



# Financial Crisis Report

Written and Edited by David M. Miyoshi



## 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 is being 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 survive and even benefit during this historic time of crisis in the world. 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.

**“All truth passes through three stages, First, it is ridiculed, second it is violently opposed, and third, it is accepted as self-evident.” Arthur Schopenhauer**

### American Christianity is on the Decline

Not only is America’s economic vitality declining, but unfortunately so is its principal religion, Christianity. It appears many in America are losing faith in the Bible. A new report released in September by Pew Research and the General Social Survey found that young Christians are leaving the faith by the millions. Over the past 75 years, the share of adults who identify as Christian has fallen from above 90 percent to 64 percent. If current trends continue, Pew Research estimates that Christians will become a minority in America by 2045.



About half of those who have given up on Christianity say a lack of belief led them to abandon religion. The rest cite other reasons, including, “I see organized religious groups as more divisive than uniting,” “I don’t have a particular religion because I am open-minded,” and “I don’t have the time to go to church.” Regardless of the reason people are abandoning God and the Bible, the effects of this shift have been catastrophic.

And without sincere religion and high morals, most people will concur that the American experiment is doomed.

The following is a report published in September by Andrew Miller, for the Christian publication the *Trumpet* about this most serious of developments. I present it here for your and my edification.

D. Miyoshi

During his famous Farewell Address in 1796, President George Washington warned future generations, “Of all the dispositions and habits which lead to political prosperity, religion and morality are indispensable supports.” He said this because when people have no faith in God and the Bible, they trust instead in other ideologies, in material things or in the politicians who promise them material things. So, it is probably no coincidence that consumer debt levels started rising about the time belief in God started to wane in America.

In 1946, household debt stood at 15 percent of gross domestic product; today, it stands at 80 percent. The average household is now more than \$36,000 in debt (not counting mortgages). That is 14 times more than the typical household carried 75 years ago (even after adjusting for inflation). Yet many Americans continue to cope with rising prices using credit cards rather than reducing their standard of living.

Forty-two years ago, the late theologian Herbert W. Armstrong wrote an article titled “Prepare to Greatly Reduce Your Standard of Living,” warning that God was about to take away America’s blessings because of its rebellion against Him. Now we see this punishment coming to pass as debt levels, prices and interest rates go higher.



## Predicting the Coming Economic Downturn

Declining church attendance and rising debt have done nothing to strengthen families. Divorce rates among millennials are at record lows only because marriage rates among millennials are at record lows. Meanwhile, divorce rates among baby boomers have more than doubled since 1990. Research conducted by Dr. Brad Wilcox, director of the National Marriage Project, finds that people who strive to keep God at the center of their family stay married at far higher rates. Yet such people represent a dwindling share of America.

The U.S. Department of Health and Human Services finds, "Fatherless children are at a dramatically greater risk of drug and alcohol abuse," so it should be little surprise that there were 107,622 drug overdose deaths last year. Yet rather than educate people about biblical family virtues or combat drug trafficking across America's wide-open southern border, the radical Obama-Biden regime is passing out free syringes.

A National Institutes of Health grant allots \$3.6 million for vending machines filled with "injection equipment, naloxone, fentanyl test strips, hygiene kits, condoms and other supplies." These machines will be set up in an effort to provide addicts with clean syringes when they inject themselves with narcotics. Supplying such paraphernalia has been found to reduce overdose deaths but sidesteps the bigger issue of ending drug usage. Widespread acceptance of drug use is a sign of a terminal spiritual sickness the Bible calls *pharmakeia*, a "work of the flesh" listed in Galatians 5:19-20 often rendered "witchcraft" but more accurately rendered "drug use."

Millions use marijuana, cocaine, heroin, methamphetamines and other drugs for the same reasons millions run up massive debts or leave their spouse of 20-plus years. They are searching for moments of temporary euphoria in a futile attempt to fill a spiritual void that can only be filled by the God of the Bible. But such futile attempts will only exacerbate the nation's problems and weaken it to the point where it is overthrown.

In Leviticus 26:15-21, God warned His people that "if ye shall despise my statutes, or if your soul abhor my judgments" then "I will set my face against you, and ye shall be slain before your enemies: they that hate you shall reign over you; and ye shall flee when none pursueth you. And if ye will not yet for all this hearken unto me, then I will punish you seven times more for your sins. And I will break the pride of your power; and I will make your heaven as iron, and your earth as brass: And your strength shall be spent in vain: for your land shall not yield her increase, neither shall the trees of the land yield their fruits. And if ye walk contrary unto me, and will not hearken unto me; I will bring seven times more plagues upon you according to your sins."

Late educator Herbert W. Armstrong explained this passage in his most popular book, *The United States and Britain in Prophecy*, saying, "What people do not seem to realize is that sin does bring upon the sinner the consequences of sin—the plagues of suffering. The Bible defines sin as the transgression of God's law (1 John 3:4), and the law of God is a spiritual law (Romans 7:14). Let's understand this! ... The sinner is really plagued with these evils he brings on

himself. Now study again that 21st verse of Leviticus 26. Punishment is correction. To teach us the lesson we have failed to learn by experience, God is going to plague our peoples sevenfold more than our sins already have plagued us—sevenfold more punishment than we have brought on ourselves!"

In other words, the problems America is currently suffering are the natural consequences of broken spiritual laws. Yet if America does not turn back to God, the day is coming when God will punish it with supernatural curses that are sevenfold more intense than the natural curses America has brought on itself. So now is the time for every American to ask what we might be doing to have brought such chastisement upon ourselves.

The destruction about to sweep through America will be allowed for a purpose. It will be precisely measured by God to bring humanity to a point where they will finally be willing to listen to Him and to submit to a way of life that eliminates senseless killings, organized crime, ineffective government, crushing poverty, unjust laws and escapist addiction. It's the one way of life that eliminates the root cause of our suffering: sin.

End of Article

## Predicting the Coming Economic Downturn



Here is a factoid presented on the *Morning Brew* website Oct 5, 2022 that could help us predict the coming economic recession. Apparently, if a certain team in the World Series wins, we will have a recession. Let's see how accurate the website is.

D. Miyoshi



## Life Advice to Take Seriously

October 05, 2022

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Good morning. Are we about to enter an economic crisis? Could be. But don't look at unemployment, interest rate hikes, or the housing market for clues. A better indicator is whether the Philadelphia Phillies win the World Series.

As the baseball historians on the Brew's social media team found, over the past 100 years the surest sign of an economic downturn has been a Philly-based baseball team winning the World Series. It happened in 1929, 1930, 1980, and 2008. On Monday night, the Phillies clinched a playoff spot for the upcoming postseason.

As Phillies fans, it gives us no pleasure to say this, but...they must be stopped. For the sake of the economy.

—Neal Freyman, Max Knoblauch, Abby Rubenstein

## Life Advice to Take Seriously



**J**ulie Gurner is an experienced Doctor of Psychology. She has talked to literally thousands of people and here are 10 pieces of advice she says people do not take seriously enough. Her advice appeared on *Quora Digest* on Oct 9, 2022. Even though much of her advice seems to be common sense, I can certainly see the mistakes I made myself against some of her advice and therefore offer it to you for your consideration. If it's common sense, maybe the problem is it's the type of sense that is not common enough in our society.

D. Miyoshi

- 1 "Don't Make Decisions When You're Angry" - I've seen people relapse on drugs, cheat on their spouses, get into physical fights, and

quit their jobs simply because they were "angry." Don't do it.

2. "Be Yourself." - So many people suffer because they feel pressure to be something they're not. They can feel this pressure from parents, peers, co-workers, friends or even their significant others. I've seen women get breast implants because of this pressure, men marry women (when they are actually gay), and people going into careers they hate because it will make someone else happy. Be yourself, because being something else will make you miserable.

3. "Don't Sweat the Small Stuff." - This is solid advice for a happy life. Choose your battles, and be able to let the little things go. Once you realize what "big things" are (cancer, financial hardship, etc.), you will wish you focused on the right things.

4. "Know Your Worth" - When you know your worth, you don't put up with things that devalue you...and that is \*very valuable\* It will impact what you'll put up with in relationships, in your jobs, and in life. Knowing your worth has the ability to protect you from a lot of life's struggles - if you act consistently with it.

5. "It's Okay to Ask for Help." - Yes! Do you know how many people I've talked to, that wished they would have gotten help earlier? It would have given them back \*years\* of their life... but instead they waited until they were at an absolute breaking point - losing opportunities, jobs, relationships, sometimes even their kids. Ask for help, and ask for help early.

6. "Who You Marry is One of the Most Important Decisions You'll Make." - Take this one seriously. You will literally have to see this person every day of your life, you will spend more time with them than anyone else...so make it someone uplifting, supportive and wonderfully fitting to you. You will also have a financial future largely impacted by their spending habits, earning, saving ability, etc. Man or woman, divorce can devastate you emotionally and financially.

7. "Make Time for People You Love." - Putting off seeing your grandmother or parents because you wanted to do other things might not seem like a big deal today...but one day it will be.





## A Severe Economic Downturn is Coming

- 8. "The Best Time to Start is Now" - Whether saving for your future or trying to write that novel, start today. Time gets away from us very quickly, and before you know it 20 years have passed and you didn't do those things you wanted to do. I have seen a lot of people who hold regrets...try not to have them.
- 9. "The Best Revenge is Living Well." - So many people get stuck in grudges and anger that it messes up their own lives - especially emotionally. There is a great saying that states that "anger is something you carry for someone else's mistakes" and it's the truth. Leave those who have hurt you in the past, take care of your own needs, and live well. It does you no good to do otherwise.
- 10. "Treat Others the Way You'd Want to be Treated." - This is certainly advice we don't take seriously enough. If we all treated others how we'd wish to be treated, the world would certainly be a much better place for us all.

This is some of the life advice that I've certainly seen...What are your thoughts?

End of Advice

## A Severe Economic Downturn is Coming



**H**arry S. Dent, Jr. is a best-selling author and one of the most outspoken financial editors in America. Using proprietary research, Harry developed a unique method for studying economies around the world, and uses his analysis to provide insights on what to expect in the future.

Instead of focusing on endless graphs that assume people behave rationally, Harry instead looks at real people, making real economic decisions for themselves and their families. He combines demographics with actual spending to inform his research. Harry was a Baker Scholar at Harvard Business School. For your consideration I present his latest prediction released Oct 19, 2022.

D. Miyoshi



## Not a Recession? How Clear Do Indicators Have to Get?

Somehow, economists are still debating whether we are in a recession, going into one, or not going into one. Cathie Wood of the ARKK fund is not confused. She says we're in a recession already. I'm also not confused: I say we are in one or are very close.

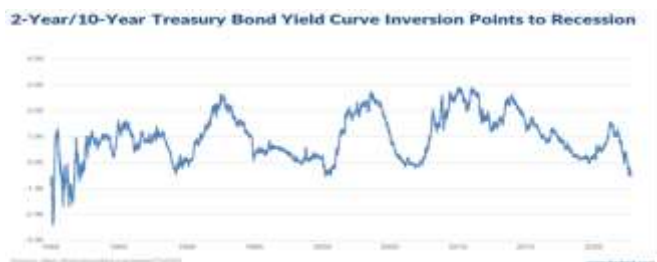
I showed in the September issue of the HS Dent Forecast a wide range of indicators that all say "recession": fund manager sentiment, small business conditions index, consumer confidence, mortgage applications, workforce still not back to pre-COVID levels, foreign-born population growth slowing, misery index rising, global growth expectations crashing, and number of adults not in the workforce continuing to rise.

If that is not enough to convince anyone, here's the classic recession indicator: the yield-curve inversion. This one pretty much never misses. There are a number of ratios, starting with the most-extreme 10-year and 3-month T-bill ratio. But the classic one is the 2-year and 10-year Treasury bond yield ratio.

When 2-year rates are higher than 10-year rates, it means that the economy is about to slow from inflationary pressures, as the short-term inflationary pressures push up the 2-year rate more compared with the 10-year rate when the economy looks like it's going to slow down in the next few years, which brings the longer-term rates down.

What we have now is a clear yield-curve inversion, and not many economists seem to be worrying that much about it. That's called denial!

Here's the latest chart, and it's the most inverted since 2000, which saw the tech wreck along with a 78% Nasdaq crash.





## Will the U.S. Decline?

So, it makes sense to plan on a recession—and soon, at this point. And there is no way it will be a mild one, as our debt and debt ratios are far higher than they were coming into the 2008 financial crisis and the financial markets are in the second major bubble in everything of our lifetimes.

A recession now will burst the nearly \$600T global financial asset bubble, and that will be very painful to the top 20% in income, who own 88% of the financial assets that will deflate dramatically. Roughly \$250T to \$300T will simply disappear. The funny thing is that, at this point, the assets like lower-end real estate are falling faster than those at the higher end...

That's what will change. It is the high-end households, people like our subscribers, who will get hit in the end when the greatest financial asset bubble in history bursts. Why, they own almost all of those assets, and no one is NOT going to think differently about spending when their net worth suddenly goes down 50% or more!

There should be no debate here. There will be a recession—and a deep one—or there will be a depression from 2023 forward, due to the never-ending stimulus used to mask the weakest demographic trends since the early 1980s.

End of Article

## Will the U.S. Decline?

Ask the Right Question with George Friedman



In a formal video interview on Aug 2, 2019 a reporter asked world renowned geo-political analyst George Friedman “Will the U.S. Decline?” For your consideration, below is Mr. Friedman’s response.

D. Miyoshi

“The United States is unique in the same sense that Britain was

unique. It has domination of all the world’s oceans, which no power in history ever had. It has a dominant position in space. It has an enormous economy. It is the largest importer in the world. Even Trump cannot destroy this. So, when you look at all those things and people say the US is in decline, you have to say “I am really stupid can you tell me where?” And they usually mention Trump..... but they hated Obama too. The issue is not the eternity of the United States, it’s how long does it take the power to decay. What would another country have to do to have the same GDP as the United States. It takes a tremendous amount of intellectual, technical and moral capability. By moral capability, I mean an obsession with work in the United States. The American Empire is..... work and that’s a very powerful motivator. So, work plus the most respected institution in the United States, the military. And from a cultural standpoint it’s hard to imagine those two imperatives quickly collapsing. And when I say empire, I don’t mean the imposition of states, I mean that we have invented the computer and all programming languages are English and so all of you who want to program a computer will learn English. And that is empire, not some clown sitting there saying that “I am the Pasha, you will pray to me.” Empire is an empire of the mind.”

End of video reply

## THE END OF CHINA’S TECH INDUSTRY

On Oct 19, 2022 renowned geo-political analyst Peter Zeihan made an announcement on YouTube video from Washington D.C. that has global implications for decades to come. Zeihan said that for the foreseeable future, the semi-conductor industry in China is dead. The economic, political and military consequences of this development on Chinese hegemony are almost incalculable. For your edification, I present a transcript of that YouTube video.

D. Miyoshi



## THE END OF CHINA'S TECH INDUSTRY

### Chinas Dream of a Greater China is Coming to a Sad End



Hey, everybody, Peter Zeihan coming to you from the Lincoln Memorial in Washington D.C.

I know I already talked to you about the Chinese semi-conductor industry shift in policy here in the United States. But there's been a lot that has developed over the last 48 hours so I feel I need to do a quick update.

The biggest thing to understand is not only is China now unable to import the equipment to make semiconductors or the tools to maintain and operate the equipment or the software that's necessary to operate the equipment or any mid or high-level chips at all.

NOW, ANY AMERICAN WHO WANTS TO ASSIST WITH THE CHINESE SEMICONDUCTOR INDUSTRY HAVE TO MAKE A CHOICE. YOU CAN HAVE YOUR JOB IN CHINA OR YOU CAN HAVE YOUR CITIZENSHIP. AS A RESULT, WITHIN ABOUT 48 HOURS OF THE POLICY BEING ADAPTED LAST FRIDAY (OCT 14) EVERY SINGLE AMERICAN CITIZEN WHO WAS WORKING IN CHINA IN THE INDUSTRY, EITHER QUILTS OR THEIR COMPANIES RELOCATE THEIR ENTIRE DIVISION SO THEY WOULDN'T HAVE TO LOSE THEIR STAFF.

FOR ALL PRACTICAL PURPOSES, THE CHINESE SEMICONDUCTOR INDUSTRY OF EVERYTHING OVER LIKE INTERNET OF THINGS LEVEL OF QUALITY IS NOW DEAD AND THAT HAS A LOT OF MORE IMPLICATIONS THAN IT SOUNDS.

THE CHINESE HAVE PROVEN INCAPABLE OF THE LAST 25 YEARS OF ADVANCING SUFFICIENTLY TECHNOLOGICALLY IN TERMS OF THE INTELLECTUAL EFFORTS REQUIRED TO OPERATE THIS INDUSTRY BEYOND BEING ABLE TO

SIMPLY OPERATE THE FACILITIES THAT MAKE THE LOW-END CHIPS AND EVEN THAT HAD TO BE MANAGED BY FOREIGN FOREIGNERS.

SO, THERE IS NO INDIGENOUS CAPACITY HERE TO PICK THIS UP AND MOVE ON. AND SINCE THE UNITED STATES BASICALLY CORRALLED THE JAPANESE AND THE DUTCH TO VERY PRO-AMERICAN COUNTRIES FROM A STRATEGIC SENSE TO JOIN IN THIS BAN, REALLY ALL THAT'S LEFT IS POTENTIALLY KOREA AND TAIWAN. AND EVEN IF THEY WERE FULLY ON BOARD, WHICH THEY'RE NOT, THAT IS NOT ENOUGH TO CARRY ALL THE WATER THAT NEEDS TO BE CARRIED IN TERMS OF INDUSTRIAL FOLLOW ON.

THIS DOESN'T JUST MEAN THAT THE CHINESE ARE NEVER GOING TO BE ABLE TO MAKE THE CHIPS THAT GO INTO CARS OR COMPUTERS. IT ALSO MEANS THAT ANY INDUSTRY THAT IS DEPENDENT UPON THE HARDWARE.... DIES.

SO, WHEN YOU THINK OF SOME OF THE TECHNOLOGICAL ADVANCEMENTS THAT THE CHINESE HAVE MADE IN RECENT YEARS, THINGS LIKE AI AND MASS AUTOMATION, MONITORING THEIR OWN POPULATION, THE GREAT FIREWALL, HYPER CRUISE MISSILES, A SPACE PROGRAM, SUPERCOMPUTERS. IF THE CHINESE WANT TO DO ANY OF THIS, THEY HAVE TO BUY CHIPS BASICALLY ON THE GRAY MARKET. PURCHASE PREFINISHED PRODUCTS AND THEN PULL OUT THE CHIPS AND APPLY THEM TO SOMETHING THEY WEREN'T DESIGNED FOR.

WE ARE LOOKING AT LEAST AN ORDER OF MAGNITUDE DROP IN THE CHINESE CAPACITY TO OPERATE ANYTHING THAT IS TECH FOCUSED. THIS IS A DEAL KILLER NOT JUST FOR THE INDUSTRY, BUT FOR A MODERN TECHNOCRATIC SYSTEM. FROM A TECHNOLOGICAL POINT OF VIEW CHINA IS DONE.

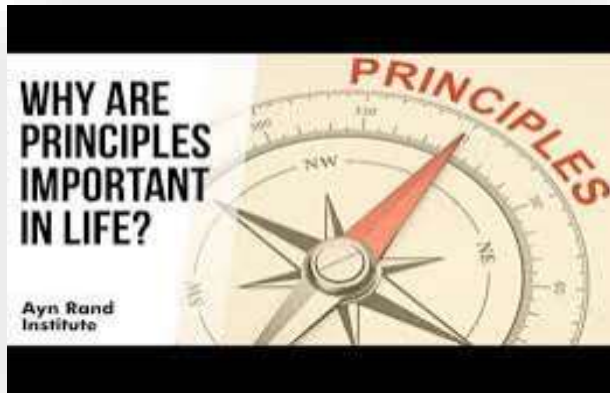
THE QUESTION OF COURSE IS WHAT DO THEY DO ABOUT IT? WE'RE DEALING WITH A ONE-MAN GOVERNMENT HERE THAT'S A LITTLE PETULANT WHEN THEY DON'T GET THEIR WAY AND WHERE THE BUREAUCRACY IS EITHER COMPLETELY STATIC OR OVERENTHUSIASTIC AND DOES THINGS LIKE FOR YOUR DIPLOMACY. SO, I WOULD EXPECT THIS KIND OF "BAG OF DICKS" DIPLOMACY THAT HAS EVOLVED IN CHINA TO HIT THIS HARD AND LOUD, WHICH WILL PROBABLY ONLY ENCOURAGE THE AMERICANS TO ACT MORE HARSHLY AND START TARGETING SOME OF THE LOWER END SEMI CONDUCTORS.

AND THAT'S GOING TO HAVE CONSEQUENCES THROUGHOUT THE WORLD.

BUT WE WILL GET TO THAT AT ANOTHER TIME.

[End of YouTube transcript](#)

## Principles that Most People Take a Lifetime to Learn



**B**rainy Dose is a YouTube series that offers interesting and informative educational videos about life and how to improve it. The following is a transcript of a recent video I thought was very informative about some important fundamental lessons many people take a lifetime to learn. I offer it here for your reading consideration. I hope you find it helpful and informative.

D. Miyoshi

## 12 Principles Most People Take a Lifetime to Learn

August 7, 2022

Brainy Dose presents “12 Principles Most People Take a Lifetime to Learn”

There are times when we find ourselves stuck in the same patterns or repeating the same mistakes over and over again. That’s why life principles are so important. They remind us that we don’t need to reinvent the wheel every time we encounter a new challenge or situation. As a matter of fact, there fundamental to being human, but we often don’t give them the attention they deserve until it’s too late.

In this video, we’ll explore some of these principles that you can use

as building blocks in your own life. They’ll help set you up for success in all areas.

Number 1. Attitude Changes Everything. Your attitude reflects how you see the world and how you live in it, and it determines everything from what you say and do, to how successful those actions are likely to be. If you have a negative attitude your life will be characterized by the appearance of obstacles, failure, defeat and mediocrity. But if you have a positive attitude your life will be characterized by more opportunities, happiness and success. Your life is an expression of your attitudes; therefore, it’s important to choose wisely!

Number 2. Good Things Don’t Come Easy. It is easy to get a job but it’s hard to find one that pays well. Likewise, it’s easy to meet someone you like and even fall in love with them, but it takes a lot more effort to build a relationship that lasts. The point is that there are no shortcuts when it comes to achieving greatness. Sure, there may be times when luck seems to play a role in your success story. But those who depend on luck only end up disappointed. After all, sitting around wishing and hoping for good things to happen won’t change anything for the better.

Number 3. Actions Speak Louder Than Words. You’ve definitely heard this phrase before. It’s a simple concept to understand, but one that is often overlooked. People might tell you things like they love you or that they care about you without actually doing anything to show their love or care. They might even say things without thinking about what they’re saying at all; they just say them because they feel like they should. But no matter what someone says though, if their actions don’t reflect those words, then their words mean absolutely nothing. If you want to be taken seriously and earn trust from others then your actions need to match up with what you say.

Number 4. Procrastination Will Drag You Down. Time is a precious resource, and procrastinating is one of the easiest ways to waste it. When you procrastinate, you’re also wasting your productivity since you might not accomplish as much as he could if he just stops putting things off and got going. Those things will still need to be done at some point anyway. So why not just do them now? It may seem





## Principles that Most People Take a Lifetime to Learn

overwhelming, but once you get started on something and kindle that initial fire within yourself, you'll be amazed at how much more efficient and productive your life will become.

Number 5. Life Doesn't Give You All You Want. It's easy to think that life is made up of all the things you can have, but in reality, it's a series of trade-offs and sacrifices. You can have it all, so you have to make sacrifices and prioritize the things that are most important to you. This may sound obvious, but there are many people who live their lives with no sense of priorities and few limits on what they expect from others. This is the critical concept to grasp as it helps you put things in perspective and helps to understand that some things may be out of reach, at least for now. With this in mind, it becomes easier to make sacrifices in order to achieve those goals that matter most.

Number 6. Feeling Sad After Making a Decision Doesn't Mean it was the Wrong One. No matter how much we may want to believe otherwise, there are situations where we are forced to make decisions that can leave us feeling sad and even guilty. But that doesn't mean those choices were bad ones. In fact, sometimes the hardest choices are the most necessary ones. Whenever you make a big decision, such as moving to another country, ending a relationship or quitting your job and starting something new, there are going to be a lot of emotions involved. But these feelings are temporary and should not prevent you from moving forward making other choices in life.

Number 7. A Good Reputation is Costlier Than Money. Money once lost can be regained, but a lost reputation may never be. A person who has a good reputation is respected by others. People look up to them and want to be like them because of their positive qualities and achievements. The opposite is also true. A person with a bad reputation doesn't get much respect or consideration. Building and protecting your reputation will take effort but it will pay off in the long run.

Number 8. Lessons Repeat Themselves Until You Learn them. Life is a learning process, and each lesson will repeat itself until you learn it. This can be difficult because our minds are often preoccu-

pled with problems, obstacles, and irritations. However, our feelings tell us when we need to learn from a particular situation. When something frustrates or disappoints you, it points an error in your thinking or behavior that needs correction. What you need to do is learn from these emotional responses by recognizing the lessons they offer so that it doesn't happen again.

Number 9. There is a Solution to Every Problem. If you have no idea how you are going to get yourself out of the mess, you're in right now, let me tell you there is always a way out. You just need to discover it! And the first step in finding an answer is to stop focusing on what the problem is doing to you. Instead, understand that your problems are only problems because of how they affect your life right now, and there's no reason they have to keep doing so forever. Once you get this concept into your head, things seem much brighter. Suddenly, it's not a struggle anymore. Instead, it becomes a challenge, maybe even something inspiring. The trick here lies not only in finding solutions but also in adapting them into your daily routine, so that change becomes second nature.

Number 10. You Are Your Own Worst Enemy. Self-awareness is the ability to view yourself clearly and objectively through contemplation and introspection. It enables you to make intelligent decisions about your life and helps you understand what motivates your behavior. Once you realize that your thoughts are yours, it becomes easier for you to take control of them and use them to help, rather than hinder your progress. The only way you can truly improve yourself is by taking control of your own existence by first overcoming internal turmoil, uncertainty and lack of confidence or any other motion that holds you back from success.

Number 11. You Never Know How Valuable Your Health is Until You're Fighting for It. Often, we don't realize the importance of our health until we face some kind of illness or disease. Unfortunately, people wait until an emergency or crisis occurs before deciding to change their lifestyle habits and prioritize their health. But here's the thing, you can't be healthy later if you don't take care of yourself now. If your health is important to you then you must make it a priority.





## Playing Chicken with Nukes

Number 12. Nothing Lasts Forever. Life is full of both joy and sorrow, good times and bad. The only thing that remains constant is change, so don't hold onto something you have no control over. When life throws you a curveball, it can be challenging to maintain optimism and gratitude for what you have, and all too easy to focus on everything that's going bad. But instead of dwelling on the negative things, encourage yourself by remembering that nothing stays the same forever. Bad situations will eventually pass. If they don't end on their own, all you need to do change something. Good things also come to an end so don't take them for granted either. Enjoy each day because you never know what tomorrow will bring.

End of Program

## Playing Chicken with Nukes



**H**ow would a scenario play out if Russia threatened to attack the U.S. with nuclear weapons? Here is one account by Jason Hanson, a former CIA operative and now Editor of *Black Bag Confidential*, a publication designed to educate people on self-protection principles and techniques. Hanson's account appeared on the web on Oct 21. I hope you find it informative.

D. Miyoshi

## Russia's "civilization-ending" game of chicken with the U.S.

It's estimated that the world's nuclear powers have 13,000 nuclear warheads. These weapons could kill hundreds of millions of people

– potentially billions.

And, as most people know, the two countries with the largest nuclear weapon stockpiles are Russia and the U.S.

So, a nuclear confrontation between the two countries would have disastrous consequences.

We've been a hair's breadth from nuclear war already...

The Norwegian Rocket Incident is one case that shows how close the two countries have come...

On January 25th, 1995, a team of scientists launched a rocket off the coast of Norway.

The rocket was for scientific purposes and flew north from Norway.

But a Russian radar system detected the rocket which had a similar speed and pattern to a U.S. Navy Trident missile.

Additionally, the Russian military miscalculated the rocket's trajectory...

This led them to believe that the rocket was one of many that would launch from U.S. submarines.

Russia was worried that the rocket would deliver a radar-blocking electromagnetic pulse, disabling Russian radar systems.

This caused Russia to put its nuclear forces on high alert.

President Boris Yeltsin was made aware of the situation and the nuclear briefcase was activated with the nuclear keys.

There was no warning given to the Russian people.

Yeltsin had to decide whether to launch a retaliatory nuclear attack against the U.S.

Thankfully, within the next few minutes, Russia was able to determine that there was no nuclear threat, and the rocket was actually headed away from Russia.

Twenty-four minutes after it was launched the rocket landed in the ocean as it was supposed to.



## Playing Chicken with Nukes

The incident was the only known instance where a country activated its nuclear briefcase.

The scientists who carried out the launch had notified thirty countries, including Russia, of the launch, but the information was not passed on to the Russian military.

These days, the U.S. and Russia are in a somewhat similar situation.

Russia has threatened to use nuclear weapons in its invasion of Ukraine, and the U.S. has made it clear that there would be consequences for the use of those weapons.

Considering this, here are a few of the ways that the U.S. would know about the use of nuclear weapons before it happened.

Where exactly are the nuclear weapons?:

There are 47 nuclear storage sites in Russia, and these locations are constantly monitored by intelligence and military satellites.

And it's not just the U.S. monitoring these sites.

Many other countries conduct surveillance on these nuclear sites. Some commercial satellites can even monitor these locations.

Russia has deployed its long-range nuclear warheads on planes and submarines, but its tactical nuclear weapons that would be used in Ukraine are not on delivery vehicles.

The U.S. would see preparations:

Before Russia launched nuclear weapons, they would have to prepare them for launch.

This would include steps such as taking nuclear weapons out of a storage area.

Nuclear weapons must be handled with extraordinary care. It would be hard for Russia to do that without the world noticing.

One U.S. official said, "I'm confident the United States would see any Russian preparations for using nuclear weapons."

Plus, Russia would have to activate its nuclear forces.

Also, Russia would need to train and prepare their soldiers for using

protective equipment, and how to operate in a nuclear environment.

Who would the U.S. warn?

In the weeks before Russia invaded Ukraine, the U.S. told the world it was going to happen.

But would the U.S. benefit from doing the same concerning nuclear weapons?

If the U.S. told the world that Russia was going to use nuclear weapons it could set off a worldwide panic.

It would likely lead many people to believe that a nuclear war between Russia and the U.S. was inevitable.

The U.S. would of course warn allies – and even China in the hope that China could influence Russia to not use nuclear weapons.

The publicity of announcing the use of nuclear weapons would put a lot of pressure on Russia, and further isolate the country on the world stage.

The U.S. would tell the world if Russia was going to use nuclear weapons...

And I think Russia would want the world to know, as it would be the last step before the confrontation between the world powers.

This would allow Russia to posture and be "talked down," which would allow them to threaten and still keep national pride and dignity when they didn't follow through...

But you can only threaten the "nuclear option" so many times before someone calls your bluff and you either have to put up or shut up.

It's a dangerous game of civilization-ending chicken...

Which is another reason why the U.S. keeps such a watchful eye on the world's nukes.



Stay safe,

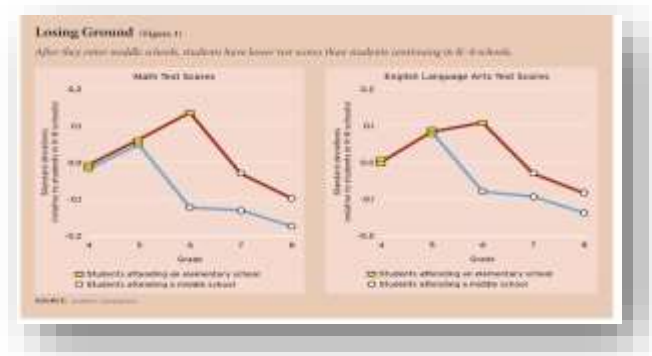
JASON HANSON

[End of Article](#)





## Student Test Scores Are Plunging. Why?



Recent national student test scores showed a massive decline in learning in reading and math. This achievement implosion has several explanations – apparently one is the increasing politicization of classroom instruction, which is reducing rigor and diverting attention from improving students’ foundational knowledge and skills. This implosion in student achievement scores bodes ill for the near term future of the American enterprise. The following is a report written by Lance Izumi and Wenyan Wu that appeared on *Real Clear Wire* on Oct 15, 2022. It is entitled “Why Are Student Test Scores Plunging? Look At Politicized Education” I present it for your reading consideration.

D. Miyoshi

### Why Are Student Test Scores Plunging? Look At Politicized Education

From 2020 to 2022, reading scores for nine-year-olds on the National Assessment for Educational Progress (NAEP), often referred to as the nation’s report card, registered the largest decline since the 1990s, while math scores declined for the first time ever. These score comparisons were the first nationally representative snapshot of student learning during the pandemic.

While school closures and ineffective distance-learning efforts were important reasons for the slide in test scores, former North Carolina governor Beverly Perdue, who chairs the board responsible for the NAEP, warned, “We can’t keep blaming COVID.”

Indeed, other important reasons exist for the nosedive in student performance.

Many students report that increasing ideological indoctrination in the classroom is leading to weaker standards and lower expectations.

One California student reported that a teacher at his school told the class that perfectionism and striving for perfection was part of white

supremacy culture. Another one of his teachers “made it seem like it was bad to have a good work ethic or to be supportive of meritocracy.” In his school, grades were inflated, low grades were eliminated, late assignments were allowed, and multiple retakes of exams were permitted. Rigor simply disappeared.

“To not teach hard work and to not teach a work ethic is going to be disastrous for the kids who kind of cruise along in public schools,” the student reflected.

The ideological instruction that this student experienced is happening across the country. It is pushed by special interests such as teachers’ unions.

The National Education Association (NEA), the largest teachers’ union in the country, pushes the critical race theory-inspired position that systemic racism permeates all American institutions and must be taught in our schools so that kids challenge “the systems of oppression that have harmed people of color.” In 2021, the NEA adopted a resolution that would mandate race-based ideological instruction in public schools across the country.

According to the resolution, the union intends to disseminate its own study that “critiques empire, white supremacy, anti-Blackness, anti-Indigeneity, racism, patriarchy, cisheteropatriarchy, capitalism, ableism, anthropocentrism, and other forms of power and oppression at the intersections of our society.” The NEA specifically says that critical race theory is one of the methods that should be used to teach these topics in school districts around the country.

Unions are also using race to undermine teacher quality in the classroom. In a recent announcement, the Minneapolis Federation of Teachers reached an agreement with Minneapolis Public Schools to lay off white teachers regardless of seniority or merit before laying off minority teachers in the name of “anti-bias, anti-racism.”

As one analyst noted, the Minneapolis agreement seeks “to achieve ‘equity’ by reducing standards and replacing white teachers,” while the “sensible (and legal) goal is to expand the pool and retention rate of all qualified teachers.”

When confronted with the reality of historically low academic performance, Randi Weingarten, president of the American Federation of Teachers, attempted to flip the script, blaming conservatives and Trump-era education policies for harming learning.

Yet, many teachers disagree and are speaking out against politicized classrooms.

Virginia public school teacher Laura Morris quit her job and told her school board, which had pushed race-based indoctrination, “I quit your policies, I quit your training, and I quit being a cog in a machine that that tells me to push highly politicized agendas to our most vulnerable constituents – children.”



## The Real Cause of the Vietnam War

The politicization of classroom instruction leads not only to indoctrination but also, as the California student noted, to lower student achievement. “It’s not a school’s place to impose on the students any viewpoint,” he observes. “What we need to do is really encourage achievement for all people.”

End of Report

## The Real Cause of the Vietnam War



**A**fter Russia invaded Ukraine, the NATO Alliance became a front and center topic in news outlets throughout the world. Many articles have covered the what, why, when and how NATO came into being. But did you know that NATO was one of the central reasons the Vietnam War started? As a Vietnam Veteran with harrowing memories of that war, I am always eager to learn the real genesis of that costly conflict beyond the mere incantations of “dominoes falling to the Communists.” In 2017 world renowned geo-political commentator George Friedman gave an eye-opening interview conducted by Jonathan Roth entitled “The Truth behind the Vietnam War.” Friedman’s responses reveal how NATO and its mission was one of the central reasons the Vietnam War began. For your edification, I present to you a transcript of that interview. I think you will find it informative.

D. Miyoshi

## The Truth behind the Vietnam War

An interview presented by Geopolitical Futures

Oct 27, 2017

### Interview of George Friedman

Interviewer is Jonathan Roth.

Interviewer: The Vietnam War is back in the news. It’s still a war that to this day there’s a lot of controversy around why the United States entered into it. What is your perspective on that?

Friedman: The United States went to war in Vietnam for multiple reasons. But the basic reason was Charles de Gaulle. The American strategy at the time was to contain the Soviet Union with a string of alliances swinging from Norway all the way through Iran.... block them from expanding. Charles de Gaulle came along and said, “You can’t trust the Americans because if they ever attack, the Americans wouldn’t come. And they are not going to fight for you. You are going to be left alone. We have to form our own NATO independent of the United States.” During the Vietnam War, there is a word that became incredibly important, “credibility.” Credibility meant that how credible were the American guarantees to this all important structure of containment. How credible was it that we would come to Germany’s aid or Japan’s aid with everything we had if there were a war. And the terrible fear at that time was that these people would lose confidence in us. So, part of the reason we went to Vietnam had nothing to do Vietnam. The fear was that if we didn’t go to Vietnam, our credibility with our other allies would be gone and the entire American strategy will collapse. On that basis there was no expectation that we would wind up with 50,000 dead. On that basis the expectation was that we would go into a small police action. We may win it; we may lose it but the Germans would know that our guarantee means something. And to a very great extent, in my opinion, worrying about how the Europeans reactively didn’t go in is important. Now, the fact was that the Europeans criticized the United States for going in but if we hadn’t gone in, they would’ve really panicked. They would’ve really potentially said, is NATO worth anything? Is Japan’s guarantees worth anything? And so, we went in based on something that was repeated over and over again. Credibility. It’s really hard to be a super power because it’s one thing to fight for your life in World War II. But to go to war for an abstract political consideration having to do with strategy elsewhere and send your





## The Real Cause of the Vietnam War

kids to fight in a war like that is agonizing, particularly when you're thinking this war is about winning in Vietnam, and it really isn't. So, we look at the war and we wonder why did we fight this war this way, halfheartedly, not seriously. Well... and it got out of hand. But the reason, basically was, this was a political war. It had, as its end, not protecting Vietnam from the communists. That was important as a side issue. It had to do with maintaining the entire American alliance structure in keeping the Soviets from using this as a basis for unraveling our position.

Interviewer: Okay, so framed within that context, I want to ask you a very interesting question. You know that to this day there's a lot of controversy about the Gulf of Tonkin incident. What's your analysis of what actually happened there?

Friedman: What ever happened there, the United States made the decision to conduct their air war against North Vietnam. We knew that if we went in on the ground, we would be fighting a land war in Asia which Douglas MacArthur had warned us against. Our illusion was that we would use airpower to inflict so much pain on the North Vietnamese that they would give up the dream of national unification. Well, that didn't happen. In fact, they picked up the air operations in South Vietnam which meant we had to send more troops and more troops and more troops. But the Gulf of Tonkin was very convenient. There are some who say that we provoked it. There are some who say the Vietnamese attacked. But a bunch of patrol boats against an American fleet doesn't make a whole lot of sense. And some people said we just made it up. Either way, that was the propaganda aspect of it - the justification. We had made a decision to demonstrate to our allies that we were prepared to go to war on behalf of another ally, even if it was done.

Interviewer: So, ultimately Richard Nixon was the one that ended the war on behalf of the United States. What did Nixon understand about Vietnam that LBJ, Lyndon Johnson maybe didn't or wasn't able to grasp at that time?

Friedman: LBJ had Robert McNamara. And Robert McNamara read the Cuban missile crisis as a triumph of careful articulated escala-

tion. It wasn't. When the Russians realized that the United States was in DEFCON 3, they realized it was one way or the other and they didn't have a major nuclear option at the time. And so, they backed off. In McNamara's mind, Vietnam was another case of crisis management and his approach was slowly increasing the pain. Well, the problem with slowly increasing the pain is you get used to the pain and you are not influenced by that. And this is what McNamara's just didn't grasp. For him it was a mathematical model and he didn't understand .... well, what we call "shock and awe" I guess. But he really had to convince the North Vietnamese. And the problem is that slow escalation simply convinced the North Vietnamese who didn't have a stomach for the war. Nixon comes along and he does something nobody did. He invades Cambodia. Now everybody says the secret war in Cambodia. Well, it wasn't a secret to the Cambodians. It was a secret to us. I don't know who it was a secret to. He went ahead and extended attacks on the Vietnamese headquarters which they had placed in Cambodia. That didn't work. In the end, the peace came through an operation of B-52s bombing Hanoi. At that point, finally, the Vietnamese realized we at least have to sign a separate treaty. We can't take this pain. But he had another trick up his sleeve. Early on in his administration he decided that there was fighting going on between the Chinese and the Russians on the Ussuri River. And he was going to ally with the Chinese. Now, this had huge consequences for the Vietnamese because if China was allying, working with the United States, well goodness, you know we got ourselves a problem. And so, what he did was twofold. First, he moved the war from careful escalation to stunning.... or trying to stun, the North Vietnamese. And second, he conducted a geopolitical maneuver of the most brilliant sort, not primarily for the Vietnam War but because the Chinese needed an ally against the Russians, he reached out to them and suddenly the Vietnamese felt quite isolated. In the end, particularly after the fall of Richard Nixon and the fact that the United States was really sick of this war... quite probably, the Vietnamese decided it was time to move. Interestingly enough, later in the decade, Vietnam and China fought a war which the Vietnamese won; the Chinese lost. So, when you look at all this, OK, what Johnson did was think that this was a simple matter of showing our will. And what Nixon did was complicated beyond belief. He got us out without NATO falling apart, built a relationship with China, that you know is not quite the same today but it was critical and, yes, laid the groundwork for modern American policy. But the difference was that Lyndon Johnson really didn't



## Does the U.S. Nuclear Arsenal Have Problems?

understand the world and Richard Nixon didn't understand the United States but he got the world.

Interviewer: Okay, final question for you then on this on this issue. Has the political class in the United States come to grips with or learned the lessons of the Vietnam War yet?

Friedman: Well, the political class in the United States and the voters and as much and we like to think that some clown in Washington is only there because the voters put him there in and did they come to terms is no. The basic lesson that we have is divided in half. This is a sign that the United States should not get involved in such activities to another class which basically says if we get involved, we should use overwhelming, stunning, catastrophic force. Interestingly now, the right wing has come over to the left wing's point of view which is we ought not be doing this. And the left wing is saying oh my God, we can leave those poor Libyans. So, the charm of American politics is that everybody changes his mind. My favorite is the manner in which the Democratic Party, which is always a party of détente, now are bitterly opposed to any talks with the Russians or in fact, amusingly hints that a president might have a talk with foreign powers outrageous, in spite of the fact that Obama went to Germany. So, I love the American political class, it's us.

Interviewer: Thank you very much.

End of Interview

## Does the U.S. Nuclear Arsenal Have Problems?



On Oct 20, 2022 Dave Hodges interviewed best-selling author, acclaimed authority on world military affairs and columnist for the *World Net Daily*, J.R. Nyquist. In the interview, aired on *The Common Sense Show* program, Nyquist said some very disquieting things about the state of the United States nuclear arsenal.

In a nutshell, regarding the issue of U.S. readiness, Nyquist told Hodges:

The U.S. has not done anything with nuclear weapons for 30 Years; There is deterioration in the nuclear arsenal and we do not know if even half of them work;

We are not doing anything to upgrade our nuclear situation until 2029;

The Russians are currently testing at the North Pole;

The Chinese are getting ready;

We have had decades of failure tending to the arsenal by the various administrations including Trump.

Nyquist related to Hodges that Nyquist's best source said he could not believe that the U.S. still exists and that it should have already been obliterated.

I don't know how accurate Mr. Nyquist's observations really are. However, his background and past books and publications indicate he has the knowledge and experience to discuss this subject in detail. You may check his website yourself to ascertain his qualifications ([www.jrnyquist.com](http://www.jrnyquist.com))background

In a nutshell, this is concerning.

D. Miyoshi

## It's Official, We're in a Bear Market





## It's Official, We're in a Bear Market

**T**he markets have been in turmoil all year due to various unique circumstances such as sky-high inflation, heightened geopolitical tensions in Eastern Europe and Asia, and ongoing supply-chain issues. And there's no clear end in sight to this rampant market volatility...

*Extreme Value* editor Dan Ferris believes we are now officially in a bear market and therefore it is critical for individual investors to start preparing right now in order to avoid catastrophic losses...

In his latest *Extreme Value* edition, Ferris recaps how we arrived at this bear market... explains why this unbridled market volatility we're experiencing will drag on for much longer than most expect... and outlines the steps you need to take to survive the ongoing chaos.

Here is Ferris's report for your consideration.

D. Miyoshi

## We're in a Bear Market. Here's How to Navigate It.

By Dan Ferris, editor, *Extreme Value*

The stock market has been falling for months. And it has now reached a critical juncture.

There's no denying it... We're in a bear market today.

What comes next and what you do starting right now could make all the difference between preserving and building substantial wealth... or losing a lot – or even all – of it.

That's why today, we're going to focus on making sense of the current market... and preparing for what's to come.

To do this, we'll dive deep into...

- Where the market is now.
- How we got here.
- Where we're headed next (a risk assessment, not a prediction).
- What to do about it.

"Who cares how we got here?" you might be asking yourself. "Just tell me how to handle what comes next."

I could... But that would be doing you a disservice.

Knowing history helps you understand the present moment... and can suggest what the future might hold. It's just as important to paint a complete picture of macro risks and opportunities as it is to dissect

the individual companies whose stocks we recommend most months.

Without valuable insight from a careful study of market history, I might never have warned my subscribers in December 2021 that stocks were too expensive and that returns have always been lousy whenever valuations peak in the past. After that warning, we saw one of the most expensive speculative peaks of the past century followed by five straight months of downtrend, obliterating trillions worth of market value held by millions of investors.

And I might never have recommended that my readers hold plenty of cash, gold, silver, and even bitcoin (until we sold it last month). Cash and precious metals have dramatically outperformed stocks this year.

So instead of just telling you I have high conviction that we're already in a bear market, I'm going to show you how I arrived at that conclusion.

My goal is not to list historical events in chronological order, but to create a complete picture, like a road map. The relationships I'll discuss between past, present, and potential future events are much more important than their linear sequence through time.

Let's begin by assessing where we are right now in the stock market cycle...

A bull market is a sustained uptrend in stock prices that often lasts several years. Most mature bull markets are characterized by some amount of speculative activity in a particular sector, which can overflow into other areas of the market.

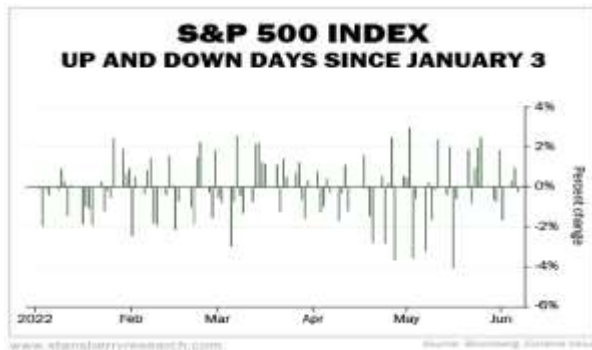
A bear market is a sustained downtrend of 20%-plus that usually lasts no more than about two years. The dot-com bust from 2000 to 2002 and the housing bust/financial crisis from 2007 to 2009 were the most recent bear markets.

If you study the way stocks have traded since the beginning of the year, it's clear that we've been in a bear market for months already. We've seen constant declines punctuated by sharp upward surges, with many more stocks declining than rising...

Although the S&P 500 has fallen since its January 3 peak and down days have been larger and more frequent, there have also been plenty of up days – some more than 2%. Any investor on Twitter has likely seen experienced traders tweeting about this "classic bear market action" over the past few months.



## What Happened to past President Hu Jintao?



Another obvious sign of a bear market is the ongoing collapse of several speculative corners of the market, like crypto, cannabis, and technology plays such as those found in the ARK Innovation Fund (ARKK).

I don't care about the traditional bear market definition anymore. It's arbitrary. Why not a 19% or 21% decline to signal an official bear market has begun? The 20% rule feels like something cooked up by a financial writer, not a real investor.

So let's be clear. According to our research, the bear market we've been warning you about has arrived.

We study how we reached this pivotal market point for the same reason we look at a company's operating and financial history when we make new stock recommendations... We need to understand an event's history in order to fully prepare for it today and in the future.

We're in a bear market today for one simple reason: Bear markets always follow bull markets.

We just closed the book on one of the longest bull markets in history. It started in March 2009. The pandemic-induced market crash in March 2020 poked a seemingly lethal hole in it.

Good investing,

End of Report

## What Happened to past President Hu Jintao?



An extraordinary thing happened in China at the final meeting of the party congress over the weekend (Oct 22-23). Hu Jintao, the previous president of China, was approached by two men from the rear and was then escorted out, behind President Xi Jinping, who appeared as if nothing significant was happening. Although videos of Hu's departure could be viewed around the world, they did not appear in China.

Hours after the incident, the English-language Twitter account of China's Xinhua News Agency put out a message that stunned China watchers around the world.

"Xinhuanet reporter Liu Jiawen has learned that Hu Jintao insisted on attending the closing session of the Party's 20th National Congress, despite the fact that he has been taking time to recuperate recently," the tweet said.

"When he was not feeling well during the session, his staff, for his health, accompanied him to a room next to the meeting venue for a rest. Now, he is much better," a second tweet followed.

While most attention was given to the second half of the tweet -- that Hu's health was the reason for the exit -- the first half of the tweet also contained a bombshell revelation. It implies that although Hu should not have attended, he did so in defiance of President Xi Jinping's wishes.

Hu insisted on attending for a reason. Did he express a desire to speak at the ceremony? If so, what was he going to say? This comes after his faction was wiped out from the leadership. The message could not have been a calm one.

Video footage shows the former leader twice attempting to return to his seat, while attendants try to lead him offstage. Judging from the Xinhua tweet, Hu would not have wanted to leave the stage at this point -- without fulfilling the task that he had in mind.



## Why China is Finished

It's difficult to know the true reason why Hu was publicly dismissed for the world to see (except in China where the scene was blacked out) but it may be connected to China's rapidly changing (some say disintegrating) position in trade, technology, real estate and hegemony over Taiwan.

The day immediately following the incident, renowned geo-political expert George Friedman wrote his opinion on the possible reasons for Hu's public dismissal. For your information, I present Friedman's thought-provoking opinion here. I hope you find it informative.

D. Miyoshi

### HU JINTAO

By George Friedman

An extraordinary thing happened in China at the final meeting of the party congress over the weekend. Hu Jintao, the previous president of China, was sitting next to President Xi Jinping when two men approached from the rear. Hu rose and appeared increasingly surprised and then alarmed. A few others sitting at the lead table also appeared openly surprised, while most seemed unconcerned or were blank-faced out of discipline. Hu was escorted behind Xi, who appeared as if nothing significant was happening. It seemed to me that Xi did finally glance at him, I think with a look of contempt, but that is likely not the case, as the point of this drama seemed to be that dismissing Hu was routine. Although videos of Hu's departure could be viewed around the world, they did not appear in China. The Chinese now have said, however, that Hu was not feeling well.

This is not the way party congresses have typically been covered in China. In the past, they were a carefully framed portrayal of the absolute unity of the Chinese Communist Party. Every public element was controlled, with no spontaneity permitted, let alone drama of this sort.

Hu may have had to go to the bathroom and needed help, or it may have been some other prosaic event. But I doubt that would require a national blackout. It is always difficult to interpret actions involving individuals. My view of the world is that individuals are defined by the world, not the other way around. So let me take a shot at seeing how China created the television drama we all saw.

The economic crisis of the past two years had to have created political divisions. After Mao, China was defined by consistent and massive growth. There was an expectation in China, shared by much of the world, that the Chinese economic miracle would continue for a long time, making China a great power.

A second problem was the South China Sea and the inability of the Chinese military to break out of America's effective blockade. There was much talk in China and elsewhere about the surging power of

China's military and particularly its navy, but there were no actions taken that demonstrated that power. The alliance with Russia proved another serious misjudgment.

Xi came to power at the height of the Chinese growth surge. He also came to power on what appeared to be the dawning of Chinese military power. In all of this, he was attempting to surpass his predecessor, Hu Jintao. Hu had built the economy and the military and had made China into an economic presence. Xi was going to make China an economic, military and global force. It didn't happen. During Xi's most recent term, all of these hopes seemed to shatter.

Hu was a symbol of what China was going to become. Xi is the symbol of what China did not become. Hu, as a former successful leader of China, hovered over him, and every time Hu spoke, Xi felt the tremors. I don't know what went on in the Chinese Politburo. Hu may have criticized Xi, as a president who succeeded when success was easy. Xi may have rejected what was said, claiming that success had become more difficult to achieve and that Hu, in his place, would do very poorly indeed. Or perhaps no words had to be exchanged, because Xi understood that he was being measured against Hu. Perhaps Hu was organizing a coup or allowing himself to become the coup's symbol, and Xi felt he had to contain him with a very public act so that the country knew where power lay. And more important, maybe Xi wanted to frighten any enemies from acting, by showing them what could happen.

It's hard to understand precisely what happened, but it's easy to understand what brought us to this place. This is politics, and failure, no matter how good the excuse, is unforgiving. Xi chose to act where success would redeem him. Of course, it is possible that a battle is now raging in secret over Xi's action. He acted, it seems, without the senior staff being told. If so, they may fear for themselves next and move on Xi. But then Xi may have anticipated this. And so the murky world of Chinese politics has yielded us a coup against a retired president. It was the act of a worried man. He will be worried until the next act.

### End of Opinion

## Why China is Finished



## Why China is Finished

**G**eorge Friedman is one of the world's foremost geopolitical analysts. On Oct 6, 2022 he gave a talk in front of selected business leaders on why he thought China's rise in Asia is finished and his prediction of what Asian country will now rise to the occasion. For your edification, here is a transcript of that talk. I hope you find it informative.

D. Miyoshi

### China Is at a Point of No Return.

One of the great underlying myths of the past years is that the Chinese economic miracle (and it was a miracle) is eternal.

I see China weakening, becoming less of a force. And the People's liberation Army is an internal security force, it's not going to attack anyone. This China is not part of China. These factories don't sell in China. You can't sell those products to people who are at a subsistence level agricultural life. These are extensions of the West. These factories are part of the American economy, the Australian economy, the European economy but mostly the American economy. And if the American economy stops buying because we have a recession or we increase our savings rate, then what happens is that the rate of growth of exports falls and their ability to cover their debts fall.

And what you are seeing in China right now is the government scrambling badly to use what are actually quite limited reserves, \$2 trillion is not what it used to be, to simultaneously try to get demand going in the interior of China, which you can't do with \$600 billion, that's just not enough for 1.1 trillion people.

And secondly to cover the banks that are in very deep trouble because of cash flow issues and thirdly make sure they are putting enough into the American economy so the American economy doesn't slip any deeper into recession and stop buying G.I. Joe's from China and everything else that they sell. And so, I would argue that China has a double whammy on it. It has reached the stage that Japan and Southeast and Eastern Asia reached at a certain point. And it reached it at about a 10 years cycle. So, there was Japan hit, East Asia hit, and China is hitting now.

The Japanese collapse came from an American recession in 91 and 92 because they were exporting to us and we stopped buying. A very similar phenomena occurred in the 1990s although it was somewhat more complex, having not to do with the United States. But this recession is not particularly hurting the United States but it's clobbering the Chinese. If this hadn't happened they still would've had their nonperforming loan problem, the very low rate of return on capital problem and the fact that 1.1 billion Chinese are furious at being left out and of having their land stolen. Because one of the ways you get loans in China is through land. And when a company needs more loans, it needs more land and the company official goes to his cousin who's the assistant governor of the region and they take land. And if you read the newspapers, you will read about land riots and so on going on in China. This isn't happening just because mean people are doing things. This is how you're stabilizing the banking system.

When you asked the question if China is doing so well why are they so obsessed with security? Why are they violating human rights? Why are they doing all these things? Two answers are possible. They are incredibly wicked people who don't appreciate the fact that they could live like Australians if they just stopped it. Or the Chinese know a great deal more about China than Westerners, and they know they're in trouble, which is very long way of saying it. But it was a very important question, because one of the great underlying myths of the past years is that the Chinese economic miracle (and it was a miracle) is eternal and that it can go on ad infinitum and will go on ad infinitum. And what I tried to lay out is the reasons, the single most important question of why it's not going on, and it certainly can't go on for another 30 years.

China has a population of 1.3 billion people and 1.1 billion of these people live at a standard of living of Nigeria. I went to Pudong and had one of those wonderful dinners that costs next year's earnings. And I asked what one of the waitresses was making and she was making \$60 to \$70 a month. And I went to the place she lived. She was living in a concrete building unheated. There was cold water, no hot water and the privies were outside for reasons I don't understand. And she regarded this as a marvelous improvement over what she had before on the farms. So, 1.1 billion of these people live in the most extraordinary poverty.



## Why China is Finished

The characteristics of Asian economies are fairly similar. They are based on not having a market economy in capital. Capital is distributed for political reasons, for social reasons, for “Keiretsu” (Japanese business oligarchy) reasons, what have you. Japan in 1990, had, in the industrial world the lowest rate of return on capital in the world, which means they sold a lot of products, they didn’t make a lot of money. My uncle Louie had a dress business. He sold dresses for \$9. It cost him \$10 to make it, but he figured he made it up volume (laughter from audience). In many cases in Asian economies, you have very narrow profit margins and the rate of growth does not reflect the health of the economy. In fact, as in the case of uncle Louie, a very good Christmas killed him (laughter again). And you really have to take that very seriously, because we tend to focus on growth rates because some of the disciplines of non-Asian economies will mean that high growth rate will mean profit. That there is a connection between the two. One of the things we learned in Japan is there wasn’t. They had an extraordinarily high growth rate. It hollowed out their banking system, leading to the crisis of 1991 and froze up the country. China has that problem, and I’ll define it in these terms.

When Japan went south, as we say in the States, the ratio of nonperforming loans, in other words loans that you’re going to stiff the bank on to GDP was 17%. When Korea and Taiwan ran into trouble, they were at about 23%. if you believe Chinese official government figures the number in China of nonperforming loans to GDP is about 40%. And that’s an optimistic number. So, this is an economy that has reached a climax stage that’s built into the kind of capital allocation you do in Asia.

One of the characteristics of reaching this craze is everybody is “gaga” over you because you are selling more and more and growing faster and faster. Well, of course you have a debt driven economy. You’re trying to cover your cash flow, so you sell. You sell for cash flow not for profitability. And every month you’re going to grow and every month everybody’s going to say “marvelous what a great country.”

We knew that Japan was in deep trouble when the Japanese started investing in Pebble Beach and Rockefeller Center and everything

not Japan. And we asked a very stupid question. If Japan is such a wonderful investment that anybody would be a fool not to invest in, why are the Japanese not investing there? Why are they buying anything outside of Japan? And there was a reason, which is that the insiders knew, they knew the problems they had.

In 95, 96 you had a similar massive outflow of capital from Taiwan and South Korea. And again, the media took this to be a sign of enormous strength, whereas it was really a harbinger of terrific problems. You now have a massive outflow of capital from China buying mines. buying condos. buying anything that’s not in China, which, if the prognostications from China enthusiasts in the West were true, would be suicidally stupid behavior. Why do I want to own real estate in Australia when I can remain in an economy that is going to grow by 15% forever. Well, the answer is growth and profitability are two different things and they know better.

Remember this about China which is different from all these other countries. Nothing is a worse guide to the future than common sense because common sense basically tells you that what we have here is pretty much what we’re going to have in the future. And that’s just not how history works.

And if you take away the 20th century and we were sitting here in 1985 and I were to say to you, the Soviet Union would collapse in five years, you’d laugh, of course. History is full of what appears to be breathtaking changes.

So let me explain what I think is going to happen. The great Asian power is not China, it’s Japan. Japan has a much larger economy than China. It has much fewer weaknesses. It doesn’t have three quarters of a population in dire poverty. It’s not growing particularly well, but it certainly has the largest Navy in Asia. When the North Koreans were launching their missiles. it was Aegis destroyers and the Japanese defense forces that came in there ready to shoot down the missiles. The Japanese Army is larger than the British Army. Now, Japan is a country that wishes not to be noticed. “Please pay no attention to me.” “I’m harmless and have no intentions.” And that is truly how they feel. They don’t want to have intentions. But China is



## China is Dying

now trying to get the Navy that Japan already has. And so, when I look at the great Asian powers and I forget the newspapers. Japan leaps out immediately.

[End of YouTube interview](#)

## China is Dying



**P**eter Zeihan is a world renowned geo-political commentator. He writes best-selling books and provides cutting analysis of world events on YouTube. The following is a word for word transcript of a YouTube video Zeihan released on Oct 15 2022 about why he believes China will soon lose its status as a leading world power. I believe in Zeihan's thesis and what he believes as the truth. Therefore, I present his comments in written form here for you to read and consider. This newsletter is dedicated to the premise that truth (at least what I believe is the truth) will ultimately prevail. While agendas drive the ultimate plans of our state leaders, truth always drives the ultimate destinies determined by Almighty God. Here is Peter Zeihan's comments on the coming collapse of China. I hope you find it informative.

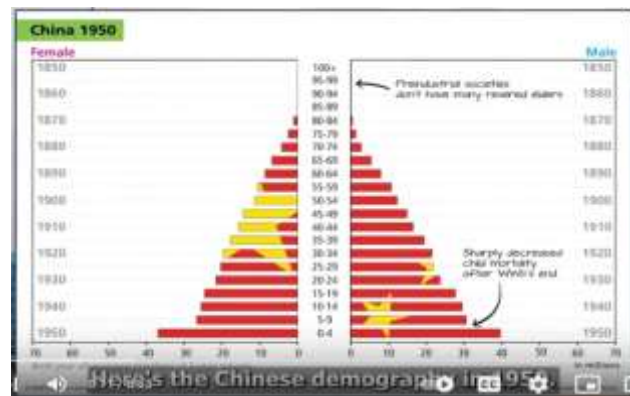
D. Miyoshi

## CHINA IS DOOMED, THE EPIC COLLAPSE HAS BEGUN!



We always knew that the economic collapse of China was coming. So, you would have an industrial collapse and the civilizational breakdown and mass famine within six months.

Here is the Chinese demography in 1950s, standard pre-industrial pyramid.

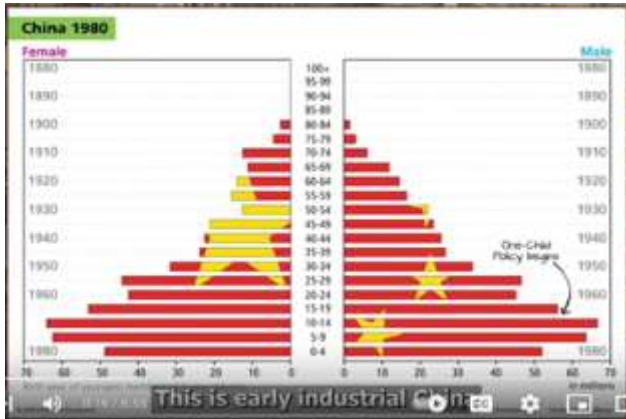


Thirty years later here we are. This is early industrial China and this is the shape that terrified Chairman Mao. He saw a young and upcoming generation that would literally eat China alive and his solution was the One-Child Policy.

Here is after the One-Child Policy.

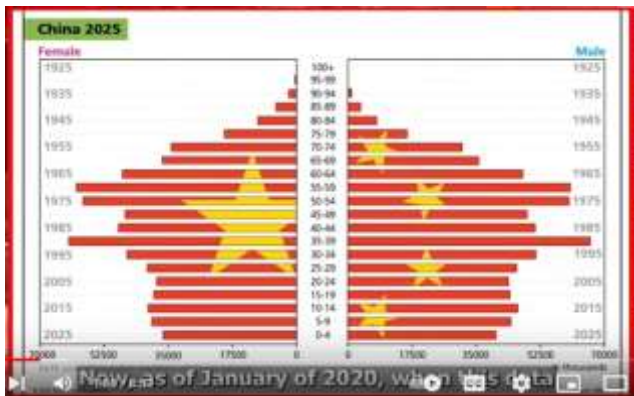


## China is Dying



And you notice after the One-Child Policy, not a lot of kids but there is that big bulge of people in their 20s and early 30s. When Americans look at this, we see an up-and-coming generation that is going to take away everyone's engineering jobs and manufacturing jobs. When the Chinese look at this, they see an up-and-coming younger generation of SPENDERS that are going to remake consumption norms. We were all correct. The emphasis is on "were" the past tense.

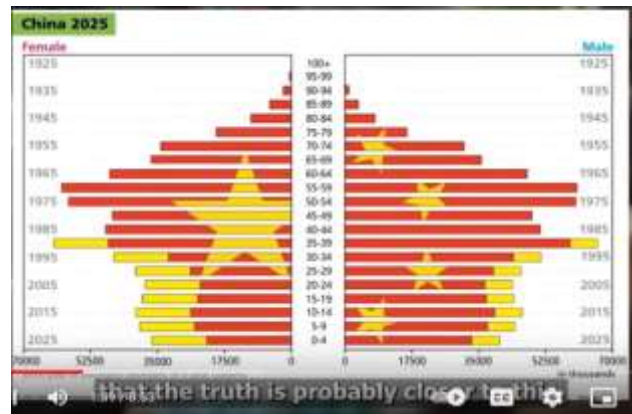
Because here's China now as of January 2020 when this data was pulled.



China was ALREADY THE FASTEST AGING SOCIETY IN HUMAN HISTORY WITH THE BIGGEST SEX IMBALANCE. We already knew that their eco-

nomic model would not match up with this demography this decade. WE ALWAYS KNEW THAT THE ECONOMIC COLLAPSE OF CHINA WAS COMING. But since this data came out the Chinese have started releasing parts of their 2020 decade census and are now grudgingly admitting that they over counted their population by about 100 million people.

And that the truth is probably closer to this chart with the yellow bar portions just not existing.



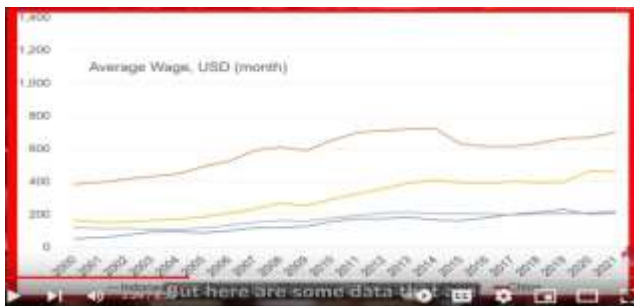
This would suggest that BY THE YEAR 2050 THERE WILL BE HALF AS MANY CHINESE ALIVE AS THERE ARE NOW. I don't see how China survives as a single political entity much less a globally significant one. I don't see how it survives this decade with these numbers. Because this suggests that the Chinese population peaked back in 2003 and that Chinese economic efficiency probably peaked around the same time and that we've already been on a relatively accelerated slide.

I do not worry about China at all. Now if you're in the Navy I can understand why there's some heartburn there. You're probably preparing for war that will never happen but I'd rather you do that than what the Russians have done and not actually prepare. But I do not think that we are going to find ourselves in a world where we

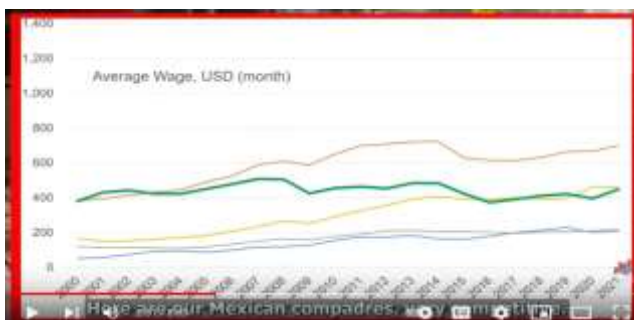
## China is Dying

have to face down China because I do not think there is going to be a China for very much longer.

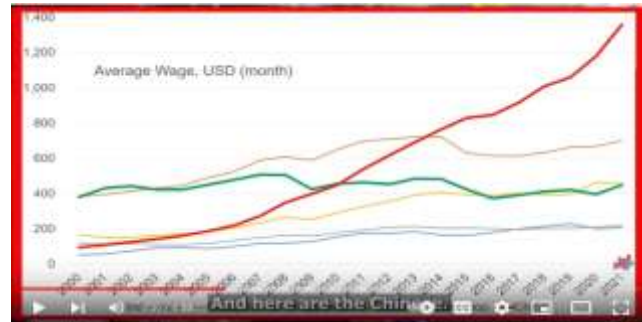
We can't confirm this, we can't just go to China look around and count notices. But here are some data that are demographics adjacent we do trust. This is the average wages for a number of Southeast Asian countries that I think we should be interfacing with more because I think they are going to do very well the future



Here in green are our Mexican compadres, very competitive.



And here in red are the Chinese.



This is the FASTEST LABOR APPRECIATION IN HUMAN HISTORY including during the Black death, including during all wars. So, we are looking at a 15 fold increase since 1999. The Chinese labor effectiveness and productivity is probably only increased by a factor of two, maybe three. There is not an industrial process that is done in China that can't be done in North America at a lower cost because our laborers so much more productive, our energy is so much cheaper, our supply lines are so much shorter and you can produce stuff where people actually live so the transport costs are minor.

The only reason we think of China as a major industrial player is because of the sunk cost of the pre-existing industrial plant. You don't rebuild that somewhere else overnight. But it is happening.

The United States is already in the process of its fastest industrialization, even faster than what it did during World War II. But it's a lot to move a few trillion dollars of industrial plant from one place to another. You don't do that overnight. We are living in the moment right now. We probably need to double the size of our industrial plant in the next 5 to 10 years. That will be awkward, expensive, inflationary. But on the other side of it we will have a far more insulated and secure supply chain system. The problem is just getting from here to there and that is not a straight line, there are a lot of bumps.



## China is Dying

The Chinese plan has always been to let the Russians go first just to kind of as a proof of concept. And so, their thinking was a fast war that conquers Taiwan in a matter of days that imposes a done deal upon the world and everyone just sucks it up and takes it. Because China is too economically powerful to be challenged and once you hold the territory there is no point in going to a broad scale war against the Chinese when its already happened. That has always been their plan.

As for the Russians, they have had every aspect of all of their planning for the last 40 years set on fire and burn to ash in less than a month. So, number one, it will not be a quick war because Ukraine was one of the world's least militarily competent countries in the first place and they're still holding out against the Russians.

Taiwan is been preparing for this war since 1955. Taiwan has a moat. Taiwan has a nuclear program that started in 1974. So, if we have a two month accumulation of Chinese forces getting ready to push the Taiwanese will see it because this is the only national security question that they pay any attention to and they will make a nuclear device. And so, the only way that the Chinese can even make an attempt on Taiwan is to text all of their soldiers at the same time and just say everyone get to the coast, take a fishing boat with your buddies and start moving on Taiwan. They know it is going to cost them a million troops just to get there. So, it's always been a heavier carry than we would ever consider in the way that we operate. But for the Chinese they know that baked in the equation there is going to be a million troops lost before they can even start the real war.

And they now know from Ukraine that it is not going to be a push over. Taiwan is mountainous, it is forested as opposed to Ukraine which is flat and open and very few forests. Russia has many flaws. But they are a massive producer of food and energy products. But if you put the sanctions that we have put against Russia onto China,

China's imports 85% of their energy, 85% of that from the Persian Gulf and they import 85% of the products that are necessary to grow their own food so you would have an industrial collapse, a civilizational breakdown and mass famine within six months. And then you probably lose 1/2 billion Chinese over the course of the next year to famine.

But I think the one that has scared the Chinese the most are the boycotts. BP and Halliburton didn't have to leave, they weren't doing anything that was sanctioned. But these super majors and the oil services firms and countless other firms left on a moral imperative prompted by individual shareholders and consumers and in China the idea that the average Joe or Jean can influence policy is so antithetical to their mindset that they had no idea this was even possible much less that it was going to happen.

So, everything that the Chinese have based their system and their strategic policy on for the last 30 years has been proven in the last two months to be utterly wrong and they have to come up with a completely new plan. I don't think they can. I don't think they have that capacity anymore. And so, we just have Chairman Xi slamming his head into the wall over and over and over incapable of change until his skull cracks. And that's where we are now.

I see China with not just a demographic failure but a failure of leadership, a failure of policy and an agricultural failure and energy failure, all at the same time. It is entirely possible that this is the last year of the People's Republic. The Chinese don't have a very high value-added economy and so in that sort of environment if you are willing to dumb down labor cost, if you're willing to dumb down environment restrictions, it does give you a leg up absolutely.



**China is Dying**



Advancing in a Time of Crisis



Financial Crisis Report



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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.

But because the United States produces energy at home versus importing it from several thousand miles away, our energy costs are so much cheaper. And because our educational system is so much better and American workers are so much higher value-added, we have now reached a point where the map is flipped and Chinese laborers become so expensive it obviates all those other advantages. So, like Mexican laborers who are half the cost and more highly skilled than Chinese labor this makes a big difference too. And remember, I said "North American" so we do have a partner in this that makes the math work that way.

I am not trying to suggest that labor restrictions and environmental restrictions don't come at a cost. I am also not trying to suggest that all of them are necessary. We have 50 states with 50 different labor markets and 50 different environmental sets of regulations and some of them obviously are better at dealing with this than others.

End of YouTube video transcription

**Trust and Estate Corner**



Often my clients, friends and associates inquire about trusts, wills and estate planning. Therefore, each publication of *Financial Crisis Report* at the end will feature a simple factoid on Trusts and Estate Planning. For more information you may consult my website at [www.miyoshilaw.com](http://www.miyoshilaw.com)

**Ensure your beneficiaries are properly ordered. In California, unless you change the seniority of the beneficiaries of your estate in your Will, the order goes: spouse, dependents, parents, siblings, nieces/nephews, grandparents, aunts/uncles and cousins.**



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