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Financial Crisis Report III

Written and Edited by David Masao Miyoshi

We are living through economic instability and social upheaval that may create unusual opportunities for informed investors. Financial Crisis Report III is a free collection of David M. Miyoshi's opinions and the views of advisors he follows, with appropriate credit. He receives no compensation from advisors whose work appears here. The report is published for criticism, commentary, and educational purposes. Readers are encouraged to examine the sources and reach their own conclusions. The observations are offered sincerely and without charge, guided by the belief that truth exists and is worth seeking

Reporting What's Really Happening in America and the World

Simplified format for easier reading

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In my many years I have come to a conclusion that one useless man is a shame, two is a law firm, and three or more is a congress.
-- John Adams

November 1, 2026

FINANCIAL CRISIS REPORT

Month at a Glance: A Daily Timeline of Major Events of the past month

October 2026

October 1 — **Diplomatic Deadlock Deepens Over Iran**. Negotiations over reopening the Strait of Hormuz remained stalled as Iran warned of stronger retaliation against further attacks. The prolonged disruption threatened global energy supplies and added pressure to inflation and international trade.

October 2 — **Saudi Arabia Weighs Offensive Against Houthis**. Reuters reported that Saudi Arabia was preparing a possible military offensive to regain control of the strategically important Bab el-Mandeb Strait. The prospect of expanded fighting raised concerns over shipping routes connecting the Red Sea with international markets.

October 3 — **Russian Strikes Threaten Ukraine's Capital.** Russian forces struck a major bridge in Kyiv as attacks on Ukrainian infrastructure continued. The damage underscored the growing importance of transportation networks and civilian infrastructure in the prolonged war.

October 4 — **Ethiopian Forces Recapture Tigray Capit**al. Ethiopian government troops regained control of Mekelle following the withdrawal of Tigrayan forces. The development marked another major shift in the renewed struggle for control of northern Ethiopia.

October 5 — **Yemen Launches Major Offensive Against Houthis.** Yemeni government forces began a large-scale operation to recover Houthi-controlled territory, including strategic approaches to the Bab el-Mandeb Strait. Turkey and Pakistan agreed to deploy troops in support of Saudi and Yemeni forces, raising the stakes of the regional conflict.

October 6 — **Drone Attacks Strike Black Sea Shipping.** Two merchant vessels were struck by unidentified drones off Bulgaria's coast, with one reportedly sinking. The attacks heightened concern over the security of commercial shipping in waters bordering NATO member states.

October 7 — **Black Sea Maritime Crisis Deepens**. Bulgarian authorities halted the search for 12 missing Syrian sailors after a merchant ship sank following a drone attack. Responsibility remained undetermined, highlighting the danger to civilian maritime commerce in the region.

October 8 — **Trump Signals Temporary Restraint Toward Ira**n. President Donald Trump said the United States would not launch new military attacks against Iran before the November midterm elections. His statement introduced a possible pause in military escalation without resolving the dispute over regional security and shipping.

October 9 — **U.S. Military Death Toll in Iran War Rises**. The Pentagon raised the reported American military death toll in the Iran conflict to 21 after including two additional noncombat

deaths. The announcement underscored the human costs of a conflict already disrupting international energy markets.

October 10 — **Deadly Missile Strike Hits Riyadh Airport**. A Houthi missile struck King Khalid International Airport in Saudi Arabia, killing 12 people and injuring hundreds. The attack demonstrated the vulnerability of major civilian transportation hubs as the Middle East conflict expanded.

October 11 — **Saudi Arabia Retaliates as Regional War Spreads**. Saudi aircraft struck targets in Yemen following deadly Houthi attacks on Saudi airports, while further strikes caused additional casualties. The continuing escalation threatened regional stability and vital commercial transportation networks.

October 12 — **Former Congo President Announces Rebel Coalition**. Former President Joseph Kabila announced a political-military alliance incorporating several armed groups opposed to President Félix Tshisekedi. The development raised the prospect of a wider struggle for political control in the Democratic Republic of the Congo.

October 13 — **Saudi Oil Infrastructure Comes Under Attack.** A Houthi missile intercepted over Dhahran caused a fire at an administrative building belonging to Saudi Aramco. The incident intensified concerns that the regional war could threaten the kingdom's critical petroleum industry.

October 14 — **Merchant Ships Sink Near Strait of Hormuz.** Two commercial vessels sank after being struck by projectiles near the strategically important waterway, killing at least one crew member. The attacks further endangered international shipping through one of the world's principal oil transportation corridors.

October 15 — **U.S. Inflation Revives Interest-Rate Concerns**. September inflation figures exceeded expectations, increasing speculation that the Federal Reserve could raise interest rates again. Higher borrowing costs threatened to complicate economic growth, household finances, and financial-market valuations.

October 16 — **Brazil Reports Major Reduction in Amazon Deforestation.** Brazilian authorities reported that annual Amazon deforestation had fallen to 5,796 square kilometers, one of the lowest levels recorded since 1988. The announcement marked a significant development in efforts to preserve the world's largest tropical rainforest.

October 17 — **Egypt Signals Support for Saudi Arabia**. President Abdel Fattah el-Sisi declared that Egypt would take necessary steps to defend Saudi Arabia if requested. The statement demonstrated how the widening Middle East conflict was drawing additional regional powers into security commitments.

October 18 — **Oil Tanker Explosion Heightens Hormuz Crisis.** Iran's Revolutionary Guard reported that an oil tanker caught fire and exploded after striking a naval mine in the southern Strait of Hormuz. The incident added to concerns about the safety of energy shipments through the contested waterway.

October 19 — **France Faces Widespread Civil Unrest**. French authorities confronted major demonstrations and violent disturbances that left one person dead and resulted in thousands of arrests. President Emmanuel Macron appealed for calm as the unrest exposed continuing political and social tensions.

October 20 — **Alberta Votes to Remain in Canada**. Voters in Alberta rejected separation from Canada by a substantial majority in a closely watched referendum. The result strengthened Prime Minister Mark Carney's position and preserved the country's territorial unity amid broader political uncertainty.

October 21 — **U.S. and Russia Renew Ukraine Peace Discussions.** U.S. envoy Steve Witkoff met Russian President Vladimir Putin in St. Petersburg to discuss possible negotiations to end the war in Ukraine. Putin indicated that trilateral talks involving Ukraine could resume after November 10, although major differences remained unresolved.

October 22 — **Iran Reports Further Attacks on Oil Tankers**. Iran's Revolutionary Guard reported that seven tankers had been struck in the Strait of Hormuz. The continuing danger to commercial vessels intensified concerns over global petroleum supplies and maritime insurance costs.

October 23 — **Russia and Ukraine Agree to Limited Humanitarian Ceasefire.** Russia and Ukraine confirmed an agreement for a localized ceasefire in the occupied town of Oleshky to permit humanitarian operations. The arrangement represented a limited diplomatic opening despite continuing hostilities elsewhere.

October 24 — **Mass Protests Return to France**. Approximately 410,000 demonstrators participated in renewed Yellow Vest protests across France, with more than 1,000 arrests reported. The unrest reflected continuing dissatisfaction with economic conditions and political leadership, adding to Europe's broader social instab**ility.**

October 25 — Brazil Votes in Presidential Runoff. Brazilian voters went to the polls for the second round of their presidential election following a sharply contested campaign. The outcome would determine the political direction of Latin America's largest economy, with implications for fiscal policy, investment, and international trade.

October 26 — Houthis Claim Attacks on Saudi Oil Infrastructure. Yemen’s Houthi movement said it attacked Saudi Arabia’s East-West crude oil pumping stations and Riyadh airport, although there was no immediate Saudi confirmation. The reported targeting of energy and transportation infrastructure underscored continuing risks to petroleum supplies and regional commerce.

October 27 — Israelis Vote in Consequential Wartime Election. Israelis went to the polls in the country's first election since the October 7, 2023, Hamas attacks, with turnout reaching its fastest pace in nearly half a century. The vote tested Prime Minister Benjamin Netanyahu's leadership after wars in Gaza, Lebanon, and Iran, with implications for regional security and future military policy.

October 28 — Federal Reserve Holds Rates as Inflation Remains Elevated. The Federal Reserve voted 10–2 to maintain its benchmark interest-rate range at 3.75%–4.00%, with two officials favoring another quarter-point increase. Policymakers cited strong economic activity but persistent inflation, leaving households, businesses, and investors facing continued uncertainty over future borrowing costs.

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Here are some interesting facts taken from the Publications' Interesting Facts and History Facts.

I thought these were thought-provoking and wanted to share them with you.

D. Miyoshi

How 7 Major Cities Got Their Nicknames



The Big Apple (New York)

Before it was used to refer to The City That Never Sleeps, a “big apple” was an idiom used to mean a very big deal, an object of great desire or big dreams. The first time New York City was referred to as a “big apple” in print may have been in 1909, when American journalist Edward S. Martin wrote in his book *The Wayfarer in New York* that those in the Midwest are “apt to see in New York a greedy city … it inclines to think that the big apple gets a disproportionate share of the national sap.” The phrase doesn’t seem to have been intended as a nickname, however — especially since the name in question wasn’t capitalized.

In fact, it was actually a horse-racing column published by the *New York Morning Telegraph* that popularized the term. “The dream of every lad that ever threw a leg over a thoroughbred and the goal of all horsemen. There’s only one Big Apple. That’s New York,” racing journalist John J. Fitz Gerald wrote in a 1924 column eventually called “Around the Big Apple.” However, Fitz Gerald apparently first heard the term from two Black stable hands in New Orleans. As etymologist Michael Quinion explains, “the Big Apple was the New York racetracks … the goal of every aspiring jockey and trainer .. for those New Orleans stable hands the New York racing scene was a supreme opportunity, like an attractive big red apple.”

The expression was later popularized by jazz musicians in the 1920s and 1930s, then picked up in the 1970s by president of the New York Convention and Visitors Bureau Charles Gillett, who began a tourism campaign around the

slogan that was designed to counter New York's rising crime rates and bad reputation, among other issues.

Advertisement



Credit: / Getty Images News via Getty Images

City of Light (Paris)

This one isn't just literal. Paris was indeed among the first major cities in Europe to use street lighting, in an effort to deter crime, but its evocative moniker is more metaphorical than you might expect. France's capital was also an unofficial capital of the Age of Enlightenment, which in France is considered to have begun in 1715 and ended in 1789 — a period bookended by the death of Louis XIV and the French Revolution, respectively.

Also known as the Age of Reason, this movement was hardly limited to Paris. Still, it was there that philosophers like Voltaire and Jean-Jacques Rousseau espoused many of their most influential ideas; where the Montgolfier Brothers launched the first human-powered flight of a hot-air balloon; and where the Treaty of Paris was signed in 1783 (ending the American Revolution), among myriad other historic achievements. Next time you swoon over an image of the city lit up at night, keep in mind that light bulbs also represent ideas.

Advertisement



Credit:/ Unsplash

The Windy City (Chicago)

Believe it or not, this one probably has nothing to do with weather; although situated on Lake Michigan, Chicago isn't even especially windy when compared to other major cities, at least not in the literal sense. Rather, the moniker likely comes from the once-common perception that residents of Chicago in general and its politicians in particular were "windbags" who were "full of hot air" — which is to say, given to making grandiose claims that weren't altogether truthful.

The most common origin story for the nickname is a column written by *New York Sun* editor Charles Dana in 1890, when the two cities were competing to host the World's Fair three years later. In it, he advised anyone reading to pay little mind to the "nonsensical claims of that windy city." There's just one problem with this theory, widely accepted though it is: There's no evidence that such a column was ever written. Even if it did exist, Chicago had already been known as the Windy City since at least the 1870s.



Credit:/ The Image Bank via Getty Images

The Big Easy (New Orleans)

If you were lucky enough to spend time in New Orleans circa the early 1900s, you may have found yourself at a dance hall called the Big Easy. And while that nickname for everyone's favorite Creole-inflected city didn't take off until the 1960s — when Betty Guillaud, a gossip columnist at the *Times-Picayune*, used it to highlight the differences between laid-back NOLA and bustling New York — the connection to music is indisputable.

Jazz was born in the city's Black communities, and the rich musical legacy of New Orleans goes far beyond that genre. Some attribute the Big Easy nickname to the comparative ease with which aspiring musicians could make both a living and names for themselves in N'Awlins; whatever the case, the sobriquet was well known enough by 1970 for James Conway to name his crime novel set in New Orleans after it.

As with many nicknames, it's likely that each of these holds some responsibility. That's especially fitting for a melting pot of a city like New Orleans, where variety isn't just the spice of life — it's a *way* of life.



Credit:/ Shutterstock

City of Brotherly Love (Philadelphia)

Anyone who's studied Ancient Greek will know this one: Philadelphia literally means "brotherly love" (*phílos adelphós*) in that language of yore. It was named by William Penn, who founded the Pennsylvania Colony and was an early member of the Society of Friends, better known as Quakers; his experience with religious persecution inclined him to make both the colony and the city a place where people were free to worship as they chose.
In addition to being noble in and of itself, this also had a highly positive effect on Philadelphia. Penn's goodwill improved relations with Tammany, the Chief of the Lenape peoples, and helped transform Philadelphia into what was then the largest and most important city in America.



Credit: / Unsplash

The Eternal City (Rome)

The Roman Empire didn't actually last forever, but that didn't stop poets and other scholars from predicting that it would. Tibullus is widely credited as being the first to refer to his fair city as "Urbs Aeterna," which in Latin means "Eternal City"; another poet, Virgil, later went on to use the line *imperium sine fine* — meaning "empire without end."

The exact line Tibullus used in his first century BCE poem "Elegies" was "*Romulus aeternae nondum formaverat urbis moenia, consorti non habitanda Remo*," which translates to "not yet had Romulus drawn up the Eternal City's walls, where Remus as co-ruler was fated not to live." The empire itself might not have been eternal, but Rome is as magnificent as ever thousands of years later.

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Credit:/ Moment via Getty Images

Beantown (Boston)

Though it's also known as the Cradle of Liberty and even the Hub of the Universe by some, no nickname has stuck to Boston quite like Beantown. On one level, the origin is as simple as you'd expect: Boston baked beans are a regional dish differentiated by the use of molasses for a bit of sweetness alongside the salt pork and/or bacon flavoring. There's also more history to it, as the tradition dates back to the 17th century and involves both Native Americans (who made baked beans without the molasses) and the slave trade (which is how the area got much of its molasses in the first place).
For quite a long time — even through today, to an extent — Beantown was used more by sailors and other visitors than it was by actual locals. Some nicknames aren't quite as beloved by natives as they are by the rest of us.

7 Innovations That Came Out of World War II



Anthony Potter Collection/ Archive Photos via Getty Images

AUTHOR TONY DUNNELL

It's often said that wars bring about a wave of innovation — necessity being the mother of invention, as the old adage goes. In reality, that's not necessarily true. According to some studies, there tends to be a significant decline in inventiveness immediately after the outbreak of a war, followed by a marked surge, the net result being a fairly standard rate of innovation overall. Creation through necessity or even desperation certainly happens, but prosperous, peaceful, and free societies tend to be just as inventive, if not more so.

That said, plenty of technological innovation took place during World War II, especially in fields that had military applications. Here are some of the most pivotal, successful, and enduring inventions to come out of the war, from handy tools used by millions of people to miracle drugs that have saved countless lives.

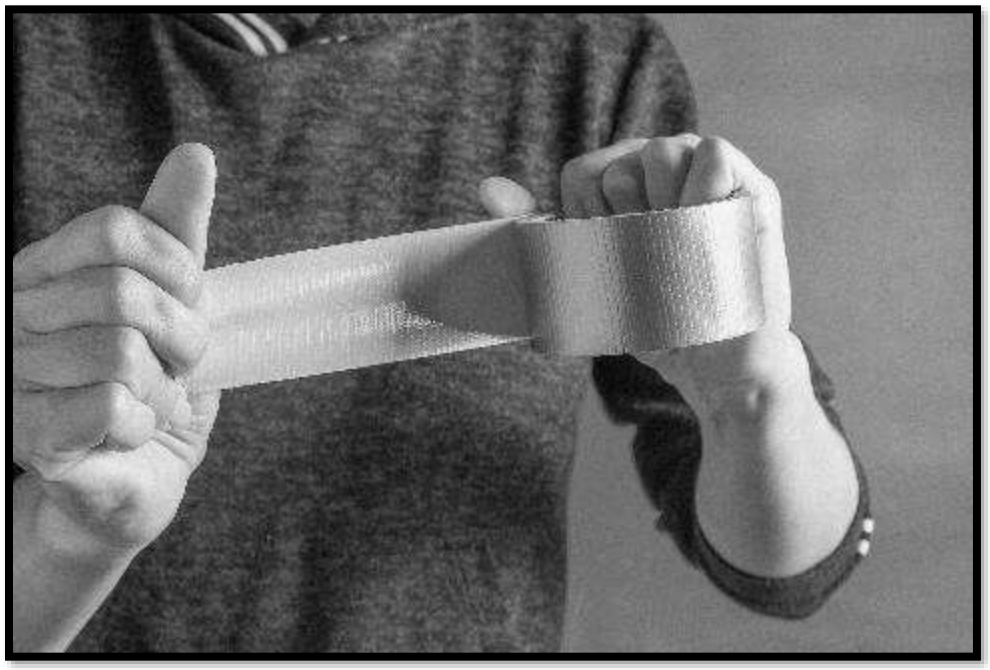


Photo credit: valerii vysotkov/ Shutterstock

Duct Tape

In 1943, Vesta Stoudt, an Illinois woman with two sons serving in the U.S. Navy, was working in an ordnance plant when she noticed a problem with the ammunition boxes she was packing. The boxes were sealed with paper tape with a tab to open them, but this tab could easily tear off, leaving soldiers potentially scrambling to open the boxes in life-threatening situations. So, Stoudt came up with the idea of a waterproof fabric tape with which to seal the

boxes — an idea she sent to none other than President Franklin D. Roosevelt. Impressed, the President sent her letter to the War Production Board, which soon came up with what we now know as duct tape. Not only was it easy to apply and remove on ammo boxes, but it also turned out to be endlessly handy for quickly repairing military equipment, including vehicles and weapons.



Photo credit: zef art/ Shutterstock

Radar

The fundamental principle underlying modern radar (which is actually an acronym for “radio detection and ranging”) was first observed in 1886 by physicist Heinrich Hertz, who found that electromagnetic waves could be reflected from various objects. It was during World War II, however, that modern, practical radar was developed. Britain had already established a

chain of radar stations along its south and east coasts by the outbreak of the war, allowing for the detection of enemy aircraft at a range of 80 miles. The British then invented the cavity magnetron in 1940, paving the way for far more compact, powerful, and sensitive radar units (and, as it happens, microwave ovens).



Photo credit: katueng/ Shutterstock

Jet Engines

British engineer and RAF officer Frank Whittle first put forward his vision of jet propulsion in 1928, at which time he was roundly ridiculed. Undeterred, he did a successful test run of the first practical jet engine in 1937, albeit on the ground. Then, in August 1939 — a month before the outbreak of the war — the German-built Heinkel He 178 made the first jet-powered flight in history.

The war ramped up the development of jet engines, and Whittle found himself with more funding than ever before. In May 1941, his jet-propelled Gloster E.28/39 took flight, achieving a top speed of 370 mph at 25,000 feet, faster than any other conventional propeller-driven aircraft. Though neither the Heinkel He 178 nor the Gloster E.28/39 ever flew combat missions during the war, the “jet age” had begun. The first jet aircraft used in the war were the Messerschmitt Me 262 and Gloster Meteor, starting in 1944.



Photo credit: ronstik/ Shutterstock

Super Glue

During World War II, Harry Coover was part of a team at Eastman Kodak trying to find a way to make clear plastic gun sights for Allied soldiers. During his research, Coover accidentally created a new compound called

cyanoacrylate. At the time, he and his team found the new compound to be incredibly durable but way too sticky to use, and they soon abandoned the substance. Nine years later, in 1951, Coover returned to cyanoacrylates, and this time he and his team recognized new potential in them. The sticky adhesive required no heat or pressure to bond, and the bond was incredibly strong. Coover had invented super glue, albeit by accident.

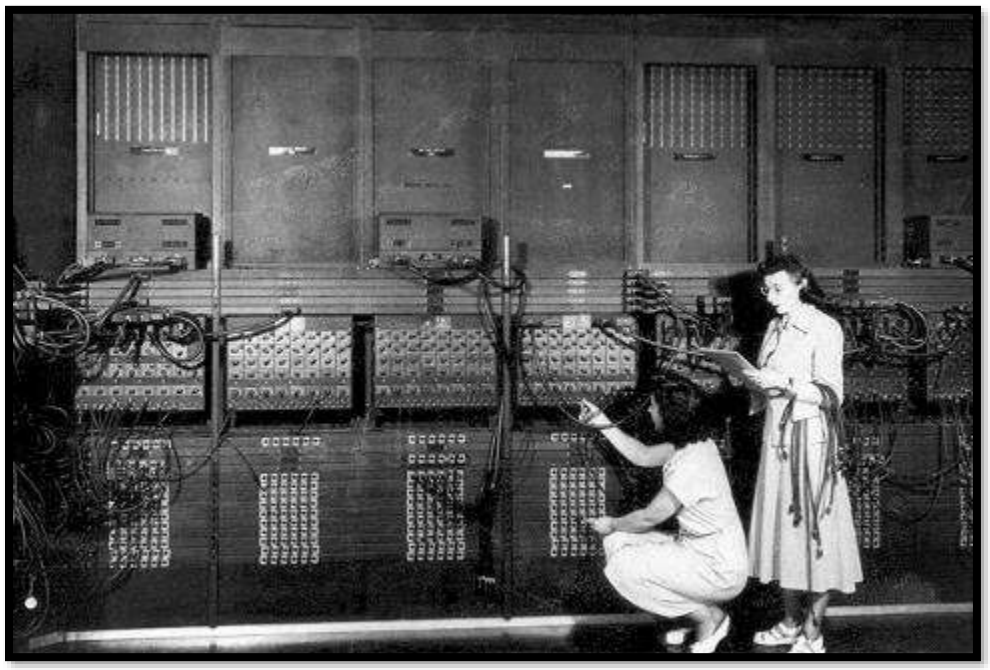


Photo credit: Apic/ Hulton Archive via Getty Images

Electronic Computers

It's hard to say precisely when the first computer was invented. You could argue that it was the abacus of the ancient world, and there's certainly a case to be made for Charles Babbage and his mechanical computer of the early 19th century. But when it comes to programmable, electronic computers, we

can reliably trace the origin to the Second World War. First there was Colossus, a huge set of computers developed by British code breakers at Bletchley Park between 1943 and 1945. In its first test, Colossus successfully decoded a genuine coded message so quickly that 10 improved machines were ordered right away. Then there was ENIAC (Electronic Numerical Integrator and Computer), developed by the United States and completed in 1945, which lays claim to being the first programmable, general-purpose, electronic digital computer. (It was designed specifically for computing values for artillery range tables, but had other uses as well.) Together, they marked a turning point in the history of modern computers.

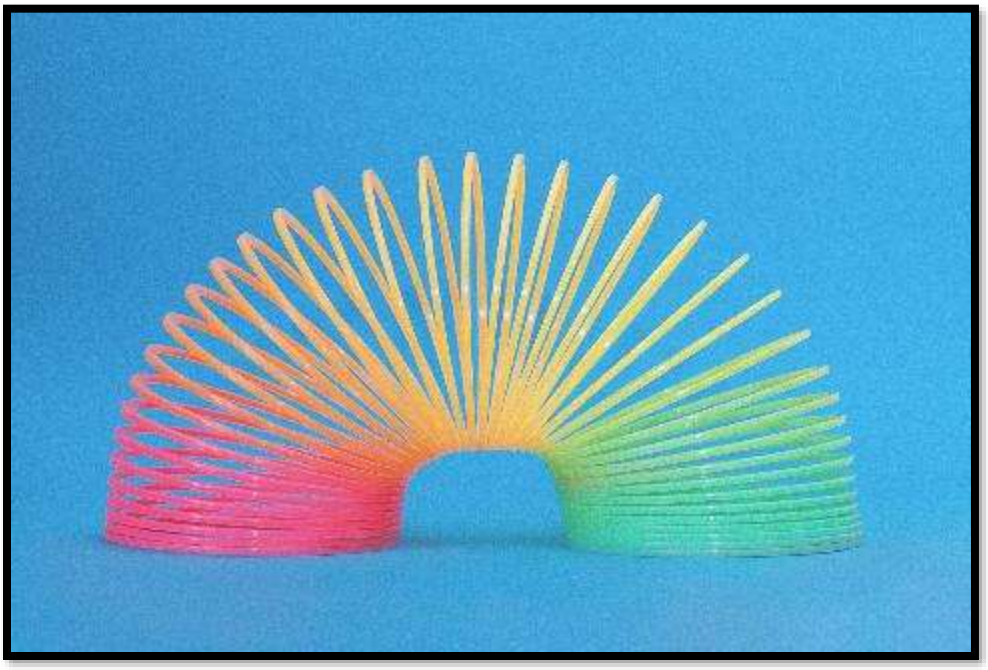


Photo credit: Vitaliya/ Shutterstock

The Slinky

Not all the inventions that arose from World War II had military applications. In 1943, Richard James, a naval mechanical engineer stationed at the William Cramp & Sons shipyards in Philadelphia, was working to devise springs that could keep sensitive ship equipment steady at sea. While he was working, he accidentally knocked a coiled spring from a shelf. He watched, surprised and amused, as the spring seemingly walked its way end-over-end across the ground. That same day, he went home and told his wife, Betty James, about an idea he had for a new toy. They took out a $500 loan, co-founded James Industries, and in 1945 the Slinky hit shelves. By the end of the 20th century, around 250 million Slinkys had been sold.



Photo Credit: Anthony Potter Collection/ Archive Photos via Getty Images

Mass-Produced Penicillin

Penicillin was discovered in 1928 by the Scottish bacteriologist Alexander Fleming, and it was later isolated and purified in the late 1930s. Making large amounts of penicillin, however, was difficult. In 1942, when the new antibiotic was first used to successfully treat a patient for sepsis, it used up half the available supply of penicillin in the United States. During the war, a combined effort between the U.S. and Great Britain saw scientists working around the clock to develop mass production techniques. They were successful, and managed to manufacture 2.3 million doses of penicillin in preparation for the -Day invason on June 6, 1944.

Financial Crisis Report



For October 2026

Editor's Note

Geopolitical Risk Brief
Military pressure points, strategic signaling, and conflict developments shaping the global balance.

Iran and the Strait of Hormuz

The United States and Iran exchanged military threats and attacks during September. U.S. Central Command said American forces struck Iranian Revolutionary Guard targets on

September 1; after reporting Iranian missile attacks on U.S. Navy ships, it said it destroyed three Iranian oil tankers on September 5 and five more on September 8. These are U.S. military accounts, but they describe a dangerous pattern: attacks and retaliation at sea can quickly widen a conflict already affecting a critical shipping corridor. centcom.mil

Diplomacy remained possible but sharply conditional. An Iranian official told Reuters that Tehran could reopen the Strait within a week if Washington eased military pressure and lifted its blockade, and said Iran had sent a proposal through intermediaries on September 16. At the UN General Assembly, President Donald Trump defended the U.S.–Israeli campaign and warned of further consequences if no agreement were reached. The UN Security Council's September discussion described continuing disruption to regional maritime routes and risks to energy markets and food security. Reuters

Yemen and the Red Sea

Yemen's fighting added pressure around the Bab el-Mandeb Strait, the southern gateway to the Red Sea. A UN briefing to the Security Council reported intensified clashes along Yemen's west coast, Houthi advances toward the strait, and at least 125,000 people displaced within Yemen since the start of September. It also reported that a drone attack on Saudi Arabia's East-West pipeline had forced a temporary shutdown—disrupting a route Saudi Arabia had been using as an alternative to Hormuz. While the UN said Red Sea commercial shipping had not yet been affected by the latest Houthi advance, the combination of conflict and maritime disruption left little room for miscalculation. transcripts.un.org

Ukraine's Rising Civilian Toll

The war in Ukraine continued with mounting civilian casualties and no clear ceasefire. The United Nations reported that more civilians were killed or injured in the first eight months of 2026 than during all of 2025, with September casualties continuing the trend. At the General Assembly, Ukraine called for an end to the war, while 51 UN member states urged Russia to accept an immediate, full, and unconditional ceasefire and enter meaningful negotiations. The statements highlighted the gap between renewed diplomatic appeals and conditions on the ground. United Nations in Ukraine

Closing Reflection

September's developments showed how regional conflicts can compound one another: disruption in one maritime corridor raises pressure on others, while continued fighting exacts a growing civilian toll. Negotiations remain possible, but threats, retaliation, and competing conditions leave the risks of further escalation high. Wider war is not inevitable; the margin for error is narrowing.

Financial Crisis Report

Civil Unrest Watch

Domestic and foreign instability, protest movements, and state responses with wider political consequences



Tracking protest, political violence, migration pressure, and social fractures affecting public order

Tracking protest, political violence, migration pressure, and social fractures affecting public order

CIVIL UNREST WATCH

FINANCIAL CRISIS REPORT | OCTOBER 2026

Europe's Streets Are Erupting: Economic Anxiety, Political Distrust, and a Growing Crisis of Confidence

From France and Italy to Spain, Belgium, and Albania, a widening wave of demonstrations is exposing the tensions beneath Europe's economic and political institutions. The question is whether governments can restore public confidence before social unrest becomes a more enduring threat to economic stability.

October 2026 has witnessed a significant escalation of civil unrest across Europe. Although individual protests have different origins, they share several underlying grievances: rising living costs, unaffordable housing, declining public services, dissatisfaction with political leadership, and a growing perception among younger generations that their economic prospects are deteriorating.

The disturbances are not evidence that Europe is collapsing. They do, however, reveal a widening gap between what citizens expect from government and what financially constrained governments can deliver.

France: Economic Frustration Turns Violent

France experienced some of October's most serious disturbances. Demonstrations initially driven by dissatisfaction with schools and educational opportunities expanded into broader protests over living costs, inequality, and deteriorating public services.

On October 17–18, demonstrations were accompanied by rioting, looting, and confrontations with police. Authorities subsequently imposed localized curfews in Paris and other cities. On October 24, the Interior Ministry reported approximately 410,000 demonstrators nationwide, although organizers claimed substantially greater participation. Most demonstrations were peaceful, but violence erupted after some gatherings concluded.

The unrest presents President Emmanuel Macron's government with a difficult dilemma. Concessions require public spending, yet France faces substantial government debt and limited fiscal flexibility. Further demonstrations and labor strikes threaten to intensify political uncertainty ahead of the country's 2027 presidential election.

Italy: Unrest Spreads Beyond France

Italy experienced significant disturbances beginning October 17, including clashes with police, vandalism, and looting in Milan. Subsequent demonstrations on October 24 spread across several major cities. While Milan's later marches remained largely peaceful, confrontations occurred in Turin, Bologna, and Rome.

The protesters' concerns include wages, employment opportunities, public services, housing affordability, and opposition to government policies. Italian authorities responded with increased security deployments, including additional troops in Milan.

Italy's experience illustrates how economic dissatisfaction can combine with political polarization to produce confrontations that extend beyond traditional labor prote**sts.**

Spain, Portugal, and Belgium: Housing and Austerity Drive Discontent

In Spain and Portugal, the central grievance has been housing affordability. Demonstrators argue that rents and property costs increasingly exceed what ordinary workers and younger households can afford. Encampments, public demonstrations, and labor actions have highlighted frustrations over wages and living standards.

Belgium has experienced student and labor demonstrations involving concerns over education costs, austerity, and public services. Some protests have resulted in confrontations with police.

Unlike the more violent disturbances in France and Italy, many housing demonstrations have remained peaceful. Nevertheless, their persistence suggests that dissatisfaction extends well beyond isolated incidents of disorder.

Albania: Corruption and Youth Disillusionment

Albania experienced another serious wave of anti-government demonstrations during October. Student-led protests centered on perceived corruption, inadequate educational opportunities, and limited employment prospects.

Some demonstrations escalated into attacks on government property and confrontations with police. On October 25, protesters again gathered in Tirana despite new government measures intended to discourage violence.

Albania illustrates a broader European problem: younger citizens increasingly question whether established political institutions can provide economic opportunity and accountable government.

The Financial Implications: A Warning Beyond the Streets

The most important economic consequence of October's unrest may not be the immediate property damage or disruption to commerce. It is the possibility that prolonged social instability will make already difficult fiscal decisions even harder.

Governments face pressure to increase spending on education, housing, wages, and public services while simultaneously confronting debt burdens and limited budgetary flexibility. Investors must consider whether political instability could delay economic reforms, weaken business confidence, discourage investment, or increase pressure on sovereign borrowing costs.

There is also a political consequence. When established parties cannot resolve economic grievances, voters may become more receptive to populist movements promising fundamental change. That development can further complicate economic policymaking.

The Larger Question

October's unrest does not establish that European democracy is failing. Nor should peaceful demonstrations be confused with rioting or political violence. Most protesters are exercising legitimate democratic rights, while a smaller number have engaged in destructive conduct.

Nevertheless, the common pattern deserves attention. Across countries with different political systems and economic circumstances, citizens are questioning whether their governments can deliver the security, opportunity, and living standards they once expected.

For American readers, the lesson extends beyond Europe. Rising public debt, economic inequality, housing affordability, generational frustration, and distrust of institutions are not exclusively European problems.

The central warning from October 2026 is that economic pressures can become political crises when governments lose the public's confidence in their ability to deliver a better future. For financial markets, the danger is not simply unrest itself, but the policy paralysis and uncertainty that prolonged unrest can produce.

Reporting period: October 1–25, 2026. Sources include Reuters, Associated Press, and Le Monde. Events scheduled for November are prospective, not completed developments.

Financial Crisis Report — Civil Unrest Watch | Reporting what's really happening in America and the world.

Financial Crisis Report

Market Winners and Losers

Month's Best and Worst Returns Through the month



October 1, 2026 — Through October 25
Month's Best and Worst Returns Through the 25th.

Oil and energy shares advanced while precious metals, technology-related stocks, and cryptocurrencies faced selling pressure.

Financial markets moved unevenly during October as geopolitical tensions, rising energy costs, concerns over artificial intelligence spending, and changing interest-rate expectations reshaped investor preferences. Energy emerged as a leading winner, while gold, silver, and speculative investments struggled. Because October 25 fell on a Sunday, the reporting period ends with the October 23 market close.

THE WINNERS

Energy Stocks — Up approximately 11.5%. The S&P 500 energy sector led major U.S. stock groups over the latest reported one-month period, benefiting from rising oil prices and concerns about Middle Eastern supply disruptions.

Meridian Wealth Management+1

Crude Oil — Up approximately 12.3%. Oil was among the strongest major commodities as supply risks and geopolitical uncertainty supported prices. The advance raised concerns about renewed inflationary pressures and higher transportation costs.

Meridian Wealth Management+1

Consumer Staples — Up approximately 7.0%. Investors favored businesses selling everyday necessities as uncertainty surrounding technology valuations encouraged a shift toward more defensive investments.

Meridian Wealth Management

Long-Term Treasury Bonds — Up approximately 3.5%. Long-duration U.S. government bonds benefited from a retreat in yields during part of October as investors sought protection against stock-market volatility.

BTR Trading Group+1

THE LOSERS

Silver — Down approximately 16.3%. Silver was among the weakest widely traded commodities, reflecting a sharp precious-metals correction and concerns about industrial demand and interest rates.

Meridian Wealth Management

Natural Gas — Down approximately 12.8%. Natural gas prices weakened substantially, reflecting a different supply-and-demand balance from crude oil and highlighting the divergence within energy markets.

Meridian Wealth Management

Ethereum — Down approximately 8.8%. The second-largest cryptocurrency suffered a substantial decline as investors reduced exposure to volatile digital assets amid broader financial-market uncertainty.

BTR Trading Group

Communication Services Stocks — Down approximately 7.0%. Major technology-linked communications businesses came under pressure as investors questioned heavy artificial intelligence expenditures and near-term profitability.

Meridian Wealth Management+1

Gold — Down approximately 6.8%. Gold retreated despite continuing geopolitical uncertainty, demonstrating that traditional safe-haven assets do not necessarily rise during every period of financial stress.

Meridian Wealth Management

MIXED PERFORMERS

Real Estate — Up approximately 1.0%. Publicly traded U.S. real estate securities registered modest gains over the latest reported one-month period. Lower Treasury yields provided some support, although financing costs and commercial property valuations remained concerns.

Meridian Wealth Management+1

Bitcoin — Down approximately 5.6%. Bitcoin weakened as investors reassessed risk exposure alongside technology shares. Its performance reinforced the cryptocurrency's continuing sensitivity to speculative investment sentiment.

Market Seasonality

CLOSING INTERPRETATION

October's market performance reflected a rotation away from speculative growth investments toward energy, defensive equities, and government bonds. The divergence between rising oil prices and falling precious metals and cryptocurrencies suggests that investors were responding less to a single economic outlook than to competing concerns about inflation, geopolitical instability, and corporate earnings. The broader message is a market becoming increasingly selective about risk.

Editorial data note: The figures above are sourced from October 22–23 market reports. Several are trailing one-month returns rather than exact September 30–October 23 changes; the Bitcoin figure is a separately reported monthly measure. Accordingly, these are indicative market leaders and laggards, not a verified ranking of exact October 1–25 returns. Sources include LPL Research/Bloomberg, October 23; BTR Trading Group, October 22; and Market Seasonality, October 23.

Financial Crisis Report

AI Watch

Artificial intelligence developments with strategic, economic, and institutional impact



Keeping an eye on the world of AI: what really happened this month, why it matters for everyday people and businesses, and what steps you can take to use the good while guarding against the bad.

Tracking artificial intelligence, automation, national security, and the changing economy

Financial Crisis Report — October 2026
Artificial intelligence developments with strategic, economic, and institutional impact. Reporting through October 25, 2026.

AI WATCH

FINANCIAL CRISIS REPORT | OCTOBER 2026

Artificial intelligence advances rapidly, but soaring investment costs, financial risks, and questions about regulation are beginning to challenge the industry's extraordinary growth.

Artificial intelligence continued its transformation from an emerging technology into a major force shaping the global economy during October. New AI models promised greater productivity, while corporations and governments committed billions to computing infrastructure and technological development. Yet the same expansion raised increasingly serious questions about profitability, employment, financial stability, and national security. The central issue is no longer whether AI will transform society, but whether its economic benefits will justify the enormous costs and risks.

The AI Investment Boom Faces a Financial Test. The race to build increasingly powerful AI systems requires extraordinary expenditures on semiconductors, data centers, electricity, and

financing. On October 25, Elon Musk said SpaceX had closed $40 billion in debt financing for AI processors, although the precise financing status remained unclear. He also warned that smaller AI cloud providers could face consolidation or failure as access to capital tightens. The development illustrates a growing division between well-financed technology companies and competitors dependent on continued borrowing.

Reuters

New AI Models Accelerate the Productivity Race. On October 7, Anthropic introduced Claude Haiku 5.5, emphasizing faster, more economical AI applications. The company also announced a $100 million program to train 10,000 engineers in enterprise AI deployment. These developments reflect the industry's transition from demonstrating technological capabilities to integrating AI into ordinary business operations. The economic question is whether improved productivity will translate into measurable earnings rather than simply higher technology spending.

Anthropic

Electricity Becomes an AI Bottleneck. The rapid construction of data centers is placing additional pressure on America's electrical infrastructure. On October 12, federal energy regulators approved development of a registry to track data centers connected to the PJM electricity system, the nation's largest regional power grid. The development underscores growing concerns over electricity prices, grid reliability, and the ability of utilities to accommodate rapidly expanding AI demand. For consumers and businesses, AI's infrastructure costs may increasingly appear in electricity bills.

Westlaw

Financial Regulators Confront AI Risks. Reuters reported on October 13 that banking regulators, including U.S. authorities, were intensifying scrutiny of advanced AI systems used by financial institutions. Concerns include cyberattacks, autonomous AI agents, and excessive dependence on outside technology providers. Although AI can improve fraud detection, customer service, and operational efficiency, poorly controlled systems could introduce new vulnerabilities into financial markets.

MarketScreener

Washington Balances Innovation Against Security. The Trump administration continued emphasizing voluntary industry safeguards rather than broad restrictions on AI development. An agreement involving six major technology companies drew criticism because it contained no stated penalties for noncompliance. Separately, on October 22, the Treasury Department proposed expanded restrictions on certain American investments in sensitive foreign

technologies, including AI and advanced computing. Together, these actions illustrate Washington's competing objectives: accelerating American technological leadership while preventing AI capabilities from strengthening foreign adversaries.

Investing.com+1

China Expands the AI Investment Competition. On October 23, Hong Kong Exchanges and Clearing introduced new AI and semiconductor indexes, including an AI index covering 40 listed companies. The exchange also announced an agreement supporting investment products linked to Chinese AI businesses. The initiative demonstrates China's continuing effort to channel investment toward advanced computing and compete with American technology companies, even as investors increasingly question valuations throughout the sector.

CLOSING INTERPRETATION

October revealed the growing contradiction at the center of the artificial intelligence revolution. AI promises substantial gains in productivity, scientific discovery, and economic growth, but realizing those gains requires enormous capital commitments, greater electricity production, and increasingly complex financial arrangements. Meanwhile, governments are struggling to balance technological leadership against security and systemic risks.

For investors, the principal danger may not be that AI fails technologically, but that its commercial returns arrive too slowly to justify today's spending and valuations. The next phase of the AI revolution will increasingly be judged by profitability, not technological promises.

Reporting period: October 1–25, 2026. Sources: Reuters; Anthropic official announcements; U.S. Department of the Treasury; and federal energy regulatory reporting. Developments after October 25 are excluded.

AMERICAN CONCERNS ACROSS THE COUNTRY



By D. Miyoshi

AMERICAN CONCERNS ACROSS THE COUNTRY — OCTOBER 2026

Reporting period: October 2026 | Information cutoff: October 26, 2026

Five concerns dominate the national debate: economic affordability, immigration enforcement, environmental protection, international trade instability, and confidence in government institutions. Yet the degree of public concern—and the preferred solutions—vary substantially across political, demographic, and geographic lines.

The central question is not simply what Americans are worried about, but how their concerns differ and whether those differences are widening or narrowing. Public concern about an issue must also be distinguished from support for a particular government response. Americans may agree that immigration, inflation, or government accountability requires attention while disagreeing sharply about the appropriate policies.

The following assessment separates documented public attitudes from economic conditions, identifies where demographic evidence is available, and avoids treating differences in survey wording or sampling as meaningful changes in public opinion.

National comparison of the five concerns

Issue	Latest national indicator	Political differences
Cost of living and inequality	73% very concerned about food and consumer prices; 66% about housing	High concern in both parties, greater among Democrats
Immigration and humanitarian impacts	59% consider immigration very important to their congressional vote	72% of Republican candidate supporters versus 53% of Democratic candidate supporters
Environment and climate	41% consider climate and environmental policy very important to their vote	66% of Democratic candidate supporters versus 15% of Republican candidate supporters
Tariffs, trade, and global stability	56% expect mostly negative national effects from tariffs	83% of Democrats and Democratic leaners versus 26% of Republicans and Republican leaners
Executive power and institutional trust	73% consider the future of democracy very important to their vote	85% of Democratic candidate supporters versus 69% of Republican candidate supporters

Sources: Pew Research Center, September 28–October 4, 2026. Percentages measure different questions and populations and must not be interpreted as a single ranking of national concerns.

Pew Research Center+2

1. Cost of Living and Economic Inequality: The Broadest Common Concern

Economic affordability remains the most widely shared concern among Americans, crossing party lines even as perceptions of the economy differ.

Pew Research Center's October 8 report found that 73% of adults were very concerned about food and consumer goods prices, 74% about gasoline and energy, 69% about healthcare, and 66% about housing. Only 21% described national economic conditions as excellent or good, compared with 24% in July and 28% in January.

Pew Research Center
Americans very concerned about economic issues

Percent of U.S. adults, September 28–October 4, 2026. Pew Research Center.

0%25%50%75%100%Gas and energyFood and consumer g…HealthcareHousingEmployment

Energy prices produced one of the clearest recent shifts. The share very concerned increased from 60% in July to 74% in October, a 14-percentage-point increase. Concern about employment also rose, from 44% to 48%, although the latter change is smaller and should not be overinterpreted without formal significance testing.

Political differences remain substantial but do not eliminate common ground. Eighty-two percent of Democrats and Democratic-leaning independents expressed strong concern about food and consumer prices, compared with 62% of Republicans and Republican leaners. For energy prices, the corresponding figures were 81% and 65%. Thus, the difference is primarily one of intensity, not whether affordability matters.

The deterioration in economic confidence has also reached Republican voters. The share of Republicans rating economic conditions positively declined from 41% in July to 36% in October. Meanwhile, 35% of Republicans said the administration's economic policies had made conditions worse, compared with 28% in July.


Pew Research Center

Economic inequality requires separate treatment. Concern about prices does not establish concern about wealth concentration or income redistribution. Lower-income households generally have less financial capacity to absorb higher essential expenses, but this economic reality cannot substitute for October survey results measuring attitudes toward inequality by income group.

Geographically, the Northeast, Midwest, South, and West face different housing, transportation, energy, and employment conditions. Nevertheless, national polling alone cannot establish which region was most concerned during October. State-level economic indicators can identify actual differences in conditions but should not be presented as measures of public sentiment.

The financial significance is substantial. When household budgets are pressured by essential expenses, discretionary consumption becomes more vulnerable, and consumer dissatisfaction can persist even when aggregate economic indicators remain relatively stable.

2. Immigration Enforcement and Humanitarian Impacts: Agreement on Importance, Division Over Solutions

Immigration remains a major national issue, but the political divide concerns not only border enforcement but also deportation practices, legal protections, and humanitarian obligations.

In October, 59% of registered voters considered immigration very important to their congressional vote. Among Republican candidate supporters, the figure was 72%, compared with 53% among Democratic candidate supporters.



Pew Research Center

The importance of immigration, however, should not be mistaken for endorsement of any specific enforcement measure. A voter may consider immigration extremely important because of concerns about border security, labor markets, family separation, due process, or treatment of asylum seekers.

The September NPR/PBS News/Marist poll found that 41% of registered voters trusted Democrats more to handle immigration, compared with 38% who preferred Republicans. Among independents, Democrats led 41% to 27%, while 18% said neither party would do a good job. This represents a different measurement from issue importance or support for enforcement policies.

MP

Polls, Analysis, Learning, and More

Pew's October survey also found that 41% of adults were confident in President Trump's ability to make good immigration decisions, unchanged from April but below the 53% recorded immediately after the 2024 election. Republican confidence remained substantially higher than Democratic confidence, 77% versus 13%.



Pew Research Center

The demographic and geographic picture is more complicated. Hispanic Americans, immigrants, and mixed-status families may encounter immigration enforcement differently from other populations. Border communities, agricultural regions, and metropolitan areas with substantial immigrant populations also face different practical consequences. Those differences do not, by themselves, establish how each population views enforcement.

Reliable October cross-tabulations separating age, sex, race, ethnicity, education, income, ideology, and urban or rural residence on specific enforcement and humanitarian questions were not established in the sources reviewed. Accordingly, no numerical demographic comparisons are assigned.

The national concern is therefore twofold: how to maintain effective immigration enforcement and how to preserve legal safeguards and humanitarian protections. Public agreement that immigration matters does not imply agreement on how those objectives should be balanced.

3. Environmental Protection and Climate Policy: A Deep Partisan Divide

Environmental policy remains among the most politically divided of the five concerns.

Pew's October survey found that 41% of registered voters considered environment and climate policy very important to their congressional vote. The division between party coalitions was

pronounced: 66% of Democratic candidate supporters considered it very important, compared with only 15% of Republican candidate supporters.


Pew Research Center

This 51-percentage-point gap is one of the clearest differences in the October evidence.

The disagreement reflects competing priorities surrounding climate risks, energy affordability, regulatory burdens, industrial competitiveness, and the appropriate role of federal government. Yet lower electoral priority for environmental policy should not be interpreted as opposition to clean air, clean water, or conservation. Similarly, considering climate policy important does not necessarily mean supporting every environmental regulation.

The economic tradeoffs are significant. Environmental protections can impose compliance costs while potentially reducing pollution-related damage and long-term environmental risks. Conversely, regulatory rollbacks may lower certain immediate costs while increasing exposure to future environmental liabilities. The effects depend on the particular rule, industry, and time horizon.

Regional differences are also relevant. Western states face wildfire and water-supply pressures; Gulf Coast and Southeastern states face hurricane and coastal risks; Midwestern states confront agricultural and industrial concerns; and Northeastern states face coastal infrastructure and energy-transition challenges. These are differences in exposure, not verified October differences in voter attitudes.

No reliable October state-by-state polling comparison was established for support or opposition to particular environmental rollbacks. The available evidence supports a strong national partisan divide, but not a precise ranking of regional or demographic environmental concern.

4. Tariffs, Trade Wars, and Global Economic Stability: Growing Economic Skepticism

Trade policy has become a major concern because its consequences extend beyond international relations into household prices, business investment, supply chains, and financial markets.

Pew's October survey found that 56% of Americans expected the Trump administration's tariffs to have mostly negative consequences for the country over the coming years. Twenty percent anticipated mostly positive effects, while 22% expected a mixture of positive and negative outcomes.


Pew Research Center

The partisan division was considerable. Among Democrats and Democratic-leaning independents, 83% expected negative consequences. Among Republicans and Republican leaners, 26% expected negative effects, while 40% anticipated positive outcomes.

Importantly, Republican attitudes have shifted. The share anticipating mostly positive tariff effects declined from 49% in January to 40% in October, while the share anticipating negative effects increased from 17% to 26%. These are changes in expectations about tariff consequences, not direct measures of concern about international trade.

International conflict has added another dimension. The October AP-NORC survey found that 64% of voters identified the war with Iran as a top election issue. Pew reported that confidence in President Trump's foreign-policy decision-making had declined to 35%, compared with 38% in April.


AP-NORC+1

These concerns have a measurable economic backdrop. The Bureau of Labor Statistics reported that consumer prices rose 0.6% in September and 3.7% over the preceding twelve months. Gasoline prices increased 9.1% during September alone. Such figures help explain the intensity of energy-related concerns, although they do not establish how much of the inflation was caused by tariffs, military conflict, or other factors.


2026 M09 Results

Manufacturing regions of the Midwest, agricultural states, coastal trading centers, and import-dependent businesses may experience trade restrictions differently. Nevertheless, the reviewed October polling does not support assigning specific regional or state-level percentages to attitudes toward tariffs.

The financial implication is that uncertainty over trade policy and international conflict can complicate corporate pricing, capital investment, and inflation expectations. The actual consequences depend on the duration of restrictions, retaliation by trading partners, and how costs are distributed between producers, importers, and consumers.

5. Executive Power, Transparency, and Institutional Trust: Concern Extends Beyond One Administration

Public concern about democratic institutions has become one of the defining issues of the approaching congressional elections.

Pew found that 73% of registered voters considered the future of democracy very important to their vote. This included 85% of Democratic candidate supporters and 69% of Republican

candidate supporters. Although both groups attached substantial importance to democracy, the question did not establish that they agreed about the threats facing it.


Pew Research Center

Other measures point to declining confidence in executive leadership. Pew's October survey found that 30% of adults approved of President Trump's overall job performance, down from 34% in July. Among people who voted for Trump in 2024, approval declined from 75% in July to 67% in October.

There were notable demographic differences within Trump's 2024 electoral coalition. Approval stood at 57% among Hispanic Trump voters and 69% among White Trump voters. Among his voters ages 19–34, approval was 49%, compared with 76% among those ages 50 and older. These findings measure presidential approval within a specific voting group, not the importance those groups assign to executive power or transparency.


Pew Research Center

Transparency concerns are also evident. Pew reported that 69% of Americans had little confidence in Trump to separate his business interests from presidential decision-making. Only 21% expressed confidence in his ability to bring the country closer together, down from 27% in April.


Pew Research Center

The dissatisfaction extends beyond evaluations of the president. AP-NORC's October survey found that eight in ten voters wanted substantial change or a complete overhaul in how the country is run. Approximately half expressed pessimism about the future of democracy and both major political parties.


AP-NORC

This distinction is important. Disapproval of an administration is not equivalent to rejection of constitutional government, and dissatisfaction with both political parties is not necessarily support for expanded executive authority. Some Americans seek stronger executive action to overcome institutional paralysis; others fear that concentrating authority weakens constitutional checks and balances.

The available evidence therefore supports concern about institutional performance and accountability, but not a single nationwide consensus about the appropriate constitutional or political remedy.

The Demographic and Geographic Picture

Across the five concerns, political affiliation is the most consistently documented dividing line in the October sources. Economic affordability commands substantial attention from both major parties, while immigration, climate policy, and executive accountability reveal sharper differences in priorities and proposed responses.

Age and ethnicity show documented differences in presidential approval, especially within Trump's 2024 voting coalition. However, those differences cannot be extended automatically to attitudes about immigration, environmental regulation, or tariffs. The reviewed material does not provide sufficiently consistent October comparisons by sex, educational attainment, household income, conservative-moderate-liberal ideology, or urban-suburban-rural residence for all five issues.

Nor does the available national polling establish comparable rankings for the Northeast, Midwest, South, and West. Regional economic conditions and exposure to particular policies can be described using official statistics, but regional differences in public concern require direct survey evidence. Reliable state-level findings for all five concerns were not established, so no state rankings are presented.

National Picture: Economic Pressure and Institutional Dissatisfaction Converge

October's evidence points to two overlapping developments. The first is widespread economic dissatisfaction, especially concerning food, energy, healthcare, and housing. The second is diminished confidence in political leadership and government institutions.

These developments are related but should not be treated as identical. Americans disagree substantially about immigration enforcement, environmental regulation, tariffs, and executive authority. Yet across political divisions, economic security and effective government remain central expectations.

The principal national concern is the widening distance between what Americans expect their government to accomplish and their confidence that political institutions can deliver.

As the November elections approach, the most consequential question may be whether elected officials can convert widespread dissatisfaction into workable economic and institutional reforms—or whether political divisions will continue to impede solutions to concerns shared across much of the electorate.

Methodology and Source Note

This report relies primarily on the Pew Research Center's September 28–October 4 survey of 5,062 adults, including 3,917 registered voters; AP-NORC's October 8–12 survey of 1,119 adults; the September NPR/PBS News/Marist survey of 1,280 registered voters; and official September inflation statistics published by the U.S. Bureau of Labor Statistics on October 14.

The surveys measure different populations, questions, and response categories. Issue importance, strong concern, confidence, presidential approval, and policy support are not interchangeable. Month-to-month comparisons are used only where comparable questions are available; small movements are not automatically treated as statistically meaningful. Subgroup estimates may have substantially larger margins of error, particularly for smaller racial, ethnic, age, and political categories. Older evidence is identified by date rather than represented as October polling.

No comprehensive October dataset establishing comparable cross-tabulations for every requested demographic, ideological, geographic, and state-level category was verified. The report therefore avoids unsupported numerical estimates and treats unmeasured differences as unavailable rather than assuming they do not exist.

Principal sources and direct links

- Pew Research Center — Cost Concerns Dominate (October 8, 2026)
- Pew Research Center — Presidential Approval and Confidence (October 8, 2026)
- Pew Research Center — Issues Important to Voters
- AP-NORC — Midterm Voters and National Concerns (October 15, 2026)
- NPR/PBS News/Marist — September 2026 National Poll
- U.S. Bureau of Labor Statistics — September 2026 Consumer Price Index

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IS TRUMP DESTROYING AMERICAN DEMOCRACY—OR ACCELERATING ITS NATURAL DECLINE?

Some Americans are now asserting that President Trump has destroyed democracy in America. Others say he has accelerated the destruction. And some even say he has bolstered it.

To answer this consequential question, I compiled and analyzed recent research from V-Dem, Freedom House, the Pew Research Center, Gallup, congressional findings, and official presidential directives. The evidence supports a significant Trump-specific contribution to recent democratic erosion but does not establish a reliable numerical percentage of causation.

Here is my report.

America's democratic troubles began long before Donald Trump. But is his presidency transforming a gradual historical deterioration into something far more dangerous?

America is confronting a question that strikes at the foundation of its political existence: Is President Donald Trump destroying American democracy, or is he merely accelerating a process of democratic decline that began generations before he entered politics?

For Trump's critics, the answer appears obvious. His challenge to the 2020 election results, confrontations with established institutions, expansion of presidential authority, and aggressive exercise of executive power represent an extraordinary threat to constitutional government.

For his supporters, the picture is almost precisely reversed. Trump is not destroying democracy but restoring it—wresting power from an entrenched political establishment, unelected bureaucrats, politically motivated prosecutors, and institutions that have become increasingly unresponsive to the American electorate.

There is, however, a third possibility that receives considerably less attention.

What if the deterioration of American democracy is part of a broader historical process—one in which successful democracies gradually develop the internal contradictions that threaten their own survival?

If that interpretation is correct, Trump may be neither democracy's original destroyer nor its innocent defender. He may instead be the most consequential political figure to emerge from an already deteriorating democratic system.

An examination of American history, political science research, and international democracy measurements suggests that this third interpretation deserves serious consideration.

THE BOTTOM LINE

The research points toward five principal conclusions:

1. **American democracy was experiencing serious structural problems long before Trump.** Political polarization, declining institutional trust, expanding presidential power, and weakening congressional effectiveness developed over several decades.
2. **Trump has substantially accelerated democratic erosion.** His attempts to reverse the 2020 election result and his subsequent efforts to concentrate executive authority distinguish his presidency from ordinary partisan conflict.
3. **Democratic decline is not necessarily a temporary aberration.** History demonstrates that democracies can gradually weaken through internal political competition, institutional complacency, and increasing concentration of power.
4. **Democratic collapse is not inevitable.** Some democracies deteriorate into authoritarian government, while others recover through elections, institutional resistance, and political reform.
5. **America has not become a dictatorship.** Despite serious institutional deterioration, competitive elections, independent courts, state governments, civil society, and a free press remain substantial obstacles to authoritarian consolidation.

The central finding is therefore neither reassuring nor apocalyptic:

Trump did not create America's democratic crisis. But he has become one of its most powerful accelerants.

DEMOCRACY'S TROUBLES BEGAN LONG BEFORE TRUMP

Americans sometimes speak as though their political system operated relatively harmoniously until Trump arrived in Washington in January 2017.

History tells a different story.

The United States has experienced repeated periods of democratic strain, including the Civil War, Reconstruction's collapse, the disenfranchisement of Black Americans, political corruption during the Gilded Age, the Great Depression, McCarthyism, Watergate, and recurring struggles over civil rights and executive authority.

Even during periods of apparent democratic stability, American government was never free from contradictions.

The Constitution established a system of limited government, checks and balances, and divided authority. Yet the modern presidency has gradually accumulated powers that the Founders could scarcely have imagined.

The growth of federal regulatory agencies, emergency presidential powers, executive orders, and national-security institutions has made the president increasingly central to American government.

Presidents of both parties contributed to this development.

Meanwhile, Congress frequently surrendered practical influence through partisan gridlock, legislative delegation, and its increasing inability to address difficult national problems.

The polarization of American society intensified.

A major Pew Research Center study published in 2014—two years before Trump's election—documented increasing ideological separation and hostility between Republicans and Democrats.

Political opponents were no longer merely people holding different policy preferences. They were increasingly viewed as threats to the country's future.

This change created a dangerous political environment.

When citizens begin regarding victory by the opposing party as an existential threat, their willingness to defend democratic rules against their own political leaders can diminish.

Trump did not invent this condition. He entered a political system already profoundly affected by it.

Source: Pew Research Center, Political Polarization in the American Public (2014).

THE HISTORICAL QUESTION: DO DEMOCRACIES NATURALLY DECAY?

More than two thousand years ago, political philosophers were already debating whether democratic government contained the seeds of its own destruction.

Plato warned that excessive political freedom could eventually produce disorder and create public demand for a powerful leader promising stability.

Aristotle examined how competing social classes and economic interests could destabilize constitutional government.

Much later, Alexis de Tocqueville warned that democratic societies might gradually surrender individual independence to an increasingly powerful central authority in exchange for security and material well-being.

These ideas were not scientific predictions that every democracy must eventually collapse. Nevertheless, they identified tensions that remain recognizable in modern politics.

Consider the possible progression.

A democracy begins with a commitment to political liberty and representative government. Over time, economic prosperity produces competing interests, social expectations increase, and government becomes responsible for addressing an expanding range of public demands.

As political institutions struggle to satisfy those demands, frustration rises.

Citizens lose confidence in established leadership. Political parties become more combative. Compromise begins to look like surrender.

Eventually, charismatic political figures emerge promising to bypass ineffective institutions and act decisively on behalf of the people.

The public may welcome stronger executive authority—not because it rejects democracy, but because it believes ordinary democratic processes no longer work.

Here lies the paradox.

Citizens seeking to rescue democracy from ineffective institutions may empower leaders whose methods weaken the institutions necessary for democracy's survival.

Yet there is an important qualification.

Historical patterns do not establish an unavoidable democratic life cycle. Britain, the United States, and other democracies have survived severe internal crises. Some nations have recovered after periods of authoritarianism.

Democratic decline is a recurring historical possibility, not a law of nature.

WHAT THE NUMBERS REVEAL

Political argument alone cannot establish whether American democracy is deteriorating. Fortunately, several international research organizations attempt to measure democratic performance.

Two are particularly important: the Varieties of Democracy project (V-Dem) and Freedom House.

V-Dem evaluates democratic institutions, electoral competition, civil liberties, government accountability, and constraints on executive power.

Its Liberal Democracy Index reveals an unsettling pattern.

Year	U.S. Liberal Democracy Index
2016	0.830
2020	0.734
2024	0.751
2025	0.571

Scale: 0 to 1, with higher numbers indicating stronger liberal-democratic performance.

The results reveal three distinct periods.

During Trump's first presidency, the index declined substantially.

During the Biden presidency, it partially recovered, although it remained below its pre-Trump level.

During the first year of Trump's second presidency, it fell sharply again.

V-Dem's 2026 assessment reclassified the United States from a liberal democracy to an electoral democracy for 2025. This does not mean American elections disappeared; it means V-Dem judged protections associated with liberal democracy to have deteriorated substantially.

Freedom House offers a somewhat less severe assessment. Its 2026 report gave the United States 81 out of 100 and continued to classify the country as **Free**.

Both organizations therefore identify deterioration, although they disagree over its severity.

That distinction matters. These indices involve expert judgments and differing measurement methods; they should not be mistaken for perfectly objective instruments.

Nevertheless, the repeated deterioration during Trump's presidencies, combined with partial stabilization during his absence, provides meaningful evidence that presidential leadership has influenced America's recent democratic trajectory.

Sources: V-Dem, 2026 Dataset Release; Freedom House, United States 2026.

WHERE TRUMP'S RESPONSIBILITY IS MOST DIRECT

Not every controversial presidential action constitutes an attack on democracy.

An elected president has the constitutional right to pursue unpopular policies, appoint judges, replace political appointees, and exercise lawful executive authority.

The democratic question is not whether a president governs aggressively.

It is whether presidential actions weaken the constitutional restraints, electoral processes, and institutional independence that permit political power to change hands.

On this question, Trump's conduct following the 2020 election provides particularly important evidence.

Joe Biden won the Electoral College by 306 votes to Trump's 232.

Trump nevertheless maintained that the election had been stolen, despite the failure of investigations and litigation to establish fraud sufficient to reverse the result.

The subsequent congressional investigation documented pressure on state officials, efforts involving alternative presidential electors, and attempts to persuade Vice President Mike Pence to interfere with the electoral certification process.

The crisis culminated in the January 6, 2021, attack on the Capitol, which interrupted congressional proceedings.

Congress ultimately completed certification, and Trump left office.

The constitutional system survived.

But surviving an effort to reverse an election does not mean the effort caused no democratic damage.

The peaceful transfer of power is among democracy's indispensable requirements. If losing an election becomes merely the beginning of another struggle to retain office, the constitutional basis of representative government becomes unstable.

The House investigation attributed central responsibility to Trump. Trump rejected its conclusions, and his second Senate impeachment trial ended in acquittal. The federal criminal election-interference prosecution did not produce a trial verdict.

Those legal distinctions are important, but they do not erase the documented conflict between Trump's post-election conduct and the certified electoral outcome.

Source: Final Report of the House January 6 Committee.

TRUMP'S SECOND PRESIDENCY: RESTORING ACCOUNTABILITY OR CONCENTRATING POWER?

Trump's return to the presidency in January 2025 introduced another dimension to the democratic debate.

His administration has pursued greater presidential supervision of federal agencies and expanded its authority over certain career government positions.

Supporters argue that these changes address a fundamental democratic problem.

If the president is elected by the people, why should powerful federal bureaucracies operate with substantial independence from his policy direction?

From this perspective, stronger presidential control makes government more responsive to voters.

It is not an argument without constitutional substance.

Article II vests executive power in the president, and democratic government must allow elected officials meaningful authority to implement their programs.

But a competing concern is equally serious.

Independent administrative procedures, professional civil-service protections, and impartial law enforcement help prevent elected leaders from converting public institutions into instruments of personal or partisan advantage.

A president should be able to direct lawful government policy.

Whether a president should be able to transform neutral administrative institutions into organizations primarily responsive to personal political loyalty is another question entirely.

The distinction between democratic accountability and executive domination can become dangerously narrow.

Trump's January 2025 pardons and commutations involving January 6 defendants further complicated that distinction.

The president possesses extensive constitutional pardon authority. Yet using that authority for individuals convicted in connection with the disruption of an electoral transfer raises legitimate concerns about deterrence, institutional accountability, and future political violence.

Trump's supporters maintain that the prosecutions were excessive or politically motivated.

His critics argue that the pardons weakened an essential boundary against political intimidation.

Both interpretations deserve examination, but the larger principle is straightforward:

Executive power can be exercised legally while still raising serious questions about its cumulative effect on democratic accountability.

Sources: White House, Ensuring Accountability for All Agencies; January 6 Clemency Proclamation.

HOW MUCH OF AMERICA'S DEMOCRATIC DECLINE CAN BE ATTRIBUTED TO TRUMP?

This is the central question—and the most difficult to answer with mathematical precision.

Although international democracy measurements document significant deterioration during Trump's presidencies, no credible statistical analysis establishes what percentage of that decline he personally caused.

The evidence strongly supports the conclusion that Trump has been a major accelerant, particularly through his attempts to reverse the 2020 election outcome and his expansion of presidential authority.

Nevertheless, the political polarization, institutional distrust, congressional dysfunction, and concentration of executive power that made this deterioration possible developed long before Trump entered the White House.

His precise share of responsibility cannot be reliably quantified.

What can reasonably be concluded is that Trump has substantially accelerated a democratic deterioration whose underlying causes extend far beyond his presidency.

Consider the sequence.

Before Trump, the United States had already developed serious institutional vulnerabilities.

During his first presidency, democratic indicators deteriorated.

Following his defeat in 2020, Trump participated in efforts to reverse the certified election outcome.

During the Biden presidency, measured democratic conditions partially stabilized.

Following Trump's return, some indicators deteriorated sharply once more.

This pattern makes it difficult to dismiss Trump's individual influence.

But it would be equally mistaken to believe that removing Trump from American political life would automatically restore democratic health.

The conditions that made his rise possible would remain.

Political polarization would remain.

Distrust of government would remain.

Conflict over immigration, economic inequality, cultural identity, and national priorities would remain.

The increasing concentration of presidential authority would remain.

And millions of Americans would still believe that established political institutions had failed to represent their interests.

Indeed, there is a deeper analytical problem with assigning percentages of responsibility.

Trump's political success was itself made possible by preexisting public dissatisfaction. His actions may then have deepened the dissatisfaction and distrust from which his political movement emerged.

In other words, cause and consequence are intertwined.

Trump may be simultaneously a product of America's democratic deterioration and a major force accelerating it.

That conclusion is more historically defensible than attempting to assign an arbitrary percentage of responsibility to one individual.

THE INTERNATIONAL WARNING

Other democracies offer instructive comparisons.

In Hungary, Viktor Orbán's government progressively altered constitutional arrangements, weakened independent institutions, and reshaped the political environment while retaining elections.

In Türkiye, Recep Tayyip Erdoğan accumulated executive authority through an extended political process that increasingly weakened institutional constraints.

Poland experienced democratic backsliding under the Law and Justice government, followed by an electoral change in national leadership that demonstrated the possibility of recovery.

Brazil experienced a constitutional crisis after Jair Bolsonaro's electoral defeat, including attacks on government institutions by his supporters.

These examples reveal a recurring pattern.

Modern democracies do not always collapse through military coups or the sudden abolition of elections.

They can deteriorate gradually through legally structured changes that concentrate power and reduce meaningful institutional competition.

Political scientist Nancy Bermeo describes an important part of this process as *executive aggrandizement*—the incremental weakening of checks on elected executives.

The troubling implication is that a democracy may continue holding elections even as the institutional environment becomes progressively less fair.

But America also possesses significant safeguards that distinguish it from some of these examples.

Its federal system disperses governmental authority. State governments administer elections. Courts retain substantial independence. Private news organizations and civic institutions continue operating.

These safeguards do not guarantee survival, but they make complete authoritarian consolidation more difficult.

Source: Nancy Bermeo, On Democratic Backsliding, Journal of Democracy (2016).

THE MOST DANGEROUS DEVELOPMENT MAY BE THE AMERICAN PEOPLE'S LOSS OF TRUST

There is an even deeper problem than the actions of any president.

Democracy depends upon citizens accepting political outcomes they dislike.

That requires confidence that elections are legitimate, courts operate according to law, public officials respect constitutional limitations, and political opponents remain fellow citizens rather than enemies.

When that confidence deteriorates, democratic government becomes increasingly difficult.

Americans today inhabit competing political realities.

For many Democrats, Trump represents a direct danger to constitutional government.

For many Republicans, the greater danger lies in bureaucratic institutions, progressive political movements, media organizations, and governmental investigations they believe have been used against conservative interests.

Each side increasingly believes that the other threatens democracy itself.

The consequences can be profound.

Citizens may excuse improper conduct by their preferred leaders because they fear the alternative more.

Congressional oversight becomes another arena for partisan combat.

Judicial decisions are evaluated less according to legal reasoning than according to which political faction benefits.

Even the meaning of democracy becomes contested.

Gallup reported in July 2026 that average public confidence across 14 major American institutions remained near historic lows, at approximately 27 percent.

This widespread institutional distrust cannot credibly be explained by Trump alone.

It suggests a much larger problem of democratic legitimacy.

Source: Gallup, Confidence in U.S. Institutions Remains Near All-Time Low (2026).

IS AMERICA APPROACHING AN INEVITABLE HISTORICAL TURNING POINT?

It is tempting to conclude that the United States is simply experiencing the fate awaiting every democracy.

After all, no political system is immune to corruption, concentrated power, social conflict, or institutional decay.

History repeatedly demonstrates that prosperity and military strength do not guarantee political survival.

Ancient Athens lost its democracy more than once. The Roman Republic eventually gave way to imperial rule. The Weimar Republic collapsed into dictatorship.

But these precedents require caution.

The Roman Republic was not a modern representative democracy, and the causes of its collapse differed substantially from contemporary American conditions.

Likewise, the experience of Weimar Germany cannot be transferred mechanically to the United States.

Historical analogies can illuminate dangers without establishing that similar outcomes are inevitable.

Indeed, American history offers evidence pointing in the opposite direction.

The United States survived a civil war, severe economic depressions, major constitutional disputes, political violence, and repeated challenges to its civil liberties.

Its institutions have sometimes failed grievously. At other times, they have demonstrated considerable capacity for reform.

Perhaps the most important historical lesson is therefore not that democracies inevitably collapse.

It is that **democracies must repeatedly renew the institutions, habits, and public commitments necessary for their continued existence.**

Freedom is not self-perpetuating.

Constitutional checks do not enforce themselves.

And democratic institutions cannot survive indefinitely if the people entrusted with their operation cease to respect the limits of their own authority.

CONCLUSION: TRUMP MAY BE THE ACCELERANT, BUT AMERICA CREATED THE CONDITIONS

The evidence does not support the simplistic proposition that Donald Trump single-handedly created America's democratic crisis.

That crisis emerged from decades of political polarization, declining public confidence, institutional dysfunction, and the gradual concentration of governmental authority.

Yet the evidence also does not support the claim that Trump has merely been an innocent observer of these developments.

His efforts to reverse the 2020 election outcome and his subsequent expansion of presidential control have made him a major actor in America's contemporary democratic erosion.

The distinction is important.

Trump is not the original cause of America's democratic deterioration, but he has significantly increased its intensity and potentially its long-term consequences.

Whether that deterioration becomes a permanent transformation of American government remains unresolved.

The United States still possesses constitutional safeguards, independent institutions, functioning elections, and a deeply rooted tradition of political liberty.

The more fundamental question is whether Americans retain the political will to defend those institutions when doing so conflicts with their immediate partisan interests.

A democracy rarely survives simply because its constitution is well written. It survives because its political leaders and citizens continue to accept the restraints that constitutional government imposes upon their own ambitions.

That may be the ultimate challenge facing America.

Trump's presidency is a major test of the American constitutional system.

But the outcome will not be determined by Trump alone.

It will be determined by whether the American people, their elected representatives, and their institutions still believe that preserving democratic government is more important than winning the next political battle.

The greatest danger to American democracy may not be that one president becomes too powerful. It may be that the country becomes so divided that Americans are willing to sacrifice democratic restraints to ensure that their own side remains in power.

And if that happens, the deterioration of democracy will no longer be attributable to one president.

It will have become a failure of the democratic society itself.

D. Miyoshi



NATO vs. Russia: Who Would Actually Win?

What Popular YouTube Military Analyses Are Saying

As tensions between Russia and NATO intensify, an increasingly unsettling question is being asked: **If Russia and NATO actually went to war, who would win?**

To see how the issue is being assessed outside official government statements, I examined twelve relatively high-view or recent YouTube military and geopolitical analyses dealing

directly with a NATO-Russia confrontation, Russia's ability to attack NATO, the defense of the Baltic states, or the possibility that such a conflict would escalate into nuclear war.

The results reveal a surprisingly clear conventional-war consensus—but also an enormous qualification.

THE BOTTOM LINE

Based on the twelve analyses reviewed, their dominant conclusions can be grouped approximately as follows:

Predicted outcome	Videos	Percentage
NATO ultimately wins	7	**58%**
Russia wins or achieves its strategic objective	2	**17%**
No meaningful winner because of nuclear escalation	3	**25%**

These percentages should not be interpreted as probabilities that NATO has a 58 percent chance of winning. They represent the **distribution of conclusions among the videos examined**.

The broader message is more important:

A majority of the analyses believe NATO would defeat Russia in a prolonged conventional war—particularly if the United States were fully engaged. But virtually none portray such a victory as quick, easy, or inexpensive.

And hovering above virtually every scenario is a much darker possibility: Russia could resort to nuclear weapons rather than accept a catastrophic conventional defeat.

WHY NATO IS FAVORED

The strongest argument for NATO is simply the enormous disparity in aggregate military and economic power.

Taken together, NATO possesses far more economic capacity, aircraft, naval power, advanced surveillance systems, precision-guided weapons, logistics capability, and technological resources than Russia.

A recent **WarFronts** analysis, *Russia Thinks It Can Attack NATO and Win. Here's Why*, makes an important distinction. Russia could conceivably challenge NATO politically or attempt to break the alliance with a limited incursion. But the video concludes that present-day Russia is not capable of conquering NATO Europe or defeating the United States and NATO in a straightforward contest of military power.

That distinction appears repeatedly throughout the videos.

Russia might defeat **a NATO country locally**.

Defeating **NATO collectively** is an entirely different proposition.

Air power may be decisive

Several analyses regard NATO's air forces as perhaps its greatest advantage.

The United States and its allies possess large numbers of F-35s, F-15s, F-16s, Eurofighter Typhoons and other advanced aircraft, supported by aerial refueling, airborne command-and-control systems, satellites, electronic warfare and intelligence networks.

The Infographics Show, in its detailed scenario *What Would Happen If Russia and NATO Went to War*, portrays Russia initially achieving some success around the Baltic region.

But as NATO mobilizes, the picture changes.

NATO establishes increasing air superiority, Russian air defenses are gradually suppressed, Russian armor and artillery become vulnerable to precision attacks, and NATO's combined-arms capability begins overwhelming Russian formations.

Its conclusion is unequivocal: **Russia eventually loses the conventional war.**

NATO has strategic depth

Russia's best opportunity would probably come during the opening days or weeks.

Its forces are geographically close to Estonia, Latvia, Lithuania and Poland. American reinforcements, by contrast, must cross the Atlantic, while European forces must mobilize and move east.

That gives Russia what military planners call an **initial local superiority**.

But Russia's advantage becomes progressively weaker as NATO mobilizes.

The Military Show's scenario, *If NATO and Russia Go To War, Who Loses?*, predicts Russia could create a serious initial crisis in Lithuania. Once NATO's full military machinery begins operating, however, the balance moves decisively toward the alliance.

By the second week in its scenario, NATO air and naval superiority increasingly dominate the conflict. Eventually Russia is forced back toward its own borders.

EVEN EUROPE WITHOUT AMERICA MAY BE STRONG ENOUGH

One particularly interesting analysis asks an even harder question:

Could European NATO defeat Russia without the United States?

WarFronts examined precisely this issue.

Removing America eliminates NATO's largest military, much of its strategic airlift, considerable intelligence capability and—most importantly—the enormous conventional power of the U.S. Air Force and Navy.

Nevertheless, WarFronts concludes that European NATO would **probably still defeat Russia eventually**.

But there is a major qualification.

Europe might have to endure an extremely destructive war before its economic and military advantages became decisive.

The video describes the likely result as victory only after Europe had, metaphorically, **"walked through fire."**

That distinction is critical.

NATO's superiority on paper does not mean NATO could prevent Russia from inflicting catastrophic damage.

THE CASE FOR RUSSIA

The minority view deserves serious consideration.

The argument favoring Russia does **not generally claim that Russian armies could march across Germany, France and Britain**.

Instead, it rests on four different advantages.

1. Geography

Russia can concentrate large forces against a small portion of NATO much faster than NATO can concentrate its entire alliance against Russia.

The Baltic states are especially vulnerable.

They are geographically small, possess limited strategic depth and lie close to Russian territory and Belarus.

Russia therefore might seize territory before NATO could react decisively.

2. Russia is battle-hardened

The Ukraine war has inflicted enormous losses on Russia.

But it has also produced something NATO largely lacks: an enormous body of officers and soldiers with recent experience fighting a large-scale industrial war.

A NATO commander interviewed by **The Telegraph** described the Russians as a formidable and increasingly battle-hardened opponent.

Russia has learned extensively about drones, electronic warfare, artillery, trench warfare, battlefield adaptation and mass missile attacks.

Those lessons cannot simply be dismissed because Russia has suffered heavy casualties.

3. Russia may tolerate casualties NATO societies will not

Several analyses identify this as one of Moscow's most important advantages.

Russia's political system can mobilize manpower, redirect industrial production and tolerate enormous casualties more easily than many democratic governments.

NATO might possess superior military technology yet confront another problem:

How long would Western voters tolerate tens of thousands—or potentially hundreds of thousands—of casualties?

Russia does not necessarily have to destroy NATO's armies.

It might merely have to remain in the war longer than NATO's political unity survives.

4. Russia does not necessarily need to conquer NATO

This may be Russia's most realistic path to victory.

Imagine Russia seizing a relatively small section of Estonia or Lithuania.

NATO then faces an extraordinary decision.

Does the United States risk a major European war—and perhaps nuclear war—to recover several hundred square miles of territory?

If NATO hesitates, Article 5 loses credibility.

Russia could therefore lose battles militarily while achieving something enormously valuable strategically:

breaking NATO's promise that an attack on one is an attack on all.

That is why some analysts believe the most dangerous Russian strategy would be a **small war rather than a large one**.

THE NUCLEAR PROBLEM

All conventional comparisons eventually encounter the same obstacle.

Russia is one of the world's two great nuclear powers.

A NATO conventional victory therefore presents a paradox.

The more successful NATO becomes, the greater Russia's incentive might become to escalate.

Suppose NATO forces destroy major Russian formations, eliminate Russian air defenses around Kaliningrad, devastate Russian naval forces and begin threatening territory Moscow considers vital.

At what point would the Kremlin conclude that Russia was facing an existential threat?

No one knows.

And that uncertainty may be more important than counting tanks.

Russia possesses thousands of nuclear warheads ranging from tactical battlefield weapons to strategic missiles capable of destroying major American and European cities.

The United States, Britain and France possess their own nuclear arsenals.

Once one nuclear weapon is used, escalation becomes extraordinarily difficult to control.

A tactical nuclear strike might provoke a NATO conventional response.

Russia might then answer with additional nuclear weapons.

NATO might retaliate.

Within hours, a regional European war could become something entirely different.

At that point the question **“Who wins?” becomes almost meaningless.**

There may be no winner.

THE MOST IMPORTANT DISTINCTION

The YouTube analyses suggest that the NATO-Russia question actually consists of three very different wars.

Russia versus the full NATO alliance including the United States

NATO is strongly favored conventionally.

Russia could inflict enormous losses and perhaps seize territory initially, but sustaining a conventional war against the combined economic, technological, naval and air power of NATO would become increasingly difficult.

Russia versus European NATO with limited American participation

The outcome becomes considerably less certain.

Europe probably possesses enough aggregate military and economic power to prevail eventually, but shortages in logistics, ammunition, air defense, readiness and political cohesion could produce an extremely dangerous opening period.

Russia versus NATO after nuclear weapons are introduced

There is no meaningful winner.

The destruction inflicted on Russia, Europe and potentially North America would overwhelm any traditional concept of military victory.

WHAT THE VIDEOS MOSTLY AGREE UPON

Interestingly, disagreement over the eventual winner conceals considerable agreement about the underlying facts.

Most of the analyses reviewed appear to accept several propositions:

Russia **cannot safely be dismissed as militarily weak** simply because it has struggled in Ukraine.

NATO possesses **far greater aggregate conventional power** than Russia.

Russia would enjoy **important geographic and mobilization advantages during the beginning of a Baltic conflict**.

The United States remains enormously important to NATO's ability to fight a major war.

Russia's battlefield experience and rapidly developing drone and missile capabilities make it considerably more dangerous than simple comparisons of defense budgets suggest.

NATO political cohesion may be every bit as important as NATO military strength.

And finally, **nuclear weapons impose an upper limit on how completely NATO could safely defeat Russia.**

THE REAL CONSENSUS

The most useful conclusion from these videos is therefore not simply **“NATO wins.”**

It is more nuanced:

Russia could probably not defeat a united NATO alliance in a prolonged conventional war. But Russia might win locally, politically or strategically before NATO's full superiority could be brought to bear—and if Russia faced overwhelming conventional defeat, nuclear escalation could transform victory into catastrophe.

That produces an uncomfortable paradox.

NATO's military superiority is one of the principal reasons Russia would probably lose a conventional war.

Russia's nuclear arsenal is one of the principal reasons NATO could never safely pursue an unlimited victory.

The real objective for both sides, therefore, is not discovering who would win such a war.

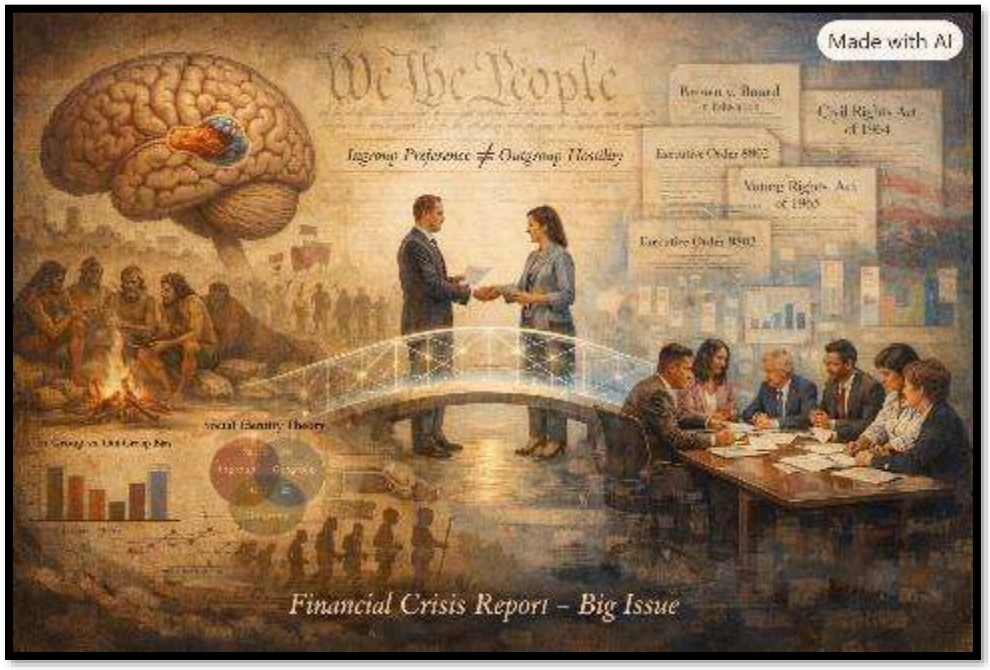
It is making certain the question is never answered.

Videos included in the survey

Among the analyses examined were recent or high-view videos from **WarFronts**, **Binkov's Battlegrounds**, **The Military Show**, **The Infographics Show**, **The Times**, **The Telegraph**, **Paul Warburg**, and **Daniel Davis/Deep Dive**, including *Russia Thinks It Can Attack NATO and Win. Here's Why*, *Could Russia Overrun Estonia, Lithuania & Latvia Before NATO Responds?*, *Can NATO Beat Russia Without the United States?*, *What Would Happen If Russia and NATO Went to War*, and *If NATO and Russia Go To War, Who Loses?*

Methodology note: This was a qualitative survey of twelve relatively prominent or recent YouTube analyses located through searches concerning a NATO-Russia war. It is not a scientific sample of all YouTube content. Videos were classified according to their dominant bottom-line conclusion; several emphasized conditional scenarios rather than making an unconditional prediction.

D. Miyoshi



DEI VS. HUMAN NATURE: CAN AMERICA OVERCOME ITS TRIBAL INSTINCTS?

My Background:

As a youngster, I grew up in South Central Los Angeles, in a predominantly Black neighborhood. Practically all my friends were African Americans, and I constantly felt their innate distrust and animosity toward Caucasians. But it seemed natural to me. My family later moved to Gardena, California, then a predominantly white and Japanese American neighborhood where I completed high school and college. Most of my friends there were Japanese American. There, the predominant perspective of the Japanese American and Caucasian was a distant disregard for Blacks. This also seemed natural to me. As I entered the military and later professional life, I was again confronted with a distinct disregard for my own ethnicity as an Asian American. And I thought this was natural as well.

U.S. Background:

In 1941, President Franklin Roosevelt signed Executive Order 8802 that banned racial discrimination in defense industries and federal employment. But in 1943, he inexplicably signed Executive Order 9066, which proclaimed sweeping military authority that enabled the forced removal and incarceration of Japanese Americans during World War II.

Then, in 1948, President Harry Truman signed Executive Order 9981, which desegregated the US military; the very same segregation that was the basis that formed the famed 100th/442nd/MIS Japanese American military units.

Then key Civil Rights milestones expanded the movement, including Brown v. Board of Education (1954), the Civil Rights Act of 1957, the Civil Rights Act of 1964, and the Voting Rights Act (1965).

By the 1970s, organizations began adopting diversity initiatives not only for compliance but also for organizational performance, marking the shift toward what would later be called DEI (Diversity, Equity, Inclusion).

In the 1990's companies expanded diversity offices, training programs, and recruitment initiatives. Data-driven approaches emerged in the 2000s.

Beginning from 2010, the term "DEI" gained widespread use and after 2020 (George Floyd protests), DEI programs expanded dramatically across corporations, universities, and government institutions.

Now, the progressives seek a DEI society in which race and ethnicity no longer determine opportunity.

But humanity's enduring tendency to favor its own groups raises a fundamental question: Can diversity, equity, and inclusion overcome human nature—or must they learn to work with it?

With the aid of my computer, I embarked upon a personal research project compiling various reports on the subject to see what the Progressives were and are now facing. This is what I found.

I hope you find this informative.

D. Miyoshi

THE FUNDAMENTAL CONTRADICTION

For decades, America's progressive movement has advanced an ambitious vision: a society in which diversity is celebrated, equity is pursued, and inclusion becomes a defining principle of public and private institutions.

The objectives are appealing. Who would oppose a nation in which individuals are treated fairly, opportunities are broadly available, and discrimination no longer stands in the way of advancement?

Yet beneath this vision lies an uncomfortable question that receives surprisingly little attention in public debate:

What if human beings are naturally inclined to favor those who resemble themselves?

Across societies, cultures, religions, and historical periods, humans have displayed a powerful tendency to organize themselves into groups. They identify with families, tribes, ethnic communities, nations, political parties, and religious traditions. They frequently extend greater trust, loyalty, and cooperation to members of their own group.

This tendency, generally described as *ethnocentrism* or *in-group favoritism*, is not confined to any particular race or civilization. It appears across humanity.

History provides countless illustrations. Ethnic nationalism has helped fuel wars. Religious loyalties have divided societies. Rival national identities have transformed neighbors into enemies. Even in peaceful democracies, political affiliations increasingly function as competing tribal identities.

The American progressive movement believes that enlightened policies, education, institutional reform, and social cooperation can substantially weaken these tendencies.

But can they?

And perhaps more importantly, **does the pursuit of DEI realistically account for human nature, or does it underestimate one of humanity's most persistent characteristics?**

The scientific evidence offers a more complicated answer than either supporters or critics might expect.

THE BOTTOM LINE

The central findings of the research can be summarized in five conclusions:

1. **In-group favoritism is a persistent feature of human social behavior.** But favoring one's own group does not automatically mean hostility toward others.
2. **Prejudice can be reduced.** Sustained personal contact, shared objectives, and genuine cooperation have measurable benefits, although these effects are neither automatic nor universal.
3. **Traditional DEI training has significant limitations.** Programs often increase awareness and knowledge without reliably producing lasting behavioral change.
4. **Institutional fairness may be more achievable than eliminating human bias.** Transparent hiring standards, equal legal protections, mentoring, and objective evaluation procedures can constrain discriminatory conduct without requiring people to change their deepest instincts.
5. **DEI policies can become counterproductive when they excessively emphasize racial categories.** Efforts intended to promote inclusion may unintentionally deepen group consciousness, perceptions of unfairness, and political resentment.

The essential distinction is between **eliminating ethnocentrism**, which may be unrealistic, and **preventing ethnocentrism from controlling how people treat one another**, which is considerably more achievable.

WHY HUMAN BEINGS DIVIDE INTO GROUPS

Human beings are social creatures. Throughout history, survival often depended on cooperation within families, communities, and organized groups.

Trusting familiar people, defending one's community, and maintaining collective loyalty offered practical advantages in uncertain and sometimes dangerous environments.

Modern psychology suggests that these patterns can arise even when group distinctions are relatively arbitrary.

Social identity theory explains how individuals derive part of their sense of self from belonging to a group. Once people begin thinking in terms of *us* and *them*, even minor distinctions can become psychologically important.

However, an important scientific distinction is frequently overlooked.

Psychologist Marilynn Brewer argued that affection for one's own group does not necessarily require hatred of outsiders. A person may feel a deep attachment to family, religion, ethnicity, or country while still respecting others.

This distinction matters enormously.

If every form of group loyalty were inherently discriminatory, a truly equitable society might require the suppression of cultural and ethnic identities themselves.

But if people can retain their identities while learning to cooperate fairly with outsiders, the challenge becomes much more practical.

The objective need not be to eliminate group identity. It may instead be to prevent group loyalty from becoming a justification for discrimination.

That is where the strongest progressive arguments begin.

HOW PROGRESSIVES BELIEVE HUMAN NATURE CAN BE CHANGED

Contrary to some conservative characterizations, serious progressive theories do not necessarily assume that human beings can simply be instructed to stop noticing racial or ethnic differences.

Rather, they argue that human tendencies are influenced by experience, social expectations, economic conditions, and institutional structures.

Their approach generally follows two strategies.

The first seeks to change attitudes through education, personal relationships, cultural understanding, and cooperation.

The second seeks to change institutions so that existing prejudices have fewer opportunities to produce unequal treatment.

Organizations such as Race Forward, for example, emphasize changing policies and institutional practices rather than relying exclusively on appeals to personal tolerance.

This distinction is important.

A hiring manager might retain unconscious preferences for familiar cultural backgrounds. Yet a company could still require standardized interviews, objective qualifications, transparent promotion criteria, and independent review.

Such procedures do not eliminate personal bias. They reduce its influence over consequential decisions.

From this perspective, a society need not achieve perfect equality of sentiment before it can improve equality of treatment.

Progressives are most persuasive when they acknowledge that institutions can be improved even when human nature remains imperfect.

The difficulty arises when reformers move beyond this practical proposition and begin to suggest that society can—or should—eliminate the underlying instinct to distinguish between groups.

The evidence does not support such confidence.

WHAT SCIENCE SAYS ACTUALLY WORKS

Perhaps the most important research involves what psychologists call the *contact hypothesis*.

The idea is straightforward: prejudice may diminish when members of different groups interact meaningfully under constructive conditions.

A major 2006 analysis by Thomas Pettigrew and Linda Tropp examined 515 studies encompassing 713 independent samples. It found a generally consistent association between intergroup contact and reduced prejudice.

But there is a catch.

Merely placing people of different racial or ethnic backgrounds in the same school, workplace, or neighborhood does not guarantee better relationships.

Contact is more effective when people share meaningful objectives, cooperate as equals, and depend upon one another for success.

Consider the difference between two situations.

In the first, employees attend a compulsory seminar in which they are instructed about group privilege, unconscious prejudice, and historical injustice.

In the second, employees from different backgrounds work together over several months to solve a demanding problem, develop mutual respect, and discover that their success depends on one another.

The available evidence gives considerable reason to favor the second approach.

Cooperation can weaken stereotypes because individuals begin evaluating one another through actual conduct rather than assumed group characteristics.

The same principle appears in educational programs involving cooperative learning and shared responsibilities.

It is also reflected in research on personal storytelling. In three field experiments involving thousands of American voters, researchers Joshua Kalla and David Broockman found that nonjudgmental exchanges of personal experiences produced modest but lasting reductions in certain exclusionary attitudes.

Simply arguing with participants was less effective.

The implications extend far beyond race.

People are often more willing to reconsider their prejudices when they experience another person's humanity than when they are told their existing beliefs make them morally defective.

Still, researchers caution against overstating the results. Some of the strongest experimental evidence involves relatively small effects, and the long-term effectiveness of many programs remains uncertain.

There is no scientific basis for claiming that prejudice has become a problem modern psychology knows how to eliminate.

THE TROUBLE WITH DEI TRAINING

One of the most revealing findings concerns the enormous emphasis institutions have placed on diversity and unconscious-bias training.

Corporations, universities, professional associations, and government agencies have invested considerable resources in programs intended to make individuals recognize and overcome their prejudices.

Some training is useful. It can explain applicable law, improve interpersonal skills, establish behavioral expectations, and help employees recognize unfair practices.

However, decades of research suggest that **changing what people know is substantially easier than changing how they behave**.

A major meta-analysis of diversity-training programs found generally positive effects, especially on knowledge. Yet effects on attitudes were less durable, and behavioral improvements were less dependable.

Other research on implicit bias reached a similarly sobering conclusion: changing a person's score on a psychological bias test does not reliably produce meaningful behavioral changes.

This does not establish that all DEI training is ineffective.

It establishes something more specific: organizations should not assume that mandatory seminars are sufficient to transform the attitudes or conduct of their members.

There is also a serious question about the consequences of coercion.

When individuals believe they are being required to accept a particular political interpretation of society, resistance may increase.

Programs organized around assigning collective guilt, labeling dissent as prejudice, or treating individuals primarily as representatives of racial groups risk producing precisely the defensiveness they seek to reduce.

The research does not establish that diversity training invariably backfires. But it offers little justification for regarding compulsory ideological instruction as an especially reliable path toward social harmony.

An institution may succeed in compelling participation without succeeding in changing minds.

That distinction deserves considerably more attention.

THE DANGER OF MAKING RACE TOO IMPORTANT

Here we encounter perhaps the most troubling contradiction within some contemporary DEI approaches.

To reduce racial inequality, organizations often begin by emphasizing racial differences.

They classify individuals into demographic categories, measure representation, examine disparities, and encourage employees or students to consider how racial identity shapes their experiences.

Some of this is necessary.

It is difficult to identify discrimination without examining whether similarly qualified individuals are treated differently.

A major analysis of American hiring experiments found that White applicants historically received approximately 36 percent more callbacks than otherwise comparable Black applicants and 24 percent more than Latino applicants in the studies examined.

Such findings cannot simply be dismissed as imagined inequality.

Yet identifying discrimination is not the same as assuming that every difference in group outcomes results from discrimination.

Educational preparation, family income, geography, professional networks, individual choices, and historical circumstances can all contribute to disparities.

More importantly, a social philosophy that continually directs people to interpret events through racial identity may inadvertently strengthen the very boundaries it hopes to weaken.

A student repeatedly taught to view classmates primarily as members of advantaged and disadvantaged racial categories may become more conscious of division rather than less.

An employee who believes promotion decisions are influenced by demographic objectives may question whether the system is fair.

A minority employee who has earned advancement through exceptional ability may resent suggestions that the achievement reflects institutional favoritism.

These are not arguments against correcting actual discrimination.

They are reminders that **fairness must be experienced as fairness by individuals, not merely demonstrated through group statistics**.

The most successful pluralistic society may be one in which ethnic identities remain meaningful without becoming the dominant explanation for every human relationship.

EQUITY, MERIT, AND THE LAW

Another source of disagreement concerns the distinction between equality of opportunity and equality of outcome.

Most Americans can recognize the importance of protecting individuals against discrimination.

The disagreement becomes sharper when institutions attempt to achieve particular demographic results.

Progressive advocates argue that unequal historical conditions may require active efforts to remove barriers. Critics argue that race-based preferences can substitute one form of unequal treatment for another.

Both arguments contain legitimate concerns.

Evidence from California's Proposition 209, which ended race-conscious affirmative action in public education, suggests that the elimination of affirmative action reduced access to selective

universities for some underrepresented applicants and adversely affected their long-term educational and economic outcomes.

That finding challenges the sweeping assertion that affirmative action necessarily harms its intended beneficiaries.

Nevertheless, the legal environment has changed substantially.

In 2023, the Supreme Court rejected the challenged race-conscious admissions programs at Harvard and the University of North Carolina.

In its 2025 decision in *Ames v. Ohio Department of Youth Services*, the Court also made clear that members of majority groups cannot be subjected to a heightened evidentiary burden when alleging discrimination under federal employment law.

The Trump administration's subsequent actions against federal DEI programs and certain affirmative-action requirements have further intensified the controversy.

The direction of the legal debate is significant.

American institutions increasingly face pressure to reconcile legitimate efforts to broaden opportunity with the principle that individuals should not receive adverse treatment because of race.

That tension cannot be resolved simply by declaring either *equity* or *merit* the governing principle.

The practical challenge is to identify genuine barriers, remove them lawfully, and preserve standards that individuals across society can regard as legitimate.

THE LESSON OF AMERICAN HISTORY

America itself provides a remarkable historical illustration of both the persistence of ethnocentrism and humanity's ability to transcend it.

During World War II, Japanese Americans experienced one of the most conspicuous violations of constitutional liberty in modern American history.

More than 120,000 people of Japanese ancestry were forcibly removed and incarcerated by the federal government, most of them American citizens.

Their treatment reflected fear, wartime suspicion, racial prejudice, and a willingness to regard an entire community through the presumed loyalties of its ancestry.

Yet Japanese American servicemen—including members of the 100th Infantry Battalion, 442nd Regimental Combat Team, and Military Intelligence Service—demonstrated extraordinary loyalty and sacrifice in service to the United States.

Their experience provides an important lesson.

Prejudice did not disappear because society adopted a new vocabulary. Over time, personal conduct, military service, civic participation, legal reform, and changing public understanding helped challenge assumptions that had once appeared acceptable.

The eventual recognition of the injustice of wartime incarceration represented a profound transformation in American public morality.

But the transformation was incomplete and hard-won.

That history suggests that group prejudice can be challenged, institutions can be corrected, and society can become more just.

It also warns that national fear and political instability can quickly revive prejudices thought to have been overcome.

Progress cannot safely be taken for granted.

THE MORE REALISTIC PATH FORWARD

The research points toward a practical approach that neither fully embraces contemporary DEI orthodoxy nor dismisses the problem of discrimination.

It would emphasize equal protection under law, objective employment standards, access to education, mentorship, socioeconomic opportunity, meaningful cross-group cooperation, and measurable institutional accountability.

It would recognize that disparities deserve investigation without assuming that every disparity constitutes discrimination.

It would encourage cultural recognition without treating racial identity as the defining characteristic of every individual.

It would replace compulsory ideological conformity with shared civic responsibilities.

And it would evaluate programs by demonstrated results rather than their stated moral intentions.

Above all, it would recognize the importance of common identity.

A nation cannot remain cohesive if its citizens are encouraged to think exclusively of themselves as competing racial, ethnic, religious, or political communities.

Pluralism requires the freedom to preserve differences. National unity requires something more: a willingness to recognize obligations extending beyond those differences.

These objectives need not be incompatible.

Indeed, they may depend upon one another.

THE FINAL QUESTION: CAN DEI SUCCEED AGAINST HUMAN NATURE?

The original question remains: Can progressive policies overcome humanity's apparently natural tendency toward ethnocentrism?

The most defensible answer is **partly—but not in the way some advocates imagine**.

Human beings are unlikely to abandon their attachments to family, ethnicity, religion, community, and nation.

Nor should a free society necessarily demand that they do so.

These loyalties provide belonging, meaning, continuity, and social responsibility. They can become destructive when transformed into hostility, exclusion, or assumptions of inherent superiority.

The challenge is therefore not to extinguish group loyalty but to establish moral, cultural, and institutional limits on how that loyalty is expressed.

The strongest progressive policies recognize that distinction. They seek to improve opportunities and reduce discriminatory behavior without demanding that human psychology be fundamentally reconstructed.

The weakest policies appear to assume that repeated instruction, enforced consciousness of identity, or preferred demographic outcomes can eventually produce the desired transformation in human attitudes.

History and psychology provide ample reason for skepticism toward that assumption.

There is a larger danger as well.

When the pursuit of inclusion makes racial identity increasingly central to public life, a movement intended to diminish divisions can unintentionally perpetuate them.

The genuine achievement would be a society in which citizens are free to preserve their cultural identities while recognizing a shared commitment to constitutional equality, personal responsibility, mutual respect, and common national purpose.

That achievement does not require the abolition of human nature.

It requires the wisdom to understand it.

And that may be the distinction between a program that merely promises social justice and one that actually helps achieve it.

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