory or legal authority for these orders?

Some were justified by explicit statutes, but many economic relief orders were issued by the CDC under a broad interpretation of its powers during a public health crisis. Now, litigation challenging these orders is making its way through the courts.

A judge in the U.S. District Court has just ruled that the CDC eviction moratorium is an illegal use of CDC's public health powers. This is the first of many moratoria and grace periods that are set to expire.

The full economic impact of the pandemic has never been felt, partly because so much debt and rent were held in abeyance. As those back payments become due, a new wave of defaults will ensue. But the media isn't paying much attention to that.

The economic damage lockdowns have caused will not be undone in weeks or months. Much of the lost wealth is permanent. It will be inter-generational.

Growth will return, but it will be weak. Investors should go into the post-pandemic world with clear vision.

The government was wrong in the policy response, and they're wrong again in their rosy scenario forecasts.

I hope Rickards is wrong in his prognosis. But in my heart I fear he is right.

D. Miyoshi

Democracy-Totalitarian vs Liberal



America is a Democracy. Most Americans are proud of that. But the problem is there are now two types of democracy and each are fighting the other for existential control. One is called Liberal Democracy and the other Totalitarian Democracy. For Americans, the difference would be easier to understand if we likened Liberal Democracy to the policies the current Republican party generally support while Totalitarian Democracy is more akin to the current policies touted by the Democrat party. At the risk of overgeneralizing the point, Biden would more or less be a supporter of Totalitarian Democracy while Trump would more or less support Liberal Democracy.

J. L. Talmon's 1952 book *The Origins of Totalitarian Democracy* discusses the transformation of America from one in which traditional values and articles of faith shape the role of government (Liberal Democracy) into one in which social utility takes absolute precedence (Totalitarian Democracy). Talmon's book is a criticism of the ideas of Jean-Jacques Rousseau, whose political philosophy greatly influenced the French Revolution, the growth of the Enlightenment across Europe, as well the overall development of modern political and educational thought. In *The Social Contract*, Rousseau contends that the interests of the individual and the state are one and the same, and it is the state's responsibility to implement the "general will".



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Differences in democratic philosophy

The philosophy of totalitarian democracy, according to Talmon, is based on a top-down view of society, which sees an absolute and perfect political truth to which all reasonable humans are driven. It is contended that not only is it beyond the individual to arrive at this truth independently, it is his duty and responsibility to aid his compatriots in realizing it. Moreover, any public or private activities that do not forward this goal have no useful purpose, sap time, money and energy from those that do, and must be eliminated. Thus economic and social endeavors, which tend to strengthen the collective, are seen as valuable, whereas education and religion, which tend to strengthen the individual, are seen as counterproductive. "You cannot be a citizen and a Christian at the same time," says Talmon, referring to Rousseau's arguments, "for the loyalties clash."

In his paper *Advances in Chinese Social Sciences* (2001), Mao Shoulong, a professor of Public Policy at Renmin University of China, takes a different position. He posits that "totalitarian democracy", or what he terms "equality-oriented democracy," is founded on the idea that it is possible, and necessary, that the complete rights and freedoms of people ought not be held hostage to traditions and social arrangements. Mao recognizes that the term "totalitarian" has a connotation attached to it, used as it was by Giovanni Gentile to apply to the Italian fascist government led by Benito Mussolini. Mao sees the proponents of liberal democracy (or "Western" democracy) as holding a negative attitude to the word totalitarian and believing that force is not an appropriate way to achieve a goal no matter the value of that goal. Mao prefers the term "freedom-oriented democracy" to describe such a political entity.

Fundamental requirements

Talmon believes that a totalitarian democracy accepts "exclusive territorial sovereignty" as its right. It retains full power of expropriation and full power of imposition, i.e., the right of control over everything and everyone. Maintenance of such power, in the absence of full support of the citizenry, requires the forceful suppression of any dissenting element except what the government purposely permits or organizes. Liberal democrats, who see political strength as growing from the bottom up (cf: "grass roots"), reject in principle the idea of coercion in shaping political will, but the totalitarian democratic state holds it as an ongoing imperative.

A totalitarian democratic state is said to maximize its control over the lives of its citizens by using the dual rationale of general will (i.e., "public good") and majority rule. An argument can be made that in some circumstances it is actually the political, economic, and military elite who interpret the

general will to suit their own interests. Again, however, it is the imperative of achieving the overarching goal of a political nirvana that shapes the vision of the process, and the citizen is expected to contribute to the best of his abilities; the general is not asked to guide the plow, nor is the farmer asked to lead the troops.

It can approach the condition of totalitarianism; totalitarian states can also approach the condition of democracy, or at least majoritarianism. Citizens of a totalitarian democratic state, even when aware of their true powerlessness, may support their government. When Germany started World War II, the Nazi government had the support of the majority of Germans and it was not until much later, after Germany's losses began to mount, that support for Hitler began to fade. Joseph Stalin was practically worshipped by hundreds of millions of Soviet citizens, many of whom have not changed their opinion even today, and his status ensured his economic and political reforms would be carried out. The term has also more recently been applied to South Africa under the rule of the African National Congress.

Cold War and socio-economic illustrations

The period of the Cold War following WWII saw great ideological polarization between the so-called "Free World" and the Communist states. In the East, religious and intellectual repression was met with increasing resistance, and the Hungarian revolt of 1956 and Alexander Dubček's Prague Spring in 1968 are two well-known acts of defiance where thousands were murdered in cold blood by their governments. The Tiananmen Square Massacre was a similar example of repressive violence leading to hundreds of deaths. In the United States, alleged Communists and Communist sympathizers were investigated by Senator Joseph McCarthy in what later generations would recall as a "witch hunt"; many accused Communists were forced out of their jobs or their reputations were scandalized. Shortly after the time of Talmon's book, the Vietnam War brought active hostility between elements in the U.S. government and political factions within the American people. One faction insisted that the U.S. government did not represent them in levying war in Southeast Asia, protesting the war, as well as undemocratic or oligarchical power-structures within U.S. society; this faction occasionally saw repression from the government, such as through "dirty tricks" aimed at "subversives" by the FBI in COINTELPRO. This conflict within U.S. society rose to violence during the protests and riots at the Democratic National Convention of 1968 in Chicago, Illinois, and in the Kent State Massacre, where 4 anti-war protesters were shot dead by U.S. National Guard forces.

One concept fundamental to both "liberal" and "totalitarian" democracy is that of liberty. According to Talmon, totalitari-



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Advancing in a Time of Crisis



Financial Crisis Report

an democracy sees freedom as something achieved only in the long term, and only through collective effort; the political goal of ultimate order and ultimate harmony brings ultimate freedom. In addressing every aspect of the lives of its citizens, the totalitarian democratic state has the power to ensure that all material needs are met from cradle to grave, and all that is required of the citizen is to carry out his role, whatever it may be, to the best of his ability. Liberal democracy, on the other hand, posits freedom as something that can and should be achieved by the individual in the short term, even at the expense of things such as material well-being, and sees as an element of this freedom a "freedom from government" wherein the individual is able to exercise "freedom" in his own terms to the extent that they do not contravene the law. Proponents of both kinds of democracy argue that their particular approach is the best one for the citizens of their respective countries.

It is Mao Shoulong's contention that "equality-oriented democracy recognizes the value of freedom but holds that [it] can't be attained by individual efforts," but rather, by collective efforts. He argues that while equality-oriented democracy stresses the value of equality over individual freedoms, the reverse is true for freedom-oriented democracy, and in each case, the state will move either to ensure equality by limiting individual freedom, or to ensure individual freedom by giving up equality. Some critics of this view may argue that equality and individual freedoms are inseparable, and that one cannot exist (or be sustained) without the other.

Other critics argue that equality can only be ensured by continuous coercion, while ensuring individual freedom only requires force against coercive individuals and external states.

Shoulong also holds that a law is not valid if it does not have the approval of the public. Laws

passed by the state do not require approval by the citizen on a case-by-case basis, and it can be easily argued that some laws currently in place in some countries purporting to be liberal democracies do not have the approval of the majority of citizens. For one, Rousseau argued in "The Social Contract", that in the stereotypical liberal democracy, individuals are politically "free" once every Parliamentary term, or every two to four years, when they vote for their representatives, in their General Election or on Election Day. Yet, Rousseau fails to consider that the state is not a total institution within the liberal democracies, and that the freedom of the citizen in between the elections is the freedom of the citizen to live their life in pursuit of their own happiness, subject to the law made by their elected representatives, who are, in turn, subject to popular pressure, public protest, petition, recall, referendum, initiative, and ultimately, electoral defeat if they fail to heed the views of those they represent. This is in contrast to a totalitarian democracy, with the state as a total institution, where the individual is truly not free without constant participation in their "democratic" government; and thus, the individual in the totalitarian democracy must be "forced to be free" if the totalitarian democracy is not to become a totalitarian oligarchy.

Thus it behooves Biden/Harris to ensure their Democratic model does not turn into the oligarchical type. But if history is any guide to the future, we see the probability of a totalitarian democracy becoming a totalitarian oligarchy is overwhelming. This is a problem for the U.S.

D. Miyoshi.



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