



Financial Crisis Report

Written and Edited by David M. Miyoshi

Advancing in a Time of Crisis

Words of Wisdom: “The United States has great strength and patience, but if it is forced to defend itself or its allies, we will have no choice but to totally destroy North Korea” Donald Trump U.N. 9/19/17

Inside this issue:

1. Will the U.S. go to war with North Korea?
2. America's Second Civil War
3. Trump's Enemies Planning October Stock Crash

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

Will the U.S. go to war with North Korea?

On September 19, president Trump gave a speech at the United Nations. Some said it was the best speech of his presidency to date. Others said it was one of the most bellicose orations at the UN ever and would start a war with North Korea.

In a brief news conference in New York on Sept. 25, North Korean Foreign Minister Ri Su Yong said that U.S. President Donald Trump's recent statements to the U.N. General Assembly were tantamount to a declaration of war. Therefore, he argued, Pyongyang has a right to self-defense under the U.N. charter and would be justified if it were to shoot down U.S. strategic bombers, even outside North Korean territory

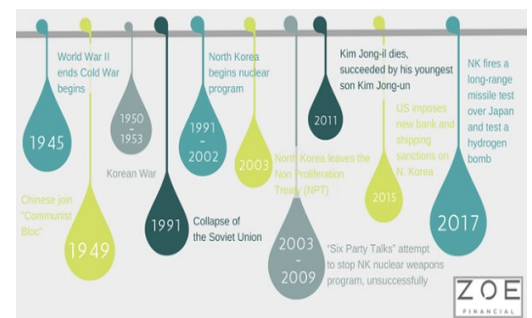
In the face of the bellicose declarations of Kim Jong Un, called “Rocketman” by Trump’ it begs the question, will the U.S. be going to war with North Korea?

No one can know for sure the answer to that question. But to give us some insight into the complexities and probabilities of this happening, I turn to the writings of Andres Garcia, expert on geopolitics and CEO of Zoefin.com.

The best way to understand anything is to understand its origin, the players and their incentives. So, first let’s see **how North Korea became North Korea**, which should help to provide the necessary color for the next part: **who are the main players and what are their incentives**. Later we will look at **the likely scenarios going forward based on the main players’ incentives**.

How did North Korea come to be?

Many of us know that North Korea is a rogue state of ~25 million poor people, led by a dictator who is trying to build a nuclear bomb; but what led this country down this path. What got them here?



Post-World War II ---> Cold War ---> Korea splits

As soon as World War II ended, the world separated into two blocs - one led by the United States and the other, the Soviet Union. As many of us remember, this period became known as the Cold War in which the two separate political and economic

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systems (capitalism and communism) fought proxy wars all around the world, like the Chinese Civil War, the Korean War, the Cuban Revolution, and, later on, the Vietnam War. The reason the two countries engaged in proxy wars instead of head-to-head battles is that since 1949 both countries held nuclear weapons, which if used against each other would lead to mutual assured destruction.

In 1949, the Soviets had a big win with China's Civil War resulting in a communist revolution that turned the Chinese towards the communist bloc. Just a few years earlier, Japan began pulling back from territories it had occupied in WWII, which included the Korean peninsula. Yes, that's right, Japan occupied North and South Korea from 1910 until 1945. As Japanese forces pulled out of Korea, Soviet forces took over North Korea while the U.S took over South Korea. By 1948, both sides had separate governments claiming to be the legitimate government of Korea as a whole. By the summer of 1950, the Soviets consolidated power in North Korea under Kim Il-sung, who led North Korean forces, backed also now by communist China, to invade the south. The U.S, backed by the United Nations allies, pushed the communists back to the north and, after three years of war, a stalemate was reached at the 38th Parallel, smack in the middle of the Korean Peninsula. Both sides signed armistice establishing a demilitarized zone. However, interestingly enough, no peace treaty was ever signed so they are technically still at war.



Source: Vox

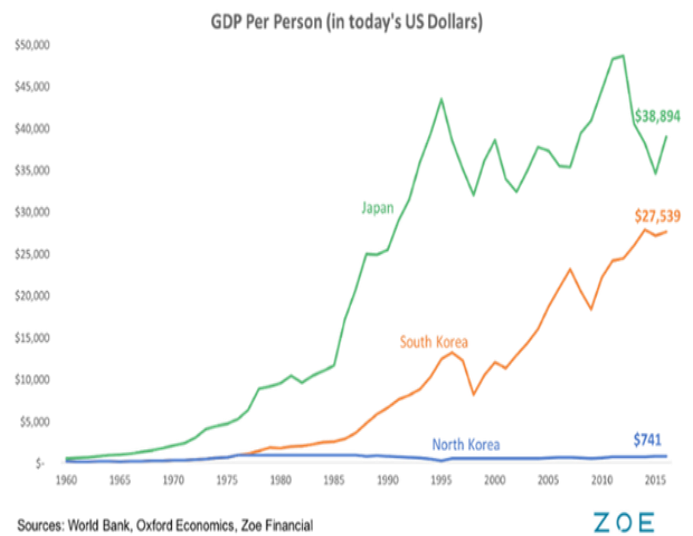
By 1970, Kim Il-sung's party completed a bloody political transformation from traditional communist political party

rule to dictatorship. By the 1980s, he transitioned power to his son Kim Jong-Il, solidifying the dictatorship into a family affair.

Collapse of Soviet Union, cold shoulder by China ---> North Korea radicalizes

In the following decades, South Korea's economy flourished as they adopted the Japanese and American models of industrialization, whilst North Korea's dictatorship dependency on Russia and China, left them in the dust, economically speaking.

The heavy U.S. financial support and capitalist approach slowly transformed South Korea into one of the most educated and technologically advanced countries in the world. Fast forward to the 1991 collapse of the Soviet Union and the communist bloc around the world - North Korea could no longer depend on the Soviet's economic support or nuclear umbrella protection. As we can see in the chart below, which shows GDP per person (a proxy for countries living standards) not being a capitalist country participating in globalization in the last 50 years has really sucked.



To add further insecurity to North Korea, in 1991, the U.S.'s decisive victory against Iraq's Soviet equipped army, made North Korea's Soviet-based arsenal seem obsolete. Finally, the Chinese began to embrace commercial relations with South Korea in the mid-1980s, and by 1992 South Korea had re-established diplomatic relations with a China that had become warm towards capitalism.

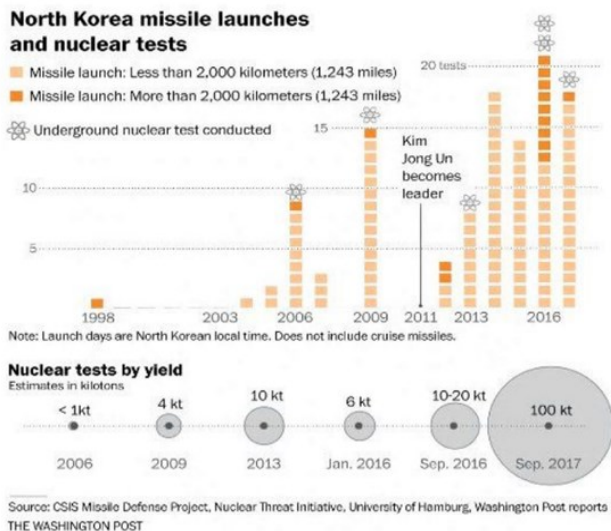
All these blows alongside a faltering domestic economy

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left North Korea's leadership isolated and vulnerable. So, if you are North Korea's leader, how do you stay relevant in the region and retain power in this situation? You build a huge army and nuclear weapon capabilities.

North Korea started developing nuclear technology in the 1990s under the pretenses of creating energy for peaceful ends and it was actually lawfully doing so under international supervision until 2002. During the Bush administration (2001-2009) relations with North Korea deteriorated, leading to North Korea defining the U.S. as a hostile country and Bush labeling North Korea as part of the "axis of evil". The rift culminated in North Korea exiting the nuclear Non-Proliferation Treaty (NPT) in 2003.

After North Korea exited the NPT, there were many rounds of negotiations between 2003 and 2009 under the framework of the "Six Party Talks." During these talks, South Korea, Russia, China, U.S. & Japan participated in an attempt to dissuade North Korea from developing nuclear weapons - but to no avail. As you can see in the below chart from the Washington Post, North Korea continued to improve their nuclear and delivery mechanisms, despite the ongoing talks.



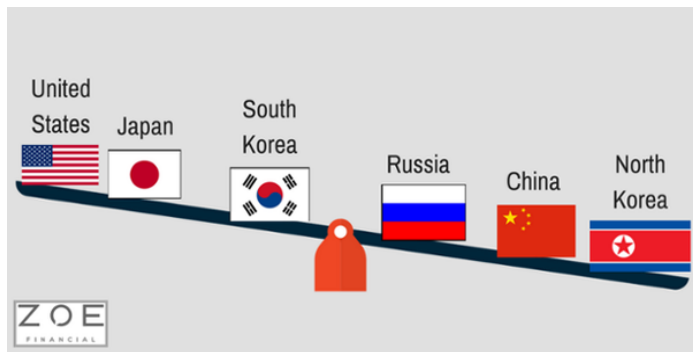
In 2011, Kim Jong Un becomes North Korea's leader after his father passes away and he ramps up nuclear efforts by 2013.

Present Day: Conflict Escalation

Skip forward to the last eight months, where we saw a bunch of tit-for-tat words between President Trump and North Korea. A few weeks back, we learned that North Korea has an intercontinental ballistic missile that is theo-

retically capable of hitting major U.S. cities. Then in September, the North Koreans claimed to have successfully tested a hydrogen bomb which, as per the above graphic, is 10 times stronger than their prior nuclear tests. If found to be true, North Korea has joined the nuclear club (which surprisingly only includes 7 other countries) and therefore significantly alters the playing field in the region.

Who are the main players & their main incentives?



The picture above depicts the players and where they stand when it comes to supporting the two opposing sides of this developing conflict i.e. U.S. and North Korea. Let's go through each player and their goals regarding this conflict.

North Korea: Stay in power

North Korean leadership wants what all dictatorships want: to stay in power. They want a nuclear bomb, not to use it, as that would surely bring an end to their regime, but to deter anyone from attempting to invade or replace them. Their rationale most likely being that past dictators who were pressured into giving up nuclear ambitions, like Iraq's Saddam Hussein or Libya's Muammar Qaddafi, were eventually brought down. North Korea also wants to weaken ties between the U.S., South Korea and Japan, as that strengthens their regional leverage.

China: Buffer against U.S. influence in the region

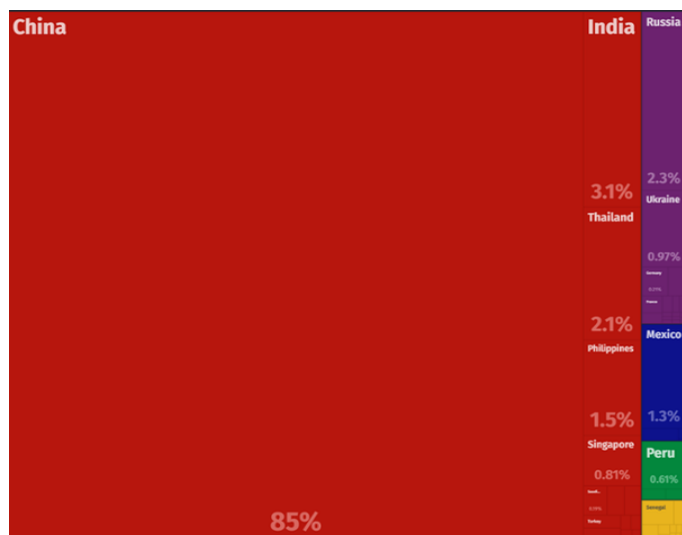
As mentioned earlier, China was one of the countries that occupied North Korea when the Japanese retreated post WWII. Amongst all parties in the region, China has the closest ties to North Korea, both economically and politically (both communist). China essentially uses North Korea as a buffer against "U.S. influence". Think about it, China's neighbors to the East are Japan and South Korea, who together have over 62,000 American soldiers stationed there. Not too far to the south, China has the Philippines, which has long been a U.S. ally and houses over 5



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military bases that U.S military personnel have access to.

You want further proof that China wants the current North Korea regime to stay in place? Look at the chart below - it shows North Korea's imports by destination. 85% of North Korean imports come from China and 83% of North Korea's total exports go to China. If China wanted North Korea's leadership toppled, they would just cut supplies of food and oil leaving the country, and stop importing coal and iron ore from North Korea. But China doesn't want to do that. They would like to use the leverage of calling on North Korea to suspend its nuclear weapons program, in return for the U.S. tending its military exercises in the region. In other words, "U.S., get off our turf and we will stop North Korea from turning nuclear".



North Korea Imports by Origin Country (2015) Source: OEC

South Korea: A weak, non-aggressive North Korean regime

From a military standpoint South Korea clearly stands with the U.S. in avoiding North Korea's nuclear capabilities. The country depends on the U.S. troops stationed there, as well as the U.S. nuclear capabilities, to defend themselves.

So, South Korea does not want an aggressive North Korea, but they also don't want a massive migration of 25 million poor and hungry North Koreans across their borders, which would happen if the North Korean regime suddenly tumbled. So, **for South Korea, containment and diplomacy is in their best political interest.**

Additionally, it is important to keep in mind that exports account for 42% of South Korea's economy (vs. 12% for the U.S for instance) with its biggest trading partner being China. Get this, for South Korea, 25% of total exports go to China and 21% of imports come from China. Yes, the U.S. is still an important destination for them (14% of their total exports) but China remains their largest trading partner, by far. **So, although militarily speaking, South Korea clearly stands with the U.S., economically speaking it doesn't really want to piss off its biggest trading partner, China.**

Russia: Leverage against the U.S.

As mentioned earlier, North Korea has deep-rooted ties with Russia since the Soviet Union occupied the country post WWII and supported it both economically and militarily until the collapse of the Soviet Union in 1991. Post 1991 Russia's global power has diminished, but their relations with North Korea has remained warm. Russia's ultimate goal is to exert more global influence despite its diminished military presence and a way to do that is to act as a broker between North Korea and the West.

Ultimately, Russia wants a North Korea without nuclear capabilities but with the intent of becoming nuclear one day (we knew this was complicated!).

Japan: A weak, contained North Korean regime

As mentioned earlier, Japan colonized North Korea just a few decades ago, so the two countries are not really BFFs. Since WWII, Japan has relied on the U.S. military presence for protection and they are therefore the closest U.S. allies when it comes to dealing with North Korea, as they can't really defend themselves alone. Similarly, to South Korea, Japan doesn't want military conflict in their backyard, especially considering that they are within North Korea's missile range.

United States: Get North Korean leadership out, or weaken them

Ideally, the U.S. would love a reunited Korea under a U.S. friendly regime, but they'll settle for a divided Korea with a North Korean leadership that doesn't have nuclear capabilities and is not antagonistic towards the West. Remember, with thousands of U.S. troops in the region and the role of peacekeeper, the U.S. is now at risk of losing the



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allies' confidence in their ability to do its job. Imagine trying to explain to your people why a foreign country has a huge military presence in your land, but it can't even defend you against a nation that economically speaking is smaller than a mid-size U.S. business. **Ultimately, the U.S.'s main goal in that region is to keep China's global ambitions at bay. The more defiant North Korea is towards the West, the greater China's "soft power" in the region. And the greater China's power in region, the less power the U.S. has.**

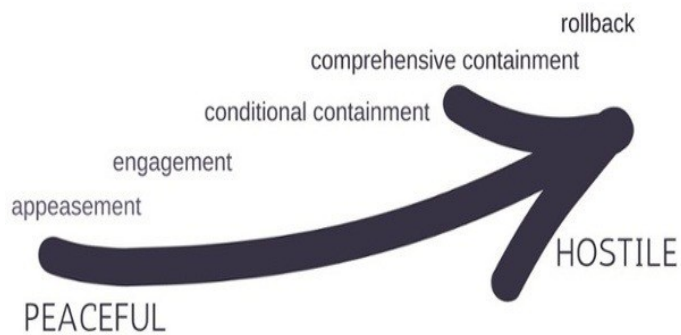
What are U.S options?

Post WWII, the U.S. has used, to different degrees of success, the below policies when it came to international conflicts:

1. Appeasement
2. Engagement
3. Conditional Containment
4. Comprehensive Containment

Rollback

Let's go through them one by one and discuss what they are and if any are likely to be implemented against North Korea.



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APPEASEMENT

Appeasement is conceding to aggression from a war-like nation. The clearest example of this strategy in modern history was during the 1930s, when Britain, France and the U.S. allowed Germany to take over the Sudetenland. The policy was based on the idea that if Hitler's demands were

satisfied, he would stop his aggression. As appeasement failed to prevent WWII, it came to be seen as a strategy to be avoided with military dictatorships, as it seemed to embolden them.



Adolf Hitler and British Prime Minister Neville Chamberlain shake hands on Sept. 30, 1938. Image Source: Euro Maidan Press.

Will the U.S. go with this policy?

In the case of North Korea, appeasement would likely involve acknowledging that Kim Jon-un's regime is a nuclear power without asking for anything in return, in the hope that he would become less aggressive as he would have then solidified a 'seat at the table' on the global stage. **In my mind, this is the most unlikely scenario as it would incentivize other players (like Iran or Russia) to further test the U.S. resolve.**

ENGAGEMENT

Engagement involves deferring to diplomacy in order to resolve a conflict. It requires both sides to 'play ball' fairly. President Clinton tried the engagement route directly with North Korea back in 1992, which resulted in the loosening of sanctions and a pause in the annual U.S. military exercises in the Korean Peninsula. In return, North Korea promised to return to the table to discuss a potential rollback of their nuclear program. The deal ultimately fell apart for a number of reason, but remember, this attempt to engage was before North Korea had nuclear weapons.

Do we have any examples of the U.S. engaging with a 'rogue country' after they became a nuclear power? Oh



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yea, China, the now second largest economy in the world.



President Nixon and Chairman Mao Zedong in Beijing 1972. Image Source: SCMP

First, a bit of backstory on China. I didn't want to get into it earlier, but China and Russia were never really "Best Friends Forever" (BFFs). Yes, they are both communist and in the early 1950s Russia and China were both on the same side of the Korean War. Russia even helped China build their own nuclear capabilities. But by the early 1960s Chinese-Soviet relations had turned sour for a number of reasons, and the Soviets stopped helping the Chinese to build their nuclear technology. Unfortunately by that point the Chinese had enough knowledge to continue the program.

By 1967, the Chinese joined the nuclear club by successfully testing a hydrogen nuclear bomb. China did this to ensure security against the Soviet AND United States threats, and to increase Chinese power internationally. It is possible that without China becoming nuclear, the U.S. and China would not have been able to open direct relations in the 1970s, since prior to having their own nuclear powers, the Chinese had to get the blessing from Moscow to do anything with the Americans. So once China had proven nuclear capabilities, the U.S. strategy changed from *containment* to *engagement*. In 1972 Nixon's China trip was set in motion and China pivoted away from the Soviet's team towards the U.S.

Will the U.S go with this policy?

If the U.S. went with *engagement*, their goal would be to provide economic or political incentives to nudge KimJon-un to move back into the global community. In return KimJon-un would have to freeze further development and testing of nuclear weapons. **With tensions as high as they are**

at the moment, engagement does not seem feasible in the near term.

Although, in years to come, if Kim Jon-un is able to remain in power, the **U.S could go for an engagement approach similar to the ones implemented with China in the '60s.** In addition to convincing Kim Jon-un, like it did with Assad in Libya, that the U.S. would ensure the regime would stay in place if he played ball, the U.S would also need to convince him that North Korea would be better off dealing with the U.S. directly instead of relying on China or Russia. Over time, U.S. would slowly foster North Korean businesses and individuals so that their future would not be dependent on Kim's regime.

CONDITIONAL CONTAINMENT

Conditional containment is the old 'carrot and stick' policy. Basically a mixed strategy that incorporates engagement and comprehensive containment, simultaneously.



U.S. President Richard Nixon meets Russian President Leonid Brezhnev May 22, 1972. Image Source: NY Daily News

Conditional containment was the main U.S. strategy for the Soviet Union during the Nixon years. Instead of trying to rollback Soviet power in places where it already existed, the idea was to block the expansion of the Soviet influence, whilst simultaneously providing the Soviets with favorable trade terms and access to certain U.S. technologies. It worked from the perspective of keeping both countries from waging all out war, but it didn't really work in persuading the Soviets to change their strategies.

Will the U.S. go with this policy?

Despite the strong rhetoric displayed by both sides, **one**



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could make the case that conditional containment may still be a viable strategy with North Korea, since like the Russians and the Chinese, it is now a nuclear state. The danger is that further escalation of military exercises makes this strategy less and less feasible as the days go by.

COMPREHENSIVE CONTAINMENT

Historically, *comprehensive containment* has been THE strategy used by the U.S. towards ‘rogue states’ and, no doubt, the current strategy used against North Korea. It employs economic, diplomatic, and military ‘sticks’ to isolate and deter the ruling regime. The goal of this policy is to overthrow the current regime from within or to force the current regime to change their ideology.

The U.S. track record with this strategy has been mixed. They applied harsh economic sanctions on Saddam Hussein both to coerce him into withdrawing from Kuwait before the Gulf War, and then to topple his regime after the war. Neither worked.

On the other hand, the harsh economic sanctions on Iran successfully lead to a deal that forced it to pull back from the continued development of its nuclear program. The key to this strategy working, is to gather as much international support as possible, and work towards a very specific objective that everyone agrees on.

Will the U.S go with this policy?

So far, this is the current U.S. policy on North Korea, and, **the most likely strategy the U.S. will apply going forward.** The fact that the UN anonymously voted to provide harsh economic sanctions on North Korea further increases the chances of success.

The key factor will be if North Korea’s greatest trading partner, China, enforces the sanctions. Remember, that China’s sanctions are the only ones that matter, since close to 90% of North Korea’s global trade is with China. The country depends greatly on the Chinese for their oil consumption... and winter is coming. The issue here is that if we go on what history tells us China is unlikely to deliver on their sanctions.

The above options contain actions that are considered as “kicking the can down the road” Many now believe

there is no more road left.

So, aside from the above options, what are the chances of the U.S. attacking North Korea?

I believe under President Trump there is a 60% chance that the US will attack North Korea in a pre-emptive nuclear attack. Assuming the usual options outlined above are not considered workable, here are the reasons why the U.S. will make a Pre-Emptive Attack on North Korea.

- Under the nationalist, pro-Bannon wing of the nationalist Trump advisors, they see North Korea as a proxy for China. The easiest way to strike China and destroy its economic development is by destroying North Korea. This is because the Trump nationalists have tried to separate China from North Korea and all their efforts have ended in failure, so they know that North Korea and China are inseparable. Therefore, it makes sense to destroy North Korea (according to their logic).
- Under presidents Clinton, Bush and Obama, the US made trade concessions to help Chinese trade, because they believed that with an improved economy, China would become economically and politically liberal. This has not happened; not only has China NOT become economically and politically liberal, but the Chinese Communist Party has strengthened its control over the country. This is why Trump and the US nationalists, which include Steve Bannon and Stephen Miller, have repeatedly said that the US has been cheated by China.
- By destroying North Korea, China’s economic development plans and trade plans would completely unravel. This would place huge pressure on the Beijing regime, and if not handled properly, may lead to their overthrow. I believe that the US nationalists want the Chinese Communist Party to be overthrown, as the Chinese economy would then be thrown into chaos;
- Also, by continuing their support for North Korea, then having the US destroy North Korea, the Chinese government would lose credibility in the eyes of the Chinese people, many of whom do not like North Korea. They would blame Beijing for continuing its support of North Korea even when it worked against China’s own interests. The Bannon nationalists believe this will happen, because by creating chaos in China, they could bring industry and investment back to the US. Chinese economic growth would completely stop, and would likely reverse. Chinese real estate prices, which fuel Chinese growth, would collapse. This would cause the whole Chinese economy to collapse.



America's Second Civil War

- By destroying the Chinese economy through its North Korean proxy, the Chinese yuan would no longer be a threat to the US dollar as an international reserve currency. The US dollar would get an extra fifty years as the world's reserve currency, which would mean more freedom for the US Fed and US leading banks to act as they please.
- By destroying the Chinese economy, the economies of Taiwan, South Korea and Japan would be strengthened. All of these countries are US allies.
- The threat of Chinese expansionism in the South China Sea and through central Asia and Europe with the One Belt One Road policy would be instantly and permanently removed.

Under President Xi Jinping, China will say that China stands for openness and free trade. However, many now believe that openness and free trade have only worked in the favor of the Chinese government; domestically, the Chinese government has not been open. For this reason, continued use of this message outside China is not likely to work well. However, the Chinese government is unlikely to adjust its message to suit foreign audiences because it is important that it maintain message consistency among the Chinese people.

Basically, Trump and the US nationalists see the destruction of North Korea as a good way to re-assert US leadership, and a way to force the Chinese economy into rapid decline, so that it is no longer a threat to US world supremacy.

The US would again reign supreme on the international stage, and there would be no serious challengers. This is obviously attractive to president Trump.

Clearly, there is much on the line for all countries. But if the U.S. kicks the can down the road again, at the least, "Trump vs. The Rocketman" will be the next blockbuster movie.

D. Miyoshi

America's Second Civil War



The following article was written by Dennis Prager, a nationally syndicated radio talk-show host and columnist. He is one of my favorite commentators. Mr. Prager is a conservative and does not suffer the values of the far left as distinguished from the liberal segment which he respects. Mr. Prager's driving value is the search for truth. I believe in this article Mr. Prager has accurately encapsulated the precarious situation our U.S. society faces today.

D. Miyoshi

We're in a fight over basic values.

It is time that our society acknowledge a sad truth: America is currently fighting its Second Civil War.

In fact, with the obvious and enormous exception of attitudes toward slavery, Americans are more divided morally, ideologically, and politically today than they were during the Civil War.

For that reason, just as the Great War came to be known as the First World War once there was a Second World War, the Civil War will become known as the First Civil War when more Americans come to regard the current battle as the Second Civil War.

This Second Civil War, fortunately, differs in one other critically important way: It has thus far been largely non-violent. But given the increasing left-wing violence such as riots, the violent taking over of college presidents' offices, and the illegal occupation of state capitols, non-violence is not guaranteed to be a permanent characteristic of the Second Civil War.



America's Second Civil War

There are those on both the left and the right who call for American "unity." But these calls are either naïve or disingenuous. Unity was possible between the Right and liberals, but not between the Right and the Left.

Liberalism – which was anti-Left, pro-American, and deeply committed to the Judeo-Christian foundations of America, regarded the melting pot as the American ideal, fought for free speech for its opponents, regarded Western civilization as the greatest moral and artistic human achievement, and viewed the celebration of racial identity as racism – is now affirmed almost exclusively on the right and among a handful of people who don't call themselves conservative.

The Left, however, is opposed to every one of those core principles of liberalism. Like the Left in every other country, the Left in America sees America as essentially a racist, xenophobic, colonialist, imperialist, war-mongering, money-worshipping, moronically religious nation.

Just as in Western Europe, the Left in America seeks to erase America's Judeo-Christian foundations. The melting pot is regarded as nothing more than an anti-black, anti-Muslim, anti-Hispanic meme. The Left suppresses free speech, wherever possible, for those who oppose it, labeling all non-Left speech "hate speech."

To cite only one example, if you think Shakespeare was the greatest playwright, or Bach the greatest composer, you are a proponent of Dead White European Males and therefore racist.

Without any important value held in common, how can there be unity between Left and non-Left? Obviously, there cannot. There will be unity only when the Left vanquishes the Right or the Right vanquishes the Left.

Using the First Civil War analogy, American unity was achieved only after the South was vanquished and slavery abolished. How are those of us who oppose left-wing nihilism – there is no other word for an ideology that holds Western civilization and America's core values in contempt – supposed to unite with "educators" who instruct elementary-school teachers to cease calling their students "boys and girls" because that implies gender identity?

With English departments that don't require reading Shakespeare in order to receive a degree in English? With those who regard virtually every war America fought as imperialist and immoral?

With those who regard the free market as a form of oppression?

With those who want the state to control as much of American life as possible? With those who repeatedly tell America and its black minority that the greatest problems afflicting black Americans are all caused by white racism, "white privilege," and "systemic racism"?

With those who think that the nuclear-family ideal is inherently misogynistic and homophobic? With those who hold that Israel is the villain in the Middle East?

With those who claim that the term "Islamic terrorist" is an expression of religious bigotry?

This is likely the last chance liberals, conservatives, and the Right have to defeat the American Left.

The third significant difference between the First and Second Civil Wars is that one side has been doing nearly all the fighting. That is how it has been able to take over schools – from elementary schools to high schools to the universities – and indoctrinate America's young people; how it has taken over nearly all the news media; and how it has taken over the entertainment media.

The conservative side has lost on every one of these fronts because it has rarely fought back with anything near the ferocity with which the Left fights.

Name a Republican politician who has run against the Left, as opposed to running solely against his or her Democratic opponent.

And nearly all American conservatives, people who are proud of America and affirm its basic tenets, readily send their children to schools that indoctrinate their children



President Trump’s Enemies Planning October Stock Market Crash!

against everything the parents hold precious.

A mere handful protest when their child’s teacher ceases calling their son a boy or their daughter a girl, or makes “slave owner” the defining characteristic of the Founding Fathers.

With the defeat of the Left in the last presidential election, the defeat of the Left in two-thirds of the gubernatorial elections and in a majority of House and Senate elections, this is likely the last chance liberals, conservatives, and the Right have to defeat the American Left.

But it will not happen until these groups understand that we are fighting for the survival of America no less than the Union troops were in the First Civil War.

President Trump’s Enemies Planning October Stock Market Crash!

This is the headline of the advertisement for James Dale Davidson’s new book “The Breaking Point”. Davidson is a financial consultant I follow and his book advertisement is captivating in that it predicts a stock market crash this month. Therefore, I thought I would recreate a portion of the ad in this October issue of Financial Crisis Report. The ad offers a free book if you join Davidson’s club for a fee. It is now October so let’s see how accurate Davidson’s prediction is. In the face of president Trump’s announcement on September 27 of a simplified tax program, the probability of this stock market crash would seem to be reduced. But let’s see.

Here is the first portion of Davidson’s ad:

Obama’s Deep State plans to intentionally shut down the U.S. government and bring our nation to the “Breaking Point” in less than 7 months.

Protect yourself and even PROFIT BIG from the coming MONEY CATAclysm.

The battle lines in Washington are drawn for the nastiest battle in modern history. Despite coming up short in the Senate, President Trump is STILL determined to repeal and replace Obamacare and cut over \$1 trillion from entitlement programs to balance the Federal budget.

The Democrats and Obama’s Deep State are planning to counter by bringing the country’s economy to a complete standstill on October 2, 2017, by shutting down the government in hopes of preserving Obamacare, the current growth in Medicaid, Medicare and entitlements.



President Trump’s Secretary of the Treasury, Steve Mnuchin, will only be able to employ “extraordinary measures” to keep the government funded and running for a few weeks past the October 2 deadline — but only a few weeks.

The Democrats are hoping a government shutdown will set off a stock market crash on Wall Street that sends the world’s financial markets into a literal MONEY CATAclysm!

That’s right. **We’re facing the most devastating government shutdown in U.S. history.** The battle over President Donald Trump’s promise to shake up Washington will result in an ugly Constitutional crisis that shakes the world’s economy to its core.

The Democrats will chant resistance and bring out millions to march in protest all over the United States . . . *No Wall! . . . Citizenship for Illegals . . . Save Medicare . . . Save Medicaid . . . No Increased Military Spending . . . Fund Planned Parenthood . . . Protect the Welfare State . . .*

The battle to change the way Washington works could trigger . . .



President Trump's Enemies Planning October Stock Market Crash!



The Breaking Point reveals the total corruption of our free market system.

Davidson shows how Obama and his minions rigged government numbers and statistics to create the mirage of a prosperous economy.

And he says hidden laws and regulations are trapping you and your wealth in the U.S.

- **A 7,000 point nosedive in the Dow Jones.**
- Tens of millions going without their Social Security Checks.
- Medicare and Medicaid halting payments to doctors and hospitals.
- **Police and fire department shutdowns across the country.**
- ATMs running out of cash.
- Bank failures.
- Corporate bankruptcies



Janet Yellen is part of a ugly plot to undermine President Trump and crush the U.S. Economy.

An unprecedented national crime wave.

To make the crisis even worse, Obama's Deep State has control of the Federal Reserve.

At the center of the maelstrom is the biggest money grabbing hoax ever unleashed . . . the monetary policies of the Federal Reserve.

The Federal Reserve stands as a back up to ensure that an economic meltdown takes place.

The Federal Reserve Board, almost entirely appointed by Barack Obama, has almost dictatorial control not only over the entire U.S. banking system but also the entire global financial system. It's in the perfect position to carry out the Deep State's attempt to bring down President Donald J. Trump.

Just as The Breaking Point went to print, Yellen and her Obama acolytes moved to raise interest rates.

They even vowed to raise interest rates at least three more times in 2017!

The handwriting is on the wall.

America is at her Breaking Point!

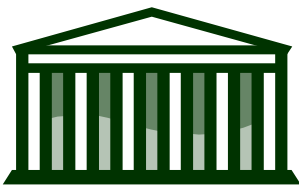
Now, bestselling author James Dale Davidson blows the whistle on the Fed's plot to stop Trump in his new book. It's called The Breaking Point: Profit From the Coming Money Cataclysm.

Davidson's new book could mean the difference between prosperity or calamity for you in 2017 and beyond!

Read on for this timely and wealth saving message . . .



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Advancing in a Time of Crisis



Financial Crisis Report



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

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

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

A global economic catastrophe is now virtually locked in . . . and America will soon fall.

The "insiders" have decided to stop Trump.

They know if the economy falls, they and their media allies will pin the blame on President Trump.

He is the ultimate fall guy for years of financial shenanigans under President Obama and decades of corruption and abuses in Washington.

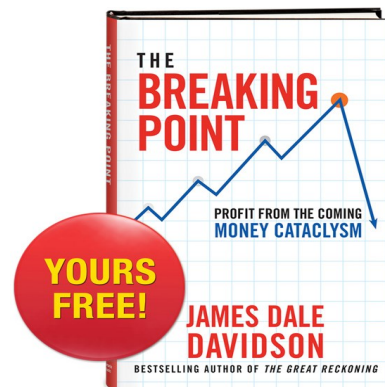
Everyone — regardless of your age, your job, where you live, how much money you make, or how much you pay in taxes — is at risk.

In fact, those with any measure of wealth, savings, or assets may be hit the hardest.

The challenge now for hard working Americans who have built up their own nest egg is: How do we save ourselves?

To help you answer that question, we would like to rush you a copy of outspoken economist James Dale Davidson's brand new hard-cover book, *The Breaking Point*, absolutely free!

With Davidson's uncanny accuracy in predicting huge economic sea changes, it's vital you receive this information if you're going to survive and thrive in the dark financial years ahead.



From the famed economist who made one amazing prediction after another including . . . the fall of the Berlin Wall, 2008 financial meltdown, Brexit and even Trump's surprise election victory . . . a shocking new warning to investors . . . Liberal "insiders" are conspiring to trigger a devastating market crash to blame on President Trump . . .

End of ad.

Pretty alarming and makes one think. Now, whether October is the beginning of the Money Cataclysm or a later time, it's very probable that it will happen sometime, and probably soon.

Given enough time, most things eventually happen. But based on the average metric for prognosticator's accuracy, predicting the event within a period of 6 months is very good. So, if the Money Cataclysm occurs by the end of April 2018, we can say Mr. Davidson called it right.

So, let's take this as a word to the wise.

Here is to your smart investing.

D. Miyoshi



1055 Wilshire Blvd.
Suite 1890
Los Angeles, California 90017
U.S.A.

Phone: 310-378-0615
Fax: 310-378-0000
E-mail: david@miyoshilaw.com
www.miyoshilaw.com
<http://about.me/dmiyoshi>