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# Financial Crisis Report

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## Advancing in a Time of Crisis

**Words of Wisdom:** "Man can live about forty days without food, about three days without water, about eight minutes without air...but only for one second without hope." - Hal Lindsey

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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.

### Is America like the Titanic?



In the pre-dawn hours of April 15, 1912, the largest, most luxurious ocean liner ever built, the RMS Titanic, slipped slowly beneath the frigid waters of the north Atlantic. More than 1,500 passengers perished in one of history's worst maritime disasters.

This tragedy reminded Harry Mosley, professor of English, of another famous ship — of sorts. When political pundits wax poetic, they compare America to a huge ship, using the well-known metaphor "the ship of state."

Indeed, several valid comparisons can be drawn between the Titanic and America. The Titanic was a huge, powerful ship which many hoped would dominate the waters of the world. America also has achieved the enviable reputation of dominating the free world (at least for now). There was much celebrating at Titanic's 1912 launching, with predictions the huge leviathan would usher in a new era of sea travel. Similarly, there was also much celebrating in 1776 at the launching of a fledgling country called the "United States of America," with hopes it would usher in a new age of independence for mankind.

But all this comparison begs the question: Is America sinking like the Titanic?

Possibly. Many disturbing similarities exist between the doomed Titanic of 1912 and our America of today.

□ The Titanic sank in just hours because it took on too much water too rapidly, just as America has been taking on too much debt too quickly.

□ Capt. Edward Smith received several iceberg warnings but ignored them as merely routine dispatches. Similarly, our government leaders have also ignored the warnings that out-of-control spending is crippling our economy and is responsible for the unprecedented loss of our triple-A credit rating.

□ The passengers on the Titanic represented distinct social classes: the very wealthy in the plush state rooms and the very poor in the lower levels, many of whom were immigrants headed for New York City. Today, America is still struggling with problems of illegal immigration.

□ Two watchmen in the Titanic's crow's nest were not paying attention and did not see the iceberg until it was too late. In the same way, perhaps we have not been paying close enough attention to our country's many social problems, e.g., our failing public school system, rampant unemployment, sky-high gas prices, the steady erosion of our individual freedoms and the relentless encroachment of government into our lives.

□ Just before the Titanic sank, the giant ship reportedly broke into two halves. Recent events have also threatened to divide America's people into two warring camps: 1) the Occupiers' chant of "99 percent vs. 1 percent" is clearly calling for economic class warfare, and 2) the tragic deaths



## Is America like the Titanic?

of Trayvon Martin and George Floyd have led to rioting and potential race wars. And as Abraham Lincoln observed (paraphrasing Jesus), “A house divided against itself cannot stand.”

Staying with the Titanic theme, here is an opinion piece by Dave Ramsey that appeared in *the Wall Street Journal* on July 7, 2021. It succinctly encapsulates the perplexing incongruities in America today.

“This morning, I realized that everything is about to change.

No matter how I vote, no matter what I say, lives are never going to be the same.

I have been confused by the hostility of family and friends. I look at people I have known all my life so hate-filled that they agree with opinions they would never express as their own. I think that I may well have entered the Twilight Zone. You can't justify this insanity.

We have become a nation that has lost its collective mind.

We see other countries going Socialist and collapsing, but it seems like a great plan to us.

Somehow, it's un-American for the census to count how many Americans are in America.

People who say there is no such thing as gender are demanding a female President.

Universities that advocate equality, discriminate against Asian-Americans in favor of African-Americans.

Some people are held responsible for things that happened before they were born, and other people are not held responsible for what they are doing right now.

Criminals are caught-and-released to hurt more people, but stopping them is bad because it's a violation of THEIR rights.

People who have never owned slaves should pay slavery reparations to people who have never been slaves.

After legislating gender, if a dude pretends to be a woman, you are required to pretend with him.

People who have never been to college should pay the debts of col-

lege students who took out huge loans for their degrees.

Immigrants with tuberculosis and polio are welcome, but you'd better be able to prove your dog is vaccinated.

Irish doctors and German engineers who want to immigrate to the US must go through a rigorous vetting process, but any illiterate gang-bangers who jump the southern fence are welcomed.

\$5 billion for border security is too expensive, but \$1.5 trillion for “free” health care is not.

If you cheat to get into college you go to prison, but if you cheat to get into the country you go to college for free.

And, pointing out all this hypocrisy somehow makes us “racists”!

Nothing makes sense anymore, no values, no morals, no civility and people are dying of a Chinese virus, but it is racist to refer to it as Chinese even though it began in China.

We are clearly living in an upside-down world where right is wrong and wrong is right, where moral is immoral and immoral is moral, where good is evil and evil is good, where killing murderers is wrong, but killing innocent babies is right.

Wake up America. The great unsinkable ship Titanic America has hit an iceberg, is taking on water and sinking fast.

(End of opinion piece by Dave Ramsey).

But whatever the circumstances, hope springs eternal. Although we can't resail the Titanic, we can keep America afloat by voting intelligently and conscientiously in the coming 2022 and 2024 elections and urging others to do the same. Maybe God's trying to remind us that, unlike the unfortunate passengers on the Titanic, we can do something to save our ship. We can and must elect a caring captain and a worthy crew to get America sailing on the right course again focusing on the economy, and reducing the historic deficits and crime, confronting the military threat of China, plugging our open borders and eliminating the downgrading of our public education under critical race theory. This is likely our last chance.

Let us hope.

D. Miyoshi



## The Power Ivy League?



We have all heard of the Ivy League. It consists of eight universities in the Northeast region of the U.S., namely Brown, Columbia, Cornell, Dartmouth, Harvard, Pennsylvania, Princeton, and Yale. The idea dates back to October 1933 when Stanley Woodward, a sports writer for the *New York Herald Tribune*, used the phrase “ivy colleges” to describe these schools, which had common athletic programs. In 1936, the student newspapers of these colleges printed an editorial calling for the formal establishment of an athletic league for the “ivy colleges.”

By Stanley Woodward

It begins to be cruelly apparent that what you expect to happen in this topsy-turvy football season is not going to happen. The fates which govern play among the ivy colleges and the academic boiler-factories alike seem to be going around the circuit these bright autumn days cracking heads whenever they are raised above the crowd. Of course a few still rise imperious, but the betting should be 10 to 1 that three-quarters of them will be smacked before Christmas. ☞

Clipping from *New York Herald Tribune*, October 16, 1933

When initiated by administrators in the eight schools in September 1946, the “Ivy Group” was concerned about growing interest in college athletics as a form of national entertainment, especially football. The advent of televised college football games only intensified the colleges’ resolve to develop rules governing the sport. The Ivies wanted to make sure the country knew they were places where athletes were primarily students who participated in sports as a part of an overall educational program, not professionals who were recruited for their physical abilities nor students who were exploited for the material gain of their institutions.

February 1954 is the accepted founding date of the Ivy League, but athletic competition between all eight schools did not formally begin until the 1956-57 season, when the presidents of the universities adopted a round-robin schedule for football. The phrase “Ivy League” is no longer limited to athletics and now represents an educational philosophy inherent to some of the nation’s oldest schools.

Now, let's fast forward to today. In the wake of the latest “NIL” initiative where athletes are allowed to financially benefit from their Name, Image and Likeness, those schools who traditionally have produced legends of athletes and teams in the past, especially in football will be leading the way to either transform existing confer-

ences or form new conferences, that contrary to the Ivy League, have as their mission the objective of openly recruiting players based on their athletic abilities to be exploited for material gain for the school and their conference. What schools will form this new “Power Ivy League” and what will they be called are still questions at this early stage. But with the announcement that Texas and Oklahoma are considering an invitation to join the SEC followed by comments of prominent football coaches that we should expect changes to the various conferences in the future, we can’t help but wonder what the world of college football will look like in the next decade. Will the SEC become the new Power Ivy League of the South? Will a vacuum be created in the other conferences destroying the balance between them and resulting in major football powerhouses in the Big 10 and Pac 12 to join forces forming a counterbalancing Power Ivy League of the North?

Whatever happens, it is a certainty that the athletes who are star players will have untold new opportunities for financial gain under NIL wherever they go. If they have developed a social media following outside of their athletic ability, that’s a big plus for them too. And if their team is the most popular event in town such as in Tuscaloosa, Columbus, Athens, South Bend, Clemson, Austin, Ann Arbor or Norman, there will be even more companies and institutions interested in them both during and after college. NIL will also prompt the athletes to stay in school longer providing the schools even more leverage to develop super teams that will compete against each other in contests that will dwarf the national championship games of the past.

I can’t wait to see what happens.

D. Miyoshi

## Why We Need a U.S. Marine Corps



My proudest accomplishment is that I was able to earn the title of U.S. Marine. In WWII the Marines fought the Japanese in the South Pacific. It’s possible, some very distant relatives of mine in Japan battled the Marines. But like my not-so-distant U.S. Nisei relatives who wanted to





## Why We Need a U.S. Marine Corps

prove their allegiance to their country of birth, I also wanted to prove it to mine.

However, at Marine Corps Officer's Candidate School when I discovered my platoon sergeant had fought against the Japanese in the South Pacific, I had serious misgivings about attaining my goal of becoming an officer. But, as it turned out, just prior to graduation the sergeant told me that he had the highest respect for the courage and dedication of the Japanese warriors he fought in WWII.

Now fast forward to the present. As a Marine I have read numerous accounts of people these days wondering why the U.S. needs a Marine Corps. They asked why can't we combine the Marine Corps into the U.S. Army?

It's said that president Harry Truman hated the Marines, and wanted to fold them into the Army. Eisenhower didn't like the Marines, either, and he apparently lobbied Washington very hard to keep regular Marine ground units out of Europe in WW2. The story is that Eisenhower worried that if Marine ground units fought in Europe that not only would they steal all the glory, their propaganda network was so good that everyone would believe that the U.S. Marines won the European war while the U.S. Army simply watched.

On the other hand, MacArthur reportedly said that if he had had 2 Marine Divisions in Korea, instead of just 1, he would have won the war by Christmas, 1950. Indeed, MacArthur went on to say that with 3 Marine Divisions, the War would have been over by Halloween, 1950.

For MacArthur to say this was coming from a man who had very little praise for the U.S. Marine Corps, and who supposedly said more than once, "I don't like them, but they sure can fight."

So why keep the U.S. Marine Corps a separate U.S. military force?

To begin, the Nations of the World agreed BEFORE there was a United States of America, that a Nation could send its Marines into Harm's Way without having to declare war as long as it was doing so to protect its people, or its property.

Regarding this point, the reason why U.S. Marines guard American Embassies is because, if they must use force, this can be done without a Declaration of War.

Accordingly, if we folded the U.S. Marine Corps into the U.S. Army, we would have to get the world's nations to agree to allow this part of the U.S. Army to do the things the U.S. Marine Corps does today without the U.S. first having to declare war.

And, once the Marines were part of the Army, they would then have to be kept apart as a separate service because their role would be different from the regular Army.

Very likely you would hear yourself say, "Gosh. Why did we combine them? Now, that we've combined them, we have to keep them separate."

Also, it's possible that this new unit's training, and even their recruiting, would be for a separate service even though the Marines were now part of the Army.

Why this would be so is that the Marine Corps is not just a fast-moving infantry force, they are the Nation's 911 force ready to go anywhere, anytime, with a phone call.

Even their uniforms might be different. At a minimum, they would need shoulder patches that would identify them as a Separate Force (think of U.S. Army Airborne, and U.S. Army Rangers, as well as U.S. Army Special Forces—the Green Berets).

Finally, it's true that we can drop airborne troops anywhere on the planet, anytime. But that misses the point. The point is deterring a conflict. Since more than 70% of the world's population lives at sea level in coastal cities, often, all you have to do to avoid a fight is have a dozen or so US Navy ships cruising offshore with a brigade or two of Marines. These ships can stay on-station for an indefinite period of time. People onshore, if they're rational human beings, get the point. It's harder to make this point with a brigade or two of U.S. Army Rangers or U.S. Army Airborne Troops cruising overhead.

### CONCLUSION:

Over 70% of the world's population lives at sea level. Most of this population also lives in the world's 20 largest cities over half of which are coastal cities.

The U.S. Marines are known as the Nation's quick reaction fast moving fighting force from the sea, otherwise known as the Soldiers from the Sea (In Japan they are called Kai-Heitai which means sea soldier). As Marines, they are the Nation's 911 Force able to move with a phone call, and go anywhere. Because they are going in first, to insure they can accomplish the mission, they need to be a higher caliber warrior physically, mentally and tactically. That's common sense.

To reiterate, you could recruit and train U.S. Army personnel to do this within the U.S. Army, but you would be creating a fighting force within the Army that you would then have to keep separate, and very possibly recruit and train separately.

This would be expensive. And there are always those who want to be called Marines and are willing to work, train and sacrifice to attain that title. There are people like this in every country. So why not keep things as they are?





## America's Collective Insanity

Semper Fi,

D. Miyoshi

## America's Collective Insanity

**W**e are clearly living in an upside-down world where right is wrong and wrong is right, where moral is immoral and immoral is moral, where good is evil and evil is good, where killing murderers is wrong, but killing innocent babies is right. What amazes me is the speed in which the U.S. is rapidly being transformed by a seemingly discordant worldview from a once proud, God fearing, liberty seeking, economic power house to the strife torn, economically crumbling nation state it is now rapidly turning into. The following article that appeared in the *American Thinker* on June 12, 2021 succinctly describes the perverse symptoms the U.S. is exhibiting in its unfortunate transformation. The article was written by Frank Liberato. I present it here for your reading consideration. D. Miyoshi

### The collective insanity that's rapidly erasing America



Many of us older than half a century no longer recognize the country we grew up in. We have a hard time reconciling that past America with what we see happening today. America, to our view, was predominantly a place of light, freedom, and joy. Now, as we witness a massing storm of iniquity, we either don't understand what we're seeing or choke back the language to describe it because the words all sound too harsh or politically incorrect. We look for other demons to blame such as socialism and Marxism, and while they are definitely part of the problem, what now haunts us is even darker than those malignancies.

This baleful presence has been gathering over the American landscape for some time and the pandemic provided just the right catalyst for it to become a clear and present danger. It would now take an act of will to ignore its existence, but we still, too often, turn our

faces away.

The individuals who make up the component parts of this devilry may believe that they act out of good intentions, but the sum of those parts empowers an evil system of racism, corruption, and violence. It is an evil that is largely driven by a lust for absolute political power and complete control over the individual. The modern world has seen this storm before, and we ignore it to our great peril.

This plague on our society has pushed us to many forms of mass hysteria:

- We shun those who do not comply with outrageous and unconstitutional mandates.
- We blindly believe government officials and their allies in the media, though they have proven time and again that they lie and should not be trusted.
- We're emptying our jails of violent offenders while imprisoning law-abiding citizens — sometimes for simply exercising their rights.
- We're taking political prisoners like any third-world dictatorship.
- We allow our cities to be torched and looted with few repercussions.
- We're tearing down our history, our culture, and our traditions in the name of progressivism.
- We invite seemingly anyone who wants to enter the country illegally to take our jobs, receive public services, and drag down wages.
- Our national debt reaches into the stratosphere while politicians go whistling past the graveyard.
- We abort the innocent and defenseless while vigorously defending the guiltiest among us.
- We scare our children into radicalism with tales of impending doom due to climate changes that are as old as the Earth.
- We're wrecking entire industries to "protect the Earth" while propping up those same endeavors for our enemies.
- We deny biological realities and allow men to use women's facilities and participate in women's activities, provided that they "self-identify" as women.
- We subject the military to ideological litmus tests.
- We fraudulently change election results while casting those who push for transparency as "conspiracy advocates" and add their names to a list of domestic terrorists.
- We allow the government to censor those who oppose the lunacy that passes for public policy.
- We teach dependency and hatred at many school districts across the country, and within our colleges and universities.
- We accuse, disarm, and punish the law-abiding while acquitting the guilty.

This is the short list of our collective insanity. We deny science in the name of science. We obfuscate truth for the purpose of compliance, conformity, and profit. We have forsaken the Constitution to



## Don't Try to Time the Market!

silence and disarm our population. We deny God and accommodate evil.

This darkness will continue to spread until people inside the government are willing to identify and confront it. There are a few brave souls who are standing against the madness, but most still shrink from that responsibility. If they do not act, this burden will eventually fall to the American people but by that time, and at immense cost to all, the world's great experiment in freedom and self-government will likely be teetering on the brink of extinction.

"All that is necessary for evil to triumph is for good men to do nothing." —Edmund Burke

End of Article

## Don't Try to Time the Market!

**M**arket bubbles are driven by momentum and herd behavior. Investors believe they'll be able to sell at the top, but few do. And that's a fool's game. Believe me, I tried it before.

Here is an article by Charles Hugh Smith of *the Daily Reckoning* telling us why this is so. I think you will find it informative. D. Miyoshi



CHARLES  
HUGH SMITH

We have a fine-sounding word for running with the herd: momentum. When the herd is running, those who buy what the herd is buying and sell what the herd is selling are trading momentum, which sounds so much more professional and high-brow than the noisy, dusty image of large mammals (and their trading machines) mindlessly running with the herd.

We also have a fine-sounding phrase for anticipating where the herd is running: front-running. So when the herd is running into stocks, those who buy stocks just ahead of the herd are front-running the market.

When the Federal Reserve announces that it's going to make billionaires even wealthier with some new financial spew, those betting that stocks will never go down because the Fed has our back are front-running the Fed.

There are two remarkable assumptions at the heart of momentum and front-running: The momentum herd and those front-running the herd base their behavior on the assumption that there will always be

other rich people who will sell all the shares they want to buy at today's prices before the run-up to new highs.

Front-running and the Greater Fool Theory

Since only rich people own stocks, we know that those selling stocks are selling to other rich people and those buying stocks are buying from other rich people. So the assumption of those front-running the market is that there is a large enough sub-herd of rich people who for whatever reason aren't smart enough to front-run the herd, and who will foolishly sell their stocks just before they double in value.

The second assumption is that there will also be a large enough sub-herd of rich people who will buy all the shares they want to sell at the top, just before the bubble pops and the value of the newly purchased shares falls in half.

There are various ways to state this, but the bottom line is that momentum and front-running are only profitable if you sell at the top, just before the bubble bursts.

You would be forgiven for anticipating that the same sub-herd front-running the herd and the Fed on the way up to the top of the bubble would be just as prescient and active in front-running the inevitable bursting of the bubble, but this is not how running with the herd works.

Short interest recently plumbed multi-year lows, indicating that very few are front-running the market crash.

'I'll Bail in Time'

Those trading momentum and front-running the herd/Fed are making a remarkable assumption, an assumption which is visible in a great volume of financial-media content: the stock market, we're told, will continue to make new highs like clockwork until some point in the third or fourth quarter, at which point there may well be a spot of bother, i.e., a crash.

The assumption is that all the rich people who own stocks will be so splendidly stupid that they will hold their shares until the crash and then sell them at prices far lower than they can fetch today.

Put another way, the market participants who decide this is close enough to the top to liquidate their positions today and not wait around for the crash to wipe them out assume that the herd of other rich people who will be delighted to buy their insanely overvalued shares at today's prices is large enough to absorb all their selling with no downward pressure on valuations.

In other words, the assumption being made is: I can wait until just before the crash to sell, because there will be boatloads of splendidly stupid rich people who will buy all the shares I want to sell at today's lofty prices -- or higher, and this liquidation won't push valuations off a cliff.

As a general rule, people don't all become rich by being splendidly stupid, i.e., failing to anticipate what other rich people are about to do, and so this raises the question: what if everyone in the market realizes it's now the moment to front-run the crash?

Perception vs. Reality

The risks arise from the disconnect between the precariousness of the manipulated market and the extreme confidence punters have in its stability and predictability. This stability is entirely fabricated and therefore it lacks the dynamic stability of truly open markets.

Markets that are being distorted/manipulated to achieve a goal that is impossible in truly open markets -- for example, markets that only loft higher with near-zero volatility -- lull participants into a danger-





## How to Prepare for a Bear (Down) Market

ous perception that because markets are so stable, risk has dissipated.

In actuality, risk is skyrocketing beneath the surface of artificial stability because the market has been stripped of the mechanisms of dynamic stability. This artificial stability derived from sustained manipulation has the superficial appearance of low-risk markets, i.e., low levels of volatility, but this lack of volatility derives not from transparency but from behind-the-scenes suppression of volatility.

Another source of risk in distorted markets is the illusion of liquidity.

### The Illusion of Liquidity

In low-volume markets of suppressed volatility, participants are encouraged to believe that they can buy and sell whatever securities they want in whatever volumes they want without disturbing market pricing and liquidity.

In other words, participants are led to believe that the market will always have a bid due to the near-infinite depth of liquidity: no matter how many billions of dollars of securities you want to sell, there will always be a bid for your shares.

In actual fact, the bid is paper-thin and it vanishes altogether once selling rises above very low levels. Heavily manipulated markets are exquisitely sensitive to selling because the entire point is to limit any urge to sell while encouraging the greed to increase gains by buying more.

The illusions of low risk, essentially guaranteed gains for those who increase their positions and near-infinite liquidity generate overwhelming incentives to borrow more and leverage it to the hilt to maximize gains.

The blissfully delusional punter feels the decision to borrow the maximum available and leverage it to the maximum is entirely rational due to the "obvious" absence of risk, the "obvious" guaranteed gains offered by markets lofting ever higher like clockwork and the "obvious" abundance of liquidity, assuring the punter they can always sell their entire position at today's prices and lock in profits at any time.

### In the Fed We Trust

On top of all these grossly misleading distortions, punters have been encouraged to believe in the ultimate distortion: the Federal Reserve will never let markets decline again, ever. This is the perfection of moral hazard: risk has been disconnected from consequence.

In this perfection of moral hazard, punters consider it entirely rational to increase extremely risky speculative bets because the Federal Reserve will never let markets decline. Given the abundant evidence behind this assumption, it would be irrational not to ramp up crazy-risky speculative bets to the maximum because losses are now impossible thanks to the Fed's implicit promise to never let markets drop.

This is why distorted, manipulated markets always end the same way. First, in an unexpected emergence of risk, which was presumed to be banished; second, a market crash as the paper-thin bid disappears and prices flash-crash to levels that wipe out all those forced to sell by margin calls, and then the collapse of faith in the manipulators (the Fed), collapse of the collateral supporting trillions of dollars in highly leveraged debt and then the collapse of the entire delusion-based financial system.

Amidst the ruins generated by well-meaning manipulation and distortion, the "well meaning" part will leave an extremely long-lasting

bitter taste in all those who failed to differentiate between the false signals and distorted information of manipulated markets and the trustworthy transparency of signals arising in truly open markets.

In summary: risk has not been extinguished, it is expanding geometrically beneath the false stability of a monstrously manipulated market.

Risk cannot be extinguished, it can only be transferred. By distorting markets to create an illusion of low-risk stability, the Federal Reserve has transferred this fatal supernova of risk to the entire financial system.

[End of article](#)

## How to Prepare for a Bear (Down) Market



Most people recognize that these days the stock market is very high and could start falling sometime soon. It could take weeks, months or years, but the market will eventually reach its peak. And when it does, it's critical to have an exit plan to protect your portfolio as stocks crash. But that doesn't mean you should stay away from investing entirely.

I have always believed that if you know what to expect, you can generate significant cash during a bear market.

I subscribe to a financial trading advisory service called Tradesmith. I have found it both informative and accurate in its economic forecasts. On July 4, 2021 the CEO Keith Kaplan published an essay explaining why another economic downturn appears to be on the way and discussing how and why you should focus on the long term when the market peaks and explaining what Corporate America's behavior can tell you about the economy's prospects. I recreate this essay below for your reading consideration. D. Miyoshi

## Five Bear Market Rules You Need to Know Now (Before One Strikes)





## How to Prepare for a Bear (Down) Market

By Keith Kaplan, CEO, TradeSmith

It didn't last long, but it sure was damaging...

In March 2020, investors experienced the first bear market in more than a decade.

This COVID-19-fueled bear market, defined as a decline on the S&P 500 Index of more than 20%, was also the fastest and shortest in history. It took just 16 days to fall that quickly. Meanwhile, the recovery took just 33 days.

The COVID-19 market crash was unprecedented in more ways than one...

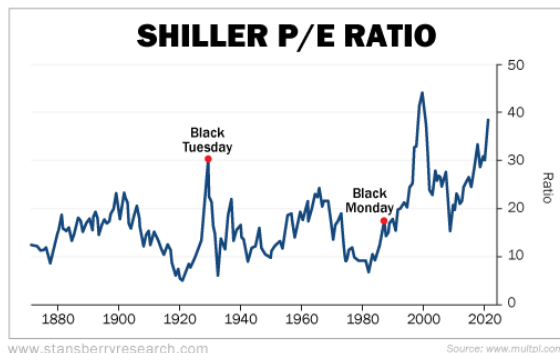
Historically, the average bear market for the S&P 500 lasts a little less than 13 months and occurs about every six years.

But the ensuing rally to record highs over the past 15 months has put many investors on edge.

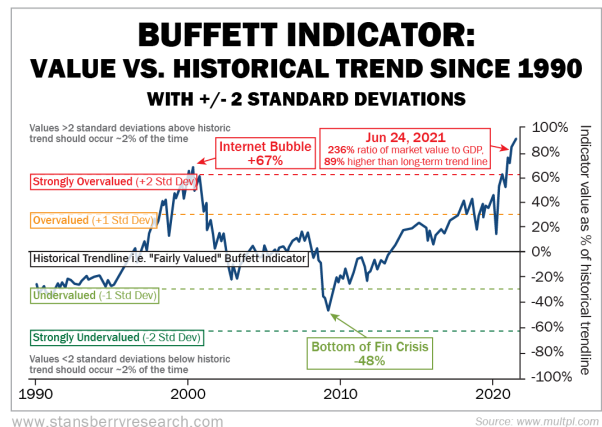
Conditions appear ripe for another bear market.

Stock valuations are the highest they've been since the dot-com bubble. The Shiller P/E Ratio, a measurement of the average price-to-earnings ratio of S&P 500 stocks, sits at 37.68. That figure is higher than Black Monday in 1987 and Black Tuesday in 1929.

The chart below shows that the Shiller P/E ratio is heading into territory not seen in more than 20 years...



Then there's the much-hyped Warren Buffett indicator. This measurement is a ratio of the total stock market valuation compared to U.S. gross domestic product ("GDP"). The figure suggests that the market is extremely overvalued, recently hitting a ratio of 232%...



The Federal Reserve is poised to raise rates, with such speculation already punishing growth stocks and companies with significant debt.

Those are just a few warning signals.

Whether the next bear market comes in two weeks or two years, it's essential to be prepared.

That's what we're discussing today... how to succeed in a bear market.

Let's look at the five Bear Market rules that you need to know today...

**Bear Market Rule No. 1: Don't Become a Day Trader**

As bear markets occur, the worst strategy possible is to turn into a day trader.

Day traders attempt to make money by jumping in and out of stocks in short time durations. These trades can last a day, an hour, or even a matter of minutes.

Jumping in and out of stocks regularly based on recent moves will more than likely fuel a losing streak. If you haven't been day trading in the past, a bear market is not the time to start.

Roughly 80% to 90% of new day traders fail in their first year, depending on which source you cite. Even worse, about 80% of day traders will quit in the first two years, according to Tradeciety.com.

Day trading is very emotional for new participants. And trading on your emotions is not in your best interest. I stress the importance of steering clear of day trading because such failure rates can destroy your confidence in the stock market as a wealth-building machine.

If you're serious about making money in the market, it's critical to shift your attention away from day-to-day movements... and even month-to-month movements.

That sentiment brings us to our next rule...

**Bear Market Rule No. 2: Maintain a Long-Term Focus**

Back in March 2020, the days felt longer when investors watched their portfolios stretch deeper and deeper into the red. During those stressful stretches, it's tough to remember that all bear markets have one thing in common: They all end.

According to the Schwab Center for Financial Research, the average







## Is it racist to believe in Adam and Eve?

bear market for the S&P 500 tends to last a little less than 18 months.

If you recall the 2008 to 2009 financial crisis, many people worried about the safety and security of their retirement accounts. The people who were buying at market lows could do so because they had available cash on hand. By purchasing index funds and strong companies, investors could build a portfolio on the cheap.

Six years later, patient investors made enormous profits. This is especially true for anyone who used all of the tools at their disposal to increase their exposure to long-term investing.

Bear markets are a good reminder to use company 401(k) matching programs and be patient to wait for a rebound. Those who did were handsomely rewarded in 2009 and 2020. Investors who follow that same game plan will find success in the next bear market.

### Bear Market Rule No. 3: Cut Your Margins

One of the biggest unforced errors for investors during bull markets is that they fail to slash their margin accounts when the markets start to fall. When investors use margin, they are effectively borrowing money from their brokerage to invest. They can enjoy the gains from this money, but they are on the hook for everything if the investments decline.

Brokerages can force you to sell your stocks or other falling investments during a process known as a "margin call." These margin calls typically happen when prices have cratered. There's no negotiation during a margin call, and it can cost you a lot of money if things go sideways.

Let's say that you have \$100,000 in cash in your account that you use to buy stock... and you have another \$100,000 in margin on your account. If we see a 25% pullback during a bear market, a decline could cost upwards of 50% of your initial cash investment due to use of margin. The reason is that the margin capital is not your money. So, the brokerage can reclaim its capital and force you to settle from your original cash investment.

### Bear Market Rule No. 4: Separate the Signal From the Noise

One of the biggest disadvantages that investors had over the last 100 years is information inequality. What I mean by this term is the idea that institutions had greater insight into events that were about to transpire than retail investors. But the combination of regulatory understanding and technological progress has helped democratize insights into when a bear market is about to transpire... and when retail investors should move to cash.

In the case of regulatory filings, pay close attention to corporate insiders' buying and selling habits. CEOs and chief financial officers are two of the most reliable sources of knowledge about a company's short-term and long-term future.

If corporate insiders are selling – and I mean a lot of them all at once – this can signal that Corporate America expects a sharp downturn in the market. In February 2020, we saw insider selling hit nosebleed levels as the markets prepared for a possible shutdown of the economy.

On the flip side, corporate buying can be a sign that a recovery is in play. A wave of insider buying transpired when the Federal Reserve said it would provide full support to the markets after the COVID-19 crash.

### Bear Market Rule No. 5: Generate Money on Your Long-Term Positions

I've explained the value of having a long-term mindset. Investors who use strategies like dollar-cost averaging to build positions during a bear market can achieve incredible gains during a market recovery. But keep in mind that there are other ways to make money off existing long-term positions.

For example, if you're determined to be a long-term owner of Apple (AAPL) and you own 100 shares, there are simple, conservative, low-risk strategies to generate income off these positions. One example is known as a "covered call." In this situation, you sell a contract that gives a potential buyer the right, but not the obligation, to purchase stock from you if it goes higher and reaches the "strike price."

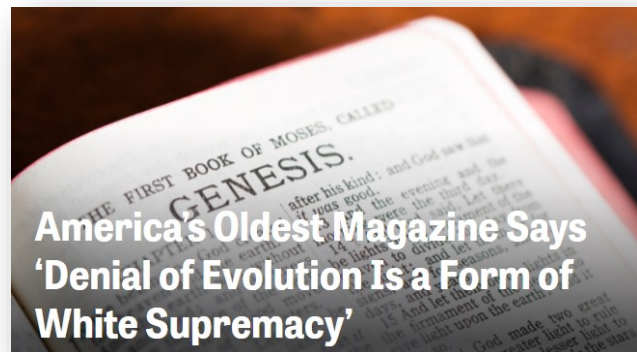
There are many other ways to generate additional cash during a bear market. Best of all, you can use the cash generated to buy some of your favorite stocks on the cheap.

These rules can help you prepare for the next bear market... and they can also help you find that next great opportunity when the downturn arrives.

Enjoy your day,

End of essay

## Is it racist to believe in Adam and Eve?



These days the contention that the origin of racism is White Supremacy permeates the discourse at news bureaus as well as the halls of academia and government throughout the land. On July 12, *the Trumpet* published a commentary by Andrew Miller entitled "America's Oldest Magazine Says 'Denial of Evolution Is a Form of White Supremacy.'" In his commentary Miller disputes the contention in an article recently appearing in the *Scientific American* that a belief in Adam and Eve is fundamentally racist. Miller's commentary is both incisive and compelling and one which I support so I present it here for your own reading consideration. D. Miyoshi

Forty percent of Americans believe God created humans in His image within the past 10,000 years. The rest believe humans evolved over millions of years, with or without God's guidance. Most college-educated people believe the hypothesis of evolution is a rational explanation for creation. So it should not be surprising that a popular





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science magazine like the *Scientific American* espouses it. What is surprising is the level of vitriol this publication levels at anyone who questions evolution.

On July 5, the *Scientific American* published an editorial by Allison Hopper titled “Denial of Evolution Is a Form of White Supremacy.” Since Hopper cannot accept that anyone would ever doubt evolution on scientific or religious grounds, she argues that creationists reject evolution because they are racists.

“I want to unmask the lie that evolution denial is about religion and recognize that at its core, it is a form of white supremacy that perpetuates segregation and violence against black bodies,” she wrote.

“In literal interpretations of the Christian Bible, white skin was created in God’s image. Dark skin has a different, more problematic origin. As the biblical story goes, the curse or mark of Cain for killing his brother was a darkening of his descendants’ skin. Historically, many congregations in the U.S. pointed to this story of Cain as evidence that black skin was created as a punishment. The fantasy of a continuous line of white descendants segregates white heritage from black bodies. In the real world, this mythology translates into lethal effects on people who are Black. Fundamentalist interpretations of the Bible are part of the ‘fake news’ epidemic that feeds the racial divide in our country.”

Now, Hopper is partially correct that some Protestant denominations in the United States formerly taught that Cain was marked with black skin. But this belief is no longer prevalent, and it never came from the Bible. In Genesis 4:15, the Hebrew word for “mark” is *owth*, and it indicates a boundary marker that God set up to separate Cain and his family from the rest of humanity after he murdered his brother Abel.

You can read the Bible from Genesis to Revelation, and you will not find anything justifying the belief that any race or ethnicity is inferior to another. The Old Testament refers to Eve as “the mother of all living” (Genesis 3:20); the New Testament says God “made of one blood all nations of men for to dwell on all the face of the earth” (Acts 17:26). Yet just as God created varieties within different plants and animals—with artistry and purpose—He created varieties of people.

“God does not reveal in the Bible the precise origin of the different races,” the late Herbert W. Armstrong explained in his landmark book *Mystery of the Ages*. “But it is a fair conjecture that in mother Eve were created ovaries containing the yellow and black genes, as well as white, so that some of the children of Adam and Eve gave rise to black, yellow, as well as white.”

Despite Hopper’s protestation, the Bible teaches that God “made of one blood all nations of men.” It is evolution that teaches that some races are inferior.

The alternate title for Charles Darwin’s book *On the Origin of Species*

by Means of Natural Selection was *The Preservation of Favored Races in the Struggle for Life*. Its premise was that only the fittest races survive. This book’s sequel, *The Descent of Man*, argued that some races were superior to others.

Throughout *The Descent of Man*, Darwin labeled various races as inferior to Europeans. In one passage, he said he would rather be descended from an “old baboon” than from South American Indian. In another passage, he predicted the extinction of the African races: “At some future period, not very distant as measured by centuries, the civilized races of man will almost certainly exterminate, and replace, the savage races throughout the world. At the same time the anthropomorphous apes ... will no doubt be exterminated. The break between man and his nearest allies will then be wider, for it will intervene between man in a more civilized state, as we may hope, even than the Caucasian, and some ape as low as a baboon, instead of as now between the negro or Australian and the gorilla.”

Yet according to the *Scientific American*, creationists are white supremacists because they reject a theory formulated by a man who believed that blacks and Aborigines were barely more evolved than gorillas. And they are racists because they cling to a religion that teaches that all races were created in the image of God.

Charles Darwin’s cousin, Francis Galton, used the ideas elucidated in *The Preservation of Favored Races in the Struggle for Life* to start the eugenics movement. This movement sought to improve humanity by excluding inferior people from the gene pool. Imperial Germany used tenets of social Darwinism and eugenics to justify the genocide of “inferior” races in Africa. National Socialist Germany used principles of social Darwinism and eugenics to justify the genocide of the Jewish people. And whether they realize it or not, those racial activists espousing critical race theory today are channeling this same Darwinian spirit when they substituted race conflict for class conflict in their quest to create a revolutionary coalition of ethnic minorities against a white majority.

Those who follow the Bible know that morality is God’s definition of right and wrong. But those who believe in evolution think morality is an invention of the human mind. Therefore, evolutionists believe humans can alter the definition of right and wrong at will because they are the authority that invented right and wrong in the first place. After all, if humans are only the most sophisticated of the apes, then the rule of law must give way to the law of the jungle. The strong rule the weak; only the fittest survive.

Race war, genocide and other serious problems are not caused by “literal interpretations” of the Bible but are instead caused by society’s rejection of “literal interpretations” of the Bible.

“Higher education during the 20th century has come, with virtual unanimity, to accept the evolutionary theory,” Mr. Armstrong wrote in *Mystery of the Ages*. “Higher education contemptuously ignores, without any consideration whatsoever, the biblical truths revealing man’s presence on the Earth and the causes of the present state of civilization. Education in the civilized world today has become entirely materialistic. Education has become a combination of the ag-



## Is This Domestic Terrorism?

nosticism of evolution, the politics and economics of Karl Marx, and the morals and social patterns of Sigmund Freud. Higher education remains in utter ignorance of the mystery of mankind and of human civilization.”

Until humanity comes to understand the mystery of mankind and of human civilization and accepts God’s inexorable spiritual law as static, stationary, eternal and unchanging, we stand in great danger. Unless the Creator, whose existence evolutionists so adamantly deny, intervenes to save this world’s sick society, social Darwinism and moral relativism will lead to the extinction of all life on Earth.

End of Commentary

## Is This Domestic Terrorism?

The Biden administration just unveiled a new strategy to combat domestic terrorism. It appears they consider white supremacy a greater threat than radical Islam. Does that make any sense? The following is an article by Andrew Miller that appeared in *the Trumpet* Christian publication on June 22. It makes some good points about the focus of this new policy and I reproduce it for your reading consideration. D. Miyoshi

## Biden Administration Unveils New Strategy to Combat Domestic Terrorism



**T**he Biden administration released its strategy for countering domestic terrorism on June 15, and it looks like the United States is in for some big changes. The 32-page document does not even mention street gangs, drug cartels or Islamic extremists. It focuses almost exclusively on white supremacists. In addition to granting \$100 million in additional funding to the Department of Justice and the Department of Homeland Security, the plan includes provisions for purging the Internet of extremist content and for training men and women leaving the military to prevent them from becoming radicalized domestic terrorists.

“The National Strategy is designed to coordinate and provide a principled path for the federal government’s efforts to counter the heightened domestic terrorism threat, using all available tools,” At-

torney General Merrick Garland said in a speech introducing the counterterrorist plan to the nation. “It is the culmination of an effort undertaken at the president’s direction by federal agencies all across the government—from the Justice Department to the Departments of Homeland Security, Defense, State, Health and Human Services, and others. ... Our current effort comes on the heels of another large and heinous attack—this time, the January 6 assault on our nation’s Capitol. ... The resolve and dedication with which the Justice Department has approached the investigation of the January 6 attack reflect the seriousness with which we take this assault on a mainstay of our democratic system: the peaceful transfer of power. Over the 160 days since the attack, we have arrested over 480 individuals and brought hundreds of charges against those who attacked law enforcement officers, obstructed justice, and used deadly and dangerous weapons to those ends.”

So the Biden administration’s strategy to combat terrorists looks more like a plan to crack down on those contesting the 2020 presidential election than it looks like a plan to crack down on the Ku Klux Klan.

On April 28, Joe Biden told Congress that “the most lethal terrorist threat to the homeland today is from white supremacist terrorism” before saying that the Capitol protest “was an existential crisis—a test of whether our democracy could survive.” He didn’t explicitly say how white supremacy was connected to the Capitol protests but seems to think only racists believe the 2020 presidential election was stolen. His administration is taking a cue from former Central Intelligence Agency Director John Brennan and “moving in laser-like fashion” to expose an “unholy alliance” of “religious extremists, authoritarians, fascists, bigots, racists, nativists, even libertarians.”

Former Democratic presidential candidate Tulsi Gabbard recognizes that the government’s efforts to spy on U.S. citizens and purge the Internet of content it finds “extreme” is the greater danger. She warned that the “John Brennans, Adam Schiffs and the oligarchs in Big Tech who are trying to undermine our constitutionally protected rights and turn our country into a police state with KGB-style surveillance are also domestic enemies and much more powerful and therefore dangerous than the mob that stormed the Capitol.”

In 2016, Department of Homeland Security whistleblower Philip Haney wrote a book titled *See Something, Say Nothing: A Homeland Security Officer Exposes the Government’s Submission to Jihad*. He exposed the Obama administration’s destruction of crucial data in government databases concerning Islamist terrorist organizations and hundreds of individuals in the U.S. involved in Islamic radicalism. Haney began work on a sequel that would name names and further expose the ongoing corruption in the Department of Homeland Security and the intelligence community, but he was found dead in a park three miles from his house before he could finish it. The Biden administration seems to have picked up where the Obama administration left off and is continuing the government’s pivot away from targeting radical Islamists in favor of targeting whistleblowers.

One trove of government documents reveals that there are many unnamed people who conspired and participated in the Capitol pro-



## So What's so Good About America?

test who have not been charged. And according to *Revolver News*, the reason some of these protesters have not been indicted is that they are Federal Bureau of Investigation agents or informants. This raises some disturbing questions about how much the FBI knew about the Capitol protest before it happened. Did some of the same government agents who deleted crucial data about Islamic extremists also help plan the Capitol protest as an excuse to target Trump supporters and conservatives?

The Biden administration is certainly using the Capitol protest and accusations of white supremacy to maximum effect in its quest to move "in laser-like fashion" against conservatives.

Defense Secretary Lloyd James Austin has hired critical race theorist Bishop Garrison as the Pentagon's new extremism czar, tasked with purging extremists from the military. His Countering Extremism Working Group will now be monitoring the Internet search histories and social media posts of military personnel, looking for evidence of "extremist behavior." To circumvent First Amendment restrictions on government monitoring, Garrison's group will be using a private surveillance firm (the frontrunner is Babel Street) to "continuously" trawl through the social media accounts of troops. He supports the New York Times' 1619 Project and has made Twitter posts alleging that only racists, misogynists and extremists support President Donald Trump. His definition of what constitutes "extremist" behavior likely includes anyone who supports Trump, believes in the U.S. Constitution, opposes critical race theory, or thinks the 2020 presidential election was stolen.

The Biden administration's new counterterrorism strategy is all about empowering foreign enemies while tearing down America's constitutional system of government and those who support it. But why?

"Together with Brennan and a group of top spies, Obama sought to overturn the results of the 2016 election, overthrow the Trump administration, and establish something much more than a new socialist government in the United States!" wrote Trumpet editor in chief Gerald Flurry in his article "America Has Been 'Fundamentally Transformed.'" "To truly understand how dangerous this was, you have to go back before John Brennan's intelligence assessment, before the warrant to spy on Carter Page, and before the salacious dossier compiled by Christopher Steele. You have to go all the way back to a prophecy in the book of Daniel."

This prophecy foretells of "a little horn, which waxed exceeding great, toward the south, and toward the east, and toward the pleasant land" (Daniel 8:9). Most commentaries agree this is talking about the Seleucid King Antiochus Epiphanes, who desecrated the temple in Jerusalem with an idol of himself. But the book of Daniel is primarily for the end time (Daniel 12:4). There is a spiritual Antiochus who "cast down the truth to the ground" inside God's Church (Daniel 8:12). And there is a political figure that comes in the spirit of Antiochus to "cast down the truth to the ground" in the United States. As the most biblically hostile U.S. president in history, Barack Obama fulfills the role of America's political Antiochus. He is out of office now, but his administration and its allies in the media are still at work. This is a major reason why truth is under attack as

never before. (Please read *America Under Attack*, by Gerald Flurry, for a detailed description of these end-time prophecies.)

Satan harbors terrible hatred for spiritual Israel (God's Church) and physical Israel (the modern-day nations of America, Britain, and the Jewish state in the Middle East). He uses Antiochus-type men to destroy Israel.

That is the real reason the Biden administration is turning a blind eye to Islamic jihadists while it slurs anyone trying to expose election theft as a potential terrorist. Its ultimate agenda is to silence anyone who speaks against its plan to fundamentally transform the United States of America into a socialist dictatorship!

### End of Article

## So What's so Good About America?



**A**merica has a number of faults. But compared to other countries, America also has a number of benefits to love about it.

In an article published on June 2, Kim Iskyan, editor of *American Consequences* lists three big benefits why we should love America.

### Reason No. 1 to Love America: There's So Much to Choose From

The cereal aisle. Nineteen Mexican restaurants within a 10-miles radius of the suburban Virginia hotel where I'm staying now... and 6,575 kinds of screws on homedepot.com. Walmart Supercenters have nearly four football fields' worth of stuff... 132 hotels in downtown Baltimore alone... and 52 craft breweries just in the state of Alabama.

It's not that everywhere else is a Model-T world ("Any customer can have a car painted any color that he wants so long as it is black," Henry Ford famously said). But the range of options for pretty much anything your imagination can conjure is orders of magnitude greater in the U.S. grocery store acreage... Amazon listings... places to go, stay, eat, and drink. There's nowhere like America to do or get whatever you want, quickly and easily.

Of course, if you're a Cheerios and McDonald's person who wears



## So What's so Good About America?

black T-shirts every day, options are a distraction. But when you're in the mood for Szechuan food, or need a CCV valve for your '66 Corvette, want 26 scent options for your deodorant, or want to stay at a treehouse hotel... well, then America is your place.

### Reason No. 2 to Love America: It's Cheap

Costs are relative – and you usually get what you pay for. But most products and goods (with the key exceptions of health care and education) cost less in most of the U.S. compared with much of the rest of the developed world (and rising inflation is a global phenomenon – it's not just the U.S.).

Of course there's huge variability regionally – many things (especially real estate) are more expensive on much of the East and West coasts. And there's similar price variability within many countries – so it makes more sense to compare costs between cities globally. (And, of course, whether things are cheap or expensive depends on how much money you have and your income.)

But no matter how you cut it, the United States is – on average – really cheap, for a developed country. Land is plentiful, and outside the biggest coastal cities of the U.S., real estate is (still) cheap. Cars are barely taxed, and gas is cheaper than almost any other developed country. Food (and beer) is cheap. The titans of retail consumerism deliver an extraordinary array of goods at very low prices (as the first part of Walmart's advertising slogan asserts, “Save money”).

Don't feel it? Go spend some time in western Europe... or developed Asia. Yes, some things will cost less... But on average, the United States is a bargain.

### Reason No. 3 to Love America: Doing Business Is Easy

Need to open a business? Are you launching a product? The World Bank's annual Ease of Doing Business survey looks at the process of doing business across a range of parameters (registering property, paying taxes, getting electricity, and others) in different countries. In the most recent survey, the U.S. is ranked No. 6, after New Zealand (No. 1), Singapore, and other countries.

What these sorts of surveys overlook, though, is the talent pool. I launched a business in Singapore, and it was a straightforward process. But the next step – finding people to do the actual, you know, work – was tough... simply because Singapore (and its 3.7-million strong labor pool) is small. So is Hong Kong (No. 3) and Denmark (No. 4).

In such small markets, the number of qualified and experienced people for the specialized task you need accomplished – long-form copywriting, app development, 3D printer designer, whatever – is going to be a fraction of what's available in a far bigger market like the U.S. Opening a business is great, but if you don't have a large enough pool of qualified people to work with you, you may as well not bother in the first place.

### America Has Lost Some of Its Luster...

If you're American, chances are that you think the United States is the “greatest country in the world.”

That's what 54% of respondents to a Chicago Council poll said last

year (not surprisingly, there's a big political divide: 80% of Republicans, and just 35% of Democrats).

What that means is that 46 of every 100 Americans aren't believers in American exceptionalism – and don't think it's the Disneyland of countries.

What's more, the “greatest country” tally is down sharply since 2012, when 70% of Americans (R: 85%, D: 66%) felt it was. And last year's reading is the lowest this century.

Despite all the United States has to offer – and the many reasons to love America – in recent years it's lost some of its international gleam as the land of opportunity and the home of the brave.

In a Pew Research Center survey conducted last summer, the percentage of people in a number of countries who had a favorable view of the U.S. plummeted to multidecade lows.

For example, just 35% of Canadians viewed the U.S. positively (versus 72% in 2000). “Canada is wondering if they're living in the apartment above a meth lab,” says marketing guru, social commentator, and podcaster Scott Galloway. And only 41% of people in the United Kingdom – long considered America's bestie – reported having warm fuzzies about the U.S. (versus 83% in 2000).

Pew explained that the dim view most of the world had for former President Donald Trump, coupled with the mismanagement by the U.S. of the coronavirus pandemic, were major contributors to the collapse in the international perception of the United States.

(Mitigating factor: In the summer of 2020, unfavorable views of China were also reaching “historic highs” in many countries, Pew reported. So... take that, China.)

Some of the damage to America's attractiveness in the eyes of the rest of the world might be reversed with the more world-friendly policies of President Joe Biden. But the increased polarization of politics and policy – both domestic and foreign – in the U.S. may permanently tarnish America's reputation as a reliable ally, as Foreign Affairs explains...

“Polarization will introduce uncertainty in foreign affairs and exacerbate U.S. allies. And if continued polarization leads the United States to abandon tricky negotiations or renege on existing commitments every time a new party is in power, Washington's reputation as a credible adversary and a reliable ally could be in serious jeopardy.”

### So What's Not to Like?

And the United States is – like all of us – imperfect. It has by far the highest firearm-related death rate of any developed country. (No. 2 among developed nations, Switzerland, has a rate that's a quarter that of the land of the Second Amendment.) It has the fifth-highest level of income inequality of the 38 member countries of the Organization for Economic Co-operation and Development – and around one in seven Americans live in poverty.

The World Health Organization ranks U.S. health care as No. 37 in the world – although, on a per capita basis, the U.S. spends 40% more than the No. 2 big spender (which is, ironically, also Switzerland). Residents of 45 other countries live longer than Americans. And the U.S. is the world leader in coronavirus deaths.

(On my personal list of things to not like about “Merica”) The fact that 63% of Americans don't have a valid passport, and thus have little sense of the rest of the world. “Irish” bars featuring acres of





## The Black Dilemma

polished brass, and images of dancing leprechauns and giant-sized four-leaf clovers. Radio stations with more ads than music. Mortgage providers that completely ignore your income if you became a contractor just months ago – even if it's for a company that you've been employed by for eight years. Crappy airlines with rude flight attendants.)

Still... America is a people magnet...

(Almost) Everyone Wants to Come Here

Green card lotteries – in which would-be immigrants to the U.S. can win the right to go to the U.S. – are consistently massively oversubscribed. Each year, upward of 20 million people apply for the 55,000 green cards (which grants permanent residency in the U.S.) that are awarded. Last year, more than 500,000 people were apprehended trying to cross the border into the U.S. – risking their lives for the chance at a better life.

The United States has more immigrants (at 45 million) than any other country. And all those immigrants do good work: Nearly two out of every five people in Silicon Valley were born outside the country. According to immigration think tank New American Economy, as of 2018 about 44% of Fortune 500 companies were founded by an immigrant or the child of immigrants. No wonder so many people from abroad want to come here.

This diversity of cultures is another beautiful aspect of our country... America, the great melting pot.

So, on July 4<sup>th</sup> holiday weekend, enjoy the time with friends and family in this land of the free... I'm glad to be back here in the U.S. Maybe I'll even indulge in some spray cheese on my burger.

End of Article

## The Black Dilemma



This article was written by Ian Duncan and recently appeared in the *Baltimore Sun*, a rather liberal publication. It's a searing and somewhat insulting indictment of the black movement in America and one that can prompt backlash from them. It's observations are controversial and I recreate it here for your own consideration. D. Miyoshi

The Black Dilemma (per *The Baltimore Sun*)

A good article Well worth a few minutes to read.

A liberal paper spelling out the facts for a change!

The English came and they were poor and now they are rich

The Scots came and they were poor and now they are rich

The Germans came and they were poor and now they are rich

The Irish came and they were poor and now they are rich

The Poles came and they were poor and now they are rich

The Hungarians came and they were poor and now they are rich

The Cubans came and they were poor and now they are rich

The Viets came and they were poor and now they are rich

The Latins came, they were poor but they have worked hard, now they are rich

The Africans came and they were poor and now they continue to be poor.

WHY? read the below.

"The Baltimore Sun" is definitely not known as a Conservative newspaper, so this very well written assessment of the situation in USA comes as something of a surprise.

The Black Dilemma" For almost 150 years the United States has been conducting an interesting experiment. The subjects of the experiment: black people and working-class whites. The hypothesis to be tested: Can a people taken from the jungles of Africa and forced into slavery be fully integrated as citizens in a majority white population?

The whites were descendants of Europeans who had created a majestic civilization. The former slaves had been tribal peoples with no written language and virtually no intellectual achievements. Acting on a policy that was not fair to either group, the government released newly freed black people into a white society that saw them as inferiors. America has struggled with racial discord ever since.

Decade after decade the problems persisted but the experimenters never gave up. They insisted that if they could find the right formula the experiment would work, and concocted program after program to get the result they wanted. They created the Freedmans Bureau, passed civil rights laws, tried to build the Great Society, declared War on Poverty, ordered race preferences, built housing projects, and tried midnight basketball. Their new laws intruded into peoples lives in ways that would have been otherwise unthinkable.

They called in National Guard troops to enforce school integration. They outlawed freedom of association. Over the protests of parents, they put white children on buses and sent them to black schools and vice-versa. They tried with money, special programs, relaxed standards, and endless hand wringing to close the achievement gap. To





## The Fate of an Empire

keep white backlash in check they began punishing public and even private statements on race. They hung up Orwellian public banners that commanded whites to Celebrate Diversity! and Say No to Racism. Nothing was off limits if it might salvage the experiment.

Some thought that what W.E.B. DuBois called the Talented Tenth would lead the way for black people. A group of elite, educated blacks would knock down doors of opportunity and show the world what blacks were capable of.

There is a Talented Tenth. They are the black Americans who have become entrepreneurs, lawyers, doctors and scientists. But ten percent is not enough. For the experiment to work, the ten percent has to be followed by a critical mass of people who can hold middle-class jobs and promote social stability. That is what is missing.

Through the years, too many black people continue to show an inability to function and prosper in a culture unsuited to them. Detroit is bankrupt, the south side of Chicago is a war zone, and the vast majority of black cities all over America are beset by degeneracy and violence. And blacks never take responsibility for their failures. Instead, they lash out in anger and resentment.

Across the generations and across the country, as we have seen in Detroit, Watts, Newark, Los Angeles, Cincinnati, and Ferguson, rioting and looting are just one racial incident away. The white elite would tell us that this doesn't mean the experiment has failed. We just have to try harder. We need more money, more time, more understanding, more programs, and more opportunities.

But nothing changes no matter how much money is spent, no matter how many laws are passed, no matter how many black geniuses are portrayed on TV, and no matter who is president. Some argue it's a problem of culture, as if culture creates peoples' behavior instead of the other way around. Others blame white privilege.

But since 1965, when the elites opened America's doors to the Third World, immigrants from Asia and India people who are not white, not rich, and not connected have quietly succeeded. While the children of these people are winning spelling bees and getting top scores on the SAT, black youths are committing half the country's violent crime, which includes viciously punching random white people on the street for the thrill of it that has nothing to do with poverty.

The experiment has failed. Not because of white culture, or white privilege, or white racism. The fundamental problem is that American black culture has evolved into an un-fixable and crime ridden mess. They do not want to change their culture or society, and expect others to tolerate their violence and amoral behavior. They have become socially incompatible with other races by their own design, not because of the racism of others - but by their own hatred of non-blacks.

Our leaders don't seem to understand just how tired their white subjects are with this experiment. They don't understand that white peo-

ple aren't out to get black people; they are just exhausted with them. They are exhausted by the social pathologies, the violence, the endless complaints, and the blind racial solidarity, the bottomless pit of grievances, the excuses, and the reflexive animosity. The elites explain everything with racism, and refuse to believe that white frustration could soon reach the boiling point."

End of article

## The Fate of an Empire



On business trips to Dubai, I marvel at the spectacular state of the art dynamic transitioning skyscrapers that line Sheikh Zayed Road, the main boulevard that runs through what is arguably the most modern metropolis on the planet.

Yet recently, the founder of Dubai, Sheikh Rashid, was asked about the future of his country, and he replied, "My grandfather rode a camel, my father rode a camel, I ride a Mercedes, my son rides a Land Rover, and my grandson is going to ride a Land Rover...but my great-grandson is going to have to ride a camel again."

Why is that, he was asked?

And his reply was, "Hard times create strong men, strong men create easy times.

Easy times create weak men, weak men create difficult times.

Many will not understand it, but you have to raise warriors, not parasites."

And add to that the historical reality that all great empires...the Persians, the Trojans, the Egyptians, the Greeks, the Romans, and in later years, the British...all rose and perished within 240 years.

## The Great American Pension Crisis

They were not conquered by external enemies; they rotted from within.

America has now passed that 240-year mark, and the rot is starting to be visible and is accelerating.

WE ARE PAST THE MERCEDES AND LAND ROVER YEARS....THE CAMELS ARE ON THE HORIZON

D. Miyoshi

## The Great American Pension Crisis

The following article is by Dr. David Eifrig, editor, *Income Intelligence*, M.D., MBA and former executive at Goldman Sacks. It offers critical advice at this time of consistently declining financial security. It is helpful information so please take a few moments to read what he has to say. D. Miyoshi



David Eifrig, M.D., MBA

A few years ago, my father passed away...

He was a brilliant physician... but unlike most surgeons, he didn't have a lucrative private practice to support him in retirement. He was a professor at the University of North Carolina-Chapel Hill... a state employee.

And his wife, my stepmother – whom I've known and loved for more than 30 years – depends on the survivorship benefits from his pension. The problem was, that pension was hanging by a thread.

I've seen headlines for years about a "pension crisis" (as I'm sure you have too) and read occasional notes about small towns going bankrupt. I figured the pension problems were just fearmongering... or something that a little bailout from the federal government could fix.

I was wrong.

When I dug into the numbers, I discovered that at the time, North Carolina's state-sponsored pension funds were only 51.3% funded, right on the edge of the crisis point. It made me furious.

The more I dug, the more I realized how much danger was facing my stepmother and millions of other retirees.

Nothing beats a government pension. If you (or a loved one) work for the government, you expect pension benefits to support you for the rest of your life.

If you're already retired, your check has shown up without fail, month after month. Your health care benefits are far better than most. And your money is practically inflation-proof, thanks to your cost-of-living adjustments.

Anyone would love to be promised those benefits in retirement. But what if that promise isn't kept? What if you work for decades... only to have a big part of your promised compensation taken away from you?

This isn't a hypothetical. It's happening. And it's going to happen to more folks soon.

Public pensions nationwide are crumbling. Legal loopholes are widening. If you don't take action to protect yourself and your loved ones, you could be left with nothing.

If you're currently retired, the coming American pension crisis could mean the elimination of cost-of-living adjustments, higher health care premiums, or even cuts to your base pension check. If things are bad enough, you may suffer a ravaging "clawback" – where the government repossesses a huge lump sum of your cash – and still cuts your monthly check.

Again, this is not a hypothetical.

In 2001, the vast majority of pensions were fully funded. Generally speaking, "well-funded" means above 80%. But 50% funding or less is considered the "crisis point." It's extremely difficult to come back from 50% or less.

According to The Pew Charitable Trusts – an independent research organization – pensions in Connecticut, Illinois, Kentucky, and New Jersey are less than 50% funded. In fact, New Jersey sits at the bottom of the list... Its pension is only 38% funded.

Only seven states are 90% funded.

If you're one of the tens of millions of affected Americans, you should know... you have zero control over what happens.

You can't increase or decrease the amount that's being invested. Also, companies hire managers who oversee where the pension money goes... And the fees they charge dilute returns.

Plus, if you die right after you retire, your dependents might get nothing.

But there is a solution...

You can move money from your pension into a self-directed individual retirement account ("IRA").

This gives you total control of your money. You get to grow your money tax-free, just like a pension... but there's no limit on how much you can make.

A self-directed IRA is exactly what it sounds like... It puts you in charge of your investments.

In addition to the conventional investments you can make in a typical IRA – like stocks and bonds – a fully self-directed IRA allows you to invest in many other assets, including real estate, private stocks, businesses, options, and even precious metals.

You can invest in just about anything, as long as it's not employed for your personal benefit. This simply means you must avoid any conflicts of interest. You can't, for example, invest in companies you

## War in the Pacific?

have a 50% interest in. But you can buy the house next door through your IRA and then rent it to a neighbor. You can also invest in a local small business (again, as long as it's not your own).

If you do all your trading inside a retirement account, you don't have to report any trades to the IRS. The goal is simply to maximize your total returns as quickly and as easily as you can... and get better returns than a pension could offer.

There are two ways to move your pension to an IRA...

One is to "roll over" the pension directly into an IRA. The broker or custodian you're opening an IRA with should have all the necessary forms for you to fill out.

You can also take a lump-sum payment on your pension and then move the funds into an IRA. If you do transfer the funds within 60 days of taking the lump sum, you'll avoid being taxed on the money and the 10% early withdrawal penalty. (If you can, though, just roll over the pension directly – you don't want to risk incurring taxes and penalties at all.)

And make sure that you check with your employer's pension-plan rules for any fine print.

However you do it, don't wait. Why leave your pension – the money you're counting on for retirement – in someone else's hands?

Here's to our health, wealth, and a great retirement,

End of Article

## War in the Pacific?



Illustration by Jim Rickards Daily Proof

On July 12, 2021 the Kyodo news agency reported that Japan's deputy prime minister Taro Aso said the country needed to defend Taiwan with the United States if the island was invaded. This comment served to upset Beijing which regards Taiwan as a breakaway province.



Finance Minister Taro Aso talks about the 'Akagi file' during a June 22 news conference in Tokyo. (Kuniaki Nishio)

China has never ruled out using force to reunite Taiwan with the mainland and recent military exercises by China and Taiwan across the Straits of Taiwan have raised tensions.

"If a major problem took place in Taiwan, it would not be too much to say that it could relate to a survival-threatening situation (for Japan)," Japan's deputy prime minister Taro Aso said at a fundraising party by a fellow Liberal Democratic Party lawmaker, according to Kyodo.

A "survival-threatening situation" refers to a situation where an armed attack against a foreign country that is in a close relationship with Japan occurs, which in turn poses a clear risk of threatening Japan's survival.

Such situation is one of the conditions that need to be met for Japan to exercise its right of collective self-defense or coming to the aid of an ally under attack.

"We need to think hard that Okinawa could be the next," Aso was quoted by Kyodo as saying.

China claims a group of Japanese-controlled islets in the East China Sea. The tiny uninhabited isles, called the Senkaku in Japan and Diaoyu in China, are off Japan's southern island of Okinawa.

On July 13, at a news conference Aso was asked about Japan's stance on the cross-strait issue and he replied that any contingency over Taiwan should be resolved through dialogue.

"We are closely monitoring the situation," Aso, who doubles as finance minister.

Chief Cabinet Secretary Katsunobu Kato, when asked if Aso's July 12 comment was in line with the government's stance, declined to comment, saying he was not aware of the Aso comment in detail, but reiterated Japan's official policy on the matter.

"Japan hopes the Taiwan issue will be resolved through direct dia-



## Were the Bombings of Hiroshima and Nagasaki Justified?

logue between parties concerned in a peaceful manner. That has been our consistent stance,” the top government spokesman said.

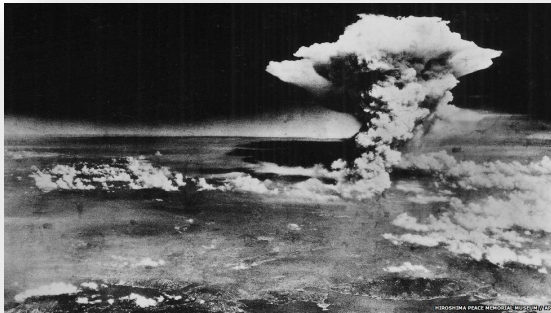
This sets the stage for the world’s three largest economies – the U.S., China and Japan – to collide in the most destructive war since World War II caused by a Chinese invasion of Taiwan, which may happen much sooner than the world expects. If that happens the U.S. would be obliged to come to the defense of Taiwan.

And if Taiwan were in China’s hands, Japan’s sea lanes would be threatened, including its access to imported oil. If China were to overtake Taiwan, Japan’s islands in the East China Sea would likely be next. If the U.S. fails to intervene, it would be an enormous blow to U.S. credibility, as well as its economic power. That’s why an alliance of the U.S. and Japan against China to defend Taiwan is the most likely response to a Chinese assault.

Obviously, we need to watch this situation closely.

D. Miyoshi

## Were the Bombings of Hiroshima and Nagasaki Justified?



**S**eventy-Six years ago on August 6 and August 9, 1945 the U.S. dropped atom bombs on Hiroshima and Nagasaki. Were these bombings justified?

Bob Dekle, who studied law and history posted his reply to that question on July 14 in Quora.

It seems that back in the 1960’s Dekle criticized the use of the A-Bombs on Japan in front of his father who was a U.S. Marine who had fought at Guam, Bougainville, and Iwo Jima. His unit, the Third Marine Division, was scheduled to spearhead the assault on Kyushu. Having lived through the Hell of three previous amphibious assaults, Dekle’s father was certain that he would not survive a fourth on the heavily defended Japanese mainland. The father told Dekle in no uncertain terms that Dekle would not be alive if the bombs had not been dropped. Having since read “*Storm Landings*” by Joseph H.

Alexander and “*Downfall*” by Richard B. Frank, Dekle was sure that his father was right. “*Downfall*” maps out in great detail the reception that the Japanese had planned for the assault forces. One detail of those plans will suffice: The Japanese had amassed an air force of 5,000 kamikazes. It would have made Iwo Jima and Okinawa look like a walk in the park.

Three Marine Divisions (the Second, Third, and Fifth) were to hit Kyushu from the West. Three Army Divisions (the 25th, 33rd, and 44th) were to hit it from the East. And Three Army Divisions (the 1st Cavalry, the 43rd, an AMCL Division, and the 112th Cavalry Regiment) were to hit it from the South. It was expected that some of these divisions would cease to exist by the third day of the invasion. In anticipation of the horrific casualties, the U.S. government struck enough Purple Hearts that they were still using the surplus Purple Hearts at the time of the writing of “*Downfall*” in 1999.

Countless Marines, soldiers, sailors, and airmen would have been killed, not to mention the Japanese soldiers, sailors, airmen, and civilians who would have died. While all this was going on, the Russians would have invaded Japan from the North and found little opposition because almost all Japan’s assets were deployed to Kyushu to meet the American invasion. The Russians would have swept south, killing as they went, and quite possibly treating the Japanese civilians as “humanely” as they did the German civilians in Europe.

More people would have died had the bombs not been dropped than died in the bombings, and the wreckage of Japan would have been divided into North Japan and South Japan much the same as East and West Germany. And, on a personal note, Dekle wouldn’t be around to provide his answer to the question were the A-Bombs justified.

History can be cruel leading to some cruel decisions needing to be made.

D. Miyoshi

## Will the U.S. make the same mistake as Japan?



## Will the U.S. make the same mistake as Japan?

In 1991 Japan was faced with a collapsing economy. To counteract that, Tokyo launched a bold experiment: Use massive asset purchases by the central bank to stoke inflation by enabling the government to boost spending -- and use zero interest rates to stimulate corporate investment.

But these days in Japan there is little to show for it. The economy remains mired in low growth and weak inflation, with productivity stubbornly sluggish and wages failing to rise.

And as central bankers of the world including the Fed fret about inflation, people in Japan have other concerns: low wages, paltry pensions, and slow economic growth with few opportunities.

But the policies of the Fed are now tracking the same policies of the Japan government 30 years ago. In the wake of those policies, what can happen?

To shed some light on that inquiry, the following article was published in *Nikkei Asia* on June 23, 2021. It was written by Mitsuru Obe, Nikkei Staff Writer. I reproduce it here for your reading consideration. D. Miyoshi.

## The money pushers: The world is embracing Japan-style economics

While central bankers watch for inflation, the real danger in many countries may be stagnation

TOKYO -- Until a few days ago, Tokyo had been in the grip of a state of emergency. Throughout the period of restrictions, as always, cavernous wholesale supermarket Gyomu Super in downtown Tokyo bristled with people: Young men pile bulk frozen potatoes into their shopping carts, a bargain at 195 yen (\$1.80). Frail seniors scoop up single serves of Chinese noodles or fermented natto beans at 20 cents apiece.

Illuminated by fluorescent light, splashed across the building's unlovely exterior, is the hopeful sign: "Ordinary people welcome."

"I have to keep my living expenses under control," said Taiki Arai, a 24-year-old student, pausing on his way out of the store. "Since the COVID outbreak, I have no part-time job to supplement my income." A 52-year-old housewife, stuffing a bag with cheese, fresh cream, eggs and flour, complained that food has become expensive recently. Minoru Kitaguchi, a 75-year-old retiree, said he has no immediate financial issues as he withdrew a large wallet from his bag, but added, "I am a pensioner. I don't want to waste money."

Gyomu Super opened its first store in 2000, after the burst of a property bubble in 1990 was chased by a banking crisis in 1998. As the economy slumped, Gyomu rose, its low prices irresistible to the

newly created class of have-nots of Japan's first "lost decade." It eventually entered the restaurant business with all-you-can-eat and Korean barbecue eateries. Kobe Bussan Co., Gyomu Super's owner, saw its share price rise a staggering 40 times between 2012 and 2020, during the Shinzo Abe administration.

Around the same time that Gyomu Super opened its doors to people on ever-smaller budgets, Japan's government launched an audacious monetary policy experiment in an effort to reflate its dented economy. Japan became the birthplace of zero-interest rates, introduced in 1999, and of quantitative easing, launched in 2001 -- both radical ideas at the time.

Twenty years later both policies have become standard central bank practice around the world, first with the global financial crisis, and now in an effort to defray the economic cost of the pandemic. But in Japan, two decades of "magic money" -- as this combination of policies was dubbed last year by the journal *Foreign Affairs* -- has brought stagnation.

Massive asset purchases by the central bank were supposed to stoke inflation by enabling the government to increase its spending, allowing demand to outstrip supply. Likewise, zero interest rates were supposed to stimulate corporate investment and drive the economy into overheating conditions.



Gyomu Super's stock grew fortyfold during the period when Abenomics created millions of part-time and other insecure jobs. (Photo courtesy of Kobe Bussan)

But while Japan's public debt as a share of gross domestic product now exceeds 260%, the highest among major economies, there is little to show for it. After nearly 30 years of aggressive fiscal spending and monetary policy support, the economy remains mired in low growth and weak inflation, with productivity remaining stubbornly sluggish and wages failing to rise.

Today 15.7% of the Japanese population lives in relative poverty, the second-highest level among Group of Seven nations after the United States.

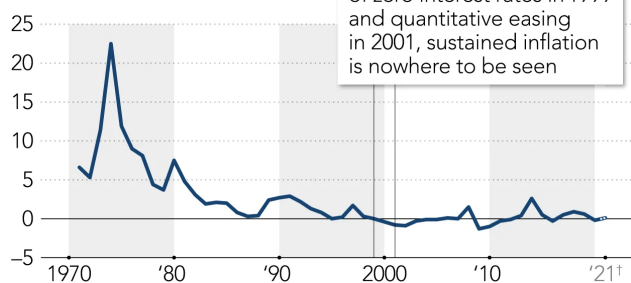
Meanwhile, economists argue about why. Some take this as an indi-

## Will the U.S. make the same mistake as Japan?

cator that governments can continue to spend without worrying about inflation. Others argue that failure to inflate the economy for any real length of time exposes a neglect of Japan's structural problems, such as population decline and labor shortages, which are only getting worse.

As the world emerges from COVID-19 era economic stimulus measures, Japan's experience looms large. Last year, total debt worldwide surged by 35 percentage points to over 355% of global GDP according to the Institute of International Finance, driven by governments borrowing to get their slumping economies through the pandemic. Now, central bankers around the globe are fretting about inflation, stoked by stimulus spending, rising commodity prices and consumer demand. However, in Japan, which has more experience with stimulus policies than any other country in the world, inflation is the furthest thing from anyone's mind. Instead, people have other concerns: low wages, low pensions, and low economic growth with few opportunities.

**Moving sideways** (Japan core consumer price index\*, in percent)



1970 data is unavailable \*Excluding fresh food †Forecast  
Source: Statistics Bureau of Japan, QUICK-FactSet

"Inflation expectations are not rising in Japan because wages are not rising," says Yosuke Yasui, a senior economist at Japan Research Institute and former Bank of Japan official. Wage increases depend on productivity, which in turn depend on human capital investment, he said: "The biggest problem for Japan is that it hasn't created enough quality jobs or stable positions that provide workers with new skills and wage increases."

The extended period of low interest rates, meanwhile, has made it difficult to build pensions, which depend on investment in government bonds. Retirement pay at Japanese corporations has been on the decline for the past two decades.

This has major ramifications for an economy like Japan's, which depends on the elderly to drive consumption -- not on young married couples buying houses and furniture. People age 60 and older account for half of Japan's household consumption.

More elderly Japanese deal with the growing uncertainty by staying in the workforce. Former bearings company employee Kiyoshi Kosuge is one of them.



Kiyoshi Kosuge, a financially comfortable 72-year-old who works part-time at a hydrogen refueling station, wonders why the government cannot live within its means. (Photo courtesy of Koureisha)

The comfortably-off 72-year-old, now a part-time attendant at a hydrogen refueling station, says his motto is to live within his means. He looks at ballooning public debt and wonders why the government cannot do the same.

"A hermit crab chooses a shell that is right for its size," he said.

### Widening gap

While Japan's government has been dizzyingly profligate, the private sector is increasingly stingy. That is the essence of the problem Japan's government faces, and it has frustrated multiple prime ministers -- most recently Shinzo Abe, who retired in 2020. "My government will ... use every policy tool at its disposal to grow the country out of deflation," he vowed in front of parliament in 2017.

"Abenomics," launched in 2012, was a pro-business economic policy. It aimed to reverse Japan's deflationary trend with a three-pronged program: a big boost in government spending, massive debt purchases by the central bank, and pro-business initiatives like corporate tax cuts and free trade.

Between 2012 and 2020, under Abe's tenure, nearly 5 million jobs were created, pushing down the jobless rate to as low as 2.2% in 2019 -- a 27-year low. But three-quarters of these jobs are nonregular: short-term, easily expendable and outside the scope of training programs that are available to regular employees. Nonregular workers are vulnerable to recession and COVID-19. Their income is typically about 40% of regular employees.



## Will the U.S. make the same mistake as Japan?



"My government will use every policy tool at its disposal to grow the country out of deflation," former Prime Minister Shinzo Abe pledged in 2017. (Photo by Hideyuki Miura)

The legacy of Abenomics is a widening gap that continues to dog the labor market, between well-off office workers and insecure part-timers. Removing this gap has been a key policy target for years, but there has been little progress. If anything, it became more entrenched under Abenomics.

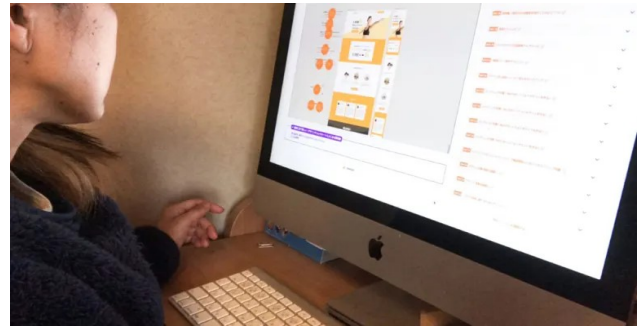
Yuko Honda, a single mother and job seeker in Tokyo, is one of those caught on the wrong side of this divide.

The 45-year-old lives with her daughter on welfare support of about \$1,300 to \$1,400 per month. One-off benefits of \$450 have been provided by the government this year and last to help out low-income families with children amid the coronavirus pandemic. She has taken up a free web design course to retrain and get a job.

She dreams of moving to an apartment with a bathroom sink and a slightly larger kitchen. But she does not have a starry-eyed view about her future and keeps her spending tightly under control.

She needs to start with piecework jobs, but getting the first contract will be a big hurdle, she said.

"It was a completely new field. The textbook is full of words that I didn't understand. I had to look them up first," Honda said. As she tried to complete the online course, she also discovered that even a contract job is hard to land because of her lack of experience.



Yuko Honda, a single mother in Tokyo, is taking a free web design course with the hope of picking up skills that can land her a job. (Photo courtesy of Yuko Honda)

The government faces a challenge in that it must find a way to retrain 20 million nonregular workers and 2 million unemployed. As its debt mounts, though, the government finds itself with less fiscal and monetary maneuverability. Prime Minister Yoshihide Suga, who came into office in September, has belatedly started addressing the issue, but economists expect the share of nonregulars in the labor force to eventually top 50%.

Honda, one of the few with the drive to try, faces mounting odds. Employers tend to focus their investment on the most talented employees, a practice experts call "cream skimming." It makes sense for an individual company, but for the economy as a whole could result in underinvestment in human capital.

The crucial problem with Abenomics is that the private sector never chose to copy the government's free-spending ways. Instead, over Abe's tenure, the corporate sector increased its savings by 56% to a record \$4.4 trillion by the year ended March 2020. The amount is equivalent to 26% of total assets, according to data from the Ministry of Finance.

During the same period, employee compensation expanded at 2% a year on average, but when inflation and tax increases are taken into account, wage growth averaged less than 1%.

"If the private sector doesn't spend, the government has to spend instead," says Kozo Yamamoto, a lower house member of the ruling Liberal Democratic Party and the architect of Abenomics. "The private sector is stuck in a deflationary mindset. That's why they don't make investment."

### Quality versus quantity

Japan's failure to generate sustained growth can be traced back to some clear causes. Fiscal programs are typically geared toward projects that can show quick results, such as public works construction. In the early 1990s after the property bubble burst, the overwhelming concern of policymakers was how to even out Japan's increasingly ragged economic performance.

## Will the U.S. make the same mistake as Japan?

Criticism within the ruling LDP has been muted. Quick results are also a political necessity, as politicians are subjected to elections and opinion polls. If support is given, it usually goes to employers rather than to workers on the view that employers would do a better job of raising productivity than workers themselves. The prevailing view has been that, if you give money to people, they will use it for something unproductive -- a pessimistic view of human nature.

Small and medium-size enterprises are also left behind in productivity and digitization, and the training infrastructure for individual workers left stunted, even though SMEs make up 99% of the nation's corporations, 70% of employment and 50% of added value, according to the Ministry of Economy, Trade and Industry.

Advocates of fiscal spending "tend to focus on the size, rather than the quality, of spending," said Motohiro Sato, a professor of economics at Hitotsubashi University and a member of the Fiscal System Council, an advisory body to the finance minister.

"Fiscal and monetary support is difficult to withdraw once provided, and tends to stay," Sato added.

The cost of spending is not noticeable because interest rates are kept low by the central bank. As a result, "people become inured to the debt and allow it to grow. It becomes very difficult to inject a sense of crisis."



There is concern that the West might be following Japan into a sinkhole of low growth, deflation and public debt. (Photo by Ken Kobayashi)

Last October, Dai-ichi Life Insurance, a top manager of Japanese corporate pension funds, announced it would reduce the return rate it has promised for corporate pension policies to 0.25% from 1.25%. The first reduction in 19 years, it will affect pension policies for some 3,000 companies.

The move has sparked a backlash, but it was made necessary by the economic reality: The 10-year bond yield in Japan, which stood at 0.7% before Abenomics, dropped to as low as -0.3% in 2016, following the introduction of a negative interest rate, before the BOJ adjusted its policy to anchor the yield around zero the same year.

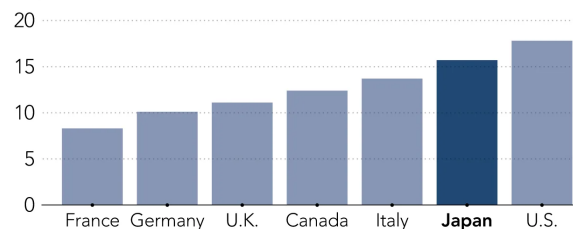
Takahiro Tsuna, who was a manager at Dai-ichi Life's investment planning department when Nikkei Asia spoke to him, explains how difficult it has become to earn yields since central banks around the world launched asset purchase programs last year. "The central bank buys not just bonds but equities," he said. "The prices are all going up" -- and yields are going down.

Before the coronavirus crisis, Japanese insurance companies were able to count on foreign government bonds for yields. With central banks launching asset purchase programs around the world last year, there are now few traditional assets that produce decent returns. Partly reflecting the dearth of attractive policies, sales of new insurance policies at Dai-ichi dropped around 30% in the year ended March.

Kidsdoor, a support group for low-income families, argues that government spending has been misdirected. The group runs free online programming courses for single parents and has helped 128 people, including Honda, the single mother, out of some 1,800 applicants.

### Japan's relative poverty among G-7's worst

(Percent of population with less than 50% of median equivalized disposable income\*)



Data as of 2016 or latest year \*Adjusted for household size  
Source: OECD

But Yumiko Watanabe, Kidsdoor chief, acknowledges that her activity is a drop in the bucket, given the 15.7% of the Japanese population living in relative poverty. "Such training should have been provided by the government," she laments. "The number of people in the working-age population is shrinking. We need to invest more in these people so they can produce more. But there is no such investment."

Publicly funded training programs do exist, but such support is not widely used by part-timers or the unemployed. Being on their own, they often lack access to critical information. Experts say government policy is too focused on keeping regular employees on the job and not enough on helping out the growing ranks of nonregulars or promoting job mobility to make the economy more dynamic.

Honda said she appreciates the support from Kidsdoor. A three-month Web design course could cost more than \$700. "I wouldn't have the courage to do it without financial support," she said.

Kidsdoor's Watanabe underlines the challenge of making these people employable.



## Will the U.S. make the same mistake as Japan?

Many single parents who come to Kidsdoor "have never received any investment from anyone," she said. "They don't believe they are worthy of any investment. I have to convince them that they are."

### Long-term consequences

Abenomics did achieve slightly faster economic growth, until the coronavirus pandemic wiped out much of the gains. Between 2010 and 2019, the economy grew at a pace of 0.9%, compared with 0.6% for 2000-2010. Deflation, price declines of two straight years or longer, has not struck since 2013, though inflation has never risen above 1% on a sustained basis. In an economic outlook report released on April 27 2021, the BOJ acknowledged that it will not be able to achieve the 2% inflation goal while current Gov. Haruhiko Kuroda, an Abe appointee, is in office through April 2023.



Bank of Japan Gov. Haruhiko Kuroda, whose tenure is up in less than two years, isn't expected to achieve the 2% inflation goal he set in 2013.

Abenomics architect Yamamoto, on the other hand, sees demand deficiency as the key culprit for deflation and low growth. If demand, or output level, falls below the capacity, the government needs to fill the gap.

"The coronavirus crisis has shown that the government is the only entity that can be counted on to undergird the economy," he said.

If there are people who are upset about large government spending during the coronavirus crisis, "they don't understand macroeconomics," he argued.

Yamamoto was instrumental in bringing about a government-BOJ accord in 2013 that committed the central bank to a 2% inflation target, paving the way for aggressive monetary easing under Kuroda later that year.

Under Kuroda's watch, the BOJ's ownership of government debt swelled to 45% by the end of 2020 from 12% in 2013, when Abenomics started.

"Everyone is happy in the short term when fiscal and monetary measures are taken," said Toru Suehiro, a senior economist at Daiwa Securities. "Growth spurts. Asset prices rise. There are long-term consequences, but they are not so visible."

"People would have complained more" if their lives are more directly impacted by the long-term harm, he said. There are policy issues that have aroused strong public reaction in Japan, such as COVID-19 measures. Fiscal and monetary policy has not.

### The beginning of "Japanification?"

Low growth, low inflation and rising debt are a problem no longer limited to Japan. Neighboring South Korea faces structural headwinds similar to Japan's -- a low birthrate and aging population. Last year, the country's birthrate fell to 0.84, despite efforts to reverse the trend since the early 2000s under then-President Roh Moo-hyun.

South Korea's growth rate has fallen from above 4% during the 2000s to 2% to 3% in the 2010s, with consumer inflation hovering around 0.5% or less by 2019-2020.

The country is still an export powerhouse, but it is plagued by youth unemployment. In an effort to achieve domestic demand-led growth, the government of President Moon Jae-in has raised minimum wages by more than 10% for two straight years. But without corresponding improvements in productivity, the measure has led to a drop in employment, especially at small businesses.

Hidehiko Mukoyama, South Korea analyst at the Japan Research Institute, says that "what South Korea needs most is more quality jobs, especially for young people."

For now, Japan remains an outlier, especially in Asia. "Japanification is an issue more for advanced economies at the moment," said Hideo Hayakawa, a former executive director at the BOJ. "There are few developing economies that have experienced a significant decline in potential growth rates."

But the U.S. and the eurozone have sharply increased government debt with the help of central bank financing, making some worry that the West may be following in Japan's footsteps. Inflation has also been following a downtrend in advanced economies, although this year has seen a spike due partly to bottlenecks in supply chains.

In developing Asia, government deficits as a share of GDP nearly doubled to 9.8% in 2020 from 5% in 2019, while government debt jumped 9 percentage points to 65% of GDP, data from the Asian Development Bank shows.

Some say companies like Kobe Bussan are exacerbating deflation in Japan. Company officials disagree, saying they are helping people to economize so they can use the money for something else, such as







## 40 Amazing Historical Facts You Never Heard Before

travel or children's education.

They say they are trying to address people's concerns. A person familiar with the industry said: "You don't know whether you can receive a pension. In fact, the qualifying age is on the rise. People feel that they need to prepare for the future from now."

### Japan: a tale of two sectors

By the end of 2020, the **Bank of Japan** owned

**45% of government debt**

The nation's **gross public debt** is estimated at

**266% of GDP,**  
the highest in the world

Its **private sector**, on the other hand, has hit

**\$4.4 trillion**  
**in retained profits**

-- a 56% increase since 2012,  
when Shinzo Abe became prime minister

Source: IMF, Japan Ministry of Finance, Bank of Japan

Kosuge, the retiree, says he does not indulge in any expensive hobbies, except smoking half a pack of cigarettes a day. He dines out occasionally but never consumes alcohol. Instead of buying new clothes or shoes frequently, he says he buys good ones and uses them for a long time. Having paid off the mortgage for his apartment and with his daughter already married off, Kosuge says he can support his wife and himself with his monthly pension of about \$2,000.

Kosuge is not too worried about his own personal finances now. But he does not picture a bright future for his country, as the government keeps piling up debt. "The growing debt will eventually catch up with us," he said. "Tax rates will go up," he predicts, pointing to U.S. President Joe Biden's proposal to raise the corporate tax rate. "My worry is that the value-added tax might go as high as 20%" from the current 10%.

Kosuge got his job at the hydrogen refueling station from Koureisha, a staffing agency specializing in job placement for the elderly.

The Tokyo-based company has some 1,100 job-seekers on its roster. Their average age is 70, and many used to work at large corporations, such as Tokyo Gas and Panasonic. About 350 of them have

actually landed employment, typically part-time.

Elderly contract workers earn only slightly above the minimum wage, unless they have very special skills, says Koureisha President Fumio Murazeki. "You need skills to get a job," he said.

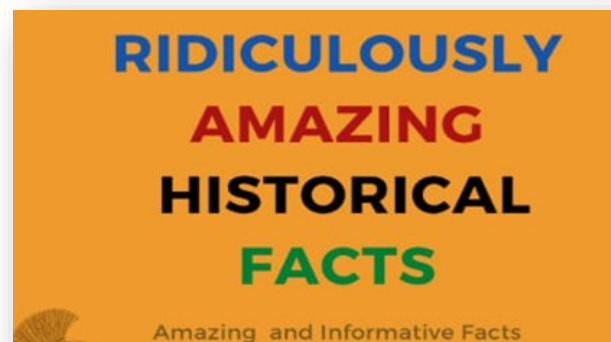
Murazeki believes demand for elderly part-time workers is going to increase. "Companies want to adjust labor to changes in demand," he said. "The need for temporary workers is going to grow."

Increases in nonregular employment have raised more and more concerns about Japan's two-track labor market. The most recent growth strategy unveiled by Suga expands public training programs to anybody, not just people who are eligible for unemployment benefits. But it remains to be seen how much of an impact this will have.

Murazeki is a former Tokyo Gas executive who harbors concerns about his future and wants to continue working as much as possible, believing, he said, that "you have only yourself to count on."

End of Article

## 40 Amazing Historical Facts You Never Heard Before



**T**he past is full of curious stories and it is what we learn from. Here are some curious stories which are called facts and which make history truly interesting.

The facts listed here might surprise you a bit or they might not convince you enough to believe them but still it's our past and if you look into it more closely, you will likely find the *truth*. You might not like to believe some of these facts, but perhaps you will find them interesting. Maybe these 40 facts might not make



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you feel like a historian but these are little, surprising bits of history and perhaps form the most fun part of our past.

Anyway, it's a look at life on the lighter side and maybe you will learn a few new things you did not know. I sure did.

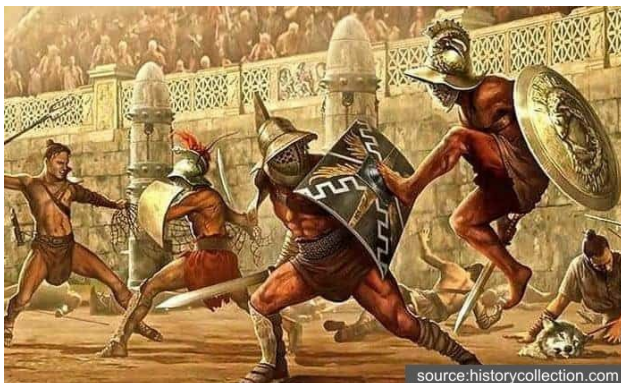
D. Miyoshi

### 1. The most successful pirate in history was a Chinese Lady.



A Chinese woman named **Ching Shih** was the most successful pirate captain of all time. During the Peak of her power, She commanded over 1,800 pirate ships and an estimated 80,000 men. She is also famous as **The Pirate Queen**

### 2. There were female Gladiators.



Rare though but it's true there were female Gladiators in Ancient Rome and they were Known as **gladiatrices** (gladiatrix).

### 3. Alexander the Great was buried alive.



Alexander the great suffered a rare disease that left him **paralyzed** for six days. His muscles were paralyzed enough that the doctors couldn't figure breathings and announced him dead. So it's was much likely that he was **accidentally** buried alive.

### 4. The University of Oxford is older than the Aztec Empire.

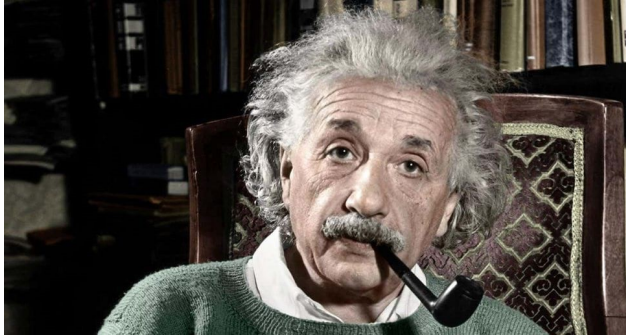


The Aztec Empire was established in 1428 whereas the University of Oxford was established as early as 1096, making it the oldest university in the English-speaking world.



## 40 Amazing Historical Facts You Never Heard Before

### 5. Albert Einstein was offered the Presidency of Israel.



Albert Einstein was offered the presidency of Israel in 1952 but he rejected it saying he lacked “the natural aptitude and the experience to deal properly with people”

### 6. Jewish slaves didn't build the Pyramids.



The newly discovered tombs of people who worked on the Great Pyramids of Giza evidence that the pyramids were built by workers, not slaves. As it's not likely for slaves to be buried that way.

### 7. Vikings didn't wear horned helmets.



It's was the outcome of peoples imagination and result of some fascinating historical transposition rather a true fact. There is no

early archaeological evidence that the vikings wore horned-helmets. The helmets were used in order to protect head from impact during the battle, but having a pair of horn won't help much.

### 8. Before dentures were invented, The teeth of the dead were used as dentures.



In the late 18th and early 19th Centuries, the teeth of dead soldiers were pulled out and sold to dentists where they boil them, cut off their roots, mix with gold and shape them into dentures.

### 9. Christopher Columbus didn't discover America.



Columbus explored the Central and South American coasts but he never reached North America. It is believed **Leif Eriksson** a Viking reached North America Nearly 500 years before the birth of Christopher Columbus



## 40 Amazing Historical Facts You Never Heard Before

### 10. "Fox Tossing" was once a popular sport.



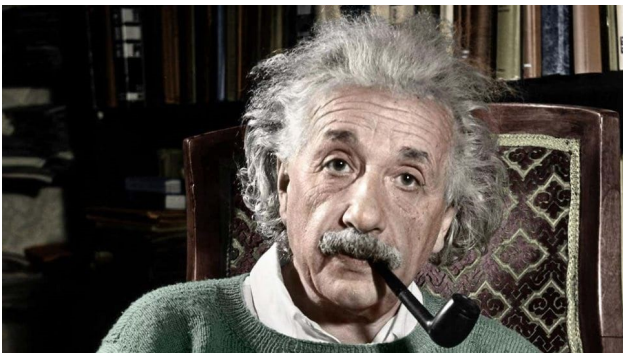
Fox Tossing was a competitive blood sport which gained popularity in many parts of Europe especially Germany in the 17th and 18th centuries. It involved throwing live foxes and other animals high into the air.

### 11. Napoleon Bonaparte more known as The Little Corporal wasn't short



According to wiki Napoleon Bonaparte who led many successful battles during the French revolution and gained popularity as Little Corporal was 1.68 meters long which equivalent to 5 foot 6 inch which was indeed the average height of men then.

### 12. Albert Einstein didn't fail Math.



Most people believe that Einstein failed in math during his school days but the records show that he was an extraordinary student with good marks in Math and Physics. There are few of his grade records available on the internet which show he might have been weak in non-scientific subjects but was good at math during his youth.

### 13. Rasputin survived being poisoned and being shot. (no photo)

Grigori Yefimovich Rasputin was a Russian mystic and self-proclaimed holy man. He was stabbed in the stomach, shot in the chest, Poisoned beat, and finally murdered on December 16th, 1916. When the shooting failed to kill Rasputin, they beat him, tied up his body, and threw it into the freezing waters of the Neva River. Pretty hard to kill!

### 14. During World War I, the French built a "fake Paris".



During the First World War, France decided to build a replica Paris outside the city 15 miles north of Paris to fool German bombers.

### 15. Turkeys were once worshiped as Gods.

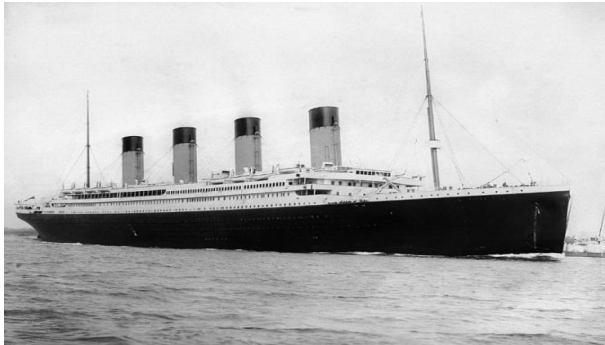


During 300 BC Mayan culture was at its height and it was their

## 40 Amazing Historical Facts You Never Heard Before

tradition to worship Turkeys and was part of most sacred rituals.

**16.**  
**The owners of the Titanic insist that they never said it was an unsinkable ship.**



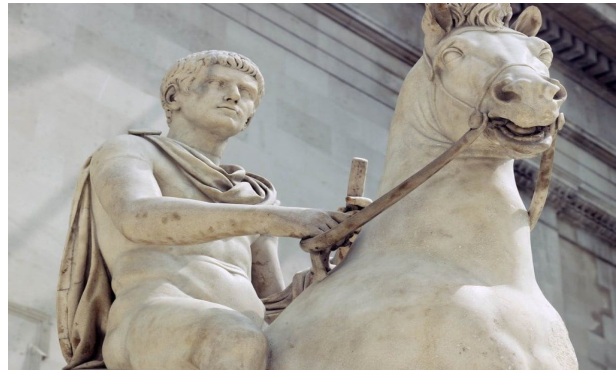
It was never said that the Titanic was an unsinkable ship as per the ship owners. They claim that the 'unsinkable' myth was the result of people's interpretations which grew after the disaster.

**17.**  
**Thomas Edison didn't invent the light bulb.**



There were already different versions of light bulbs when Thomas Edison started working on bulbs but they were somewhat different forms. More than 20 scientists had already worked on the light bulb before Edison was able to patent his.

**18.**  
**Roman Emperor Caligula made one of his favorite horses a senator.**



According to the ancient historian **Suetonius**, the Roman emperor known as Caligula loved one of his horses, Incitatus, so much that he made him a senator.

**19.**  
**The shortest war being fought lasted for only 38 minutes.**



It was the **Anglo-Zanzibar War** fought between Zanzibar Sultanate and Great Britain on 27 August 1896. The military conflict lasted between 38 to 45 minutes, marking it as the shortest recorded war ever fought in history.



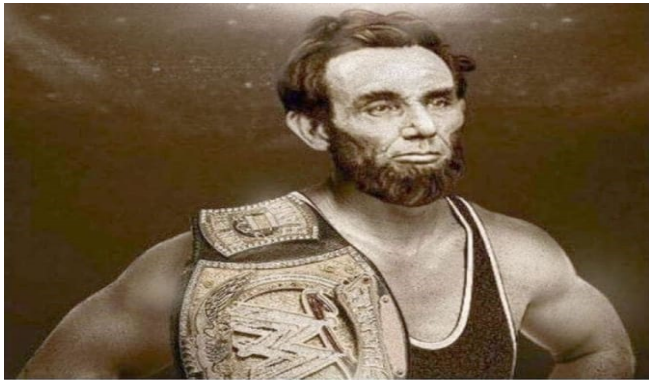
## 40 Amazing Historical Facts You Never Heard Before

**20. Women Were Once Banned from Smoking in Public.**



In 1908, a so-called law known as the 'Sullivan Ordinance' was passed in New York City and it was declared that it will be illegal for a woman to smoke in a public place. The rule only lasted for two weeks.

**21. Abraham Lincoln was a champion wrestler.**



Abraham Lincoln was a skilled wrestler who lost only a single match throughout his career of approximately 300 matches. He is enshrined in the Wrestling Hall of Fame.

**22. Foot Binding was considered to be attractive in ancient China**



Chinese women used to bind their feet to about 10 centimeters in size to display social status and was considered beautiful. Mostly wealthy Chinese girls followed this tradition.

**23. The Greatest Gathering of Knowledge Ever – The iconic Photo**



This iconic photograph was taken at the Fifth **Solvay Conference** in October 1927. All the greatest scientists of the 20th century together in one picture.



## 40 Amazing Historical Facts You Never Heard Before

24.

**It is believed Ancient Greece was the starting point of democracy**



The term 'Democracy' itself is a Greek word. The first Democracy was established in 508-507 BC by Athenians. Athenians were led by [Cleisthenes](#) therefore he is referred to as "the father of Athenian democracy."

25.

**Paper was initially used for packing and protection rather than writing**



Paper was invented during the 2nd century BC by the Chinese and they used it for packaging, protection, and even as toilet paper. Later, people started to use it for writing purposes.

26.

**The Roman Empire actually lasted for more than 1,000 years.**



The Roman Empire was founded by Augustus Caesar in 31 BC and lasted till 476 AD marking the longest empire that lasted for more than 14 centuries. *After the fall of the Roman Empire in 476AD, the resulting Eastern Empire, known as the **Byzantine Empire** lasted until around 1453 A.D.* “

27.

**Hundreds of millions of people across Europe and Asia died due to the Black Death.**



The Black Death, caused by the bacterium *Yersinia pestis* was the deadliest disease ever recorded by mankind. The Black Death resulted in the deaths of up to 75–200 million people in Eurasia and North Africa, peaking in Europe from 1347 to 1351.

## 40 Amazing Historical Facts You Never Heard Before

**28.**  
A war lasted 335 years with Zero casualties and no deaths.



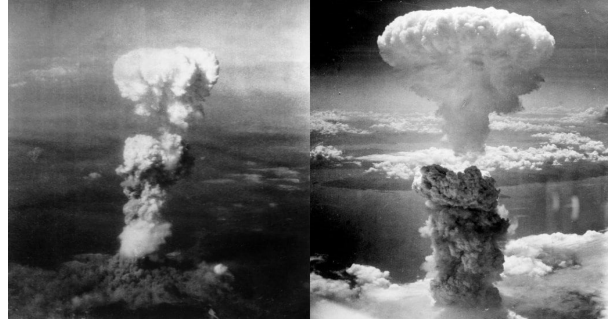
The war between Netherlands and the Isles of Scilly ( rather an alleged state of war ) was fought for 335 years due to lack of a peace treaty. The hypothetical war finally came to end with peace declared in 1986.

**29.**  
The longest war fought continued for 781 years.



The Iberian Religious War known as the “Reconquista,” was fought between the Catholic Spanish Empire and the Moors living in present-day Morocco and Algeria from 711–1492.

**30.**  
Tsutomu Yamaguchi survived both the atomic bombing of Hiroshima and then later Nagasaki.



Tsutomu Yamaguchi, a Japanese marine engineer luckily survived both atomic bombings. He was leaving Hiroshima when the first bombing occurred and sustained some injuries. He arrived in Nagasaki where he limped to a hospital. When the other bomb hit Nagasaki he was in a meeting giving a description of the Hiroshima bombing.

**31.**  
The well-known rum brand Captain Morgan was an actual person.



The cartooned captain appearing on bottles of popular rum bottles are based on a real guy. His full name was Sir Henry Morgan, and he was born in Wales in 1635 and was in the British Royal Navy while England was at war with Spain.



## 40 Amazing Historical Facts You Never Heard Before

**32.**  
It was common to attach bells to coffins.



In the Victorian era it was common for mistakes being made that led to a person being buried alive so they came up with the idea of attaching bells to the coffins. Over a period of time these “safety coffins” have saved many people being buried alive.

**33.**  
In Victorian England, people used to take pictures of their dead relatives in lifelike positions to keep as Mementos.



This historic tradition is what they used to call Post-mortem photography. Although various cultures have followed this tradition most were practiced in Europe and America.

**34.**  
A jockey won a race despite being dead.



Frank Hayes is the only man to ever win a **race despite being dead**. On June 4, 1923, jockey Frank Hayes suffered a fatal heart attack in the middle of the race at Belmont Park. Hayes somehow remained in the saddle to win the race.

**35.**  
In Ancient Rome, urine was used as a Mouthwash  
(no photo)

It was common to use urine as a mouthwash in Ancient Rome due to it's effective cleansing properties. Both human and animal urine contain ammonia which acts as a cleansing agent that whitens teeth.

**36.**  
Heroin was once a perfectly acceptable medicine.  
Doctors prescribed it for everything from coughs to headaches.

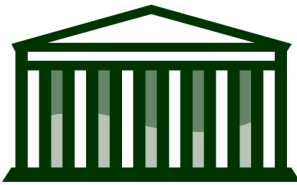


A century ago , heroin was widely used for coughs caused by serious and some common diseases such as tuberculosis and pneumonia but soon doctors discovered it had side effects. The patients required more and more doses and soon become de-





## 40 Amazing Historical Facts You Never Heard Before



Advancing in a Time of Crisis



Financial Crisis Report



David M. Miyoshi is a California attorney at law with a Martindale-Hubbell AV Preeminent Rating for Attorneys. He earned his Bachelor of Science degree from the University of Southern California, a Juris Doctor degree from the University of California, an MBA degree from Harvard University and an International Graduate degree from Waseda University in Tokyo.

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

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

pendent on it. Therefore it was declared a drug problem.

### 37. Hitler was nominated for the Nobel Peace Prize.



In 1939, Adolf Hitler was nominated for the Nobel Peace Prize. He was recommended by Erik Gottfrid Christian Brandt (a member of a national assembly who could nominate a candidate for the Peace Prize). This happened only three months before Hitler led an invasion into Poland which started World War II. This nomination wasn't intended to be taken seriously and was meant as a joke.

### 38. In Renaissance France, a woman could take her husband to court if he was impotent.

(no photo)

In 16th century France, divorce was a rarity, reserved only for the well-to-do and possible only in exceptional cases. Back then erectile dysfunction was the only way in order to get a divorce

### 39. The U.S. Government used poison in alcohol during the prohibition.

(no photo)

In 1926 the U.S. government put poison in alcohol to enforce a ban. Statistics show that people continued to consume alcohol despite this ban and more than ten thousand persons died consuming this alcohol.

### 40. Researchers once turned a living cat into a working telephone.



In 1922 Professor Ernest Glen Wever and his research assistant Charles William Bray at Princeton University turned a living but unconscious cat into a working telephone. The purpose of the experiment was to test how sound is perceived by the auditory nerve.

End of interesting facts.

I hope you learned something. D. Miyoshi



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