



Financial Crisis Report

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Advancing in a Time of Crisis

Words of Wisdom: “I will never forget that in no other country on Earth is my story even possible” Barak Obama

Inside this issue:

1. **Race - The Elephant in the Room**
2. **How Jews have affected Trump**
3. **A Look into the Future**

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.



A New Year's Resolution

David Cassidy died recently. His daughter, from whom he had been estranged, reported that his last words were, “So much wasted time”.

If we reflect on this sentiment, maybe this can be a good new year’s resolution for 2018.

Perhaps you can call someone you haven’t spoken to in a long time. Renew ties. Make amends. Hug your kids. Tell them you love them.

It’s also a good time to think about the future.

What have you been putting off? What’s on your bucket list? What would you regret not doing if you found that your time was up? Taking a cue from Nike, Just Do It!

HAPPY NEW YEAR!

The “Elephant in the room” is an English-language metaphorical idiom for an obvious problem no one wants to discuss or challenge.

This past December I was asked by a client in Asia what I thought was the biggest problem facing America. There is no doubt 2017 has been an unforgettable year. I thought of the surprising election of Donald Trump to the presidency and his continuing unpopularity despite his growing achievements, the mounting nuclear challenge of North Korea and Iran, the investigation of Russian involvement with our elections, the state of our economy and the issues of sexual harassment. But of all the sticky issues we currently face, I believe it is race that is the most difficult challenge currently facing our society. Of all the issues that currently beset our society and nation, race is the most personal. We all can viscerally feel its sting. Yet we are reluctant to openly converse about it. But this “elephant” in America we are reluctant to face is not pink, brown, or white but is gray because gray is made by mixing white with black.

Race-The Elephant in the Room



However, while I do think race is our biggest problem, I do not believe America is a racist country.

In his book *America’s Original Sin*, Jim Wallis argues that America is still racist because of ongoing prejudice through three sources:

1. America’s history of outright racism, as exemplified by slavery, Jim Crow, and the territorial conquest of Native American lands;
2. America’s demographics that allows whites to achieve power over other groups; and



Race-The Elephant in the Room

3. The institutionalization of racism, especially within the criminal justice system.

While the first source of prejudice was true in America’s past, these sources of prejudice no longer exist anywhere in America. A nation’s behavior from centuries before is not indicative of its current state. Portugal achieved imperial dominance during the sixteenth century, but nobody today worries about it rising up and rebuilding its empire.

As for source No 2, demographics alone cannot explain racism, since there are examples of countries, such as Singapore, where racial harmony appears to be the norm despite a heavy mix of races. Furthermore, the predominate racial group in America is white so it is natural and expected that they will be in the usual positions of power. The predominant racial group in Japan is Japanese so it is natural and expected that the Japanese are in positions of power in Japan. However, nowadays in America, along with white individuals, many individuals from minority groups, including Black, Latino, and Asian are now in positions of power in both public and private institutions.

As for source No 3, current experience and evidence has made evident that racism is not institutionalized within the criminal justice system or any other government or administrative system in America. Only if a nation’s official institutions exist to enforce racist policies, can that nation be considered racist. This is not the case at all in America. As shown above, Barak Obama himself said “I will never forget that in no other country on Earth is my story even possible.”

But as the leader of the left, Barak Obama also laid out his expectations for America when he said, “This union may never be perfect, but generation after generation has shown that it can always be perfected.”

This drive toward cultural perfection motivates the left as well as many Trump detractors. It is a religious quest for perfection that is derived not from sacred texts or the voice of God, but from a self-confident set of self-derived beliefs, primarily left-leaning political beliefs. As with all religious crusades, there are saints and sinners, and the sinners must be chastised. The election of a Black individual as president is insufficient penance when even one American who rejects the core tenants of the religion of perfection remains. As saints for the cause, those who label Trump supporters as racist feel justified in passing judgment on all who vary from the faith. They believe they have traveled far along the road to moral perfection, and thus are holy enough to call sinners to repentance, or perdition.

But as human beings, can we be so proud as to think we are more enlightened and more perfect than the founders who acquiesced to their slavish passions. This belief of self-perfection provides all the justification the left needs to whitewash as racist the lesser among their fellow citizens, those who fail to heed the righteous demands of this so called modern enlightened political faith. But realistically these leftist adherents would not have been any more enlightened in those days than the learned founders. They would have treated blacks with the same institutional disdain as those around them, because it was the cultural norm. Had they lived in that era, they would have joined with their fellow white males in codifying this into law, and enshrining it in the text of the Constitution, confident that the long-term vision of a unified continent outweighed the temporary matter of racial violence. They would have done this because, at its founding, this country was racist. But they wouldn’t and couldn’t do that today, because the institutional support is not there, because America is no longer a racist nation.

But although America is no longer a racist nation, it does have a serious problem involving race. So much so, that it can actually break apart due to racial tensions. Essentially, I agree with Dennis Prager, the well-known radio commentator who says we are in a civil war. That may seem like an extreme statement, but it is at minimum cursorily accurate.

Most people haven’t considered this possibility. After all, America is supposedly a “melting pot” where different races can coexist peacefully.

However, in the final analysis, America or the U.S. is a democratic country. If we look to the origins of democracy we find that it originated in 6th-century BC Greece. At the time this was a unique and workable method of governance for city-states of a few thousand people. And in the case of Athens, as many as 40,000 people.

But these people all shared a common language. They worshipped the same gods. They were the same ethnicity. They had the same customs and beliefs. They were like an extended clan with many similarities. Differences were among individuals, not groups.

When the U.S. democracy was started, it was much like that. It was very much like a Greek city-state, an extended one. Everybody shared culture, ethnicity, language, habits, and so forth, with just minor regional differences. People saw themselves first as New Yorkers, Virginians, or whatever, just as the Greeks saw themselves first as Athenians, Thebans, Corinthians, or many





Race-The Elephant in the Room

scores of other polities.

Democracy is workable enough in something like a cohesive city-state. But once voters get involved in economic issues—the poor will always vote themselves a free lunch, and the rich will buy votes to give themselves more. The base human element of self-preservation throws a monkey wrench into this scheme of governance.....if not all forms of governance.

Democracy always devolves into class warfare

In ancient Greece, if you weren't a landowner you weren't respected. In the U.S., voting rules were determined by the States, and originally, everywhere, you had to be a landowner. That meant you had something to lose. But that's not the case anymore.

These days anybody can vote. People who are penniless. Eighteen-year-olds who have no knowledge or experience and are fresh out of the indoctrination of high school and college. Many non-citizens, probably in the millions, manage to vote. In fact, voting has become, as H.L. Mencken said, just an advance auction on stolen goods.

Also, the United States has become multicultural. It used to have its own distinct culture but not anymore.

Race has become the most obvious thing that divides people (there is gender that also divides people but this pervades across all racial lines and is problematically secondary in significance and should be the subject of a separate discussion). You can see that somebody's of a different race just by looking at them. The old saying that "birds of a feather flock together" is basically true. Of course, it's very politically incorrect to make that observation. Actually, most things that are PC fly in the face of reality. But still many (especially the left) want to believe in an ideal world. But their belief often times can only be supported by their feelings, not by their findings of fact and truth that reside in the real world.

If people are of a different race, it increases the chances that they're not going to share other things. The key, for a rational person, is to judge people as individuals. Race, sex, religion, and cultural background are quick indicators of who a person might be. As are dress, accent, attitude, and what they say among many other indicators. You need as much data as you can get to help you judge what the other person will do, and who he/she is. It's actually quite imprudent to not discriminate among people you encounter. But then the whole PC movement is quite imprudent and naïve by its very nature.

So realistically, it is very difficult to have a multicultural democracy. It is not impossible, but given current human nature, it is still difficult. And you especially can't have one where the government is making laws that have to do with economics...where it allocates wealth from one group to another group.

So the active racism among many blacks isn't an anomaly. The "take a knee during the national anthem movement" in the NFL is just an overt symptom of this black racism.

But what is the source of this active racism?

I believe the racial tensions are mainly caused by tribal and cultural differences.

The Pacific Northwest draws people who like the idea of ecotopia. Southern California draws a very different type of person than Northern California does. People that live in Las Vegas are quite different from the people that live in Omaha, and very different again from people that live in New York.

The U.S. has turned into a domestic empire. It's no longer the country that it was when it was founded (very few countries are). And the constitution itself has changed at least as much. It is not what it used to be because it has been interpreted out of existence based on political exigencies instead of common sense.

The conversation about race is essentially a discussion of tribes

We live in a moment of history beset by tribalism, from partisanship (Democrat, Republican) to myriad forms of identity politics (black, white, Latino, Asian, male, female, straight, gay, lesbian, transgender, both genders, not sure, etc.). All of them work on the assumption that neutral rules are unfair or unjust because my tribe is somehow or somewhat especially noble or your tribe is especially evil. These notions have their origin in classical liberalism because they presuppose that everybody has a right to, and interest in, being treated with equal dignity according to fair rules. This may sound like a simple principal, but it gets very complicated when human feelings and egos are involved. This is especially true in the case of race and gender.

The U.S. has never been entirely sure what to do about race... and gender. Alone among the countries in the world, it has attempted to construct not just a state of different tribes, but a nation of them — white and black, Christian and Muslim, and many others, too. Its sense of nationalism has evolved unevenly, slowly incorporating an ever-growing chunk of the people within its borders, and it has made steady but halting progress.

Thus, the racial conversation we're having today is tribalistic in





Race-The Elephant in the Room

origin. On one side are primarily white people, increasingly represented by the Republican party and the institutions of conservative media. On the other is a collection of different minority groups and a cosmopolitan — and usually wealthier — class of whites. These sides don't even speak the same language: One side sees white privilege while the other sees anti-white racism. There is no room for agreement or even understanding. The institutional offshoots of this peculiar moment have monopolized the conversation.

Donald Trump is the voice of poor white America. The Black Lives Matter movement is the voice of dispossessed blacks and their sympathizers. Yet if these voices have monopolized the conversation, they certainly haven't monopolized the good ideas. Trump's policies, such as they are, offer little substance to those suffering from addiction, joblessness, and downward mobility. And the Black Lives Matter movement, focused primarily on police violence, cannot alone address the full spectrum of problems faced by the black underclass. It is tempting to suggest that we change the way we talk about these issues. Perhaps rhetoric on the right that accepted the legitimate black complaints about inequality, paired with a less combative tone on the left, would allow for some progress. But it's a fool's hope: No tribe will change its tactics just so the other tribe will understand it better. That's not how tribes work.

As volumes of social science attest, understanding requires empathy, and empathy requires exposure. The only way out of this morass is to integrate the tribes. This would require a conservative agenda that appealed to black Americans. Recent Pew polls suggest that black Americans care especially about residential segregation and access to good schools. Conservatives have potential answers for each of these problems. Urban ghettos, created by racist housing policy and sustained by bizarre administration of federal housing programs, constitute one of the few entrenched problems amenable to policy interventions. The administration of the federal Section 8 program, for instance, often ignores the importance of eradicating government-created concentrated poverty.

Conservative ideas on vouchers and charter schools have delivered better, if still imperfect, schools — often with active participation from local (and progressive) school leaders. On issues of special concern to black voters, both the party platform and the speeches were largely silent. Ironically, Trump's invocation of "law and order" came closest: Though black voters overwhelmingly cite police violence as a significant problem, they also care deeply about violent crime in their neighborhoods. Typically conventions devote an entire session to violence committed by illegal immigrants but spend no time on family dissolution, a concern of all poor people but especially the black poor. Donald Trump is fond of claiming that "the blacks" — just like "the Hispanics" — love him. Unfortunately, this is unsupported by

the evidence. But the Republican party's problem is bigger than Trump, and will outlast him: It is increasingly the party of a white population cut off from its fellow citizens. It's easy to sympathize with these voters as they are confronted for the first time with challenges to a privilege they cannot see. But their hope of better government depends on the development of a better political party. And that party cannot develop in a demographic vacuum.

On the other hand, there's more racial intermingling and marriage now than there's ever been in the past. If we look down the road 1,000 years or so, racial distinctions will probably disappear. The average person will probably look like most Brazilians. Brazil, incidentally, is theoretically an integrated country — but there's still a huge amount of racism. Go farther into the future, when homo sapiens has conquered the planets and maybe the stars, and we'll likely transform not only into new races, but new species. But we should let George Lucas worry about that.

Current America

If we recall, in the late '60s and the early '70s, riots broke out and hundreds of bombings took place at universities, banks, and all manner of places. The National Guard was in cities like South Central Los Angeles and Detroit during the riots, and they were raking buildings with .50 caliber machine guns.

But as wild and wooly as things were back then, what we have now is much more serious.

The racial element is still there, but the ideological element is even more pronounced.

Back in the days, people at least talked to each other. You could have a disagreement, and it was a simple difference of opinion.

It's much worse now. Today, there's a visceral hatred between left and right, between the people that live in the so-called red counties and blue counties.

You add that to the racial situation. Then throw in the fact that the rich are getting richer at an exponential rate while the middle class is disappearing.

Then combine the large-scale subsidized migration of people from totally alien Third World hellholes. This is not what the U.S. was founded on. Before changes in the immigration law that were made in the '60s, immigrants were culturally compatible opportunity seekers that were coming to America to improve themselves.

Now, people from all manner of alien places are being imported by the hundreds of thousands by NGOs; they then go on welfare in enclaves in different places around the country. As an aside,



How Jews Have Affected Trump

this is also occurring in Europe. In the final analysis, absent a titanic transformative change in our society, this situation is unlikely to end well. America is a vastly different country from what it was at the end of WWII.

What can cause the breaking apart of America?

Likely an economic crisis.

When the standard of living is dropping, the government inevitably finds somebody or something to blame...anything other than itself.

Usually, the government points the finger at foreigners. But if you get the wrong people in the government, they can point fingers at domestic enemies, the way Hitler and the Germans did with the Jews in the '30s, or the way the Soviets did with the kulaks about the same time. Or the way the Chinese did with its enemies of the State under Mao. There are many, many other examples. Political power attracts the worst kind of people—and then brings out the worst in them (as we are currently witnessing throughout the world).

Economic turmoil causes both social and political turmoil. And one of the things that is most concerning is that controlling forces in the government, appointed and well entrenched as is the Deep State, may attempt a coup or insurgence to overthrow the presiding administration, especially if they believe the administration poses an existential threat to its regime. The pressures are building and we shall soon see what comes to pass.

Alternatively, in the face of such insurgence, the presiding administration may try to create or craft a foreign enemy to “unite” the country. Currently, this enemy list is comprised of North Korea, China, Iran, Russia and Syria. There is even “indications” now that the administration is preparing for a focused tactical strike on North Korea to compromise their rapidly growing nuclear capabilities. Trump continues to claim he is boosting American influence overseas. However, foreign leaders are saying under Trump the U.S. is losing stature in the world. To prove or reestablish this stature, Trump may order a surgical nuclear attack against North Korea. We recall in April 2017, Trump ordered a cruise missile attack against the Syria government as a response to its chemical weapons attack that killed dozens of civilians. We are living in perilous times and the wisdom of government leaders is truly at a premium.

A radical remedy

In the end, the U.S. is in need of a transformative change. So far, president Trump is performing well above expectations, but he remains hampered by the fossilized political and bureaucratic Deep State that opposes him both on political and personal grounds. I believe what is needed is a system that provides the discipline and focus to transform the U.S. to be beholden to the original mandate of its founders and yet can harness the energy and power of its peoples and their myriad identities to effectively lead this country into the chaotic world of the future. The ideal

system would provide the organizational and administrative directives for all Federal civil service departments to follow. In the final analysis, I believe this system could be patterned after the directives of the country's own leading military force, the United States Marine Corps.

To many, this would be an extremely radical remedy. But tough times call for tough measures. I believe it would provide the transformative change we need. Additionally, I believe it would be best if our president were counseled by a Cabinet comprised of experts possessing actual executive experience in operating the entities the president has direction over.

In 1971, the year I entered law school, Saul Alinsky published his book *Rules for Radicals*. This was a guide for future community organizers (two of his leading acolytes are Barak Obama and Hillary Clinton) to use in uniting low-income communities, or "Have-Nots", in order for them to gain social, political, legal, and economic power. Alinsky dedicated his book to the original “radical” Lucifer (aka Satan). This book still serves as one of the leading compendia for aspiring globalists and elitists on a mission to control nation states.

In contravention to this compendia, by adopting and appropriately amending the policies and procedures set forth in the manual of the United States Marine Corps (which I would call *Rules for a Radical Remedy*) as a guide for our political and executive leaders, I believe we could (to a large degree) help unite the varied income classes and people of America to gain and maintain a mutually shared respective and respectful balance of social, political, legal and economic power throughout the land.

To this day, I have not witnessed a Marine take a knee during the National Anthem nor a Marine superior sexually harass a subordinate of the opposite gender. Thus, the system seemingly preserves a core allegiance and morality that would likely appeal to the majority of Americans.

So, here is to our continuing efforts to make America great again.

D. Miyoshi

How Jews Have Affected Trump, a history of his formative years



How Jews Have Affected Trump

In early December, president Donald Trump became the first U.S. president to recognize Jerusalem as the capital of Israel since its founding in 1948. As was the case of many presidents before him, Trump made it a campaign promise to do just this, but he was the FIRST president to keep his promise despite the many warnings that such a move would disrupt the peace process, perhaps fatally. This begs the question, why president Trump made this fateful decision.

The following story by Marc Fisher published in the *Washington Post* in May 2017 explaining how Donald Trump's youthful encounters with Jews had shaped him and the Presidency may give some insight into the reason. I hope you find it insightful.

D. Miyoshi

In 1959, a 12-year-old Donald Trump went to Paul Onish's bar mitzvah. Posing with five of his buddies at the party, Donald looks a little chubby in his pin-striped sport coat, his blond hair already swept back in what would become his signature look. Donald's present to Paul was \$5; Onish still has his gift list. The two boys were classmates at the Kew-Forest School, a private school in Queens, and in their seventh-grade class of 30 kids, 16 were Jewish, according to Onish's accounting based on his old yearbook, "The Blotter." Not that that mattered: Neither Onish nor several of Trump's other buddies from those years recalls ever talking about religion with their friend; they were sports fans who loved baseball and soccer, and New Yorkers first and foremost.

Trump was a loud kid, Onish recalls. He was combative, he was a comedian and sometimes it was hard to tell when he was being serious. He would insult others, and then he would say that he didn't mean anything by those nasty comments. "We were cutups," says Onish, who was one of Trump's closest friends in middle school. "He knocked lunchboxes out of people's hands, he liked to tug on girls' hair, he was a little [bit] of a jokester." Onish describes himself and Trump as two of the "worst."

Trump has long resisted attempts to trace the roots of his character, but he does concede that he was very much shaped by his childhood. In fact, Trump told me last year in one of a series of interviews for *The Washington Post's* biography, *Trump Revealed*, that he hasn't really changed since he was about seven. And surely what some people can't stand about him—and what others find refreshingly direct—is that childlike spunk, or, if you prefer, impul-

sivity. Trump's early years turn out to say quite a bit about the way he's run his business and his presidency so far.



In this Kew-Forest School class photo, Donald Trump stands in the top row on the right.

For Jews, Trump poses an especially divisive puzzle. Is the man whose oldest daughter—his barely veiled favorite among his five kids—married an Orthodox Jew and converted to Judaism also someone who lacks qualms about cozying up to anti-Semitic extremists? What are Jews to make of a president who has tweeted anti-Semitic imagery and trafficked in stereotypes, saying, "The only kind of people I want counting my money are little short guys that wear yarmulkes every day" or "I'm a negotiator, like you folks"? Does it matter that Trump's ego wall in his office on the 26th floor of Trump Tower devotes much of its most prominent space to awards, plaques and photos from Jewish and pro-Israel groups? On one day, Trump seems like the best thing to happen to American Jews—the "first Jewish president" as some supporters like to call him—a solid supporter of Israel who has surrounded himself with Jews, both at the Trump Organization and now in the White House. On another day, he issues perplexing communications such as the Holocaust Remembrance Day statement that made no mention of Jews.

During the 2016 campaign, Trump never made overtly hostile remarks about Jews—nothing as harsh as the comments he made about Mexicans, Muslims, blacks or immigrants. And Trump has always denied having an animus toward any group. Whenever I asked Trump about his insensitivity toward one minority or another, he'd look mystified, hurt and sometimes a little angry. "I am the least racist person that you've ever encountered," he told me once, before launching into a story about how Don King, the black boxing promoter, had endorsed him. Similarly, when questions

How Jews Have Affected Trump

arise about anti-Semitism, Trump's instinct is to go immediately to the personal—citing his daughter Ivanka's conversion and marriage to Jared Kushner, or the fact that he now has Jewish grandchildren.

But Trump's sluggish response to the wave of anti-Semitic vandalism and threats that followed his election has divided opinion within the American Jewish community.

Shmuley Boteach, the New Jersey rabbi and best-selling author, says Trump is actually a philo-Semite, with a lifelong history of surrounding himself with Jewish executives, employees and social acquaintances, as well as a strong record of support for Jewish causes and for Israel. Boteach agrees with critics of Trump that the president was late and light about speaking out against the spate of threats against Jewish institutions early this year, and about the spasms of anti-Semitism that flared after the election. But he dismisses as "ridiculous" the warnings of people such as Steven Goldstein of the Anne Frank Center for Mutual Respect, who recently said, "Make no mistake: The anti-Semitism coming out of this administration is the worst we have ever seen from any administration." Even though Trump offered a full-throated denunciation of Holocaust denial in a Holocaust Remembrance Day speech in April, Goldstein has been far from alone: Doubts about Trump's views on Jews have come from a number of prominent Jewish organizations, such as the Anti-Defamation League, and from individuals, such as an ad hoc group of nearly 200 scholars of Jewish history who signed a statement noting that Trump "refused to denounce—and even retweeted—language and images that struck us as manifestly anti-Semitic. By not doing so, his campaign gave license to haters of Jews."

Unlike his critics and opponents, Trump doesn't see a natural connection between his sharp tongue and any underlying antipathies; rather, his insults and barbs are, to his mind, either meant as a joke or are just part of the frank, straight-shooting personality that he credits with getting him where he is today. If that defense sounds like what some American Jews say about their own grandparents' politically incorrect language, that's no accident. Trump's vocabulary and style emerged from the birthplace of much of American Jewry—the rough-and-tumble of New York City in the mid-20th century.

In their stately home in Jamaica Estates, then an affluent, largely Jewish neighborhood in Queens, Fred and Mary

Trump raised their five children with little emphasis on religion. Donald and his siblings were brought up as mildly Presbyterian kids who occasionally attended Norman Vincent Peale's "power of positive thinking" sermons at Marble Collegiate Church in Manhattan. Donald's attention was more focused on the streets. He grew up playing with his friends, many of them Jewish, going to each other's houses to trade baseball cards and play marbles.

The Trumps were among the wealthier families in Jamaica Estates. The 23-room Trump home on Midland Parkway was for some kids the cool place to go—they had a color TV, a cook, a chauffeur, an intercom system and an elaborate model train set that sticks in his classmates' memories even half a century later. "He had the most amazing trains," recalled Mark Golding, a childhood friend from ages six to 13, who along with Trump attended Onish's bar mitzvah. "He had all these special gadgets and gates and switches, more extensive than anything I'd seen. I was very envious."



From left, Mark Golding, Donald Trump, Irik Sevin, Peter Brant, Paul Onish and Malcolm Mallory at Onish's bar mitzvah. All six boys attended Kew-Forest.

The Trump home was also more formal than most in the neighborhood; the other boys knew Fred Trump—a Republican who nonetheless spent most of his weekends schmoozing Brooklyn's Democratic power elite—as a stickler who didn't allow any bad language in his house, and who reacted sharply if he heard of any misbehavior at school. But there was plenty of that: Donald loved horseplay. Even six decades ago, friends say, he had the same

How Jews Have Affected Trump

impish smile that sweeps across his face now when he's caught in a mischievous exaggeration.

Donald got into trouble so often that Fred Trump finally had his fill. The last straw was his discovery that Donald and his friend Peter Brant (who also appears in the Onish bar mitzvah photo), had secretly been sneaking across the bridge to Manhattan on Saturdays after soccer. Hungry for autonomy, the boys explored Central Park, watched black men play basketball on outdoor courts near the East River, gawked at Times Square panhandlers, ate hot dogs from street vendors and savored egg creams at diners. They took in *West Side Story* on Broadway and, inspired by its portrayal of New York street gangs, invented a game they called "Land," in which they traded turns throwing switchblades into the ground and twisting their bodies to follow the path of the knives. When Fred Trump found out about the knives, he decided his son needed a radical change. He pulled Donald from Kew-Forest in eighth grade and packed him off to New York Military Academy, a boarding school near West Point where discipline was strict and rules were legion.

At military school, Donald's academic performance was good but not stellar; he didn't make the class top ten, but he was on the honor roll for four of his five years. He was better known as an avid athlete, captain of the baseball team and a savvy operator in the campus social hierarchy. The military school didn't attract many Jews, but there were a few, including Trump's junior year roommate, Ted Levine. In one infamous incident recounted by Levine and others in the class, Trump was the junior supply sergeant in Company E, and one of his duties was to inspect the dorms. When he found that Levine's bed was unmade, Trump tore the sheets off and dumped them on the floor. Levine threw one of his combat boots at Trump and hit him with a broomstick. Trump retaliated by grabbing Levine and pushing him toward the window. Witnesses said Levine would have gone out the window if two other cadets hadn't intervened. But neither Levine nor other schoolmates attributed Donald's rough behavior to any animus against Jews, and Levine and Trump got along well enough as roomies, even if Levine did later say that Donald would try to "break" anyone who failed to bend to his will



Donald Trump with his father, Fred, looking out over Trump Village in Brooklyn in 1973.

Trump started college at Fordham University in the Bronx, commuting to the mostly Catholic school from his Queens home. At a time when many young people were rebelling against rules and institutions, Trump often showed up for class in a three-piece suit, carrying a briefcase. One of his friends, Robert Klein, an accounting major who sat next to him in his accounting class, took note of Trump's doodles. The future developer was drawing buildings—skyscrapers. Trump was unimpressed by his fellow students at Fordham; as one friend, Brian Fitzgibbon, put it, Trump's "wealth and the fact that he was not Catholic may have made him feel different from others." Trump sometimes complained that "there were too many Italian and Irish students at Fordham," Fitzgibbon added. Trump wanted to move up to the Ivy League, and after his sophomore year, he got into the University of Pennsylvania as a transfer student. He never even said goodbye to his teammates on Fordham's squash squad.

At Penn, where Trump was enrolled in the undergraduate business program in the Wharton School, he found a crowd more to his liking, including the scions of some of the country's most prominent real estate developers. Trump told friends that he'd figured out his future—he wanted to be the next Bill Zeckendorf, one of Manhattan's most successful developers and a major contributor to Jewish charities. Never much of a student, Trump spent much of his time in Philadelphia scouring the neighborhood for apartments he could buy to rent out to students. On weekends, he usually returned home to New York, collecting rents and chatting up tenants with his father as they moved around the mostly Jewish sections of Brooklyn where their properties were clustered.

How Jews Have Affected Trump

Throughout his college years and after he graduated, Trump continued his apprenticeship in the family business. His hero, then as now, was his father, a demanding entrepreneur with a knack for selling himself as a brand. Trump apartments, advertised on banners flown over the beaches of Brooklyn, were a mainstay of the middle-class sections of Brooklyn and Queens that were heavily populated by Jews moving out of crowded Manhattan.

Fred Trump was himself the son of a German immigrant. Donald's mother came to America as a teenager from Scotland. But through the years, Fred Trump, who died in 1999, often told people that he was actually from Swedish stock, not German. Donald Trump knew the story when I asked him about it. "Some people thought that" his father was from Sweden, and "some people think I'm Swedish," he said. Trump wouldn't comment on whether his father had planted that notion to steer clear of any anti-German bias among the Jewish renters who dominated the population at Trump Village, Fred's 3,800-unit development in the Coney Island section of Brooklyn. The sprawling array of apartment towers was a step up for striving middle-class families, many of them Jewish immigrants or their children, who enjoyed the ocean breezes and proximity to Nathan's hot dog stand and Mrs. Stahl's Knishes on the beachfront boardwalk. The rationale behind Fred Trump's tale about being Swedish was clear to his nephew John Walter, the family's historian: Fred Trump "had a lot of Jewish tenants and it wasn't a good thing to be German in those days."

Over the years, Fred Trump grew ever more reticent about his German heritage. Although he was fluent in the language, he denied it in later life and did not teach his children German. The bit about being Swedish was only one piece of his effort to assure that no one would turn away from Trump housing because of the owner's heritage. Much of the Brooklyn Democratic political establishment, politicians who could make or break his zoning and property deals, were Jewish, and Fred often took Donald with him on his weekend rounds of the Democratic clubs. Fred made such a habit of donating to Jewish charities—he served as treasurer for an early Israel benefit concert at Ebbets Field—that many Jews assumed he was part of the tribe himself. (At Trump Village, where several members of my grandmother's family lived, it was taken as gospel that the Trumps were secretly Jewish. That was, as the president

might say, fake news.)

Over the years, Fred Trump grew ever more reticent about his German heritage. He "had a lot of Jewish tenants and it wasn't a good thing to be German in those days."

Fred Trump was careful to try to avoid the ethnic rivalries and confrontations that had turned some New York neighborhoods into battlegrounds. In the 1950s, after Fred constructed a 2,700-unit apartment complex called Beach Haven near Coney Island, he worked to quiet tensions between Jewish teens in his development and Italian kids in nearby Gravesend. Fred built a recreation center—and put out press releases about it—that helped calm the situation.

As Trump family biographer Gwenda Blair reported in her 2001 book, *The Trumps*, Fred Trump was so deeply embedded in New York's Jewish social world that he sometimes took the kids in the family limousine and headed up to the Concord resort, the Borscht Belt hotel in the Catskill mountains, where many of the city's affluent and influential Jewish families took their summer holidays. While Fred would schmooze with power players from the worlds of politics and real estate, Donald, who spent most of his summers at two expensive Christian camps in the Catskills, would join the other kids playing sports and eating from the Concord's endless trays of kosher food.

As Donald Trump took on a more active role in his father's business, he developed a belief that the best way to assure that the company's finances were honestly and efficiently handled was to entrust the work to Jews. From early on, the Trumps showed a preference for renting to Jews. In the early 1970s, when the family was managing thousands of apartments, a Trump rental agent told federal investigators that the company sought to rent only to "Jews and executives." Another agent recalled in a court filing that "Trump Management believes that Jewish tenants are the best tenants." The Trumps had become the targets of a federal discrimination lawsuit that accused them of systematically denying housing to blacks and Hispanics. The government's investigation found that rental agents at the Trump management office would tag applications from minority applicants with a "#9" or with "C" for colored, and those potential customers would either be told that no housing was available or would be steered to less desirable locations.

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The Justice Department's civil rights case against the Trumps was led by a young Jewish lawyer, Elyse Goldweber, who had found out from housing activists and Trump company employees that only one to four percent of Trump tenants were minorities—far below the percentage of the local population. At 26, Goldweber led the investigation and took on one of New York's biggest developers; as the case dragged on, she was replaced by another Jewish attorney, Donna Goldstein. Her religion was of course irrelevant to the lawsuit, or so it seemed until Trump's attorney accused Goldstein in court papers of conducting a "Gestapo-like interrogation." The Trump lawyer asked the court to hold the Justice Department attorney in contempt. The judge didn't buy it, and Trump eventually had to settle the discrimination case, agreeing to rent to black and Hispanic customers and taking out ads in New York newspapers attesting to that pledge. But scorched-earth legal tactics like the attack on Goldstein would become a trademark of Trump's litigious way of doing business. His attorney in that case—and his mentor in business and politics for years to come—was Roy Cohn, in many ways the most significant man in Trump's life after his father.



Donald Trump and his lawyer and mentor, Roy Cohn, announce a billion-dollar lawsuit against the National Football League at a news conference in 1984.

In 1973, Trump, then 27, crossed the bridge into Manhattan, starting his own real estate business, outside the safety of his father's empire and exactly where Fred Trump had warned him not to go—into the city's most competitive and difficult market. To smooth the way, Trump joined Le Club, a members-only social spot frequented by rich people, social climbers and a mix of political types and business *machers*. There, one night, Trump met Cohn. At 46, Cohn, the son of a prominent Jewish judge, had already

prosecuted Julius and Ethel Rosenberg as Soviet spies and had served as Senator Joseph McCarthy's right-hand man during the anti-communist witch hunts of the 1950s. He was one of New York's best-connected fixers, with a long list of boldfaced name clients, including prominent mobsters, politicians and business moguls.

Cohn advised Trump not to cave to the government's pressure to settle the race discrimination case, but rather to "tell them to go to hell and fight the thing in court"—to counter-attack with bias accusations against Goldstein and to countersue the Justice Department. Trump came to depend on Cohn not only for legal advice, but for the core tactics that would define Trump's approach to doing business: Never admit fault. Never express regret. When you're criticized, hit back ten times harder. And use the news media to attack and to build your personal brand.

During this period, Trump would talk to Cohn several times a day. They then would spend evenings at Studio 54, where Cohn introduced Trump to celebrities and politicians. They worked together on deals, and Cohn aggressively pursued Trump's interests with the National Football League, the government and competing businesses.

For many years, Trump kept a framed photo of Cohn on his office desk, not so much as an homage to his most important adviser, but as a weapon to be wielded against any contractor or vendor who was pushing too hard to be paid—an implicit threat that if things didn't go as Trump wanted them to, someone might have to face the fearsome Cohn. At a roast of Cohn at Studio 54, Trump once said that when disputes arose in his business, "we just tell the opposition Roy Cohn is representing me and they get scared. He never actually does anything."

How Jews Have Affected Trump



Donald Trump in 1978 with New York City Mayor Ed Koch, New York Governor Hugh Carey and executive vice president of the Urban Development Corp. Robert T. Dormer. Carey is pointing to an artist's rendering of the new Hyatt Hotel to be built on the site of the former Commodore Hotel in Manhattan.

With Cohn on speed dial, Trump built his own empire, starting with his renovation of the Commodore Hotel into the Grand Hyatt in 1980. In 1983, with Cohn still at his side, Trump opened his crowning achievement, the 58-story Trump Tower on Fifth Avenue. But in 1984, when Cohn was diagnosed with AIDS, Trump distanced himself from his longtime friend. “I can’t believe he’s doing this to me,” Cohn said, according to Wayne Barrett’s biography, *Trump: The Deals and The Downfall*. “Donald pisses ice water.” When Cohn died in 1986, Trump came to the funeral but stood in the rear of the chapel.

Through most of the following three decades, no single adviser played as vital a role as Cohn had, but Trump entrusted his operations to a tight, loyal group of executives and attorneys, many of them Jewish: Jason Greenblatt, an Orthodox graduate of Yeshiva University, has been Trump’s real estate attorney for two decades (and is now a Trump adviser on Israel); David Friedman, whom Trump has named as ambassador to Israel, did bankruptcy work for Trump at a rough time in the company’s history; Trump’s longtime personal attorney, Michael Cohen, served the Trump organization in prominent positions for many years and is now a deputy national finance chairman of the Republican National Committee.

Attorney Roy Cohn—Donald Trump’s mentor in business

and politics—was in many ways the most significant man in his life after his father.

Trump sometimes averred that Jews made better accountants and attorneys, according to friends and longtime employees, but his affinity for Jewish employees was not limited to particular skills he had stereotyped the Jews as excelling in. He liked to be surrounded by guys, Jewish or not, from the outer boroughs—men who, like him, felt snubbed by the wealthy Manhattan social elite. Whether he was eagerly courting the respect of *The New York Times* or trying to beat Manhattan’s old-line real estate families to control top-shelf properties, he always saw himself as the underdog trying to make it in the big city. “I was a kid from Queens who worked in Brooklyn,” he wrote in *Trump: The Art of the Deal*. Then, when he moved to Manhattan, “suddenly I had an apartment on the Upper East Side. I became a city guy instead of a kid from the boroughs.”

Trump’s executives describe him as caring, generous and respectful, even if he did yell a lot and call them at all hours to handle minor issues. Trump was so loyal to his top executives that “we always felt that if you were close enough to Donald that he would have to be the one to let you go, you had a job for life,” said Barbara Res, who was head of construction on Trump Tower and worked for Trump for more than ten years. In turn, Trump says the attribute he values most in employees is loyalty. Those who’ve worked for Trump for decades say he doesn’t talk about the fact that so many people around him are Jewish, but he often attended their children’s bar and bat mitzvahs, made sure they could get away from work for Jewish holidays, and participated in Jewish charity events that they supported.

A Trump Organization executive who asked not to be named because he was not authorized to speak to the press said that the key to understanding his boss’s relationship with Jews was Trump’s lifelong sense that he must work harder than anyone else because the people born to power had never accepted his family. “Donald has always seen himself as an outsider,” the executive said. “That’s why he can connect with middle Americans who you wouldn’t think of as connecting to a billionaire. He wouldn’t say it this way, but for him, Jews are kind of like him—on the outside, always working to get in.”

End

A Look into the Future

A Look into the Future



As we kick off 2018 and make our new year's resolutions (to keep until April Fools Day), we can't help but wonder what will happen beyond that in the next 5 to 10 years.

Jonathan Brathwaite, the medical doctor of Daimler Benz, the company more commonly known as Mercedes Benz talks of a unique perspective into the future, as he considers the companies that Mercedes Benz will be competing with.

Surprisingly, those companies will not be Cadillac, Lexus or Infinity. Instead he believes the competitors will be Tesla (obvious), Google, Apple, Amazon 'et al.' This is consistent with the concept that in life there are only 3 constants ... Death, Taxes and CHANGE!

The central idea of Dr. Braitwaite's predictions is that software will disrupt most traditional industries in the next 5-10 years.

For example, Uber is actually just a software tool, they don't own any cars, and are now the biggest taxi company in the world.

Airbnb is now the biggest hotel company in the world, although they don't own any properties.

Artificial Intelligence: Computers become exponentially better in understanding the world. Last year, a

computer beat the best Go player in the world, 10 years earlier than expected.

In the US, young lawyers already don't get jobs (not good from my perspective). Because of IBM Watson, you can get legal advice (so far for more or less basic stuff) within seconds, with 90% accuracy compared with 70% accuracy when done by humans.

So, if you study law, stop immediately. There will be 90% less lawyers in the future, only specialists will remain. (I don't particularly like this prediction)

Watson already helps nurses diagnosing cancer, 4 times more accurate than human nurses. Facebook now has a pattern recognition software that can recognize faces better than humans. In 2030, computers will become more intelligent than humans.

Autonomous cars: In 2018 the first self-driving cars will appear for the public. Around 2020, the complete industry will start to be disrupted. You don't want to own a car anymore. You will call a car with your phone, it will show up at your location and drive you to your destination. You will not need to park it, you only pay for the driven distance and can be productive while driving. Our kids will never get a driver's license and will never own a car.

It will change the cities, because we will need 90-95% less cars for that. We can transform former parking spaces into parks. 1.2 million people die each year in car accidents worldwide. We now have one accident every 60,000 miles (100,000 km), with autonomous driving that will drop to one accident in 6 million miles (10 million km). That will save a million lives each year.

Most car companies will probably become bankrupt. Traditional car companies try the evolutionary approach and just build a better car, while tech compa-





A Look into the Future

nies (Tesla, Apple, Google) will engage the revolutionary approach and build a computer on wheels.

Many engineers from Volkswagen and Audi; are completely terrified of Tesla.

Insurance companies will have massive trouble because without accidents, the insurance will become 100x cheaper. Their car insurance business model will disappear.

Real estate will change. Because if you can work while you commute, people will move further away to live in a more beautiful neighborhood.

Electric cars will become mainstream about 2020. Cities will be less noisy because all new cars will run on electricity. Electricity will become incredibly cheap and clean: Solar production has been on an exponential curve for 30 years, but you can now see the burgeoning impact.

Last year, more solar energy was installed worldwide than fossil. Energy companies are desperately trying to limit access to the grid to prevent competition from home solar installations, but that can't last. Technology will take care of that strategy.

With cheap electricity comes cheap and abundant water. Desalination of salt water now only needs 2kWh per cubic meter (@ 0.25 cents). We don't have scarce water in most places, we only have scarce drinking water. Imagine what will be possible if anyone can have as much clean water as he wants, for nearly no cost.

Health: The Tricorder X price will be announced this year. There are companies who will build a medical device (called the "Tricorder" from Star Trek) that works with your phone, which takes your retina scan, your blood sample and you breath into it.

It then analyses 54 biomarkers that will identify nearly any disease. It will be cheap, so in a few years everyone on this planet will have access to world class medical analysis, nearly for free. Goodbye, medical establishment.

3D printing: The price of the cheapest 3D printer came down from \$18,000 to \$400 within 10 years. In the same time, it became 100 times faster. All major shoe companies have already started 3D printing shoes.

Some spare airplane parts are already 3D printed in remote airports. The space station now has a printer that eliminates the need for the large amount of spare parts they used to have in the past.

At the end of this year, new smart phones will have 3D scanning possibilities. You can then 3D scan your feet and print your perfect shoe at home.

In China, they already 3D printed and built a complete 6-story office building. By 2027, 10% of everything that's being produced will be 3D printed.

Business opportunities: If you think of a niche you want to go in, ask yourself: "in the future, do you think we will have that?" and if the answer is yes, how can you make that happen sooner?

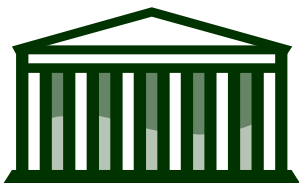
If it doesn't work with your phone, forget the idea. And any idea designed for success in the 20th century is doomed to failure in the 21st century.

Work: 70-80% of jobs will disappear in the next 20 years. There will be a lot of new jobs, but it is not clear if there will be enough new jobs in such a small time.

Agriculture: There will be a \$100 agricultural robot in



A Look into the Future



Advancing in a Time of Crisis



Financial Crisis Report

the future. Farmers in 3rd world countries can then become managers of their field instead of working all day on their fields.

Aeroponics will need much less water. The first Petri dish produced veal, is now available and will be cheaper than cow produced veal in 2018. Right now, 30% of all agricultural surfaces is used for cows. Imagine if we don't need that space anymore. There are several startups who will bring insect protein to the market shortly. It contains more protein than meat. It will be labelled as "alternative protein source" (because most people still reject the idea of eating insects).

There is an app called "moodies" which can already tell in which mood you're in. By 2020 there will be apps that can tell by your facial expressions, if you are lying. Imagine a political debate where it's being displayed when they're telling the truth and when they're not.

Bitcoin may even become the default reserve currency ... Of the world!

Longevity: Right now, the average life span increases by 3 months per year. Four years ago, the life span used to be 79 years, now it's 80 years. The increase itself is increasing and by 2036, there will be more than one year increase per year.

So we all might live for a long, long time, probably way more than 100.

Education: The cheapest smart phones are already at \$10 in Africa and Asia. By 2020, 70% of all humans will own a smart phone. That means, everyone has the same access to world class education.

Every child can use Khan academy for everything a child needs to learn at school in First World countries. There have already been releases of software in Indonesia and soon there will be releases in Arabic, Suaheli and Chinese this summer.

I can see enormous potential if we give the English app for free, so that children in Africa and everywhere else can become fluent in English and that could happen within half a year.

So, in the end I suppose I should be glad to have attended the last of the law schools in our time, albeit most people will welcome this change.

Anyway, we can be sure, BIG CHANGES are coming.

D. Miyoshi



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".

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