



Financial Crisis Report

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Advancing in a Time of Crisis

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

Words of Wisdom: “Don’t think about winning the SEC Championship. Don’t think about the national championship. Think about what you need to do in this drill, on this play, in this moment. That’s the process: Let’s think about what we can do today, the task at hand.” - Nick Saban

Afghanistan Chaos: By Incompetence or Design?



The rampant chaos that ensued in Kabul in the wake of the U.S. military pullout was of such a magnitude that it forces one to wonder was it caused by inordinate incompetence or by actual design of the Biden administration.

Ryan Crocker, a former ambassador to Afghanistan, said, “I’m left with some grave questions in my mind about Biden’s ability to lead our nation as commander in chief, to have read this so wrong or, even worse, to have understood what was likely to happen and not care.”

Actually, it may be worse than that.

In a recent interview, former war correspondent Lara Logan said the Biden administration wants you to believe “that Afghanistan is complicated,” but, in reality, “the United States wants this outcome.” Those who are pulling strings, she argues, “could do anything they want to change this. And they’re not.”

Is Logan correct? The United States is the most

powerful nation on Earth. It has been in Afghanistan for 20 years. It has built some of the largest military bases in the world in that country. But suddenly, this great army has rapidly retreated in partial disarray because a group of nomadic tribesmen says it must get out. As Joe Biden says about so many things—and should say about Afghanistan, Come on, man!

On the night of July 6, the U.S. suddenly abandoned its largest base in Afghanistan without even telling the incoming Afghan commander they were leaving. It seems that the Biden administration is deliberately trying to humiliate the U.S. and show the world that the age of American power is over(!?)

Biden’s implementation of the Afghanistan withdrawal seems illogical. But perhaps it isn’t. If you ask Stephen Flurry of *the Trumpet* publication, he says it is in fact the logical continuation of a foreign-policy objective. That policy started with the administration of Barack Obama, was stopped cold by the administration of Donald Trump—and now continues with the new administration of Barack Obama, through Joe Biden. This is the same policy that inexplicably supported the Muslim Brotherhood in Egypt and intervened to save the terrorist-sponsoring fanatics in Iran from losing their grip on the nation. This is the same policy that openly sent literal stacks of cash to Iran and worked to legitimize the regime to the point of giving it a path to obtain nuclear weapons! This is the policy that helps regimes that chant “Death to America!”

Flurry says you will keep going around in circles trying to understand the Afghanistan catastrophe until you realize that it comes from this same policy. It empowers America’s enemies. It is anti-American. And it comes from America.

Flurry’s father and founder of *the Trumpet* Gerald



Afghanistan Chaos: By Incompetence or Design?

Flurry wrote a book *America Under Attack* and in it he writes:

“America has done nothing helpful about Syria, with its witch’s brew of WMD. We really have done nothing in Libya—we won’t even go in and fight for our own ambassador and his American supporters. We won’t speak out against what’s happening in Libya. In Egypt, after that nation had peace with Israel for 30 years, we helped kick Hosni Mubarak off his throne, and we would not speak out against Mohamed Morsi essentially declaring himself pharaoh of Egypt and a bitter enemy of the Jewish nation.

Can you explain these decisions with any logic?

Many people can see that these are disastrous decisions. But we must understand that this isn’t simply the result of ineptitude on the part of this administration, or naivety about how the world really works. We are seeing the aftereffects of a calculated, aggressive, satanic attack aimed at weakening and ultimately destroying the nations connected to Israel, starting with the world’s most powerful nation!”

Flurry cites that America had a robust military presence in Afghanistan, so no one is forcing the U.S. military to pull out of Kabul by August 31. America has plenty of time and resources to protect its citizens and conduct an orderly withdrawal from Kabul. Instead, the U.S. military rushed out early, in the middle of the night, left Bagram Air Base to the Taliban, left 5,000 terrorists in its prison to be freed by the Taliban, left billions in assets to the Taliban and left not just a stranded ambassador and his team, as Obama did in Libya, but left 15,000 Americans to the Taliban.

Days after the U.S. government inexplicably ordered its military out of Afghanistan, that same government called China for help, willing to give it concessions in Afghanistan and beyond.

Weakening America in Afghanistan, in Iraq and in relation to Iran; weakening American leadership in Europe and its special relationships with Britain and Israel: These are not consistent accidents. Flurry is of the belief that this is a consistent design. This is the policy of someone motivated not to save America but to blot it out. Flurry says it was prophesied in 2 Kings 14:26-27.

America Under Attack shows the ultimate motivation for the decisions coming out of the White House. Barack Obama is the president who announced that “our combat mission in Afghanistan is ending” on Dec. 28, 2014, and the true architect of the Afghanistan mess. Is he now using Joe Biden as his fall guy? Flurry believes so. Former Obama officials are calling for members of Biden’s team to resign, but almost no one is even mentioning Barack Obama.

In his memoir *Dreams From My Father*, Obama describes his absentee father, Barack Hussein Obama Sr. He was a Luo tribesman from Kenya who preached an anti-colonialist perspective and viewed the

United States as the invader, occupier and terrorizer of the world. And by his actions, Obama has shown he too despises what America is and has been and wants to humble it, fill its government with anti-Americans, and ultimately destroy it by forcing it to become something different, something weaker, something where the biblical influence especially has been blotted out.

The U.S. military has been ordered to leave behind an estimated 2,000 armored vehicles, 45 Blackhawk helicopters, at least 600,000 rifles, 20,040 grenades, millions of rounds of ammunition, and pallets with millions of dollars in U.S. currency. The estimated value of assets is \$85 billion. The Taliban controls 85 percent of the country and will control this enormous trove as well, if it doesn’t already. Why leave it behind? Why fall back in such disarray and dishonor? Why endanger Americans in Afghanistan and those working in countries around the world by displaying such weakness? Flurry says we are witnessing “the aftereffects of a calculated, aggressive, satanic attack aimed at weakening and ultimately destroying the nations of Israel, starting with the world’s most powerful nation!”

Although Barack Obama has kept very quiet about the current Afghanistan fiasco, Flurry says Americans are waking up to the fact that Joe Biden is not running the show. Since Biden moved into the White House, *the Trumpet* publication has been telling you to watch Barack Obama. When you understand Obama’s real dream for America, the events of the past seven months start to make sense: [America is under attack from within.](#)

In the February issue of *the Trumpet*, Gerald Flurry wrote that Obama was “at the epicenter of the election crisis and the radical left’s effort to prevent Donald Trump from being reelected!” Gerald Flurry based his analysis on Bible prophecy: 2 Kings 14:23-29, which describe a Satan-led movement in the end time to “blot out the name of Israel from under heaven,” as well as Daniel 8:12, which exposes an end-time Antiochus who “cast down the truth to the ground,” and Revelation 12:9, which reveals that God has cast down Satan to Earth.

Flurry invites us to read Gerald Flurry’s article “Barack Obama in Bible Prophecy.” This article exposes the “mastermind behind the vast, elaborate network of lies and lawlessness aimed at destroying America.” It also shows that God will still save the nation through President Trump, an end-time type of King Jeroboam ii, so that people have one last chance to repent. But things might get a lot worse before they get better.

But if we are prepared, we can and will survive. Financially, some will even prosper. The point is, let’s be ready.

D. Miyoshi



Sometimes Babies Can Invest Better Than Us



At one point or another, even the most seasoned and experienced investors have made bad investment decisions... I know I have. I tend to sell too early (and sometimes buy too late).

Even *Palm Beach Daily* editor Teeka Tiwari... a man who's arguably helped more readers become millionaires than any other newsletter editor around has made his share of bad investment decisions.

Here is Teeka describing himself.

By late 1998, I'd lost it all... Instead of taking small bets on high-risk, high-reward ideas, I was taking massive stakes...

I'd built up a substantial portfolio. But I stuck around too long and got too greedy.

And when the market went against me, I made bigger and riskier bets. I lost all perspective and was investing for my ego, not my bank account.

Within three weeks, I lost everything I'd made and more. I went from wealthy to poor in less than a month. And ultimately, I was compelled to file for personal bankruptcy.

Whether you heard about a hot stock or crypto, and "bought the top" before a big plunge... or you held on to a big gain too long and watched your profits wither away... fear likely played a role in your decision.

You see, the emotional roller coaster ride shakes many investors out of the market. They buy at tops and sell at bottoms...

Market Fear Curve



PALM BEACH RESEARCH GROUP

Source: AIG Capital Services, Westcore Funds

This is the main reason the average investor severely underperforms the market. They have incredibly bad timing.

In fact, a recent study shows that profiting from the market is less about what you buy and more about when you buy and how long you hold.

So Easy a Baby Could Do It

The study – called “Selling Fast and Buying Slow” and authored by professors from the University of Chicago and MIT – analyzed the historical performance of 783 portfolios owned by both wealthy and institutional investors (like pension and hedge funds).

To judge the performance of these Wall Street elites, the study compared their results to a portfolio of alternatives randomly selected by a baby.

So no investment knowledge or even the ability to read was needed... just a baby randomly pointing at a screen...

And the results were pretty revealing.

When it came to buying stocks, the pros outperformed the babies by about 1.2 percentage points.

Now, that may seem like a small number... But when you factor in the power of compounding, that 1.2 percentage point difference leads to massive outperformance over the years.

But when it came to selling stocks – and actually booking profits or losses – it was a completely different story.

The babies' random selections outperformed the Wall Street elites by 0.8 percentage points.

(And since Wall Street greatly outperforms Main Street... the babies would likely outperform the average investor, too.)

Now, we're not saying that all your investment decisions should be completely random... but the takeaway here is pretty clear.

While analysis and research definitely lead to better buying decisions... Removing emotion and bias from your selling decisions leads to better results.

Unfortunately, human nature means that emotion often overrides even our most rational decisions... and when the market is volatile and prices are falling, stepping back and thinking rationally can be the hardest thing to do.

#1 Mistake Amateur Investors Make

That's why *Palm Beach Daily* put together some rules to help you become a more rational investor... and protect your portfolio whether the markets are up or down.

Three Rules for Rational Investing

Whether you're eyeing a new investment or unsure about cashing out your gains, these three rules will help you make more rational investing decisions...

1. Diversify your assets.

The secret to building wealth – and keeping it – is diversification. That's why PBD publishes an asset allocation guide each January. It's their most important issue of the year.

They recommend a mix of stocks, bonds, cash, real estate, collectibles, cryptos, and other alternatives.

Not only does diversification lead to better returns, it also lowers risk. Numerous studies show that asset allocation accounts for 90%+ of your investment returns.

Diversification also means your losses are less painful since they're offset by your winners... so you'll be less likely to give in to fear and sell at the wrong time.

2. Tune out short-term forecasts.

The market's short-term direction is unknowable. No one has a crystal ball. Even experts get it wrong more often than right.

Whether it's stocks or crypto, unless you're a day trader, daily volatility shouldn't bother you. So don't get sidetracked by the noise. Just focus on the big picture.

If the long-term fundamentals that led you to buy are still intact, then you don't need to be afraid of temporary price dips or bumps in the road.

3. Have a risk management plan.

Before you can grow your wealth, you need to protect the wealth you have. The best way to do that is with position sizing. Adding a stop-loss policy can help, too.

Position sizing refers to the size of a position within your portfolio (or the maximum dollar amount you're going to trade). PBD's simple rule of thumb is: If an investment gets stopped out of your portfolio, your maximum loss should be no more than 2.5–5% of your portfolio's value.

If you know your downside is capped, then you can sleep well at night. This way, you won't panic-sell at the worst time.

Babies, Buffett, and You...

If a baby pointing at random stocks to sell can outperform even the most skilled Wall Street advisors, then the right investment mindset can definitely help you do the same.

And you don't always have to sell an entire position... Legendary buy-and-hold investor Warren Buffett says his favorite holding period is "forever."

For your core positions, like broad-based equity index funds, a buy-and-hold approach should work just fine.

And by following these three simple rules, you won't let fear shake you out of the market at the wrong time... while you ride your winning investments to the top.

Here is to your successful investing.

D. Miyoshi

#1 Mistake Amateur Investors Make



There is a mistake that amateur investors make all the time and its one of the fastest ways to lose money in the market.

This mistake has ruined more portfolios than almost any other mistake an investor can make. So make sure you don't commit it.

According to Chris Igou, analyst for *True Wealth* publication to avoid making this mistake all you need to do is follow this one rule...

It's extremely simple and if you put it to use, it can save you a lifetime of investment misery.

No matter how good an investment is, don't buy it if the crowd is already "all in."

You see, the crowd is always late to the party. They miss the huge run-up in price and buy once the big gains are in the rearview mirror. That's usually the best-case scenario for the herd. But it gets worse...

Once these traders are all in, that often signals a peak is on the horizon – and that a major downturn will follow. Let's take a look at a recent example of this to see what I mean...

Coffee prices are up roughly 100% since bottoming in June 2020.



Bill Maher sounds alarm on China

That impressive run-up hasn't gone unnoticed, though.

After its huge move higher, traders poured into the commodity. We can see this through the weekly Commitment of Traders ("COT") report for coffee.

The COT report gives us an inside look at what futures traders are betting on in real time.

Under normal circumstances, this indicator doesn't tell us much. But when futures traders are all betting in one direction, it can be a great contrarian tool. That means when these traders all agree, you want to make the opposite bet.

Today, these speculators are all betting that coffee prices will continue to soar. Take a look...



Today's sentiment is near record highs. And similar cases have happened just a handful of times in the last two decades.

For example, we saw record bullish bets on coffee in 2008, 2014, and 2016. Each led to lower coffee prices over the next year. Check it out...

Extreme Date	1-Year Return
2/5/2008	-29.8%
10/14/2014	-51.4%
11/08/2016	-39.9%

www.stansberryresearch.com

Speculators were dead wrong in all of these cases – coffee prices tanked shortly after these previous extremes. The first example of this was in 2008 when the commodity fell about 30%.

The 2014 example had a similar result. After speculators piled in on the trade near the top, the bottom fell out... and the commodity dropped 51%.

These traders never seem to learn from their mistakes, which cost them again in 2016... Speculators placed record bullish bets that November. And again, coffee prices tanked, falling 40%.

This is just one example of amateur traders going all in at the worst time. But the rule applies to nearly every asset you can invest in.

Once the crowd is all in, that makes it a trade to avoid... regardless of how good you think the investment is.

Here is to your well-timed investing.

D. Miyoshi

Wake Up U.S.

On August on Friday the 13th *Real Time* host Bill Maher closed his show by sounding the alarm on China's growing dominance over the U.S. His message was sobering, moving, and on point and I recreate it here for your reading consideration. D. Miyoshi

Bill Maher sounds alarm on China's dominance over US: 'They're eating our lunch'



"You're not going to win the battle for the 21st century if you are such silly people. And Americans are all silly people," Maher began the monologue, alluding to a "Lawrence of Arabia" quote.

Do you know who doesn't care that there's a stereotype of a Chinese man in a Dr. Seuss book? China," he said. "All 1.4 billion of them couldn't give a crouching tiger flying f--- because they're not silly people. If anything, they are as serious as a prison fight."

Maher acknowledged that China does "bad stuff" from the concentration camps of Uyghur Muslims to its treatment of Hong Kong. But he stressed, "There's got to be something between an authoritarian government that tells everyone what to do and a representative government that can't do anything at all. "In two generations, China has built 500 entire cities from scratch, moved the majority of their huge population from poverty to the middle class, and mostly cor-





996 Culture

nered the market in 5G and pharmaceuticals. Oh, and they bought Africa," Maher said, pointing to China's global Silk Road infrastructure initiative.

He continued: "In China alone, they have 40,000 kilometers of high-speed rail. America has none. We've been having Infrastructure Week every week since 2009 but we never do anything. Half the country is having a never-ending woke competition deciding whether Mr. Potato Head has a d--- and the other half believes we have to stop the lizard people because they're eating babies. We are such silly people.

"Nothing ever moves in this impacted colon of a country. We see a problem and we ignore it, lie about it, fight about it with each other, endlessly litigate it, sunset clause it, kick it down the road, and then write a bill where a half-assed solution doesn't kick in for 10 years," Maher explained. Then the half-assed bill is forgotten. "China sees a problem and they fix it. They build a dam. We debate what to re-name it."

The HBO star cited how it took "ten years" for a bus line in San Francisco to pass its environmental review and how it took "16 years" to build the Big Dig tunnel in Boston, comparing that to a 57-story skyscraper that China built in "19 days" and Beijing's Sanyuan Bridge, which was demolished and rebuilt in "43 hours."

"We binge-watch, they binge-build. When COVID hit Wuhan, the city built a quarantine center with 4,000 rooms in 10 days and they barely had to use it because they quickly arrested the rest of the disease," Maher said. "They were back to throwing raves in swimming pools while we were stuck at home surfing the dark web for black market Charmin. We're not losing to China, we LOST. The returns just haven't all come in yet. They've made robots that check a kid's temperature and got their asses back in school. Most of our kids are still pretending to take Zoom classes while they watch TikTok and their brain cells fully commit ritual suicide." Our teacher's unions are finding every single way to keep themselves on the payroll, but keep students out of the classrooms. WAKE UP AMERICANS!! That means ALL of YOU."

Maher then blasted New York City Mayor Bill de Blasio, accusing him of degrading school standards by eliminating merit and substituting a lottery system for admittance to schools for advanced learners. Our country is going down the toilet. "Do you think China's doing that, letting political correctness get in the way of nurturing their best and brightest?" Maher continued. "Do you think Chinese colleges and universities are offering courses in 'The Philosophy of Star Trek, 'The Sociology of Seinfeld,' and 'Surviving the Coming Zombie Apocalypse'? Can this be real? Well let me tell you, China is real. And they are eating our lunch. And believe me, in an hour, they'll be hungry again."

[End of Maher's message](#)

996 Culture



Food delivery couriers for Meituan during a morning briefing in Beijing in April. Photo: Bloomberg

No, 996 is not the latest Porsche model. It's shorthand the Chinese use to describe their grueling schedule that has become the norm at many Chinese firms: 9 a.m. to 9 p.m., six days a week.

Vivian Wang, China correspondent for the *New York Times* explains the term originated in the technology sector around five years ago, when the country's nascent internet companies were racing to compete with Silicon Valley. At first, workers were willing to trade their free time for overtime pay and the promise of helping China match the West.

China's economy has grown into the second-largest in the world. Tech behemoths like Alibaba, Huawei and ByteDance, which owns TikTok, are household names. But recently, more tech workers are resisting the at-all-costs culture.

Some in China's working class dismiss the complaints as elite griping; after all, tech workers are highly paid and educated. But the debate also offers a window into the country's economy more broadly, and the expectations of its young people.

Improving work-life balance

The first major pushback to 996 came in 2019, as China's economic growth slowed and tech workers began questioning their work conditions. Online protests followed, but the movement faded under government censorship.

This year, 996 shot back into the news after two workers died at Pinduoduo, an e-commerce giant. Officials promised to investigate working conditions, although it's not clear what — if anything — has come of that.

Since then, some companies have taken steps to improve work-life balance. Kuaishou, a short-video app, in July ended a policy requiring its staff to work on weekends twice a month. One division of Tencent began encouraging workers to go home at 6 p.m. — though only on Wednesdays.



A Coup in China?

‘Lie flat’

The pushback to 996 also reflects the hopes and anxieties of China’s young people.

Many are willing to endure the working conditions because of the competitiveness of the job market. The number of college graduates in China rose by 73 percent in the past decade, a stunning achievement for a country that had fewer than 3.5 million university students in 1997. As a result, more people are competing for a limited pool of white-collar jobs.

But it’s also clear that many are sick of the rat race. Some Gen Zers have turned to reading Mao Zedong’s writings on communism to rage against capitalist exploitation. An online craze this year called on young people to “tangping,” or “lie flat” — essentially, to opt out.

The Chinese Communist Party sees the burnout and the threat it poses to economic growth. On the one hand, it has promised to better support college graduates in their job hunt. But it has also censored discussions of tangping.

Where gig workers fit in

What began as a conversation about tech companies’ treatment of elite workers has expanded to include lower-skilled workers, especially gig laborers.

Middle-class Chinese people have increasingly shown solidarity with those workers. Last year, when package couriers went on strike before a major shopping holiday, many on social media cheered them on.

In some ways, the new awareness mirrors the backlash against tech companies in the U.S. But it has also run up against uniquely Chinese issues of censorship. Just as with the college graduates, the government has promised more protections for gig workers. But earlier this year, officials arrested a well-known delivery worker who had tried to organize his fellow workers.

It seems China has problems just as we have in America.

D. Miyoshi

A Coup in China?



The following is an article that appeared in the *Epoch Times* on June 23, 2021. It is written by Jan Jekielek and Frank Fang. The article postures the idea that instead of the U.S. defending against the onslaught of a looming Chinese invasion, to insure its predominance, the U.S. would be better served by taking the offensive against the Chinese. It makes good points in justifying its stance and so I present it here for your reading consideration. D. Miyoshi

The CCP Is Vulnerable and Its Rule Could End with a Coming Coup: Expert

The Chinese regime is not as strong as it’s portrayed to the outside world, and many internal problems plaguing the regime will lead to its demise, says a former British diplomat and China expert.

These problems have been recognized by some high-level Chinese officials themselves, and they could lead a coup d’état to remove current Chinese leader Xi Jinping to protect their own interests, according to Roger Garside, author of “China Coup: The Great Leap to Freedom,” in a recent interview on Epoch TV’s “American Thought Leaders” program.

“They can see better than most people can see, that this regime is outwardly strong but inwardly weak. And that it’s in a state of political decay,” Garside said.

“And that their best hope for preserving their own wealth and power, as well as the best hope for China, is to lead a coup d’état to remove Xi Jinping and to launch China into a democratic transition.”

These problems are not caused by “external forces” or “anti-China forces,” which the Chinese Communist Party (CCP) often blames for China’s woes. Instead, the problems have been created by the communist regime’s own political system, a totalitarian dictatorship, Garside said.

“They [the Chinese regime] are weak inwardly because there is a

America's Demographic Winter

moral crisis in China. There is a system of corruption—the system is corrupt from top to bottom, from left to right. And I could go on, but the single greatest area of weakness is, curiously enough, the economy,” Garside said.

The moral plunge in China began when the Chinese Communist Party (CCP) lost its moral authority after the Tiananmen Square Massacre, according to Garside. To replace the lost authority, Garside said the regime began the “biggest privatization campaign the world has ever seen,” in order to use “material incentive” so people would be loyal to the CCP leadership.

In June 1989, the Chinese regime ordered its troops to open fire on student protesters and unarmed civilians in Tiananmen Square. The CCP denies having initiated a violent crackdown, and any discussion about the protest movement is considered taboo in China.

Unnamed sources within the CCP said that at least 10,000 people were killed that day, according to declassified British cable and declassified U.S. documents.

“There certainly is moral decay and a moral vacuum; no trust, no truth,” Garside said.

Beijing's privatization effort didn't lead to a market economy, but a command economy that has paved the way for rampant corruption in China.

“There's an absence of clarity of ownership in China today on the huge state-owned companies: who controls them, who really owns them, even the private ones, who really owns and controls them. This is all very opaque, and where there is opacity in economic and financial affairs, then you'll get corruption,” Garside said. “And that allowed power holders at every level [in China] to become rich and powerful.”

In recent years, many high- and low-ranking CCP officials have been charged with graft and embezzlement, as well as senior executives of China's state-owned companies. One of the biggest names implicated in corruption was Zhou Yongkang, a former security chief who was sentenced to life imprisonment in 2015.

Underscoring all of China's problems was its economy, which is not as strong as the Chinese regime has touted, according to Garside.

“Since 2008, they [the Chinese regime] have relied upon pumping billions of credit into the system in order to maintain an artificially high growth rate. And this flood of money has led to a great deal of distortion, false economic activity, un-economic activity, and fragility within the financial system,” he said.

Rather than sitting on the side and wait for political changes in China, the United States and its allies should be proactive such as help-

ing to bring down the Chinese regime's Great Firewall, which blocks access to many foreign websites and social media sites, Garside said.

“The communist regime is vulnerable. But I do not believe that the totalitarian regime will be destroyed solely by dynamics within China. I think it's absolutely essential that the U.S. and its allies go onto the offensive,” he said.

Because China and the United States are deeply connected, particularly on economic and social fronts, the United States can't just sit idly in the face of growing Chinese threats. “If we don't counterattack against this ambitious and dangerous regime, we are going to lose our freedom,” Garside said.

“We cannot just sit back and say, we have right on our side, we will make a better job of running our own countries. Yes, we've got to do that. But we've also got to find the vulnerabilities. We've got to educate our people of the peril which faces us.”

End of article

America's Demographic Winter



According to Harry Dent, noted economist and investment consultant who correctly forecasted the economic fall of Japan in 1989 and the 2000 dot com crash as well as the 2008 stock market crash, America will soon be going through a massive economic winter because of its demographics.

Dent explains that Japan was the first developed country to see a peak in births that translated into a decline in their Spending Wave (after 1996). The U.S. peaked in births in 1961 and Europe in 1964. The Millennial generation in the U.S. caused a secondary wave into 1990, and Europe had a similar wave. Since the U.S. Boomer Spending Wave peak in 2007, it's been all money printing to fill the gap until that last but weaker Millennial Wave in spending hits from 2023 into 2037 or so.

Are Anglo-Saxon Values Racist?

After the next severe stock and economic crash, the developed world will not be the same. Dent has been warning not only of “The Crash of a Lifetime,” but also that the next boom will not be as strong or as long as the unprecedented boom from 1983 to 2007.

Three demographic megatrends happened in the 1900s that will not repeat in the future—or at least not for a long time:

1. The entry of women into the workforce after World War II. That trend began as a supposedly temporary thing during World War II out of necessity, but it worked well enough for women and for the economy, which accelerated thereafter, especially as household appliances automated housework. The peak decade for women’s entry into the workplace was the 1970s, when 15.5M women entered, vs. 7.3M in the 1950s and 10.2M in the last decade into 2010. The peak year in annual entry was 1990, with a secondary peak in 2006. Women now are plateauing at 50% of the workforce, but that overstates it, as more women than men work only part time. Hence, this positive trend is over for good.
2. The massive Baby Boom birth trend and ensuing economic wave. As Dent noted, the U.S. was at the center of this, with a massive birth wave from 1934 into 1961 followed by a Spending Wave on a 46-year lag from 1980 into 2007. Japan’s Millennial generation just peaked last year in 2020, and Japan’s demographics now will fall for decades. The Millennial generation in the U.S. will have levels of economic impact into 2037 similar to the Baby Boom generation, but then the trend falls for as far as the eye can see. America had record low births last year, which will lead to economic weakness into the early 2070s on about a 48- to 50-year lag. The recession, caused by declines in spending by the Gen Xers, will be followed by one more boom from around 2023 into 2037, and then demographic trends in the U.S. will only go down for decades and maybe forever. It will take a revolution in people living to 100+ to change this trend to a substantial degree—and that is very likely to happen, albeit mostly beyond our lifetimes.
3. The immigration wave from third-world countries, especially into the U.S. The first such wave peaked between 1907 and 1914 and fell off dramatically into the depression years of the 1930s. The second wave peaked in 1990, with a secondary peak in 2016. This next severe downturn should only accelerate the sentiment against immigration that has been growing in the last two decades, with Trump as its present cheerleader. Dent predicts that immigration will not reach higher than recent post-peak levels even in the next boom.

Dent believes none of these major trends are likely to repeat for a long, long time, if ever. The next boom from 2023 or 2024 into 2037 or so will be the last one for the developed world. Japan and South Korea won’t feel it much, and neither will the countries of Southern or Central Europe.

That’s why Dent’s investment strategies will switch to Australia/New Zealand and even more so to Southeast Asia and India in the

next boom and for the developed world will move into in aging-related sectors like healthcare and nursing homes/assisted living centers. By 2023, if not sooner, the Dent Sector Fund in Australia should be available in North America for investors in the U.S. to participate in.

D. Miyoshi

Are Anglo-Saxon Values Racist?



In April 2021 the office of Rep. Marjorie Taylor Greene announced that they were launching an America First Caucus for Congressional representatives who want to follow the values championed by President Donald Trump. But Greene scrapped these plans after receiving blowback from leaders in her own GOP party. The news touted that Representative Greene believes “America is a nation with a border, and a culture, strengthened by a common respect for uniquely Anglo-Saxon political traditions.”

This sparked immediate condemnation from activists, scholars and even other Republican politicians.

Minority Leader Kevin McCarthy responded to Greene’s proposal in an April Twitter post: “America is built on the idea that we are all created equal and success is earned through honest, hard work. It isn’t built on identity, race or religion. The Republican Party is the party of Lincoln and the party of more opportunity for all Americans—not nativist dog whistles.” The Republican conference chair at the time, Rep. Liz Cheney, wrote: “Republicans believe in equal opportunity, freedom and justice for all. We teach our children the values of tolerance, decency and moral courage. Racism, nativism, and anti-Semitism are evil. History teaches we all have an obligation to confront and reject such malicious hate.”

This begs the question. Is stating that America’s political traditions are “uniquely Anglo-Saxon,” or that mass immigration threatens “the long-term existential future of America as a unique country with a unique culture and a unique identity,” worthy of condemnation? Is it really “controversial,” “nativist” and “racist” to believe these things?

Are Anglo-Saxon Values Racist?

To answer this question, Andrew Miller of *the Trumpet* publication wrote a column in its August 2021 edition. The gist of Miller's article is as follows:

Are 'Anglo-Saxon' Values Really Racist?

Leftists are trying to blot out American values that trace back 4,000 years.

Anglo-Saxon Political Traditions

The United States grants legal permanent residence to about 1 million immigrants a year. The reason for limiting the quantity is to give time for newcomers to embrace and become part of American culture. Some people think the government should admit fewer immigrants. Some think it should admit more. But it is self-evident that the only people arguing for mass immigration are those who want to change America's unique political traditions, culture and identity.

The mainstream media piled on Rep. Marjorie Taylor Greene. *Vanity Fair* editors actually titled their reaction "Republicans Are Basically Starting a White Supremacist Caucus." *Washington Post* bosses published "In the U.S., Praise for Anglo-Saxon Heritage Has Always Been About White Supremacy." *The Atlantic* went with "'Anglo-Saxon' Is What You Say When 'Whites Only' Is Too Inclusive." If you want to attract the wrath of liberals, say something supportive about Anglo-Saxon heritage.

Only about 1 in 5 Americans claim British heritage, and almost none of them believe in Anglo-Saxon racial superiority. So why are politicians and commentators swarming this story about Anglo-Saxon political traditions?

When most conservatives say "Anglo-Saxon political traditions," they do not mean Anglo-Saxon people. They mean the political traditions the Anglo-Saxon people developed and spread around the world: freedom of speech, freedom of assembly, freedom of trade, freedom of religion, equality of all men, rule of law and limited government.

"It may come as a surprise to some American readers to learn that, in the eyes of many Continental European commentators, they and the British and the Australians and others form part of a continuous 'Anglo-Saxon' civilization, whose chief characteristic is a commitment to free markets," Daniel Hannan writes in *Inventing Freedom: How the English-Speaking Peoples Made the Modern World*.

"Anglo-Saxon values ... had their genesis in the earliest Anglo-Saxon settlements, in the dark years, violent and unchronicled. From that era came three interrelated concepts that were to transform humankind. First, the idea of personal autonomy, including in contract and property rights; second, the notion that collective decisions ought to be made by representatives who are answerable to the community as a whole; third, the conception of the law as something more than a projection of the wishes of a ruler, as a folkright of inherited freedoms that bound the king just as surely as it bound his meanest subjects."

Do the liberal attack dogs tearing apart Representative Greene's America First Caucus believe that your personal freedoms, your right to limit your government, and your belief that there is a higher law are nativist and racist? Considering what many of them want to replace Anglo-Saxon political traditions with, the stunning answer is yes.

British Folkways in to America

Today, 55 percent of human beings live in nations that at least claim to follow democratic principles. We take concepts like personal autonomy, property rights, representative government and the rule of law for granted. But four centuries ago, these concepts were almost exclusive to the British Empire. The book *Albion's Seed: Four British Folkways in America*, by David Hackett Fischer, documents how these values were first brought to the Western Hemisphere between 1620 and 1640 by more than 20,000 Puritans who migrated from East Anglia to Massachusetts.

It was the original intent of Thomas Jefferson to have an image of the Anglo-Saxon kings Hengist and Horsa on one side of the Great Seal of the United States, and an image of Moses and the Israelites following a pillar of fire out of Egypt on the other side. He recognized the similarities between Anglo-Saxon common law and the laws of ancient Israel, and the U.S. Constitution was based on these common political principles.

But here is what even historians and constitutional conservatives do not understand. They love freedom of speech, freedom of assembly, the free market, freedom of religion, majority rule with minority protection, rule of law, limited government, separation of powers, checks and balances, governance through elected representatives, equality of all men, and inviolable individual rights granted by a higher power than human government.

But they admit they do not know where these principles ultimately came from.

Contrary to Hannan's belief, the foundation upon which these principles were established was not built in "the dark years, violent and unchronicled." It did not originate in the minds of Anglo-Saxon common people and their leaders.

Records such as the Anglo-Saxon Chronicle (a.d. 890) and the Ynglinga saga (a.d. 1225), although obviously colored with legend, attest that 22 generations prior to the birth of King Alfred the Great, the Angles, Saxons, Danes, Norse, Swedes and other related peoples lived near the city of Tanais on the north shore of the Black Sea. These people migrated to northwestern Europe during the era when the Roman Empire expanded into the region. These ancient Saksones spoke the language of the Medes, but their political traditions came directly from the lost 10 tribes of ancient Israel.

Lost Tribes of Israel

In his most popular book, *The United States and Britain in Prophecy*, the late Herbert W. Armstrong proved that the Angles and Sax-

The Best Piece of Advice About Life

ons actually descended from the lost Israelite tribes of Ephraim and Manasseh.

“Through the rule of 19 kings and seven successive dynasties, the 10-tribed house of Israel continued in the basic twin sins of Jeroboam: idolatry and Sabbath-breaking. Several of the kings added other evil and sinful practices,” he wrote. “But in 721–718 b.c., God caused the house of Israel to be invaded and conquered by the kingdom of Assyria. These Israelites were removed from their farms and their cities and taken to Assyria on the southern shores of the Caspian Sea as slaves. ... The Assyrians—before 604 b.c.—left their land north of Babylon and migrated northwest—through the lands that are now Georgia, Ukraine, Poland, and into the land that is called Germany today. Today the descendants of those Assyrians are known to us as the German people. The people of 10-tribed Israel also migrated northwest. Though the Assyrians had taken Israel into captivity, the Israelites did not remain as slaves of the Assyrians in Europe. They continued on a little further—into Western Europe, the Scandinavian peninsula, and the British Isles!”

The history of the United States and Britain is the history of the Angles and Saxons and related peoples. And that history traces back to ancient Israel! And far from exalting the Anglo-Saxons, this history humbles them. The precious, positive, world-changing values that the Angles and Saxons spread across the globe came not because of them but in spite of them. The history of America’s forefathers is the history of rebellion, failure and subjugation. The continued existence of the Israelites—let alone their positive influence on the world—is attributable not to Israel but to the God of Israel.

God promised great blessings to the Israelites. But in Leviticus 26, He warned them that if they sinned against Him, He would delay those promises for 2,520 years (for proof, read *The United States and Britain in Prophecy*).

Assyrian King Tiglath-Pileser iii carried the eastern half of the tribe of Manasseh away captive in 732 b.c. Then King Sargon ii carried the other half of the tribe away (along with the tribe of Ephraim) in 718 b.c. Count forward 2,520 years from 732 b.c. and you arrive at 1789, the year Congress added the Bill of Rights to the United States Constitution. Count forward 2,520 years from 718 b.c. and you arrive at 1803, the year of the history-altering Louisiana Purchase that began America’s rise to becoming the greatest power in world history.

This is not the history of a great or superior people. This is the history of a great and superior God.

When radical leftists try to blot out “Anglo-Saxon political traditions” through vicious political attacks, mass migration and other means, they are not really attacking white supremacy. Nor are they defending equal opportunity, liberty and justice for all. They are attacking the reality of history, and they are attacking the Bible itself!

The gist of Andrew Miller’s article ends here but it certainly leaves

us a lot to think about.

D. Miyoshi

The Best Piece of Advice About Life



This article is taken from Quora.com on April 6, 2021. It is written by Stephen Kim. It’s pretty good advice and I provide it here for your reading consideration. D. Miyoshi

My friend is a teacher who once told me about a time when he decided to do an experiment with his class. An experiment about life.

One day, he came in with several envelopes and sat down right in front of the class.

He then placed an envelope in front of himself and said, “Class, today we’re going to be doing something different. As you can see, there is an envelope in front of me. Whoever wants it can come up and take it, and whatever is inside is yours.”

The classroom then became tense.

No one was willing to go up and take the envelope. Everyone was thinking, “What if it’s a trick” or “I don’t want to stand out and embarrass myself. Someone else will do it.”

After a few minutes, he again asked the class, “Is no one going to take it?”

Then, a young female from the back of the classroom stood up and came forward to take the envelope as everyone else silently watched, and when she opened it, she pulled out a dollar bill.

She then looked at the professor and said, “Can I really keep this?” And he said, “Yes, of course. It’s just as I promised. Whatever is

China is Per Capita actually Poor

inside the envelope is yours.”

After she returned to her desk, he then placed another envelope in front of himself and said, “Again. If you take it, then you get to keep what’s inside.”

But again, the room was tense, for people were still doubtful. Then, a young male came up to take the envelope and found that it contained a five-dollar bill.

Upon returning to his desk, the teacher placed another envelope in front of himself and simply said, “Who’s next?”

At this point, many of the students began to get an idea of what was going on. Several people rushed up to take the envelope, but many others still remained in their seats. The student who acquired the envelope found that it contained a ten-dollar bill.

The teacher then silently placed another envelope in front of himself.

At this point, no explanation was needed. More people came forward, and the student who acquired the envelope found that it contained a twenty-dollar bill.

Again, the teacher silently placed another envelope in front of himself, and now, roughly a quarter of the class stood up. People began pushing each other as they made a dash for the envelope. And this time, there was a fifty-dollar bill inside.

The teacher then placed another envelope in front of himself, but this time he said, “This is the last one.”

Now, the room was filled with tension. But this time, it was a different kind of tension.

More than half of the class sprinted for the envelope. People were pushing, tripping, and yelling as they tried to grab it. And when one student did finally manage to acquire it, he opened it to find that it contained nothing.

The students then became confused and upset.

They looked at the professor and said, “You tricked us! There was supposed to be \$100 in here.”

To which he replied with, “And why is that? I never tricked anyone. I simply stated that whoever wanted the envelope gets to keep what’s inside, but I never said what it would contain.”

The students from the back of the classroom then said, “But this wasn’t fair! The people who are at the front of the classroom have the advantage.”

To which he replied with, “That may be true, but no one has said anything about it until now. Also, that didn’t stop the first student from taking the first envelope.”

As the students returned to their seats in regret and frustration, the teacher said, “Let this be a lesson to all of you. The opportunity was there, but many of you didn’t take it out of fear and uncertainty. By the time you cast your doubts aside, it was already too late. The future may be uncertain, but opportunities don’t last forever, and neither do we.”

End of Article

China is Per Capita actually Poor



Economically, China is the second most powerful country in the world. But on a per capital basis, it is quite poor. The following article was published on April 6, 2021 by George Friedman, an internationally recognized geopolitical forecaster and strategist on international affairs and the founder and chairman of Geopolitical Futures. I have followed Mr. Friedman for years and I recreate his article below for your reading consideration. D. Miyoshi



By George Friedman

China as a Third World Country



China is Per Capita actually Poor

There is much discussion about the surging Chinese economy and the expanding international influence of China. There is no question that China’s economy has consistently expanded in the last 40 years, since the death of Mao Zedong. But Mao had created an extraordinarily poor China, based on ideology and the desire to eliminate the power of the old economic elite that was concentrated along the coast. Mao feared them as a threat to the revolution. In fact, he feared the bourgeois tendency toward wealth and comfort as a challenge to the revolution. He throttled the Chinese economy, and as a result, virtually any rational behavior by Chinese rulers would generate dramatic growth. China, with a vast potential workforce and a basically sophisticated culture, inevitably surged by shedding the malevolent and strange grip of Mao.

Forty years later, under a reasonably rational political structure, China has surged to being one of the largest economies in the world, second only to the United States. The gap between the U.S. and China is still substantial, with China’s gross domestic product at only 70 percent of the United States’. This is of course much narrower than 40 or even 20 years ago. Still, it is a substantial gulf. But GDP represents the aggregate production of a nation, and from an aggregated point of view, China’s \$14 trillion economy is a miracle.

But it is simply not the miracle it seems to be. One measure of an economy among many is GDP, the economy as a whole. Another way to look at an economy is per capita GDP, the aggregated dividend by the population. This gives a sense, imperfect but useful, of how Chinese citizens are faring compared to citizens of other countries. Looking at the economy as a whole, China is impressive. In per capita GDP, it is another matter.

There are two ways to measure such things. One is nominal GDP, which is measured against the U.S. dollar, the world’s reserve currency. The other way to measure is purchasing power parity (PPP). This looks at the amount of housing or food that can be purchased for a fixed amount of money. On the surface this is the best way, but it suffers from two defects. One is that in a country as vast as the U.S. or China, the cost of housing or other commodities varies dramatically. Finding a single value for housing – and the myriad other data points – that includes San Francisco and Little Rock, Arkansas, can be done, if you accept that you will be way off lots of times. In addition, these are obviously manipulated for political reasons. Still, nominal GDP and PPP together gives you a good sense of the reality. In per capita nominal GDP, China is ranked 59 in the world, behind Costa Rica, Seychelles and the Maldives. In PPP terms, China is ranked 73, immediately behind Guyana and Equatorial Guinea.

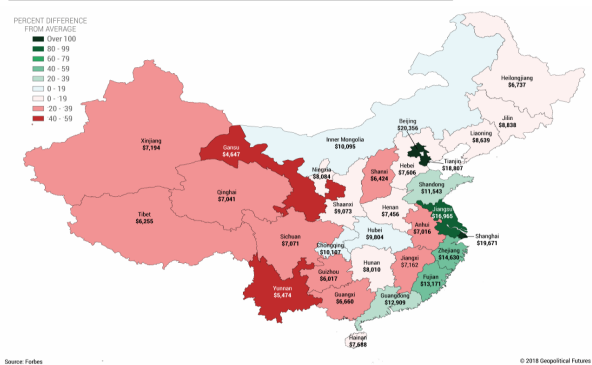
By comparison, the United States ranks fifth nominally, behind Luxembourg, Switzerland, Ireland and Norway. The U.S. is seventh in PPP terms. Per capita GDP tends to be highest in relatively small, socially and ethnically homogenous countries, built around finance or a single high-value commodity. The U.S. is large and socially and ethnically diverse, with a vastly diverse economy. Under the circumstances, ranking fifth in the world is a significant achievement.

China’s rankings of 59 and 73, and the countries it ranks alongside, give you a very different picture of China’s status. On an aggregate basis, it is bested only by the United States. On a per capita basis, it

ranks with much poorer Third World countries. So there are at least two ways to look at China: as a world-class economic power and as a Third World country.

It is possible to be both. When we aggregate China’s wealth, it has the ability to shape parts of the global economy as well as build a significant military capability, but when it aggregates economic value, it can do so only by transferring wealth to some sectors of society and away from other sectors. In other words, those who benefit from China’s strategy control and consume much greater wealth than the average GDP. By extension, those not part of this group possess a substantially smaller share. Put in comparative terms, the wealthiest Chinese enjoy a status on par with the wealthiest Americans; most others live worse than someone in Guyana or Equatorial Guinea.

Per Capita Disposable Income by Province



All countries have inequality. It can sometimes have no effect, it can at other times destabilize the country. China has surged by creating a vast and significant economy. The majority of society not part of the coastal elite that manages international trade, banking and investment, or that is part of the military-industrial structure, live lives at least comparable to their equivalents in the United States. The large majority in the interior of the country lead lives on the order of Equatorial Guinea. Few Americans live lives on that order, although undoubtedly some can be found.

Per capita GDP provides an unreal number. But it does allow you to see how a nation compares with its peers. But then you must imagine the degree of inequality required to maintain the aggregate GDP and the manner in which wealth concentrates, and then consider the consequences of living well below the per capita income. In the case of China, it creates a vast but sometimes hard to see mass living like the Third World. In the U.S., also filled with inequality, the excluded still live lives in the context of Euro-American expectations. With exceptions, they do not live below the lives of those in Equatorial Guinea.

Aggregated GDP concentrated for high-tech or finance can have significant power in the world. The risk is social unrest by those excluded. It should be remembered that when Mao failed in an uprising in Shanghai, he took the Long March to the interior to raise a peasant army from those excluded from the wealth accumulating



Consequences of Defunding the Police

among some engaged in international trade along the coast, and he used that army to overthrow the regime they blamed for their misery. Xi Jinping of course knows the story well, and the crackdown on some of the wealthiest in China, done very visibly, is intended I think to demonstrate the Chinese Communist Party's commitment to the poor. Whether he can do more of this without damaging the machine that created his country's aggregate GDP is the question. I may be wrong in my speculation on the nature of his acts, but the fact is that the status of China, by any measure, has bred a wealth equal to the best in the world, and a poverty equal to the worst.

End of Article

Consequences of Defunding the Police



It's hard to believe that "Defund the Police" would become the mainstream rallying cry of Left-wing community organizers and media elites during a stunning rise in murders and homicides nationwide. But that's what happened last year.

Buck Sexton of American Consequences perceptively describes when the Black Lives Matter ("BLM") movement rose in June of 2020 in the aftermath of George Floyd's death in Minneapolis, Democrats saw it as an opportunity. America was already reeling from COVID-19, and there was a tremendous national anxiety to exploit.

Sexton explains that in order to mobilize the Democrats into the streets during a nationwide pandemic lockdown, the institutional Left, woke corporations, and the hysterical media embraced the cynical lie that police in America are systemically racist and murder unarmed black men routinely and without consequence.

In the short term, this was effective politics... Months of Democrat riots in the summer of 2020 galvanized the most radical elements of the political Left and put them in a position to dictate the narrative to the more mainstream elements of their party. The chaos they created made the Trump White House look ineffective on one of the then-president's signature issues: law and order (though he did tweet "LAW AND ORDER" in all caps many times).

The Democrats eked out a win with Joe Biden, and to many it

seemed the election was a referendum on COVID response and lawlessness in the streets.

Just how extreme was this anti-police movement? For anyone wondering whether some of the Left actually wanted to get rid of police entirely, there was an op-ed published in June of 2020 in the *New York Times* with the helpful title "Yes, We Mean Literally Abolish the Police." The piece contained such memorable lines as "There is not a single era in United States history in which the police were not a force of violence against black people."

Among so-called police reform activists on the Left, this delusional framing of police in America was fashionable in the second half of 2020 and mandated for anyone seeking to be "woke."

But things have changed a lot in the past six months... We're halfway through 2021, and Democrats are recognizing that the defund-police movement within their ranks has become an enormous political liability. One big tip-off that they are concerned is in their almost comical, Soviet-style rewriting of recent history on the subject.

A perfect example comes from White House Press Secretary Jen Psaki, who recently said in response to a question from a Fox News reporter who was probing the Biden administration's position on defunding police:

"Well, first, let me just note that the president ran and won the most votes of any candidate in history on a platform of boosting funding for law enforcement after Republicans spent decades trying to cut the COPS program."

Oh, really? Biden won the White House as a big advocate for increasing police funding? This would come as a shock to anyone who had paid even passing attention to politics in the U.S. over the past 12 months.

Biden: Protecting (His Agenda) And Serving (His Party)

Back in the world of facts and reality, here's a reminder of the kind of statements then-candidate Joe Biden was making about law enforcement when it was politically advantageous to undermine them...

During a speech on June 2, 2020, where Biden rolled out his absurd (but, sadly, effective) "America's healing grandpa" routine, here's what he said about police nationwide:

"A down payment on what is long overdue should come now. Immediately.

I call on Congress to act this month on measures that would be a first step in this direction. Starting with real police reform.

Congressman Jeffries has a bill to outlaw choke holds. Congress should put it on President Trump's desk in the next few days.

There are other measures: to stop transferring weapons of war to police forces, to improve oversight and accountability, to create a model use of force standard – that also should be made law this month."

Of course, there was no real effort at police reform... That was just cover from top-level Democrats like Biden so they could pander to the anti-cop elements within the Democrat party.

Now that the political winds have shifted, Democrats are rapidly trying to spin a narrative where they don't look like their party has dabbled in pro-criminal lunacy for a whole year with disastrous consequences.

This newfound pro-police narrative for Democrats is so disingenuous, it has become fodder for Right-wing mockery. Senator Ted



Consequences of Defunding the Police

Cruz of Texas summed up the Democrats' absurd about-face well enough when he said on Fox News late in July:

For them to come out and claim that it's Republicans who want to defund the police, that's like an arsonist showing up at the fire and blaming the firemen. That's like the Chinese blaming the Americans for the Wuhan virus. That's like OJ [Simpson] saying he's gonna help find the real killer.

A quick look at the data shows why Democrats are so rapidly moving away from "defund the police." Polling has been consistent in 2021 that only about 20% of the American people support the concept in theory.

Abolishing Reason

Overwhelmingly, those who believe in actual "defunding" or even abolition of police (a fringe but growing movement on the Left) are well-off white liberals who live in safe neighborhoods. They gladly signal their virtue while low-income minorities disproportionately suffer the consequences of "defund" put into action.

Cities like New York, Minneapolis, Austin, Los Angeles, Baltimore, San Francisco, Philadelphia, and Atlanta either began the process of defunding in 2020 or actually made major budget cuts to their police forces. Some have tried to reallocate some portion of funds to social workers or "violence interruption" programs, while others have merely cut the police without any plan at all (realistic or not) to supplement public safety.

The results have been predictably awful... In 2020, the U.S. went through the worst 12-month increase in homicides and shootings in two decades. There were many major American cities that saw 30% or more increases in the murder rate. Six months into 2021, the level of shootings and murders is already outpacing the record year before it. Philadelphia is on track to end up with the most violent year in its history.

Initially, the "defund the police" Democrats tried to downplay these horrific statistics... When that didn't work, they tried to blame the pandemic for causing more violent crimes (which never made sense – lockdowns result in less human interaction, and other countries have seen substantial violent-crime reductions). Then they turned to their allies in the media to spin a narrative about the wave of gun-buying as the real cause of the violence surge.

To those who prefer to live in reality and deal with facts... This is the direct result of "defund the police." The only thing the Democrats can do now is slowly walk back their most insane positions on law enforcement from a year ago. With no small amount of assistance from the deeply dishonest media, their plan is to change the subject.

Political Casualties

Democrats will hope that enough swing voters forget their pandering to BLM in 2020 that led to such terrible crime spikes in cities nationwide.

Of course, there's still plenty of time for the Biden White House and a contingent of moderate Democrats to pivot toward a more police-friendly posture. That's certainly part of their messaging strategy right now...

But the problem of crime rising in major cities isn't something that can be easily turned around. The staggering increase in homicides and shootings nationwide in 2020 and its continuation in large part

into 2021 means the public's mind will be focused on this issue for months to come.

While some on the Left may be chastened as a result of the backlash against defund the police, true believers in prominent positions remain, particularly at the local level.

There are Left-wing district attorneys in places like Philadelphia and San Francisco who simply don't care how awful the situation in their cities becomes – as long as they remain welcome guests on MSNBC and receive positive coverage in the Washington Post.

Some of the most radical, destructive public officials in America run the largest urban prosecutors' offices. Larry Krasner, the Soros-approved district attorney of Philadelphia, thinks that the best way to ensure justice in his city is to stop enforcing a whole host of crimes entirely. The absurd Marxist in charge of prosecuting criminal acts in San Francisco, Chesa Boudin, decided that many crimes would no longer be punished on his watch as well.

Unsurprisingly, both cities have seen substantial increases in crime. The same is true in Chicago, where the shockingly inept Mayor Lori Lightfoot has resorted to saying recently that 99% of her critics are motivated by sexism and racism. Meanwhile, more than 100 people were shot in Chicago over the Fourth of July weekend – clear proof to any rational person that America's third-largest city has a violence rate per capita that is completely unacceptable. To Democrats like Lightfoot, however, the first priority is always to give another speech about "social justice."

At the congressional level, there has been a downturn in the rhetoric of the so-called "Squad" members when it comes to police issues, but no real change in the policies they pursue. Alexandria Ocasio-Cortez, a woman generally immune to embarrassment for saying stupid things, received widespread ridicule for comments she made that the national crime wave is "hysteria."

Other members of the Squad, like Congresswoman Ayanna Pressley, are still pushing for defunding police in the school system. The Counseling Not Criminalization in Schools Act would eliminate all federal funding for police in schools nationwide.

Blue States, Blue Lives, and Blown Opportunities

Remarkably, when Leftists like Pressley aren't attempting to use the latest school shooting to abrogate law-abiding gun owners' Second Amendment rights, they're attempting to make schools even less safe for the children who attend them.

President Biden will do his best to have it both ways in all of this... He will continue to push the narrative that the Biden administration is supportive of police, but he will do all he can to avoid alienating his far-Left base.

What may start to become problematic for him is that as president, it's highly noticeable that he never calls out the idiocy of the "defund" Left or tells his own party to repudiate it. He will mutter the required boilerplate on law-enforcement issues, while Leftist loons will continue to talk about "reimagining police." They just won't have the entire Democrat party taking orders from them as they did in the summer of 2020.

The plan appears to be for Biden to say one thing, the radical Left to say another, and the corporate media to try to sell this dissonance to the public.

While the day of reckoning with voters in the mid-terms may feel far off, it will come soon enough. And making dozens of American



Cram Schools in China

cities much more dangerous is a record that may stay with the Democrats for a long time beyond it... We can all blame the Left for that.

D. Miyoshi

Cram Schools in China



Cram schools are most popular in Asian countries such as Japan, Korea, China, Taiwan, and India. In those countries, families highly value the education of their children and parents often give the highest priority to educational expenses within the family budget.

So it's no surprise that in China parents who can afford it, want to send their kids to a cram school.

But the Chinese government is clamping down on the country's massive private tutoring industry.

This is to try and correct what President Xi Jinping has called a "chronic disease," one stemming from businesses' pursuit of profits from parents who worry that their children might be left behind in China's test-oriented education system.

But critics say determined -- and deep-pocketed -- parents will find ways around the new rules.

Here is an article that appeared in *Nikkei Asia* on August 4, 2021 about this issue. It is written by Marrison Zhou and CK Tan. I hope you find it interesting. D. Miyoshi

Leave them kids alone: Parents tire of China's world-beating education system

Cram schools and private tutoring curtailed to level the field and lower anxiety

NEW YORK/SHANGHAI -- Ginny Feng still wonders if she did the right thing. Five years ago, when her son was 3, she decided not to start him in intensive math and Chinese language programs along with the rest of his peers. The 40ish-year-old human resources consultant from Guangzhou, in southern China, was worried that if her son learned the subjects ahead of time, he would not pay attention in class when he started elementary school.

But she later found out that preschool tutoring classes were a necessity. For her son, the subsequent years have been a harrowing process of catching up. "The teachers would assume all the kids had already learned Pinyin [phonetic Chinese script] and basic addition and subtraction," Feng told *Nikkei Asia*. "They teach very fast."

Feng's son, about to start grade 3, now has several classes after school and on weekends: computer coding, chess, writing, basketball, soccer and calligraphy. "I have a relative who didn't take her kid to those [pre-school] classes and she cried for a month when elementary school started because her kid couldn't keep up," she said. "When you've seen enough cases like that, you wouldn't dare to skip tutoring."

"Parents in my circle have a perfect metaphor for this. It's like you're watching a movie in the theater and the entire first row stands up, if you don't do the same, you won't be able to watch the movie, so you have to stand up too."



A trainer leads a children's computer programming class at a training center in Beijing. Chinese kids often have several classes after school and on weekends, from coding to chess. © AFP/Jiji

Chinese parents' anxiety over their children's academic careers has fueled a multibillion-dollar industry of tutors and *buxi ban*, or cram schools. Childhood for many Chinese children is a ceaseless conveyor belt of extracurricular classes and tutors, and an expensive time management nightmare for parents that has put many off the idea of larger families, even as China's leadership promotes two- and three-children households.

Earlier this summer, China's leadership apparently decided enough is enough. Some academic competition is a good thing but too much is a public liability, and the current model may have gone too far.

Cram Schools in China



A girl carrying a schoolbag stands near an office of private educational services provider New Oriental Education in Beijing. © Reuters

The crackdown was announced in June with the education ministry spelling out what it would do to supervise the sector. The State Council and Chinese Communist Party jointly followed that up with a clearer statement on July 24, requiring education companies to become nonprofits and forbidding them from going public or raising capital. That has thrown into question the futures of massive companies like TAL Education Group and New Oriental Education & Technology Group. In total, \$126 billion in market capitalization has been swept off from Chinese education stocks listed in China, Hong Kong and the U.S., according to Bloomberg.

Beijing's tougher-than-expected clampdown is aimed at correcting what President Xi Jinping has called a "chronic disease," one stemming from businesses' pursuit of profits from parents who worry that their children might be left behind in China's test-oriented education system.



China's tougher-than-expected education clampdown is aimed at correcting what President Xi Jinping has called a "chronic disease" stemming from businesses' pursuit of profit from parents who worry that their children might be left behind in the test-oriented education system. © AP

"Xi's emerging agenda of social goals, grouped under the heading of 'common prosperity,' is more directly opposed to markets' tendency to exacerbate inequalities," said Gavekal Dragonomics analyst Ernan Cui.

Meritocracy or aristocracy?

For many, the urge to tinker with China's spectacularly successful education system is puzzling. Its academic results are first-rate as measured by the Program for International Student Assessment (Pisa), which administers standardized tests worldwide every three years. China topped the rest of the world in reading, math and science in the latest test, in 2018.

Many countries have tried to emulate China's model of schooling. The U.K. in 2014 began to trial an East Asian "Maths Mastery" program that is based on Chinese and Singaporean education methods.

Lenora Chu, author of "Little Soldiers: An American Boy, A Chinese School, and the Global Race to Achieve," said that the Chinese system has its merits despite the lack of flexibility.

"If you look at the American system, you have high school graduates who are barely literate or numerate, in some cities these things are very difficult to fix," said Chu. "You have a high school kid in China, maybe he has never learned to pick a topic that interests him because they don't have electives in high school, but he's really good at math and he can read. Some of these other things, I really firmly believe that [if] he's got the fundamentals, he could patch some of the other stuff later."

Swotting up

Chinese students led the world in the latest Program for International Student Assessment tests. (PISA 2018 results, average score for 15-year-old students who took the tests)

	Reading	Math	Science
Mainland China*	555	591	590
Singapore	549	569	551
Macao	525	558	544
Hong Kong	524	551	517
Estonia	523	523	530
Canada	520	512	518
Finland	520	507	522
Ireland	518	500	496
South Korea	514	526	519
Poland	512	516	511
OECD average	487	489	489

Reading, math and science scores range from 0 to 1,000; ranked in descending order of the average reading score
 *Beijing, Shanghai, Jiangsu, and Zhejiang
 Source: Organization for Economic Cooperation and Development, Program for International Student Assessment

"Not everyone's going to be the next Steve Jobs or Elon Musk or take us to the moon... Most people are just going to be an engineer, a teacher, a doctor," Chu continued. "I think there's a bit too much emphasis on creativity in the Western model of education at the expense of fundamentals, and I would say the same for the Chinese system, it's the opposite."

Cram Schools in China

China's system, theoretically, is a pure meritocracy. Centered on the Gaokao, the nationwide university entrance exam that governs the future of many Chinese children, it is rigidly designed to ensure a level playing field. But many see the private tutoring industry as a way for the wealthy to unfairly game the system.

Feng reckons she spends 8000 yuan a year on extracurricular lessons, which is about 7% of her household's annual income. She said the number of his classes is considered moderate in her circle and her ratio is considered low. More competitive parents could spend at least over 20,000 yuan a year on their child's lessons.

In addition to the expense, there is the anxiety. Chinese adults refer to their childhoods as being a *jiwa*, or chicken baby, a kind of short-hand for the extremely stressful academic journey to being admitted into a university.

Peter Pan, 27, is a Ph.D. candidate in computer science currently based in Germany. Growing up in Zhejiang province, Pan was put on a rigorous schedule in elementary school. He had six after school classes because extracurricular achievements could add points to middle school entrance exams. As a result, Pan never had a free weekend, including winter and summer breaks.

"I faked being sick many times when I was a child," he said. "Maybe I should add acting to my curriculum too. In elementary school, I didn't dare to tell my parents, even when I scored 99 out of 100 on my tests.

"Most of the kids of my mom's friends had the same experience. I think the classes satisfied our parents' competitive needs more than ours."

Another word many Chinese use to describe the educational process is *neijuan*, an unhealthy competitive environment in which too many people fight for too few resources and where great investments often lead to low outcomes. The tutoring arms race many families engage in has sent the cost of raising children soaring, and many young people now are hesitant to start families.

The fierceness of the competition is visible. In Beijing, Shanghai and Shenzhen, 78.4% of families have paid for education services in the past year, according to a report published in March by the Shanghai Consumer Council. Roughly 70% of families spend at least \$1,800 a year on after-school programs.

The average monthly salary in top-tier cities this year is about \$1,300, according to Chinese media. This means that on average, the monthly education costs for a child take up at least 12% of a parent's salary.



Students visit a Xinhua Bookstore for after-school tutoring books to prepare for the new semester at the end of the winter break in Yangzhou, Jiangsu Province. © AP

According to media coverage of the Shanghai Consumer Council report, over 84% of the parents surveyed said they were stressed about schooling expenses, with 55.2% calling education bills "very stressful."

Although the Chinese government has been trying to alleviate the pressure on parents and students for years, past policies have yielded little success. The recent ban on for-profit tutoring is more radical than previous measures, but critics say it treats the symptom rather than the disease.

Feng, the Guangzhou mother, said she does not see any change unless the Gaokao itself changes.

"I think the ban is with good intention but it's unrealistic," she said. "Neijuan has become a need for parents. How many parents are really willing to stand by? I think government policy can't extinguish this phenomenon; it could only make it more discreet or force it to change into a different format of operation.



Test-takers walk through a temporary dragon gate at a national college entrance examination site in Nanjing, Jiangsu Province, on June 7. © AP

"When there is demand, there is supply, and there is a market. Parents' demands are the easiest money to make; policy can't stop this

Cram Schools in China

market."

Henceforth, tutoring companies will need permission to teach school subjects. Their classes cannot take place during holidays, weekends, or during winter or summer breaks. And the companies cannot hire foreigners based outside China.

In its July announcement, "Opinions on Further Alleviating the Burden of Homework and After-School Tutoring for Students in Compulsory Education," China's Ministry of Education said that schools need to improve their after-school services and cannot give parents "homework" in any format.

Measures that include allowing only nonprofit companies to offer after-school tutoring and keeping foreign investment and listed companies away from the sector will result in severe operational disruptions for existing players, Fitch Ratings said on July 30.

"We expect [kindergarten through 12th grade] after-school tutoring companies to focus on operational compliance and accelerate their diversification away from academic-related tutoring," the rating agency wrote.

Nurture not nature

Yong Zhao, a professor focusing on education at the University of Kansas and the University of Melbourne, also said that regulating the tutoring industry can "never work" because it's the parents who have a zero-sum type of worldview.

"It's a system, a culture that wants you to be better than others," Zhao said. "China will never have enough high-quality schools because high-quality is defined by 'better than others.'"

Zhao said that even with music and drawing, there are levels and awards children need to pass and compete for. "You're always allowing others to judge you," he said.

"It's teaching kids that education is not about learning, not about growing, it's trying to be better than others," he added. "You removed this internal desire to explore ideas."

Zhao said that students intertwined in the test-focused system often do not know where their passion lies and lack leadership skills and innovative thinking.



Parents take their children for a walk on Wangfujing Commercial Street in Beijing. China's birthrate remains stubbornly low even as the government reverses decades of restrictions by encouraging married couples to have three children each. © AP

For high school, Pan went to a strict boarding school, which made for "the darkest time" of his life, he said. Students had to study from 6:50 a.m. to 9:50 p.m. Every other week, they would be given a half-day off. Dating and other activities unrelated to studying were not allowed. Despite the harsh lifestyle, Pan said not that many of the school's students gained admission to top Chinese universities.

He went on to note that since there are a limited number of spots at top Chinese universities and many students competing for them, parents grow nervous that their children may fail the Gaokao and end up "sweeping the streets as a janitor" -- a warning many Chinese parents, including Pan's mother, deliver to their kids.

The government has been trying to lighten the burden for years now, but the competition has not let up.

Joyce Fan, 29, a lawyer in New York, attended the notoriously competitive high school affiliated with Renmin University in Beijing. Although it was not officially required to test into the school, Fan said she noticed that most of her classmates came from a handful of middle schools where Math Olympiad is required.

Fan hated the Math Olympiad classes and often asked her father, a software engineer, to do the homework for her. There were a few times her father could not figure out the questions.

"Because my dad couldn't do some of the harder problems, I was just very annoyed at him. And then I found out that my classmate's dad, I think he's literally a math professor at Beijing University, also couldn't do the problems," Fan chuckled. "When my dad found out about that, he was just really happy, he was like, 'Look, I'm not stupid. It's just that these problems are really not reasonable!'"

Cram Schools in China



Graduating students at Peking University's commencement ceremony on July 13. Few students are admitted into top universities in China. © AP

Eventually, the Math Olympiad classes were canceled due to government reform to "alleviate students' burden." But Fan said the math program just changed its name to "extraordinary experimental course" and continued to teach math at that level.

The tutoring companies now being ordered to become nonprofits could attempt a similar rebranding effort. Parents, their customers, see tutoring as not merely a means to help their children reach higher but as a must-have for kids simply trying to keep up in school.

A chance to succeed

China's large population might be the obvious factor behind the unhealthy competition, but Feng sees another one -- unevenly distributed educational resources. She said top-tier cities have many more quality schools and education resources outside school -- tutoring services and extracurricular classes. This means people are trying their best to raise their families in these cities, and parents do not dare to move back to their hometowns.

"I have friends who would even complain that there are not many tutoring services or extracurricular programs available near her apartment complex," Feng said. "The out-of-school resources are just as important."

Children growing up in smaller cities and towns that lack quality educational resources end up with less of a chance to succeed.

Fan said that banning tutoring services is more likely to affect middle-class families because wealthy families would not have a problem employing multiple private tutors.

One way or another, parents will always find a way, Feng said.

Robert Yan, 52, who has been teaching for over 30 years in Ningbo, agrees that the Gaokao is the fundamental cause of out of control competition. But he said school systems should also change, and that

teachers and parents need to alter their view on education.

"Both government and schools should work together making parents believe that vocational education is not inferior in higher education," Yan said. "Public schools [also] need to realize and implement the principle of human development as the purpose of education."

Fan said China's school system fails to nurture creativity and emotional intelligence but she still thinks it is superior to American public schools.

Fan, who went to Northwestern University in the U.S., said the Gaokao is a fairer system than what American colleges use to admit students.

"I'm a fan of the Chinese education system," she said, "even though I still have nightmares where I don't know how to answer a question during an exam. I think someone who comes from a poor family still has a chance to test into a top university through Gaokao, but you hardly see that happening in the U.S. ... Most of my college classmates were somewhat wealthy."

Fan said that public education in the U.S. is not sufficient for high school students to excel at college admissions. She said some students from public high schools she met had a hard time pointing out China on a map. Fan said her undergraduate classmates had more advantages.



Graduating students at Columbia University in New York. Joyce Fan, a 29-year-old lawyer in New York, said American public education does not adequately prepare high school students to get into college on their own. © AP

"I feel like a lot of people got into Northwestern University or peer institutions because they came from upper middle class or upper-class families," Fan said. "It's only those families who are able to supply the extracurriculars that will get them admitted to the prestigious universities, like helping children in Africa or working as a curator's assistant for an art gallery."

But it is proving impossible to strip out class and social factors in the educational experience of both the U.S. and China.

Get Ready for Non-Fungible Tokens (NFT)

"I think people are too fixated on social status in China that if you're a blue-collar worker, people immediately look down on you," Pan, in Germany, said. "If we can respect all different professions and reach the point when someone without a college degree can find a decent job and be respected, then we will probably not have this neijuan problem."

Pan does not see this change happening soon.

"Some of my friends are now married with kids," he said, "but from what I've seen, they're repeating their parents' mistakes with their own children."

End of Article

Get Ready for Non-Fungible Tokens (NFT)



College Sports, especially football, are rapidly changing these days. And perhaps the biggest financial change in college sports will be the advent of non-fungible tokens.

Eighteen-year-old high school football star Quinn Ewers had a difficult decision to make.

Finish his senior year and compete for the Texas state championship, or graduate early and cash in on lucrative endorsement deals in college.

This issue was never a dilemma in the past, as NCAA rules prohibited college athletes from earning money in any way.

But that changed on July 1, 2021 thanks to a new NCAA policy that lets athletes profit from their name, image and likeness, or NIL for short.

Ewers, ranked the No. 1 football prospect in the country, ultimately chose to enroll at Ohio State University this summer of 2021.

He now stands to make \$1 million or more from NIL deals.

The controversial NIL change has sports fans divided. Some believe it's ruining college sports. Others feel it's a fair way for student-athletes to benefit from their talent and hard work.

Whether or not you agree with the new NCAA policy, one thing's clear: College sports are the next big thing in the crypto world.

July 1 Was a Sports Supernova

Ewers isn't the only one cashing in on his name recognition.

Other star athletes were quick to jump on endorsement deals following the rule change:

- Alabama quarterback Bryce Young was offered over \$1 million in NIL deals.
- Quarterbacks D.J. Uiagalelei and Sam Howell both endorsed fast-food chain Bojangles.
- Oregon star Kayvon Thibodeaux signed a six-figure deal with Nike co-founder Phil Knight.

"What happened on July 1 in college athletics with [NIL] rights was nothing short of a supernova," said Vayner Sports co-founder Gary Vaynerchuk.

Some athletes, such as the University of Oklahoma's Spencer Rattler, have even unveiled their own logo and merchandise.



But the biggest profit opportunities might come from non-fungible tokens, or NFTs.

The Next Phase of NFT Mania

NFTs are like cryptocurrencies, except that each one is unique. Collectors can buy and sell them on the blockchain, which verifies that the digital item is authentic.

Any digital asset can be an NFT, whether it's a piece of artwork, a video highlight or an audio recording. Even internet memes have been sold as NFTs.

NFT mania rocked the online world earlier this year, and NFTs had \$2 billion in sales in the first quarter of 2021.

The market has cooled off a bit since. But sports NFTs are still drawing the attention of crypto investors and sports fans alike.

For example, NBA Top Shot sells officially licensed basketball highlights as NFTs. It has been a huge success, making over \$700 million in revenue as of May.

Now, college athletes are hunting for their own crypto fortunes.

Is the U.S. Economy Going Up or Down?

The first college NFTs were created by Dreamfield, an NFT company co-founded by Florida State University quarterback McKenzie Milton and University of Miami quarterback D'Eric King.

Dreamfield sells the players' animated trading cards on OpenSea, the world's largest NFT marketplace.



Milton and King hope to replicate the success of former University of Iowa basketball star Luke Garza, who sold his digital trading card on OpenSea for \$41,141 shortly after playing his final college game.

But the biggest news so far came from Candy Digital, the NFT firm that announced a partnership with Major League Baseball in June.

Candy said it plans to launch a college NFT program in September called Sweet Futures.

The program will feature some of college football's biggest stars, including Cincinnati's Desmond Ridder and Georgia's JT Daniels.

D.J. Uiagalelei and Sam Howell, will also participate in Sweet Futures. And Candy said it will announce more players in the coming weeks.

Scott Lawin, the CEO of Candy Digital, said: "College sports fans are among the most loyal and passionate consumers on the planet, and Sweet Futures will enable them to celebrate their passion for their team's best players through a revolutionary new form of digital collectible."

The Future of Sports NFTs

Earlier this year, NFL star Rob Gronkowski sold a one-of-a-kind NFT on OpenSea for 299 Ether tokens, which were worth about \$430,000 at the time.



In addition to owning the digital trading card shown above, the buy-

er will get to meet Gronkowski in person, attend one of his games for free and get VIP access to the player's upcoming beach party.

It's impossible to say how successful these kinds of NFTs will be at the college level. But Christian Ferri, the CEO of NFT firm Geer, is a big fan of them.

He thinks that "people buying for the experience and the incentives, the awards, the engagement is going to be the future of NFTs."

And NFTs don't need to be based around a specific player. For example, teams could sell tickets as NFTs that include VIP experiences and other benefits.

So, it's an exciting time for NFTs and other blockchain-based projects.

In 10 years we will not recognize the sports world that we know today, but watching the changes happen should be a lot of fun.

D. Miyoshi

Is the U.S. Economy Going Up or Down?



It's a fundamental question that is not easy to answer.

Economies are monstrously complex. They're the result of millions of independent decisions by individuals, companies, and governments... each with often conflicting motivations and objectives.

So-called economic research institutes develop sprawling, multifaceted models of economic growth... These models bring together enough data to choke a hippo. Ultimately, it's too much to handle.

But like a lot of things in life, the best approach is often much simpler.

Noted economic advisor Kim Iskayan of Stansberry Research introduces us to Ruchir Sharma, a longtime emerging-markets fund manager at Morgan Stanley Investment Management who wrote a book in 2020 entitled *The 10 Rules of Successful Nations*. In it Sharma explains that a middle ground between too much data and one tell-all indicator usually works best...

Some of the most important factors that contribute to growth, ac-



Is the U.S. Economy Going Up or Down?

According to Sharma, include politics, geography, macroeconomic issues (like inflation and debt), inequality, and most importantly, the economic "skeleton key."

Let's start with politics...

Whether you like them or not, politicians play a pivotal role in driving a country's success...

Sharma places a lot of weight on political leaders...

For example, he applauds former British Prime Minister Margaret Thatcher and former U.S. President Ronald Reagan as "pioneering reformers"... They both worked hard throughout the 1980s, boosting their respective economies and strengthening their militaries.

And at the same time, Sharma warns of "stale leaders" who lose the impetus to change and grow content with the status quo. One of the best examples of this, in Sharma's mind, is Vladimir Putin...

When Putin became Russia's president in 1999, he introduced reforms to the country's tax system, government bureaucracy, land ownership, and bankruptcy legislation. Sharma was a stock market analyst in Moscow at the time, and it felt like Russia was on the cusp of dramatic, generational change that would lay the groundwork for the former superpower to become an economic heavyweight once again.

But Putin's reform push ran out of gas after a few years, and nothing much happened.

Today, Russia is an investment backwater... The country's stock market accounts for just 3.2% of the MSCI Emerging Markets Index (a key stock market index benchmark), compared with around 10% in 2008. And economic output per person has barely changed over the past 12 years.

On the flip side, political leadership was critical to success in South Korea and Singapore...

Sharma points to Kim Dae-jung, who was South Korea's president from 1998 to 2003, as "arguably the most impressive change agent" for one of the most impressive success stories of the past century. He fundamentally changed the structure of South Korea's economy, dramatically improving the quality of life of the country's roughly 50 million people.

Sharma also commends Singapore's founding father Lee Kuan Yew, who was selflessly focused on the long-term success of his country while in power from 1959 to 1990. He's revered in Singapore for creating one of the world's greatest economic success stories – and one of the world's richest countries – out of a sweaty, Chicago-sized swampland. And he did it within just a bit more than a generation, through smart policy, political dexterity, and force of personality.

Like stale leadership, inequality also stifles success...

Basic math shows that wealth inequality is bad for growth.

Rich people tend to spend less and save more – as a percentage of their total wealth – simply because they run out of stuff to buy. A billionaire who owns 10 mansions will buy fewer washing machines, lawn mowers, and power drills than, say, 1,000 families who spend that same \$1 billion in aggregate.

Over the long term, socioeconomic inequality can result in upheaval that's far more damaging than stagnant wages. History is peppered with reminders (such as the French Revolution) that if too few peo-

ple hold too much of the wealth, eventually it will be redistributed – and both rich people and the overall economy will suffer.

Austrian historian Walter Scheidel theorizes that economic inequality has historically been addressed by one of what he calls the "Four Horsemen of Leveling" – warfare, revolution, state collapse, and plague.

Inequality can also result in revolution through the ballot box, via the election of a populist leader who delivers redistribution through asset seizures, expropriation, and loan-shark taxation levels. And that can be just as bad, if not worse... Just take a look at Argentina, Zimbabwe, Pakistan, Mexico, and Venezuela.

Political revolts against inequality have often been as destructive as the inequities themselves.

In the U.S., tax-the-rich proposals in the name of income inequality are on the docket of President Joe Biden's White House. And it's not surprising... In late 2019, income inequality in the U.S. jumped to its highest level ever, and the wealth gap between America's richest and poorest families more than doubled from 1989 to 2016, according to the Pew Research Center.

For years this topic has been covered by Stansberry Research. It's a big part of why they published *The Battle for America* and have continued to update it.

The COVID-19 pandemic – and the policy response to it – has only made inequality worse...

In a recent edition of the *Financial Times*, Sharma estimated that the total wealth of billionaires globally increased by an incredible \$5 trillion over the past year... up to \$13 trillion. The U.S. alone is home to 110 more billionaires than a year ago (724 billionaires overall today).

By Sharma's model, inequality bodes ill for economic growth... And this accelerating disparity is bad news for the future success of America.

In the search for economic success, you must treat hype with care...

As investors, most of us have little direct impact on policies and macroeconomic forces... but we can make note of how these matters are perceived. And we can use these perceptions to guide our investing...

For example, if you're hearing a lot in the main street media about a country's recent new success ... there's a good chance that the peak has already passed. Sharma explains one of the best examples of this idea in *The 10 Rules of Successful Nations*.

A classic case is the rise and fall of hype for Japan. Even after the Tokyo markets crashed in 1990, the global media and political elite kept talking up Japan as the superpower of the future. In early 1992, *Time* magazine ran a cover article touting predictions that Japan could overtake the United States as the world's largest economy within a decade.

Instead, Japan got sucked into an economic black hole... The economy averaged less than 1% annual economic growth for the next three decades. And today, the country's stock market is more than 25% below the December 1989 all-time highs... an entire generation later.

That sort of hype before the fall isn't unusual. In fact, it's normal...





Is the U.S. Economy Going Up or Down?

Sharma looked at Time's economic cover stories from 1980 through 2010. He found that if the story was negative, economic growth accelerated over the following five years in 55% of the instances. And if the story was upbeat about a country, two-thirds of the time, the economy slowed over the next five years. As Sharma concluded in his book...

Economies are most likely to turn for the better... after the media have moved on.

In other words, indifference – rather than a strong feeling one way or the other – is what matters in most cases. In the media, that's reflected by an absence of coverage... And figuring out what's not being covered involves digging to see what's not there.

The best time to buy is after no one is talking about an idea anymore... You want to buy after the "blood in the streets" – to tweak the famous phrase from 18th-century nobleman Baron Rothschild – has long since been hosed away.

Our own cognitive biases can throw off our economic-forecasting game in a hurry...

"The only thing that is constant is change," Greek philosopher Heraclitus once said.

As we've seen throughout history, countries and economies that are on top now won't be there forever... And Sharma warns that it's difficult to internalize that constant impermanence.

"Anchoring bias" is the idea that we tend to think whatever is normal right now will continue to be the expectation indefinitely... whether it's good ("optimism bias") or bad ("pessimism bias").

Sharma himself fell victim to this in 2001, when Russia had fallen off the radar after a brutal financial crisis...

Everything seemed hopeless. And Sharma readily walked away from the country and his role as a stock market analyst in what turned out to be the early days of a 5,000% market rally over the next several years.

When things are going really well – or really poorly – it's important not to forget about the overwhelming force of mean reversion... That's when the pendulum swings back, when a period of unusual good luck or bad fortune comes to an end.

In his book, Sharma says to ask this question if you're struggling with this concept...

What will happen if the normal pattern holds and cycles continue to turn?... The rules are all about playing the right probabilities, based on the cyclical patterns of an impermanent world.

And that leads us to two other factors in a country's long-term success...

Inflation and debt can make or break economies, too...

Sharma noted that you want to look for countries with low inflation and manageable debt.

Moderation is key. And as we all know, the U.S. has been anything but that in recent years...

A successful, developed economy should aim for 2% inflation, according to Sharma. But remember, last August, the Federal Reserve announced that it was abandoning its longtime 2% inflation target – in favor of "average inflation targeting." In other words, the Fed will allow inflation to spike before it raises interest rates to counteract rising inflation.

Stansberry Research has warned about rising inflation a lot recently in its Digest... And sure enough, year-over-year inflation for April equaled 4.2% – the highest monthly reading since 2008.

It's a sure sign that inflation is here.

Concerns about rising debt will also sound familiar to regular Digest readers, too. So far, the U.S. government has distributed about \$5.3 trillion in COVID-19 aid. And as of March 1, roughly 77% of all dollars that have ever been made were created over the previous 12-month period.

Plus, the federal deficit is forecast to hit 15% of U.S. gross domestic product ("GDP") this year, according to credit-rating agency Fitch Ratings. That's the biggest deficit since World War II. And when compared with 2.4% as recently as 2015 and 9.7% in 2009, you can see that it's out of control.

By Sharma's figuring – as well as that of pretty much everyone else – the U.S. is moving in the wrong direction on this front.

Still, this land is our land – and it's pretty good...

Some countries are blessed with good geography, which can allow them to fuel economic growth through trade.

The U.S., of course, has massive coastlines. When combined with well-developed ports and other needed infrastructure, it's a recipe for shipping success. And two important trading partners (Canada and Mexico) are our next-door neighbors, on long and easily accessible borders.

The land serves as an advantage in other ways, too... The U.S. is an ocean (or more) away from serious military competitors.

By investing in ports, a country can maximize its natural geographic advantage... One of the underappreciated reasons for Singapore's success is how it has maximized its position at a maritime bottleneck (the Strait of Malacca) through which 27% of the global oil trade and 18% of the global grain trade flows, according to geopolitical-risk consultant Eurasia Group.

Geography isn't destiny, of course... North Korea, for example, hasn't done much to capitalize on being situated at a prime global intersection of South Korea, China, Japan, and Russia.

A country can also be disadvantaged by geography...

The Central Asian country of Kyrgyzstan is trying hard to be open to trade. It's ranked above South Africa, China, and India on the Heritage Foundation's Index of Economic Freedom.

But at 1,620 miles, no country is farther from an ocean. So the chances that landlocked Kyrgyzstan is able to drive economic growth through trade are virtually zero... It's too remote to use trade to its advantage.

Underpinning it all, these are the two ingredients to growth...

Productivity – the structures and incentives in an economy to increase production per hour worked – is a key driver of economic growth. One way or another, nearly all of Sharma's 10 rules of successful countries all touch on productivity.

But the other key ingredient of an expanding economy (and Sharma's first rule of success) is population growth. Again, it's simple math...





Is the U.S. Economy Going Up or Down?

If more people in a country are doing economically productive things like building houses, flipping burgers, or selling widgets – and they're doing it more efficiently than they did in the past – the overall economy will grow. As Sharma explained...

Throughout recorded economic history... population has accounted for half of all GDP growth... In a way, this is half the story.

Of course, a fast-growing population alone doesn't guarantee economic growth...

If it did, Djibouti and Uganda – population growth-leaders over the past 60 years – would be economic powerhouses. Elements of Sharma's nine other successful-country ingredients also must fall into place to drive productivity and create a successful economy.

However, population growth still stands above the others because no economy has ever been able to succeed without a sustained level of it... even if it can do everything else right. Eventually, a country needs more people to generate substantiable economic growth.

But where do more people come from?

That leads us to the economic 'skeleton key'...

The most important indicator of population growth is the fertility rate. If the fertility rate in a country is moving in the wrong direction, almost nothing else matters.

This number is the most important indicator of the future size of the working-age population (ages 15 to 64). It's a longer-term predictor of what you can expect from a country's workers.

And fertility has been falling worldwide for decades... The average number of births per woman has declined from 5 in 1960 to 2.4 in 2019, according to the World Bank. That's barely above the "replacement rate" of 2.1 children per woman (to "replace" those kids' parents).

In much of Europe and Asia – including Germany (1.57), China (1.69), and South Korea (0.98) – the birth rate is already below the replacement level. And here in the U.S., it's a similar story...

The fertility rate in the U.S. hit a 35-year high in 2007 at 2.12 births per woman. But since then, it has fallen steadily... dropping to a record low of 1.64 in 2020. To make things worse, there were more deaths than births in half of all 50 states last year.

This marks the end of what had been an advantage for the U.S... It had enjoyed higher fertility than much of the rest of the developed world into the 21st century, meaning it had the economic "skeleton key" in its favor.

But now, as we've shown, this pivotal indicator is flashing a warning sign for the U.S.

Here's why fertility rates really matter...

As the *Financial Times* explains...

For decades, the U.S. birth rate helped buoy growth, which is a function of people and productivity, and global status... but... all the factors that have propelled America's outlier fertility... are now in decline.

And it has made a huge difference for the American economy...

The U.S. currently accounts for roughly 25% of the global economy. But over the past few decades, if the population of the U.S. had been rising as slowly as Japan's (1.41 births per woman from 1988 to 2018), the growth of the U.S. economy would've been crippled... Sharma estimated that the U.S. would account for just 17% of the global economy in that scenario.

Of course, there's a lag between lower fertility rates and lower economic growth... But as *Stansberry Research* wrote in its Digest last September, the U.S. working-age population is already falling, too.

Immigration can fill the fertility gap to help power economic growth – but there's a catch...

Today, the U.S. has more foreign-born residents than any another other country. A total of roughly 45 million immigrants live in the country today, making up about 14% of the overall population.

And as fertility in the U.S. has declined, the immigrant work force has been the critical difference for the American economy... From 2010 to 2019, the U.S. economy grew at an average of 2.3% per year, compared with the European Union's 1.6% and 1.3% in Japan.

But from 2014 to 2019, the net number of new immigrants to the U.S. per year fell 80%, to just more than 200,000, according to the Migration Policy Institute. President Biden has since lifted some restrictions on immigration from his predecessor, Donald Trump – but it might be too little too late to make up for the drop in the working-age population.

And that's bad news for economic growth... A 1% decline in the working-age population will cut economic growth by 1%, according to Sharma.

With declining fertility, immigration is the only escape hatch for the American economy. And if that piece of the working-age population isn't what it used to be either, the U.S. could be in trouble...

As growth becomes more difficult, it's time to redefine 'success'...

Right now, in the U.S., the growth drivers of demographics and productivity are slowing. As they continue to slow, economic growth will decelerate.

And what's happening now in the U.S. and most of the rest of the world is just the beginning...

According to a widely discussed July 2020 article in medical journal *The Lancet*, by the end of the century, 183 of the 195 countries in the world won't be able to maintain their current population levels without immigration. That's less than 80 years from now, and of course, not every country can grow through immigration at the same time...

Of course, it's likely beyond when you or I will live, so it doesn't matter to us directly. But it certainly matters for our kids and grandkids... The world is headed for a much different future.

And by then, the population of 23 countries – including Italy, Spain, Japan, and Thailand – are forecast to see their respective populations shrink by more than half. In another 34 countries – including China (down 48%) – the population is likely to drop by between a quarter and a half.

One of the very few bright spots, population-wise, is Sub-Saharan Africa... In that region, according to the *Lancet* article, the popula-



Why Some Places are Wealthy, others Poor

tion is expected to triple by 2100 – to more than 3 billion. That would be slightly more than one-third of total global population at that point.

With all that in mind, here's what the mindset shift means for stocks...

Put into stock terms... the U.S. economy is shifting from being a growth stock to a cash-flow and dividend story. That's a difficult – and if you're a shareholder, costly – process...

Growth stocks are characterized by strong revenue growth and (usually) high earnings growth. Think of video streamer Netflix (NFLX) in its boom days... As an investor, you buy a growth stock because its share price might double, triple, or more as the business keeps growing beyond expectations.

In contrast, dividend stocks have steady cash flow – and they earn a solid profit – but they don't grow much... Think of a real-estate investment trust in which shareholders collect rent on properties that don't change much in overall value. You might receive a 3% or 5% dividend, but the share price (usually) won't rise or fall much... The value is in the steady income it generates.

The problem with growth stocks is that eventually, their growth curve flattens. Revenues can only double... and then double again... for so long before the growth slows. Competitors see the opportunity in whatever arena it is, and they cut into the company's market... Margins decline, and growth falls.

The best companies – and stocks – in growing sectors can deliver growth for decades. But of course, the reality is that the vast majority cannot... And if you're a shareholder of a stock when it suffers slowing growth, you're going to see a sharp fall in its share price as investors adjust for lower expectations of future growth.

Right now in the U.S., the growth drivers of demographics and productivity growth are slowing. As they continue to slow, economic growth will decelerate.

In stock market terms, the American economy is going to evolve from being a growth stock to more of a dividend and cash-flow investment.

That might sound strange... just as the post-COVID-19 economy roars back to life, with U.S. GDP growing by 6.4% on an annualized basis in the first three months of the year.

The bounce-back from pandemic-related lockdowns, and mean-reversion after the 3.5% contraction in the economy last year – fueled by the Federal Reserve's money-printing mission and COVID-19 stimulus cash – will continue for a while. The International Monetary Fund forecasts still-solid economic growth of 3.5% next year.

But as French sociologist and philosopher Auguste Comte once said, "Demography is destiny."

Not even the Fed can fight the realities of the fertility rate – the economic "skeleton key"... or prevent America's economy from faltering as population growth tapers off. And we're already seeing the impact of the destiny of demographics being played out in Europe, where declining populations and weak economic growth – and poor stock returns – are increasingly the norm.

In the meantime, though, the economic "skeleton key" highlights just how little of the noise – masquerading as data – in day-to-day market talk really matters over the long term...

All of Sharma's nine other factors – including politics, debt, inflation, inequality, geography, and hype – are only about as important as demographics when put together. And right now, the big picture is saying that growth will substantially slow from here... which is bad news for stocks.

So let's consider this an early warning bell.

D. Miyoshi

Why Some Places are Wealthy, others Poor



Ever wonder why some economies in this world flourish, why others just plain suck? You're not alone... Editor in Chief P.J. O'Rourke delves into this very issue (plus much more) in his recently updated best-selling book, *Eat the Rich*, released exclusively for American Consequences readers. It's an interesting and very amusing read. For your reading consideration, here is part of Chapter One from the book (note, the comment about Brentwood California is the author's, not mine). D. Miyoshi

Love, Death, and Money

By P.J. O'Rourke

I had one fundamental question about economics: Why do some places prosper and thrive while others just suck?

It's not a matter of brains. No part of the earth (with the possible exception of Brentwood) is dumber than Beverly Hills, and the residents are wading in gravy. In Russia, meanwhile, where chess is a spectator sport, they're boiling stones for soup.

Nor can education be the reason. Fourth graders in the American school system know what a condom is but aren't sure about 9 x 7.



Why Some Places are Wealthy, others Poor

Natural resources aren't the answer. Africa has diamonds, gold, uranium, you name it. Scandinavia has little and is frozen besides. Maybe culture is the key, but wealthy regions such as the local mall are famous for lacking it.

Perhaps the good life's secret lies in civilization. The Chinese had an ancient and sophisticated civilization when my relatives were hunkering naked in trees. (Admittedly that was last week, but they'd been drinking.) In 1000 B.C., when Europeans were barely using metal to hit each other over the head, the Zhou dynasty Chinese were casting ornate wine vessels big enough to take a bath in – something else no contemporary European had done. Yet, today, China stinks.

Government does not cause affluence. Citizens of totalitarian countries have plenty of government and nothing of anything else. And absence of government doesn't work, either. For a million years mankind had no government at all, and everyone's relatives were naked in trees.

Plain hard work is not the source of plenty. The poorer people are, the plainer and harder is the work that they do. The better-off play golf. And technology provides no guarantee of creature comforts. The most wretched locales in the world are well-supplied with complex and up-to-date technology – in the form of weapons.

Why are some places wealthy and other places poor? It occurred to me, at last, that this might have something to do with money.

But I didn't know anything about money. I didn't know anything about money as a practical matter – did I have enough to pay the mortgage? And I didn't know anything about money in a broad or abstract sense. I certainly didn't know anything about economic theory. And I wasn't alone in this.

I couldn't answer the central question of this book because I was an economic idiot. I got to be an economic idiot by the simple and natural method of being human. Humans have trouble with economics, as you may have noticed, and not just because economic circumstances sometimes cause them to starve. Humans seem to have an innate inability to pay attention to economic principles.

Econ 101: The Class We All Failed

Love, death, and money – these are the three main human concerns. We're all keen students of love. We are fascinated by every aspect of the matter, in theory and in practice – from precise biological observations of thrusting this and gaping that to ethereal sentimentalities marketed in miles of aisles at Hallmark stores. No variety of love is too trivial for exegesis. No aspect of love is so ridiculous that it hasn't been exhaustively reviewed by the great thinkers, the great artists, and the great hosts of daytime talk shows.

As for death, such is the public appetite for investigation of the subject that the highest-rated television program in America is about an emergency room. The most hardheaded and unspeculative of persons has his notions of eschatology. The dullest mind can reason extensively about what causes kicking the bucket. Dying sparks our intellectual curiosity.

But money does not. All we care about is the thing itself, preferably in large amounts. We care a very great deal about that. But here our brain work stops. We don't seem to mind where our money comes from. And, in an affluent society, we don't even seem to mind where our money goes. As for larger questions about money, we shrug our shoulders and say, "I wish I had more."

Why is it that we are earnest scholars of amorosity and necrosis but

turn as vague and fidgety as a study hall in June when the topic is economics? I have several hypotheses, none of them very good.

Love and death are limited and personal. Even when free love was in vogue, only a certain number of people would allow us to practice that freedom upon them. A pious man in the throes of Christian agape may love every creature in the world, but he's unlikely to meet them all. And death is as finite as it gets. It has closure. Plus the death ratio is low, only 1:1 in occurrences per person.

Economics happens a lot more often and involves multitudes of people and uncountable goods and services. Economics is just too complicated. It makes our heads ache. So when anything economic goes awry, we respond in a limited and personal way by searching our suit-coat pockets to see if there are any wadded-up fives inside. Then we either pray or vote for Democrats, depending on our personal convictions of faith.

Or maybe economics is so ever present, so pervasive in every aspect of our lives that we don't really perceive it. We fail to identify economics as a distinct entity. We can watch a man slip and fall and almost never hear him say, "God-damned gravity!" And we can watch a man fall ten times and not see him become interested in how gravity works. Almost never does he arise from the eleventh tumble saying, "I went down at a rate of 32ft. – the force being directly proportional to the product of the earth's mass times my weight and inversely proportional to the square of the distance between that patch of ice on the front steps and my butt."

And so it is with economics. No amount of losing our jobs or our nest eggs sends us to the library for a copy of John Maynard Keynes's *The General Theory of Employment, Interest, and Money*.

Inescapable Money

The very pervasiveness of economics keeps us from getting intellectual distance on the subject. We can view death from afar for an average of 72.7 years if we're a male American, and 79.5 years if we're a female. Although love is notorious for fuddling the brain, there is matrimony to cool the passions or, failing that, sexual climax will work in the short term. But there is no such thing as a dollar-gasm. Money is always with us. What am I going to do to take my mind off money? Go shopping? Drink and drugs will cost me. I suppose I can play with the kids. They need new shoes.

Constant money worries have a bad effect on human psychology. I'd argue that there is more unbalanced thinking about finance than about anything else. Death and sex may be the mainstays of psychoanalysis, but note that few shrinks ask to be paid in murders or marriages. People will do some odd things for political or religious reasons, but that's nothing compared to what people will do for a buck. And if you consider how people spend their dough, insane hardly covers it.

Our reactions to cash are nutty even when the cash is half a world away and belongs to perfect strangers. We don't ridicule people for dying. Or, in our hearts, despise them for fooling around. But let a man get rich – especially if it happens quickly and we don't understand how he did it – and we can work ourselves into a fit of psychotic rage. We aren't rational and intelligent about economics because thinking about money has driven us crazy.

I'm as much of a mooncalf as anyone. I certainly had no interest in economics as a kid, as kids don't. Children – lucky children at least – live in that ideal state postulated by Marx, where the rule is, "From each according to his abilities, to each according to his needs." Get-



Why Some Places are Wealthy, others Poor

ting grounded equals being sent to a gulag. Dad in high dudgeon is confused with Joseph Stalin. Then we wonder why so many young people are leftists.

I had no interest in economics at college, either. I belonged to that great tradition of academic bohemia which stretches from the fifteenth-century riots of Francois Villon's to the Phish tours of the present day. For university hipsters, there is (no doubt Villon mentions this in his Petit Testament) nothing more pathetic than taking business courses.

My friends and I were above that. In our classes we studied literature, anthropology, and how to make ceramics. We were seeking, questing, growing. Specifically, we were growing sideburns and leg hair, according to gender. It did not occur to us that the frat-pack dolts and Tri-Delt tweeties, hurrying to get to Econ 101 on time (in their square fashion), were the real intellectuals.

We never realized that grappling with the concept of aggregate supply and demand was more challenging than writing a paper about "The Effects of Cool Jazz on the Poetry of Edgar Allan Poe." What the L-7's were being quizzed on was not only harder to understand than Margaret Mead's theories about necking in Samoa, it was also more important. The engine of existence is fueled by just a few things. Unglazed pottery is not among them.

If the Rah-Rah Bobs and Pin-Me Sallys had been taking Love or Death courses, we would have been right there with them. But money was a different matter. We weren't interested in money. Actually – what we weren't interested in was work.

Not that we weren't up to the task: "Like, price – that equals wasting natural resources and the pollution thing, if you're into the whole capitalist, monopoly rip-off, man."

And, of course, we were interested in money. I remember we'd get excited whenever we had any. It's just that we were determined not to earn it. We would never go in search of money. Money was something that would come looking for us after we'd choreographed our world-shattering modern-dance recital or mounted our famous empty-gallery show of preconceptual post-objectivist paintings or when our folk-rock group, Exiles of Dayton, learned to play "Kum Ba Ya." And we weren't going to "sell out" no matter how much money was lavished upon us.

Business majors intended to (it was a loaded phrase in those days) "make money," and they were going to do this even if it involved some activity that wasn't a bit artistic, such as running IBM. We artsy types would have been shocked if anyone had told us (and no one had the nerve) that making money was creative. And we would have been truly shocked to learn that a fundamental principle of economics – "Wealth is created when assets are moved from lower- to higher-valued uses" – is the root of all creativity, be it artsy, IBM-sy, or whatever.

"Putting money first" was crass. It was as if you'd gone to a party with dozens of wild, swinging chicks and, instead of drinking Ma-teus and making small talk about Jean-Paul Sartre, you just whipped out your unit. Except we would have thought that was a blast. But go into business? Never.

If you don't count selling drugs. Which we were all doing. We knew everything about price elasticity when it came to pot, not to mention aggregate supply and demand. In point of fact, we hirsute weirdos probably had more real business experience than any business major on campus. And one more thing – we all fancied ourselves to be Marxists. As a philosophic recipe, Marxism is a cannelloni of the economical, stuffed with economics, and cooked in economic sauce.

Still, we were not interested in economic ideas. And, to be fair, the business majors weren't, either. Econ was not something they took because they were fascinated by the elegant complexities of economic relationships or because mankind cannot survive without economic activity. They took Econ and forgot everything in the text so they could get a job from somebody else who took Econ and forgot everything in the text.

I turned into a square myself, of course, as everyone who lives long enough does. I got a job as a journalist – but without ever considering that journalism was a business. (Although I would have been unpleasantly surprised to get a hug instead of a paycheck at the end of the week.) And I continued to ignore economic issues even though I had a press pass to the most spectacular extravaganza of economics in this century.

A 20th-Century Financial Mess

It was the 1970s, and the economy was changing almost as often as bed partners. The Great Depression may have been more dramatic, but it was a one-trick pony. In the '70s, globalization suddenly included the other three-quarters of the globe. The places that used to make our windup toys were making our automobiles. Everything was being imported – except oil, which had hitherto been given away free with a windshield wash and a set of highball glasses at most brand-name gas stations. Then, one day, you couldn't buy oil for money.

Not that there wasn't plenty of money around in the '70s. It just didn't happen to be worth anything. We had a previously unimaginable combination of fever inflation and hypothermia business slump. You could make more money buying Treasury bills than you could make breaking into the Treasury. The gold standard disappeared from the scene. Maybe it joined a cult. International currency-exchange rates were determined with mood rings. The most powerful nations in the world had, at their helms, an amazing collection of economic nin-compoops – Nixon, Carter, Mao, Harold Wilson, Georges Pompidou, Leonid Brezhnev. And the electronic-media revolution was under way so that bad ideas about economics were spreading around the world at neural speed.

I dozed through it. And I was covering politics, too. Even I realized that money was to politicians what the eucalyptus tree is to koala bears: food, water, shelter, and something to crap on. I made a few of the normal journalistic squeaks about greed and self-interest, and let the thing slide.

It wasn't until the 1990s, when I'd been a foreign correspondent for ten years, that I finally noticed economics. I noticed that in a lot of places I went, there wasn't anything you'd call an economy. And I didn't know why. Many of these countries seemed to have everything – except food, water, shelter, and something to crap on.

I decided to go back to the Econ texts I'd finessed in college and figure things out. And my beatnik loathing returned full-blown. Except this time it wasn't the business majors I despised; it was the authors of the books they'd had to study. It turns out that the Econ professors were economic idiots, too.

Looking into a college textbook as an adult is a shock (and a vivid reminder of why we were so glad to get out of school). The prose style is at once puerile and impenetrable, Goodnight Moon rewritten by Henry James. The tone varies from condescension worthy of a presidential press conference to sly chumminess worthy of the current president. The professorial wit is duller than the professorial dicta, and these are dulled to unbearable numbness by the need to

The Fall of Greece

exhibit professorial self-importance.

There were, of course, popular books on economics, but the really popular books were about extraordinary people doing extraordinary things and getting fabulously wealthy or going to jail – preferably both. I was interested in ordinary people doing ordinary things and getting by. And the less popular but more worthwhile books on economics all seemed to presume that I'd made it through something like Economics without blowing a fuse.

So I gave up trying to be smart about economics. I decided that if I wanted to know why some places were rich and other places were poor, I should go to those places. I would visit different economic systems: free market, socialist, and systems nobody could figure out. I'd look at economically successful societies: the U.S., Sweden, Hong Kong. I'd look at economically unsuccessful societies: Albania, Cuba, Tanzania. And I'd look at societies that hadn't decided whether to be successful or not: Russia and mainland China. I'd wander around, gape at things, and simply ask people, "Why are you so broke?" Or "How come you're shitting in high cotton?"

End of Article

The Fall of Greece



The Greek historian Polybius (204-122 B.C.), known as the most reliable ancient historian, reported the whole of Greece had been visited in his time by childlessness and a general decline of the population resulting in the emptying of the cities and the failure of the land to render its produce. He said men refused to marry or, if they married, refused to have children. If they had children, they refused to rear them. He said that men went out of their way to be ostentatious, avaricious, and indolent.

To Americans that sounds rather familiar.

Several historians believe the Greeks fell to the Romans because of malaria attacks, not marching armies. Malaria was rampant throughout the Greek world by 400 B.C. The malarial parasite killed infants, weakened unsuspecting children, forced the vacating of the best farmlands, and helped reduce Greeks into listless, lazy, and licentious people. As a result, the power and glory of ancient Greece became a mocking memory.

In the opinion of Dave Hodges of *the Common-Sense Show*, some historians give too much credit to the mosquito for the fall of Greece. It was a significant factor, but men must always be held accountable for their actions. Today, a man gets drunk, kills a carload of people, and pleads that he was not in control and should not be held responsible. Others tell us that sugar impaired their ability, and they lost control and should not be accountable for the results they produced. No doubt, there is some truth to those claims. The same was true in Greece. Malaria did make them listless, therefore, lazy, but they chose to be licentious.

In our time, duped, deceived, defiant, and destructive youth are dedicated to destroying our way of life. They are not innocent do-gooders but are devoted to changing our liberty-based government to a Socialist/Communist system. They are the enemy. Others are using the COVID threat to accomplish the same transformation: American should be dismantled or destroyed.

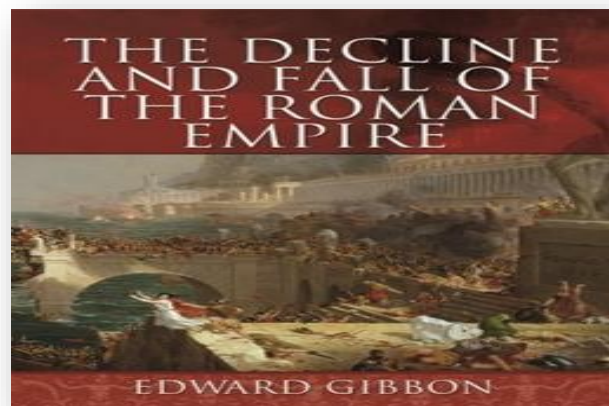
Significant change is happening in America with more changes ahead of us, and if we lose our freedom, the reasons won't be that important.

The Greeks slowly lost their brilliance, which was thought to be the quintessence of original thought. This degeneration is evident in their art and literature and other areas of creativity. W.H.S. Jones wrote, "Their initiative vanished; they ceased to create and began to comment. Patriotism, with rare exceptions, became an empty name, for few had the high spirit and energy to translate into action man's duty to the state. Vacillation, indecision, fitful outbursts of harmful activity followed by cowardly depression, selfish cruelty, and criminal weakness are characteristics of the public life of Greece from the struggle with Macedonia to the final conquest by the armies of Rome."

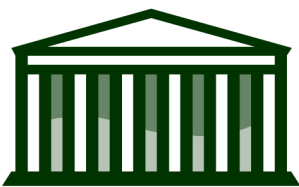
Hmmm, sounds familiar.

D. Miyoshi

Why the Roman Empire Fell



Why the Roman Empire Fell



Advancing in a Time of Crisis



Financial Crisis Report



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

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

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

Here are the main factors why the Roman Empire fell. For Americans, it begs the question, are these same factors again in play 1,600 years later?

Corruption: every single official from the mid Republic through to the late empire was on the take. It was not only expected but kind of encouraged in an indirect way. It was the only way to be successful.

Economic deficiency: the Romans empire began as a conquest state, where most of their wealth was looted from fallen enemies. By the end of the 2nd century Rome had stopped conquering people and started fighting defense against raiding tribes. No loot meant no incoming wealth. Also, Rome produced very little in the way of trade goods and relied heavily on importing goods from all over the empire. Also, it was primarily a slave empire, slave labor negates the need for scientific and technological development leading to heavy stagnation.

Divided loyalties among political leaders and military leaders: different armies were led by very different men with large egos. Different political parties were led by very different men with very large egos. Very few of these people were willing to work together for the good of the empire. Preferring to war with each other, assassinate each other and generally maneuver for greater power and opportunities. So, there were few times when true growth came to the Roman Empire... there were a few exceptions, periods of time when things seemed to get better but they always came to a brutal end.

Administrative impossibilities: administering the Roman Empire without modern conveniences like phones, Internet or even fast travel was a nightmare. A German army could invade Gaul, slaughter, rape and raid for weeks then leave and the capitol wouldn't know for weeks, sometimes months in bad conditions. The sheer size of the empire coupled with the rest of these points made

the empire impossible.

Army made up of troops loyal to their enemy: by the mid empire very few actual Romans joined the army. In the early days there was a strong core of Romans and Italian contingents accompanied by some auxiliaries from the tribes outside the empire and the conquered tribes inside. Later the core was made up of people from the provinces and there were many more auxiliary troops from the many tribes. The danger this practice offered was evidenced as early as 9 AD (or CE if you prefer) when Arminius was trained by Rome to fight in their army then betrayed them and slaughtered more than 3 legions in the Teutoberg forest. Of course, they continued to bring in tribes to fill the ranks and by the end of the empire in the west the army was basically almost entirely mercenary groups of Germanic tribes with no loyalty to Rome. And as the senate learned at the end of the last millennium BC the power of Rome resided in its military leaders. Now the empire found its military was led by Germanic Kings and chiefs who wanted a slice of roman land for their own and when the rich elite in roman said "no, now go away plebeian scum" those roman armies or Germanic tribes decided to take what they wanted. So they did. Over and over again.

In the east Rome (Byzantium) survived for another 1000 years. Although, aside from a few short spells here and there it was in severe decline for most of those years. By the last 100 years or so it was little more than a city state and surrounding lands...

It is said history repeats itself. Mark Twain said history may not repeat itself but it does often rhyme. Whether it is repeating or rhyming, will the outcome be the same for America?

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