



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: "Be at war with your vices, at peace with your neighbors, and let every new year find you a better man." Benjamin Franklin

Investment Resolutions for 2022



In the face of the stock market now beginning to steadily decline, it's time for steeling our resolve about ways to improve our financial status ... and how to make ourselves wealthier – or, depending on how things go, preventing ourselves from becoming poorer .

In that spirit... here are six resolutions by Kim Iskyan of *American Consequences* that any investor would do well to consider in the year of 2022. I hope you find them helpful. D. Miyoshi

Six Investment Resolutions for 2022

1. Would You 'Buy' That Again Now?

There are an infinite number of things that we could buy... stocks, Caribbean islands, Patek Philippe watches, 75-inch 4K Smart TVs, Hermès ties... Money is useful in that way.

But – unless you're the Federal Reserve – we don't have an infinite amount of money. So whenever we buy one thing, we're making an explicit decision to not buy lots of other stuff. And there is a cost associated with that decision – it's called opportunity cost.

When you're investing in stocks, the opportunity cost is easy to figure out. You can see how other stock prices changed after you made an investment decision, and (if you want to torture yourself) look at how much money you could have made... Hindsight is 20/20.

But the "cost" of what you didn't buy is less clear with respect to other types of goods. The money you spend on that Cancún getaway is cash that you're not putting away for your children's education. It's cash that you're not using to buy shares in a stock that could double or triple in price in coming years (or... in a stock that could fall to zero).

When you understand what you're not buying, you might change your mind about what you purchase. Or you might decide that what you're buying is the best possible use of your funds.

But remember: Right now, you're buying everything you own – again. Every day, your cash is tied up in something that you own today.

So ask yourself: "If I had the cash in my hand to buy this thing right now, instead of the thing itself" – whether it's a French door refrigerator, a Belize beach bungalow, or a dozen shares of Amazon – "would I still buy it right now?" If the answer is no... well, you know what to do.

Every moment that you're holding onto an asset, you're using valuable capital that you could put to a different use... That means every day you're "buying" something that you already own.

2. Get in Touch With Your Feelings... About Money

It may sound obvious, but in order to get more money, you need to like money. You can't attract something that repels you. It's the financial equivalent of "If you want friends, you have to be a nice person," and "If you want to lose weight, eat healthier and exercise." Obvious stuff, right?

But if deep inside you feel having a lot of money means you're selfish or greedy, or if you

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think money is a little dirty or somehow naughty... I have bad news: You're probably never going to be rich, or stay rich. If on some level you don't like money, it's unlikely that you'll ever have a lot of it.

Ask yourself if any of the below resonates...

- Money is the "root of all evil."
- Making money takes too much time and effort.
- If I want money too badly, other people will think I'm shallow.
- Money doesn't buy you happiness, so why bother?

Your emotions – consciously or unconsciously, intentionally, or accidentally – are the invisible tripwires of life. And if you let them, they'll also get in the way of your path to riches. If there's a voice in your head telling you something like the above, even (or especially) if it's just a quiet muttering in the background, it's going to trip you up.

Rich people don't have mixed feelings about money. They wouldn't be rich if they did. If you do... either fix it – or remain non-rich.

3. Expect Mean Reversion

A mean is a way of averaging. It's what you get when you total a bunch of numbers and divide that by the number of items counted.

Means can change over time. The average temperature of the Earth has been rising. The average American kid has more allergies today than he did two generations ago. The computing power you can hold in your hand has risen exponentially over the past few decades. Some things do change over time – in a deep, structural way that alters how we live.

But for almost everything else, random events and developments can take things one way – and eventually they usually return to normal, or the average, and the cycle kicks in. Your team wins five games in a row, but then loses a few after that. You have a string of crummy luck, and then the next few weeks are better. It rains and rains... and then it doesn't.

In investing, extreme prices move up or down and return to their average like a rubber band. Stretch it, and when you let go, it returns to its original shape. That's mean reversion.

The good news about things going against you for what feels like forever is that, eventually, your luck turns... And the reverse is true too... What feels like a run of happy luck will also eventually run out.

Whether it's a share price on a streak that doesn't make sense... markets that levitate for what feels like forever... sooner or later, they revert to the mean. Expect it and plan for it – rather than be surprised by it.

And what's long overdue to revert to the mean? U.S. market share prices. Over the past decade, the S&P 500 Index has returned 16.4% per year (and 28% over the past year). But over the past 50 years, it's returned 11.1% per year... and 10.8% per year over the past century.

If history is any guide, at some point – when mean rever-

sion kicks in – the S&P 500 is going to suffer through an extended period of performance that's lousy by recent standards... but a stretch that will be perfectly normal by mean-reversion standards. Get ready for it.

4. Anticipate the Un-Normal

Wait... expect things to revert to the norm (that's Resolution No. 3) – but also expect the unusual? In a word... yes.

One of our biggest enemies in preparing for the unexpected – whether it relates to markets, our careers, the weather, or what's for dinner – is the baseline assumption that things will more or less be pretty similar tomorrow... that nothing much will change.

This is called normalcy bias. It's the tendency for people to think that things in the future will be pretty much the way they have been in the past.

One effect of this is we don't think much about what could be different... how that might affect us... and how to prepare for that possibility.

And that's a problem. The answer, though, isn't to dig a new basement and load it with three years' worth of baked beans and bottled water as a way to "prepare for the unexpected."

Instead, try this: Awfulize. That is, consciously and intentionally ponder the worst that can happen. (Dale Carnegie, of *How to Win Friends and Influence People* fame, counseled this.) Face up to the very worst... rationally understand that it's very unlikely to happen... and do the obvious things to prepare for something awful. Those are things you should probably be doing anyway.

For example: Stash some cash somewhere safe... buy a walkie-talkie set... get a second passport, diversify your banking exposure, and buy property somewhere far away... And, have a Plan Z. And do it today.

5. Stick to Your Stop-Loss Levels

It sounds easy: Cut your losses. It's one of the most important parts of investing – because if you don't have money to invest, you can't make money in markets. (As Warren Buffett said: "Rule No. 1: Never lose money. Rule No. 2: Don't forget rule No. 1.")

But it's not easy at all. Crystalizing a loss – acknowledging you were wrong – is one of the more difficult things you'll ever do as an investor. The only way to make it work, and to resist the temptation to hold on to a loser in the hope of a turnaround – is to make it foolproof, and (most importantly) emotions-proof.

A stop loss is a pre-determined point at which you sell a stock. It's a way to cut your losers, and let your winners run. A trailing stop loss – the best kind – "trails" a rising stock because it's a pre-determined percentage below the stock's high since you've owned it.

For example, let's say you buy a stock for \$10 and put a mental trailing stop loss at 20%. That means if the shares fall 20% to close below \$10 (that is, to \$8), you'll sell. (Note that you should use closing prices for your stops – not intraday prices.)

Now, let's say that shares rise to \$12 after you buy. Instead of having your stop at \$8, your stop will be 20% below the highest

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price the stock has reached since you owned it – which is \$12. So your stop will be \$9.60 (that's 20% below \$12).

Remember, even if the stock falls to \$11, your stop will stay at \$9.60 because \$12 is the highest price the stock reached while you owned it. That means the worst thing that can happen (as long as you monitor the share price... and sell according to your stop loss!) is that you lose 4% of your initial investment. In this way, the stop-loss level helps to preserve your gains.

Where you set your stop loss – whether it's 10% or 50% or something in between – depends on the volatility of the share price, your time horizon, and your risk appetite.

The key, of course, is to honor your stop-loss levels no matter what. That means that if the shares close below your stop-loss level, you sell – no questions asked.

(One important point: Make sure you don't put a standing market order in at your trailing stop level. You don't want to tell your broker when you're going to sell. It "leaves your hand showing" for other market participants to take advantage of you. Make sure that you make it a mental level or a post-it note on your monitor at home – not one that you tell your broker. And then, watch it yourself.)

6. Prepare for a Difficult 2022

Maybe the latest coronavirus variant will fade into the ether and we'll never need to learn another obscure letter of the Greek alphabet... shares prices will rise... inflation will fade... and purple unicorns that exhale happy pixie dust and poop gold nuggets will greet us in the new year.

But probably not.

In which case, get ready...

Have cash on hand... No matter what – unless things turn really ugly – cash will get you what you need if your debit or credit cards (or Apple Pay) don't work. But if your cash is in a bank that's gone bust, or if the ATMs stop working, money in the bank won't do you any good. So keep enough cash in a home safe to get you by for a few weeks – or a few months, preferably.

Despite the best efforts of the U.S. Federal Reserve, the U.S. dollar is still the default global currency. Almost anywhere in the developing world (and in much of the rest of it), a U.S. \$20 bill can fix a lot of problems very quickly (and a Ben Franklin can fix the rest of them). Just keep enough of them in a safe place nearby.

Keep cash in your portfolio, too... Cash won't triple in a year, or yield anything more than pennies. And meanwhile, inflation eats away at it. But cash will always be king. It helps you hedge your portfolio: If every stock you own falls, cash will be worth as much as it was yesterday. Cash represents buying potential... When markets fall, the buying power of cash increases.

Legendary investor Jim Rogers explained his approach to investing this way: "I just wait until there is money lying in the corner, and all I have to do is go over there and pick it up. I do nothing in the meantime." That is, when obvious investment opportunities arise, take advantage of them... and to do so, you need cash. Not a lot, but enough.

Buy gold... It's the ultimate form of insurance. It's maintained value better than any other asset over time, its value tends to rise during times of crisis, and it's small and easy to transport. And

if the world goes Mad Max on us, you might even be able to buy groceries/transportation/guns with it when that cash you have under the mattress is worth nothing more than the warmth it generates when burned.

Download today what you might need tomorrow... In a world where cyberattacks are as common as snowflakes in Siberia, it's asking for trouble if you assume that your personal data and records that are online – bank or brokerage statements, for example – will be there when you most need them.

Periodically download personal records and store them someplace safe – whether that's printouts or your hard drive (with a backup in the cloud, and another on a portable hard drive). The last thing you want to do when chaos hits is be stuck on perma-hold to speak with a faceless customer-service agent who wants to do nothing more than get you off the phone as soon as possible when your financial life is hanging in the balance.

Will it happen? Probably not. But in case it does... it's better to be prepared.

Here is to your good investing in 2022

End of Article

The Corona Virus Weapon to Transform America



Here's a sinister hypothetical: Let's say your agenda is to tear down and rebuild the greatest nation in the world. How do you accomplish that? How do you break down that much military might, economic power, institutional strength, societal cohesion and cultural heritage? You can't destroy the aircraft carriers or the legislatures or the banks or the police or the courts or the churches. The people have too many rights, too much power. And you are really at a loss when they elect a leader with the courage to stand up to your agenda.

But you—and many other business, technology and governing



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elites—deeply believe in tearing down this nation. If you can use something to infect their minds and attitudes, you can destroy the rights of people and break the bonds within families, between groups, between races, within institutions, even inside the military. But you’re going to need a strong virus to do it. That virus will need to weaken the principles and the relationships of families, of small business owners, of local officials, of election administrators, of military officers and enlisted troops.

Where could you get such a virus?

According to Andrew Miller, writer for the *Philadelphia Trumpet Magazine*, here would be one way.

Sometime before Sept. 12, 2019, someone or something left the premises of the Wuhan Institute of Virology in Communist China. On it or inside it was an unnaturally powerful virus. It would soon infect its first victim in Wuhan before spreading to enough people worldwide to be classified a pandemic.

Some people have manipulated it to create the catalyst needed to dismantle a superpower. It’s increasingly clear that was their agenda—not hypothetically but literally.

Gain of Function

In September 2019, almost nobody had heard of COVID-19. The closest most had known were the comparatively small outbreaks of SARS, swine flu, avian flu and the seasonal influenza in humans. But Chinese Communist Party scientists in Wuhan knew all about COVID-19. So did United States National Institutes of Health Director Anthony Fauci. So did Dr. Peter Daszak, high-ranking officials in the World Health Organization and high-ranking officials in the Chinese Communist Party. Why? Because they were furiously trying to cover up the fact that they had bio-engineered a virulent coronavirus even as it rapidly spread around the world.

Meanwhile, whether it was intentionally designed to advance the radicals’ agenda or not, that is exactly what they used it for. A collection of amino acids from the other side of the world that had nothing to do with America, the Constitution, your business, your family or your liberties suddenly has everything to do with them.

Liberal elites have spent more than a year ignoring, downplaying, scoffing at or censoring the belief that COVID-19 leaked from Wuhan and was created there. Yet an extensively researched report compiled by the Minority Staff of the House Foreign Affairs Committee cites multiple pieces of evidence supporting these conclusions. Outlets like CNN, MSNBC, ABC News, NBC News and CBS News failed to cover this report because it was authored by Republicans, but many Democrats now admit that the evidence shows the lab-leak theory is true. But they don’t let that stop them from using the virus and the radicals’ manipulation of it to advance the Marxist agenda.

How can we solve the threat posed by the virus? Surprise: The solution, according to socialists and Communists, is to force through what socialists and Communists have been demanding for decades. With help from the U.S. National Institute of Allergy and Infectious Diseases, EcoHealth Alliance and the University of North Carolina, these leftists bio-engineered a virus that Democrats are using to shut people in their homes, keep people from their work, smother eco-

nomie activity, impoverish 200,000 small businesses, wildly enrich the technology and pharmaceutical industries, steal a presidential election, build a surveillance state, and confuse and frighten millions of Americans into surrendering their rights.

Yes, the plan is underway to dismantle the strength of the United States of America and what remains of its biblical and constitutional foundations and to reassemble its components into an authoritarian technocracy.

Dissolving America’s Foundation

The U.S. government took the unprecedented and un-American step of locking down its own economy in March 2020. It settled Americans’ attitudes by promising it would take 15 days of mandatory sacrifice to slow the spread of COVID-19 and return to their regular lives and their constitutional rights. We are now far past 600 days to slow the spread. Months of lockdowns have, predictably, caused the worst downturn since the Great Depression.

Economists have estimated the pandemic’s cost to the U.S. economy at a staggering \$16 trillion, and the brunt of these costs has been borne by ordinary individuals and small businesses. This is not a byproduct of a good-faith attempt to contain a virus. This is a deliberate plan. Small-business owners and workers are more independent from the government than those who work for the government or corporate elites. There are just too many of them to control. So they needed to be systematically destroyed and reincorporated into a corporate structure.

The lockdowns dissolved roughly 200,000 American small businesses. Those that have survived are now being pulverized by supply-chain crisis. In *The War on Small Business: How the Government Used the Pandemic to Crush the Backbone of America*, author Carol Roth writes that the federal government and the Federal Reserve are actually working together “to oversee the largest wealth transfer in history, from Main Street to Wall Street.”

THE ELITES
SO FAR DURING THE PANDEMIC,

America’s 614 billionaires became 62 percent richer; 8 million people were pushed into poverty.

Seven Big Tech companies added \$3.4 trillion to their value; 40 million people were laid off.

The three big vaccine makers split \$40 billion in vaccine profits; 200,000 small businesses closed.

Government-imposed lockdowns are making it impossible to con-





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tinue operating small businesses, while government-approved stimulus packages prop up mega-corporations. “When historians look back on the decisions made beginning in March 2020 and still going strong, this period will be remembered as the ‘Great Consolidation’—the acceleration of a historic wealth transfer and power concentration out of the hands of the middle class and into those with political power and connections,” Roth wrote for Newsweek. “The ‘connected’ form a powerful bloc comprised of big government, big business and big special interests” (Oct. 24, 2021).

She further wrote that these big political and financial powers are controlled by a small number of powerful elites who derive benefits at the expense of everyday Americans. The aftermath has exposed the ugly fact that politicians from both parties love mega-corporations that they can work with to increase their personal wealth and their control over the economy. This is why salons, for example, were shut down “for your protection,” while big retailers like PetSmart, which I use a lot, were decreed “essential” during the pandemic and continued to perform “essential” operations like grooming pet hair. It’s not about safety or health or even the economy. It’s about centralizing power in the hands of the government!

Stealing America’s Presidency

In addition to fundamentally transforming America’s economy, COVID-19 also fundamentally transformed America’s elections. This seems counterintuitive, unless you realize that one American political party is dedicated to “fundamentally transforming the United States of America,” as Barack Obama put it during his campaign.

Most developed countries take the obvious step of banning mail-in voting to prevent fraud. Yet before the 2020 presidential election, 37 U.S. states changed their mail-in voting procedures to make it easier for people to vote from home, on the pretext of avoiding the virus. Some or many of these changes were illegal according to state constitutions. Just two months before the election, Attorney General Bill Barr told CNN’s Wolf Blitzer that “people are playing with fire” when it comes to widespread mail-in voting, because the potential for fraud was so great. Yet the government still mailed 100 million ballots around the nation.

This couldn’t have happened if COVID-19 hadn’t been engineered, leaked from a lab, spread worldwide, and ceaselessly amplified by an unprecedented political and media scare campaign.

Dr. Peter Navarro, a former trade adviser to the White House, has documented how the Democrats used a two-pronged strategy to steal the 2020 presidential election. First, increase the number of absentee and mail-in ballots. Second, decrease the level of scrutiny of such ballots to flood states with unverified votes. This strategy worked amazingly well in Arizona, Georgia, Michigan, Nevada, Pennsylvania and Wisconsin, where the number of potentially illegal votes exceeded Joe Biden’s “victory” margin by an order of magnitude. So, it is no exaggeration to say that Biden would not be advancing the radical agenda from the White House today if it were not for the lengths that Dr. Fauci, Dr. Daszak and the Communist Party went to in covering up the true origins of COVID-19.

Even Time magazine admitted “COVID-19 changed everything about the 2020 election” and “forced many states to rapidly change how people get and submit their ballots, with unpredictable and potentially disastrous results” (Aug. 6, 2020).

But instead of admitting that mail-in ballots open the door to fraud and returning to secure elections, radical Democrats are scrambling to pass one of the most extreme and lawless voter reform bills in history. The H.R. 1 bill, which Democrats call “For the People Act,” would essentially legalize the fraud committed during the 2020 presidential election, making it possible for Democrats to steal every future American election. The bill mandates that convicted felons be allowed to vote. It prohibits states from even trying to purge voter rolls of foreign nationals, who are ineligible to vote according to the Constitution. It mandates same-day voter registration, mandatory early voting, nationwide availability of mail-in ballots, and unlimited ballot harvesting. Normally, the American people would never consider such measures, so the radical Democrats had to use COVID-19 as the pretext. Not only was it the means to steal the presidency and many congressional seats, but now that they control the levers of power, they are using it to try to enshrine their lawless electoral practices with a veneer of law.

Establishing a Surveillance State

Now that corporate oligarchs control the economy and radical Democrats control the government, U.S. leaders are preparing everyday Americans to accept the fact that they will be forced to obtain “vaccine passports” to enter restaurants, stores, gyms and other indoor establishments. These are the same leaders who claim it is racist to ask someone for identification before voting. This is not about public health. This is about political power.

Big companies like Disney and Walmart are already requiring their employees to get vaccinated, so government coercion is probably not far away. New York Mayor Bill de Blasio announced that vaccine passports would be phased in over several weeks. Joe Biden announced that he would use the Occupational Safety and Health Administration to force private-sector employers to compel their workers to get vaccinated, to submit to weekly testing, or get fired. This is aimed at coercing 100 million unvaccinated Americans to get jabbed.

Such authoritarian mandates are not a means of protecting public health. Scientists at Pfizer, a pharmaceutical mega-corporation that manufactures a COVID vaccine, have been recorded admitting in private that natural COVID immunity is far more effective than vaccination. And two thirds of epidemiologists warn that mutations could render current COVID vaccines ineffective in a year or less. Vaccine mandates and COVID passports are largely ineffective for containing a virus—but extremely useful for establishing a Communist-style surveillance state in the United States.

Americans today are not living in the nation of their Founding Fathers or even of their own fathers. The government is mutating away from a constitutional republic into an authoritarian technocracy.

Since February 2020, Chinese citizens have had to use digital “health codes” on platforms such as WeChat and AliPay to access public transport, restaurants and malls. Yet these “health codes” are more than just admission passes for the vaccinated. WeChat and AliPay work closely with the Chinese government to collect data on Chinese citizens that can be used to assign them a social credit score. If a citizen refuses vaccination, makes an online political post without a permit, or questions a government decision, his social credit goes down and the police may show up at his door. Now a similar authoritarian system could be coming to the United States.



How the Global Economy Works

In July 2021, PayPal announced a partnership with the Southern Poverty Law Center to investigate the role of “white supremacists” and “anti-government” agitators in the January 6 protest at the U.S. Capitol and also that information collected by PayPal will be shared with other financial firms and politicians. Anyone labeled an extremist could be banned from using PayPal and similar services. “The potential scope of the soft social credit system under construction is enormous,” reported the Hill. “The same companies that can track your activities and give you corporate rewards for compliant behavior could utilize their powers to block transactions, add surcharges or restrict your use of products. At what point does free speech—be it against biological males playing in girls’ sports, questioning vaccine side effects, or advocating for gun rights—make someone a target in this new system? When does your debit card get canceled over old tweets, your home loan denied for homeschooling your kids, or your eBay account invalidated because a friend flagged you for posting a Gadsden flag?” (Aug. 3, 2021).

It would not take much to link such a social credit system to vaccine passports and start barring people from restaurants because they are unvaccinated or because they made an online political post about the election steal. Again, the American people would normally never consider such measures, but the perceived threat of COVID-19 has frightened millions into surrendering their constitutional rights to public health officials!

Authoritarian Technocracy

Americans today are not living in the nation of their Founding Fathers or even of their own fathers. The nation’s government is mutating away from a constitutional republic into an authoritarian technocracy.

Trumpet editor in chief Gerald Flurry explained in “Who Is the Modern-Day Jeroboam?” that Donald Trump is a type of the Israelite King Jeroboam II. Anciently, under Jeroboam’s rule, Israel expanded its borders and took control of trade routes connecting Assyria and Egypt. Yet while he warred, a new class of elites grew rich trading in olive oil, wine and war horses. They used their wealth to exploit their own people (Amos 6:1-7), so God used the Prophet Amos to condemn them, saying they “swallow up the needy, even to make the poor of the land to fail” (Amos 8:4-7).

The central planners behind the COVID-19 pandemic present themselves as champions of the poor, but they are not much different from the aristocracy that governed Israel in Jeroboam’s time. The goal of these elites is to use crises to enrich themselves and keep the masses reliant on the government.

A related prophecy in 2 Kings 14:26-27 says, “For the Lord saw the affliction of Israel, that it was very bitter: for there was not any shut up, nor any left, nor any helper for Israel. And the Lord said not that he would blot out the name of Israel from under heaven: but he saved them by the hand of Jeroboam the son of Joash.”

When you look at all the ways that the radical left has used the COVID-19 pandemic to attack America and transform it into a Communist state, it is clear that America is suffering bitter affliction. In fact, the affliction is so bitter that if God did not intervene, the same people who covered up the coronavirus’s true origins would be able to rig every election for the foreseeable future and rule America like a feudal aristocracy.

The infection of America with a fatal strain of radical socialism traces back not only to a Wuhan laboratory, communist commissioners, an American doctor and an American president, but to the agenda

and the motivation that strangely unites them. That motive traces back to a literal, active spirit being seeking to destroy America and related nations because those nations have been (and will be) used by God.

Thankfully, according to the scriptures, God appears to promise to miraculously intervene one last time and save America from the radical left. He will do this specifically for the purpose of giving Americans one last chance to learn the lesson of the COVID-19 pandemic and the technocratic takeover. If we go back to business as usual and fail to repent of the sins that enabled a cabal of corporate executives, establishment politicians and “deep state” bureaucrats to take over, then God will not pass by again (Amos 7:8-9). He will not give us another chance. The nation will have to go into captivity before its people learn the true meaning of repentance and finally let God show them how to lead a life worth living!

Will we make the right choice?

D. Miyoshi

How the Global Economy Works



George Friedman is the preeminent Geo-Political thinker of our time. A Hungarian-born U.S. scholar and strategist on international affairs, he is the founder and chairman of Geopolitical Futures, an online publication that analyzes and forecasts the course of global events. For your reading consideration, I present to you an article he published on September 24, 2021 entitled “How the Global Economy Works, or Seems To” I hope you find it informative. D. Miyoshi

How the Global Economy Works



George Friedman

How the Global Economy Works, or Seems To

Thoughts in and around geopolitics.

There is an interesting pattern that takes place in the global system. A nation emerges that is able to produce industrial products at low cost, primarily because of cheap labor and productive innovation. This country has a stunning impact on the global system's economy, and then about 40 years into the cycle the nation's economy weakens, sometimes catastrophically. This is normally because, as an exporting giant, it depends on its customers to buy its wares, and at some point they either can't or won't. The country goes into a crisis that seems likely to crush it, but in due course it recovers, sometimes economically stronger than ever, and a new country replaces it as the low-cost producer. There are not many cases like this, since 40 years is a long time; adding the period of apparent decline seems to complete the cycle in 50 years. That means three such nations would eat up 150 years. So I will go with three cases: the United States, Japan and China. (India under the British Raj doesn't quite fit.)

Let's begin with the United States, the first "China" if you will. The Civil War ended in 1865. About a decade later, the United States began its own industrial revolution, which hit its stride in about 1890. It was built on producing low-cost manufactured products for consumption by European countries that were focused on the production of higher-value products. By 1900, the United States was producing half the manufactured goods in the world. American innovation centered on cutting production costs and dominating foreign markets. It created massive capital formation in the United States and seemed to portend U.S. economic domination of the world. What, after all, could stop us?

What stopped us was World War I. It wrecked Europe, Washington's most important buyer, and slowly at first in the 1920s then with increasing speed, it broke the economic system the United States had created. The result was the Great Depression and the first American industrial purge. Obviously, it did not mean the end of the United States or even its economic preeminence, but it introduced a painful pause and social upheaval. It was not Smoot-Hawley tariffs or monetary policy that created the Depression but the destruction of America's customers. The cycle began in earnest about 1890 and ended about 1930 – a period of 40 years – and then recovered during World War II.

Japan is the second case. It was decimated in World War II. Then around 1950, it began its economic surge. During the Korean War, the U.S. had to import equipment from nearby Japan. It needed trucks, and rather than take the time to buy them in the U.S., it asked a small Japanese company if it could make them. And so it did. The name of the company was Toyota, and it was one of the firms that over time produced cheaper but quite usable cars for the U.S. market, hammering U.S. makers in the process. Japan's educated and disciplined workforce and the collapse of the Japanese economic system reduced labor costs dramatically, allowing Japan to become the low-cost giant of the world by the 1960s.

Japan's success had a huge effect on the world and particularly on its largest customer, which put massive political pressure on Japan to shift its export policies and increase American imports. Japan's economy was built on cost-effective exports, so that was not an option. But more important, the export policy was a government policy, and the banking system was built to support it. The banking system invested in these exporting manufacturers to an extreme degree to achieve Japan's political goals, and at a certain point, the ability of Japanese exports to balance the extreme exposure of Japanese banks failed. Japan underwent a massive financial crisis that peaked around 1990 – 40 years after the Japanese boom started. Japan spent the next decade or so reorganizing itself into something other than a country that depended on price differentials to fuel its economy. It has recovered nicely.

It was replaced by China. The death of Mao (and Maoism) opened the door for China to replace Japan as a low-cost, high-volume producer of exported goods. Like the U.S. and Japan, it emerged from a system that had been wrecked. But it had a fairly disciplined if not sophisticated workforce that could manufacture basic industrial goods and, over time, as with Japan and the United States, increasingly sophisticated products for export. Its financial system was heavily based on foreign investment, which had been true of America's surge, and the inflow of capital made China seem destined to dominate the world (business economists seem to draw too many straight lines). As with Japan, China encountered the reluctance of the United States – its main customer – to continue to absorb the social costs of Chinese exports.

A global dislocation from COVID-19 also created dislocations in Chinese exports as the economy's financial foundations were increasingly vulnerable to relatively small shifts in revenue. Over the past few days, the Chinese government has taken steps to stabilize the social and political consequences of a cycle reaching its end. China is far from finished, but as with any macro business cycle, and as with the U.S. and Japan, it must pause, regroup and emerge as something different from what it was.

The Chinese surge started circa 1980. It now faces the political issue of maintaining stability while it deals with a financial and export crisis. Think of it as China's Great Depression or Lost Decades. Any extended and virtually uninterrupted surge creates massive weaknesses in the economy, which generates social, political and economic crises. Every nation handles this differently, but in national economics, the business cycle always lurks. For massive exporters, it disrupts the world. One consequence is capital flight – internal capital dries up, external capital flees, and a new exporting miracle takes

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place in a country no one imagines. How could the U.S. prosper after the Civil War? How could Japan recover after Hiroshima? How could China after the Cultural Revolution transform its very soul?

This process seems to be built into modern capitalism. There is a hunger for low-price manufactured products by wealthy countries that can no longer afford to produce them. Why does the cycle take 40 years? I have no explanation. It could be coincidence if there were only three cases. Or there could be some structural cause. But it is there, and it seems to be reaching its terminal stage in China. China, of course, isn't going anywhere, and it will be a permanent economic power after it stabilizes. But the breathless blather of its taking over the world will have been proved wrong. Another country we never expected will take its place, and then we will claim to have always known it was there.

End of Article

An Immigrant's View of America



In 2018 there were a record 44.8 million immigrants living in the U.S. making up 13.7% of the nation's population. This represents a more than fourfold increase since 1960, when 9.7 million immigrants lived in the U.S., accounting for 5.4% of the total U.S. population.

Essentially about one in seven people has come to the U.S. from another place. I was curious to see how some of these immigrants view their adopted home of America. The following is a personal essay by immigrant Vitaliy Katsenelson, friend of economist John Mauldin founder of Mauldin Economics.

Vitaliy has a keen philosophical insight into both economics and the human condition. His essay is not just about his Coming to America experience, but of his concern about America and some of the uncomfortable changes he sees, often the same we observe. I find it very inspirational reading from fresh eyes, fitting right in with our concerns for the coming year. So here is his essay for your reading consideration. D. Miyoshi

Coming to America

By Vitaliy Katsenelson*

On December 4th, 1991, my family “got off the boat” from Russia—we landed at JFK, our stop on the way to Denver. I was 18. This was a new world to us. My first surprise was Denver's shocking flatness. I learned about the United States mostly from American movies which, with the exception of Westerns, heavily biased coasts and skyscrapers. Denver was flat, sunny, and unusually warm. Just a few days before we were freezing our bones in Moscow in negative 30-degree weather. It was 65 degrees in Denver. People wore T-shirts in the middle of winter.

That was not the only surprise for us.

In Russia, every time we left the house, we paid close attention to how we dressed. Here nobody cared about their looks. This was liberating. I embraced this newfound freedom with all my heart. To this day I am the worst-dressed person in our 12-story office building, sporting mostly T-shirts and jeans.

We were picked up at the airport by half a dozen strangers, members of my aunt's synagogue. There were six of us: my father, stepmother, brother Alex, stepbrother Igor, my 84-year-old grandma, and yours truly. We had brought all our life possessions with us—thirty duffle bags. These strangers, who were to our big surprise always smiling (I will address the topic of smiling in a second), picked us up and drove us to our fully furnished apartment. They had furnished an apartment for people they didn't know! That was shocking to me. I had been brainwashed into believing that Americans—capitalist pigs—would sell their brothers to supersize their happy meals. (I'll touch on this topic in a few pages, too.) Now, these cold-hearted capitalists had taken their time and money to care for people they had never met. Capitalism was supposed to make people selfish and greedy, but these people were anything but.

Now, on the subject of smiling—Americans do it a lot. Let's be honest; these smiles are manufactured. There is no way you are happy to see every stranger you meet on the street. Russians are stingy on smiles. They don't give you frivolous smiles. When they smile they mean it. My thinking on this topic has changed a lot over the years. The pivotal moment was when I went back to Russia with my brother Alex in 2008. I realized that smiling faces had become a necessary and welcome part of the décor of my daily life. Today I walk in the park daily. I may be listening to an audio book or a podcast, but I try to give every person I meet a big smile. I do this intentionally for a selfish reason—you do this a dozen times in an hour and your facial muscles lighten and relax and your mood improves. Try it. It works.

Language was another surprise. George Bernard Shaw said, “England and America are two countries divided by a common language.” Shaw was so right. I had studied (more like memorized) English in school. I had enough vocabulary to maybe buy milk. But that was British English. American English was a completely different animal. Americans garbled entire sentences into a single sound. I honestly could not tell when one word ended and another began. The only person I understood was James, a wonderful man who had recently moved to Denver from Dallas. James was one of those cold-blooded capitalists who volunteered his time to help us acclimate in our first few months in the US. Unlike non-Texan Americans, James spoke with a slow Texan drawl. I could understand every word he

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said!

I think it took me six months to be able to understand spoken American English. I remember that day—my father was driving me to school and we were listening to classical music on the radio. A commercial came on, and I could understand it! That was a big day for me.

It is going to be very difficult for me to say what I am about to say without sounding like a complete idiot. But I must preface it by explaining that in Soviet Russia everyone (for the most part) was equally poor. My family, despite my father's high salary (he had a PhD, which boosted his pay), lived from paycheck to paycheck. Going to a restaurant was a big event for us. Our understanding of money, especially mine, was very limited—we never had any.

My father's younger sister Anna had moved to the United States in 1979. She got divorced and remarried, to a rabbi, Nathan, who headed a small congregation in Denver. I remember one day Nathan pointed out to me one of his congregants and said, "He is a millionaire." I still remember the thought that ran through my head—there must be something special about that person. After a few weeks of intense observation of this fellow, I came to the conclusion that having millions of dollars in the bank did not make him extra special. He drove a fancier car. He probably had a bigger house. But he dressed worse than me (which is hard to do) and he ate the same hamburgers and ice cream as everyone else.

Over the years I have learned that money and power reveal. They often unmask a person. Sometimes you like what is revealed; many times you don't. In fact, thirty years on, as an occupational hazard (I run an investment firm), I've spent some time around quite a few very wealthy people. I haven't observed any extra dose of happiness in them. Money solves money problems. It doesn't make people love you; your actions do. Money, just like education, is supposed to buy you choices. It should provide security. The first few years in the US, my parents worried about how we were going to pay for groceries and rent. We don't have that worry today—and that is liberating. (I wrote an in-depth essay on this subject. You can read it here.)

As I was reflecting on the last thirty years, I realized that the US has kept its promise. The poem on the Statute of Liberty reads:

"Give me your tired, your poor,

Your huddled masses yearning to breathe free,

The wretched refuse of your teeming shore.

Send these, the homeless, tempest-tossed to me,

I lift my lamp beside the golden door!"

The US has always presented itself as a country of opportunity. A country where you can achieve anything if you work hard. The only job that is off limits to an immigrant is becoming the President of the US. I'd say that is a feature, not a bug, of being an immigrant.

After we arrived, 1991 quickly turned into 1992. I spent a few months that year knocking on the doors of every business establishment within walking distance of our apartment and saying, "I'd like to fill out an application." (My American aunt taught me to say this.) I did not realize it at the time, but the country was in a recession. Getting a job was very difficult. Every member of my family needed to work. I was rejected by both Taco Bell and McDonald's on multiple occasions. I still hold a little grudge against those two specific establishments when I drive by them.

My first job in the US was folding towels at an athletic club. I was fired a few months later for reasons still unknown to me. The man-

ager called me into his office and gave me a long speech (I was a bit confused because he was smiling while he was firing me). Unfortunately, because he was not Texan, I didn't understand much of what he said. I did understand that I was fired.

My next job was bussing tables at the Village Inn restaurant on Friday and Saturday nights. When I say night, I don't mean evening, I really mean night. My shift started at 9 pm and ended at 5 am. At 2 am, once the bar closed, the restaurant was flooded with folks looking for burgers and fries.

Everything I earned at the Village Inn, down to the last penny (including tips), I gave to my parents. This money went for food and rent. It was the least I could do. My stepmother, who was a doctor in Russia, was now cleaning rooms in a hotel. So, despite having a job, I had no money of my own. Once I went on a date with a girl to a Chinese restaurant. She ordered kung pao chicken, I ordered water. It was an embarrassing experience. I had to postpone dating for a while.

Those were difficult years, but I would not trade them for anything. Those years taught me to work harder than anyone else. I don't know if I was driven by hunger for success, fear of failure, or by seeing the contrast of what this country had to offer versus my life in the Soviet Union. Probably all of the above.

Yes, this country has kept its promise. But as I reflect on spending the bulk of my adult life here, I realize I understand this country less today than I did 30 years ago.

Over the last decade something has changed. This change probably started at the turn of the century, but over the last ten years it became very noticeable. The country turned tribal.

Tribalism is benign when it comes to certain parts of our lives, like sports. You love your local high school or college or pro football team and (peacefully) hate other teams. We accept a certain amount of irrationality in belonging to a football tribe. I live in Colorado and thus supposedly belong to the Broncos and CU Buffs tribes. Even if you are a Green Bay Packers or Nebraska Cornhuskers fan, you don't hate me for that (or if you do, it's just for a few hours a year).

But tribalism is dangerous in other parts of our lives. We outsource our thinking to the mother ship of the tribe. Other tribes become our nemeses, and most importantly we lose nuance. Early in our lives our parents presented the world to us in binary terms. Honesty is good, lying is bad. They were trying to instill values that were black and white (right or wrong). But the world around is anything but. It is full of nuances. When I discuss politics or economics with my kids, they instinctively want to look at everything in binary terms. I try very hard to explain to them the complexities of the issues. These complexities are completely lost in tribal thinking. (I wrote about the dangers of tribalism in investing here.)

Tribalism in the US has become so strong that it has started to impact our freedom of speech. No, the government is not going to send you to the gulag for your political thoughts. We do it to ourselves by cancelling each other.

Let me give you this very recent example. Chris Cuomo was fired by CNN for helping his brother Andrew Cuomo deal with sexual harassment allegations. I was going to tweet something along the lines that CNN is a private enterprise and can do what it wants. But I don't think any less of Chris Cuomo for choosing his brother over his job. This is the value I instill in my kids—I tell my son and two daughters that the three of them are the most important people to each other in the world (even more important than their future spouses). They have to take care of each other for the rest of their

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lives. If one of my brothers got in trouble, I'd do anything I could to help him, even if it meant losing my job. I think there is a Taco Bell or McDonald's out there, still waiting to fix the mistake it made in passing on me 30 years ago.

I was going to tweet this about Chris Cuomo, but then I caught myself self-censoring. The thought that kept me from tweeting was, "People have been cancelled for less." So much for free speech, for feeling you can voice an opinion you know people will disagree with. On the surface my self-censored opinion is irrelevant. But this is not about me. How many of us now find ourselves afraid of being cancelled, or just don't want to get into mindless, vitriolic debates with tribal drones (people who just repeat the talking points of their tribes). The more we self-censor, the less free we become.

As nuance is lost, we lose pragmatism and resilience, and we follow the paths of all empires—they get too rich, overextended, think they are better than others, and then fail.

I see much the same thing happening on the corporate level. As great companies triumph, they lose a healthy sense of paranoia and perspective, their culture stiffens, and they start thinking that success is a God-given right. Hubris creates an opening for the competition to slide in. At first the competitors are content with breadcrumbs, but eventually they eat your lunch and dinner. IBM, GE, Xerox, Kodak, Polaroid—they used to be the hallmarks of this country and now they are the sorry old shadows of themselves.

It pains me to see the younger generation romanticizing about socialism. When you tell them that every country that tried it failed, they answer that they'll do it better. I have unique insights into this topic, both as a person who lived under Soviet socialism and as an investor. Socialism fails not because of the quality of people involved—nobody thinks that Russia or Venezuela would have succeeded if only they had better bureaucrats. Even if we had lent them our most distinguished DMV or postal service workers, that would not have saved them. Socialism simply runs counter to our genetic programming. The alignment of incentives is paramount to the success of any enterprise. The incentives of government bureaucrats are aligned not with the success of the country but with their keeping their jobs.

You want a corporate example? Compare the innovation of SpaceX, a company run by an ambitious founder, to the space program run by the US government in league with our traditional defense contractors. Capitalism is far from perfect, but it is the best system we've got.

I am still optimistic about the US. The wise words of Winston Churchill come to mind here: "You can always count on the Americans to do the right thing after they have tried everything else." I still would not want my kids or my (future) grandkids to live anywhere else. But we should not take our success for granted and, just like immigrants fresh off the boat, we should be a bit hungry and appreciate that what we have here is very special. We should be very careful about our freedoms.

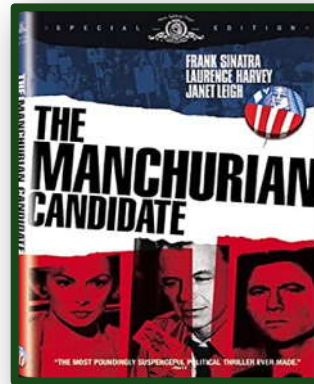
I was going to end this with a traditional "God bless America." Sure. But I think relying on divine intervention is not enough; we should all make small decisions every day to improve the country. My writing this, even if it means losing half of my readers, is my first step.

*Vitaliy Katsenelson is the CEO of a Denver-based value investing firm, IMA. His writing on investing, classical music, art, and life topics like the one in this article is published in Barron's, Forbes, Financial Times and on his website, ContrarianEdge.com and his Intellectual Investor Podcast. His two books on investing have been

published by Wiley and his upcoming book (not on investing), *Soul in the Game: The Art of a Meaningful Life* (Harriman House), is to be released in 2022.

End of Essay

Modern Manchurian Candidates?



Many of us remember the classic psychological political thriller *The Manchurian Candidate* released in 1962.

The plot centered on Korean War veteran Raymond Shaw, part of a prominent political family who is brainwashed by communists after his Army platoon is captured. He returns to civilian life in the United States, where he becomes an unwitting assassin in an international communist conspiracy. The group, which includes representatives of the People's Republic of China and the Soviet Union, plans to assassinate the presidential nominee of an American political party leading to the overthrow of the U.S. government.

From that classic movie, the term "Manchurian Candidate" has colloquially come to mean a person, especially a politician, that is used as a puppet by an enemy power. The term is commonly used to indicate disloyalty or corruption, whether intentional or unintentional.

Well, what about real life Manchurian Candidates?

In his classic work, *Enemies Within: Communists, Socialists and Progressive in the U.S. Congress* published in 2013, Trevor Loudon attempts to show American voters how modern communism works and how it impacts our everyday lives by identifying the vanguard of the alleged force that has sold America out to communist interests. The book lists some of the communists or communist sympathizers that are now serving in the U.S. Congress. Some of the names of these politicians are cited below along with comments provided by conservative commentator Dave Hodges. I encourage you to investigate the background of any of these listed politicians who you may disagree or take issue that their name has been included in this list. I

Modern Manchurian Candidates?

hope you find it informative. D. Miyoshi

Raul Grijalva (D-AZ) Has worked closely with the Communist Party USA since at least 1993. A self-described “Alinskyite.” Traveled to Cuba in 2015.

Ami Bera (D-CA) Has used Communist Party USA campaign volunteers in 2010, 2014 and 2016. Also close to Democratic Socialists of America.

Nancy Pelosi (D-CA) Very close to several key Communist Party USA allies in San Francisco in the 1970s and '80s. Also, some involvement with Democratic Socialists of America.

Barbara Lee (D-CA) Lee has been close to the Communist Party USA for decades. In the 1990s she was a leading member of the Communist Party spin-off Committees of Correspondence. Has been to Cuba more than 20 times.

Ro Khanna (D-CA) Very close to Democratic Socialists of America.

Salud Carbajal (D-CA) Long history with Democratic Socialists of America members.

Judy Chu (D-CA) Was heavily involved with the now-defunct pro-Beijing Communist Workers Party in the 1970s and '80s. Still works closely with former members today. China's best friend in the US Congress.

Raul Ruiz (D-CA) Worked closely with Workers World Party members in Massachusetts in the late 1990s.

Karen Bass (D-CA) Was actively involved with the Marxist-Leninist group Line of March in the 1980s. Still works closely with former members. Mentored by a leading Communist Party USA member. Also close to Democratic Socialists of America and some Freedom Road Socialist Organization members. Has been to Cuba at least 4 times.

Maxine Waters (D-CA) Long history with the Communist Party USA. Also ties to some Communist Workers Party and Workers World Party fronts. Has employed staff members from Democratic Socialists of America and League of Revolutionary Struggle.

Joe Courtney (D-CT) Has worked closely with several Communist Party USA leaders.

Rosa DeLauro (D-CT) Has worked extremely closely with the Communist Party USA for many years. Traveled to Cuba in 2014.

Jim Himes (D-CT) His 1988 thesis “The Sandinista Defense Committees and the Transformation of Political Culture in Nicaragua” was a sympathetic portrayal of Marxist government's civilian spy network. Has worked closely with one Communist Party USA front group.

Kathy Castor (D-FL) Has worked closely with Cuba and pro-Castro organizations to open US trade with the communist island.

John Lewis (D-GA DECEASED) Worked closely with the Communist Party USA and Socialist Party USA in the 1960s. In recent years has worked with Democratic Socialists of America members.

Tulsi Gabbard (D-HI) Has worked with Democratic Socialists of America members through her political career. Ties to some Filipino-American “former communists.” Worked with Communist Party USA affiliated former Congressman Dennis Kucinich to defend Soviet-Russian puppet Syrian leader Bashar-al-Assad.

Gabbard has publicly disavowed the actions of the Democratic Party. She supported Kyle Rittenhouse....is she changing parties? No, she's part of a deception in which it appears she will be running as a 3rd party candidate in order to split the GOP vote and assure a Democratic winner in 2024. Make no mistake about, Gabbard's pretend shift from liberal to conservative is all an act. Dave Hodges' The Common Sense Show already exposed the unveiling of this plot.

Bobby Rush (D-IL) Former leader of the Maoist-leaning Black Panther Party. Has worked closely with Communist Party USA and Democratic Socialists of America. Has traveled to Cuba twice. Announced he's not running for re-election because the heat is on due to his overt communist ideology.

Jesus “Chuy” Garcia (D-IL) Has worked closely with the Communist Party USA for nearly 40 years.

Danny Davis (D-IL) Was a member of Democratic Socialists of America in the mid-2000s. Has worked closely with the Communist Party USA since the 1980s. Also close to Committees of Correspondence in the 1990s.

Jan Schakowsky (D-IL) Was a member of Democratic Socialists of America in the 1980s and has continued to work closely with the organization. Has also worked closely with some Communist Party USA members.

Dave Loebsack (D-IA) has worked closely with Socialist Party USA and Democratic Socialists of America members for many years.

John Yarmuth (D-KY) has worked with Committees of Correspondence for Democracy and Socialism members. Traveled to Cuba in 2011.



Modern Manchurian Candidates?

Jamie Raskin (D-MD) has worked closely with Democratic Socialists of America for many years.

Jim McGovern (D-MA) has supported Latin American socialist and revolutionary groups for 20 years. Has traveled to Cuba at least three times.

Ayanna Pressley (D-MA) Has been endorsed by Democratic Socialists of America. Worked with Freedom Road Socialist Organization front groups and with the pro-Beijing Chinese Progressive Association in Boston. Squad member!

Andy Levin (D-MI) Close to Democratic Socialists of America for at least a decade.

Rashida Tlaib (D-MI) Democratic Socialists of America member. Squad member!

Betty McCollum (D-MN) Close ties to communist Laos. Has worked with Democratic Socialists of America members. Traveled to Cuba in 2014.

Ilhan Omar (D-MN) Member of the radicalized "Squad"-Supported by Democratic Socialists of America- controlled groups Our Revolution and National Nurses United. Reportedly a self-described "Democratic Socialist."

Minnesota has become a bastion of extreme liberalism and reverse racism against White people. Please note the latest coming out of Mankato, MN as the school board voted to pay nonwhite teachers more than White teachers

Bennie Thompson (D-MS) Was close to the Communist Party USA for many years. Also supported one Communist Workers Party organization. Traveled to Cuba in 2000 and worked with Fidel Castro to train leftist American medical students in Cuba.

William Lacy Clay (D-MO) Has worked with Communist Party USA fronts for many years.

Greg Meeks (D-NY) Has traveled to Cuba at least 3 times. Was a strong supporter of Venezuelan dictator Hugo Chavez.

Grace Meng (D-NY) Very close to the pro-Beijing Asian Americans for Equality. Was also active in a radical Korean-American organization

Mark Takano (D-CA) Extremely close to the Democratic Socialists of America front Progressive Democrats of America. Works closely with "former" Marxist-Leninist- Maoist Steve Phillips and his Power PAC+. Travelled to Cuba in 2017.

Katie Porter (D-CA) Elected with pro-Iran National Iranian American Council (NIAC) and Democratic Socialists of America support.

Mike Levin (D-CA) Elected with National Iranian American Council and Communist Party USA support.

Adam Schiff (D-CA) First elected with Democratic Socialists of America support. Has enjoyed some Iranian-linked PAC support. Works closely with Communist Party of China-connected Committee of 100.

Jahana Hayes (D-CT) Has worked closely with both the Communist Party of Connecticut and Democratic Socialists of America.

Darren Soto (D-FL) Has worked closely with fronts for communist groups Liberation Road and Freedom Road Socialist Organization. Very close to the Council on American Islamic Relations.

Hank Johnson (D-GA) Very close to both the Latin American and Muslim far-left. Travelled to Cuba in 2016.

Other comments by Dave Hodges:

Don't forget about those sleeping with Chicom spies (Swalwell) ...or employing CHICOM spies as one's personal driver for 20 years (Feinstein). Bernie Sanders honeymooned at the Kremlin. Mitch McConnell's wife, the former Secretary of Transportation, has parents who run the six major ports for the Communist Party of China. Joint Chief of State, General Milley, proclaimed before the senate that he would warn his CHICOM counterpart if we were going to attack China. Milley also admitted to gross insubordination while serving under Trump. The Biden family is being blackmailed by both Ukraine and China.

Note that Manhattan's DA recently announced that the only crime that a citizen will receive jail time for is murder. Does that mean that DUI manslaughter, attempted murder, manslaughter, carjacking, rape, incest, sex crimes against children, etc., will go unpunished?

So what could possibly go wrong?

[End of comments](#)



Take Aways of the Theranos Case



On January 3, 2022, Elizabeth Holmes, the founder of the failed blood testing start-up Theranos, was found guilty of four of 11 charges of fraud in a case that came to symbolize the pitfalls of Silicon Valley's culture of hustle, hype and greed.

Ms. Holmes, who had once promised to revolutionize health care, was the most prominent executive to field fraud accusations in a generation of high-flying, money-losing start-ups.

The verdict stands out for its rarity. Few technology executives are charged with fraud and even fewer are convicted. If sentenced to prison, Ms. Holmes would be the most notable female executive to serve time since Martha Stewart did in 2004 after lying to investigators about a stock sale. And Theranos, which dissolved in 2018, is likely to stand as a warning to other Silicon Valley start-ups that stretch the truth to score funding and business deals.

At its peak, Theranos – spearheaded by Holmes, who fancied herself as a young, blonde version of Steve Jobs, down to the black-turtleneck uniform – was valued at \$9 billion. And based on her 50% stake in Theranos, Holmes was touted as the world's youngest female billionaire.

Along the way, a who's-who list of Silicon Valley investors – including venture capital legend Tim Draper, and Oracle founder Larry Ellison – fell over each other to invest in the company. Former Secretary of Defense General James Mattis and former Secretary of

State George Shultz, among other kingpins of politics, sat on the company's board.

In 2015, Time magazine named Holmes as one of the world's 100 most influential people.

She was featured on the cover of Fortune magazine and of the Forbes 400 issue of the richest Americans, and was fawned over in the Wall Street Journal, Glamour, USA Today, and Inc. magazine, plus dozens of other publications. She appeared on CNBC, NPR, CNN, and Fox Business. Harvard Medical School even asked her to join its board of fellows.

What are some of the take aways we can learn from the fate of a lady who chose business fraud over business failure. On December 3, 2021 one month before the verdict was announced *Stansberry Digest*, a leading investment journal published an article that provides some answers to that question. The article is entitled “The Lessons of the Theranos Case” and I recreate it here for your reading consideration. D. Miyoshi

The Lessons of the Theranos Case

Elizabeth Holmes was terrified of needles...

And she's not alone. One in every 10 people suffer from what's called trypanophobia... For those folks, getting a simple blood draw is a petrifying experience.

Holmes, though, used her fear of the phlebotomist as motivation.

In 2003, as a 19-year-old Stanford University student, Holmes founded Theranos, a company that aimed to do blood tests, taking just a drop – rather than a few vials sucked out through a needle – at a fraction of the usual cost. Placing Theranos at the intersection of biotechnology and do-goodism, Holmes said her biotech startup would “democratize health care.”

At its peak, Theranos – spearheaded by Holmes, who fancied herself as a female version of Steve Jobs, down to the signature black turtleneck – was valued at \$9 billion. A long list of top Silicon Valley and tech investors – including venture-capital legend Tim Draper and Oracle founder Larry Ellison – eagerly invested in the company. Former Secretary of Defense James Mattis and former Secretary of State George Shultz, among other kingpins of politics, sat on the company's board.

Based on her 50% stake in Theranos, Holmes was touted as the world's youngest female billionaire. Time in 2015 named her one of the world's 100 most influential people.

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But as I (Kim Iskyan) will explain, it all fell apart... for Elizabeth Holmes and for Theranos investors. With the national media following every tantalizing detail, Holmes is currently on trial in federal court in San Jose, California, charged with wire fraud and conspiracy to commit wire fraud. These charges stem from deceiving patients and investors by making claims about Theranos' product and

Take Aways of the Theranos Case

the company's finances. If convicted, Holmes faces up to 20 years in prison.

The collapse of Theranos, which was a private company, hurt only a small number of investors. But its rise and fall is a masterclass in the importance of understanding what you're investing in... in order to avoid companies that might be too good to be true.

Even as a young girl, Holmes knew she wanted to be rich...

When she was 10 years old, a relative asked Holmes the question adults often pose when confronted with the challenge of making conversation with a young person: What do you want to be when you grow up?

As explained in *Bad Blood: Secrets and Lies in a Silicon Valley Startup*, a 2018 book about Elizabeth Holmes and Theranos by former Wall Street Journal reporter John Carreyrou, the young Holmes replied...

"I want to be a billionaire."

"Wouldn't you rather be president?" the relative asked.

"No, the president will marry me because I'll have a billion dollars."

These weren't the idle words of a child. Holmes uttered them with the utmost seriousness, according to a family member who witnessed the scene.

Holmes carried that intensity – combined with a desire to lead a "purposeful life," which she'd learned from her father – to Stanford University. It didn't take her long to get on the good side of the head of the chemical engineering department, who would eventually join the Theranos board.

After the end of her freshman year, the precocious Holmes wrote a patent application for an arm patch that would diagnose medical conditions – and treat them at the same time. Soon thereafter, she dropped out of college...

The original company name was Real-Time Cures...

However, a typo turned that into "Real-Time Curses" on paychecks for early employees. Later Holmes changed the name to Theranos... which sounds vaguely mythological – but is actually a combination of the words "therapy" and "diagnosis."

One of the first investors in Holmes' newborn venture was Tim Draper, a legendary Silicon Valley venture capitalist, whose book *How to Be the Startup Hero* is a bible to many entrepreneurs. Holmes was a childhood friend of Draper's daughter – one of many serendipitous connections in the Theranos story.

Within months – thanks in part to the credibility conferred by Draper's support – Holmes had raised \$6 million from a mix of family, friends, and well-connected investors.

Meanwhile, the vision of Theranos evolved. Carreyrou explained the company's product...

Something akin to the handheld devices used to monitor blood-glucose levels in diabetes patients... The patient would prick her finger to draw a small sample of blood and place it in a cartridge that looked like a thick credit card. The cartridge would slot into a bigger

machine... [and] produce a signal that would be... translated into a result.

The blood-testing machine, named Edison (and later, a different iteration, the miniLab), would sit in patients' homes and could run 240 different types of blood tests. Results would be automatically sent to the patient's doctor, allowing for real-time monitoring and treatment. The device would revolutionize health care by bringing higher levels of care to more people, at a significantly lower cost.

That is... if it ever worked.

It's what I call 'car-mechanic syndrome'...

That's when your car makes some funny noises, so – rather than watch a YouTube video and try to fix it yourself – you take your vehicle to the body shop.

The greasy, overalls-clad mechanic pops the hood, tut-tuts a bit, and declares that it will be \$1,200 to fix it... rattling off something about the carburetor and the accelerator.

You don't even know what you don't know. But the car mechanic, who has a gift for gab and a winning smile, seems to know what he's talking about... So, you grit your teeth and pay the bill.

You follow the guidance of the "expert."

Now... investors in Theranos weren't suffering from car trouble...

But they were carried along by the confident charisma of Elizabeth Holmes. And they figured that someone else – Draper or Kissinger or Ellison – had done some real due diligence on Theranos... and on Holmes.

And there's an important distinction: The concept of the Theranos product might be straightforward – use a few drops of blood rather than a vial, and then transmit the results of blood tests in real time. But understanding the mechanics of it – or if it's even possible – is something else altogether.

The list of investors in Theranos, and members of the company's board of directors, included few actual experts in the fields of biotechnology, nanotechnology, or biochemistry – and they had little understanding of what was going on with Edison.

It was a \$945 million oversight – that's how much investors put into Theranos altogether, according to the *New York Times*.

Holmes' management style was another red flag...

With the prestige conferred by an A-list board of directors and celebrity investors, Holmes attracted high-powered employees to make her vision a reality – PhDs and senior managers from NASA, IBM, SpaceX, and Panasonic, and designers from Apple... "It wasn't often that you found executives of that caliber at a small startup," Carreyrou wrote.

But few of those exceptionally well-qualified people stayed long... in part because of Holmes' dictatorial management style.

What we're doing "is the most important thing humanity has ever built. If you don't believe this is the case, you should leave now," she announced at the company Christmas party in 2011.

Holmes insisted on total secrecy – even within Theranos – which hurt efficiency and productivity. By limiting the information flow between groups – and making herself the nerve center of the compa-

Take Aways of the Theranos Case

ny – Holmes was able to obscure the dire problems facing the company.

At other times, Holmes transparently mimicked Steve Jobs, borrowing techniques discussed in Walter Isaacson's popular biography of the Apple founder. Carreyrou revealed that Theranos employees could determine how far along Holmes was in the book based on which behaviors she was emulating.

But she took a business cliché too far...

"Fake it till you make it" suggests that by cultivating a pretense of competence, you can buy time until you achieve real success.

The key question facing jurors in Holmes' trial right now is whether Holmes "faked it" in a criminal kind of way. That's really the crux of the case. As the Financial Times asked recently...

Did [Holmes] lie and cheat to make money, as prosecuters alleged, or did she simply fail to deliver on an ambitious vision to reinvent blood testing?

All the reporting in the media and in Bad Blood points clearly to outright fraud. Demonstrations of the Theranos device were clearly deceptive... Holmes reported preliminary contracts as done deals... And she claimed support from a pharmaceutical giant – which in fact had explicitly not endorsed the Theranos product. And that's just the start.

But Holmes' uncanny knack for getting her way – by not letting anyone see the full picture of what was happening – meant that she was able to skirt the hard questions about the viability of Theranos for years. She fired employees who pointed out problems, and she blithely papered over challenges that investors or partners – wary of getting themselves on the wrong side of the explosive Holmes – raised.

That allowed Holmes to advance uber-optimistic, shoot-for-the-moon forecasts of profits and growth.

That's the bread and butter of startups looking to raise capital. And Holmes failed dismally to deliver on her projections. But "failure is not a crime," in the words of her lawyers.

There are similar characteristics with one of the biggest financial scammers of all time...

One of the most successful bogus investment schemes of all time was run by financier Bernie Madoff. His guise was a preternaturally consistent and successful hedge fund that returned between 10% and 12% every year, regardless of market conditions.

In an investment world where tech stocks and cryptocurrencies regularly post triple-digit returns, that might sound like pocket change. But a solid double-digit return with low volatility – that is, minimal swings in performance – over decades is extremely rare.

By using a legitimate brokerage house as a front, Madoff was able to scam 40,000 investors – many of them friends and family members – who were deceived into thinking they'd accrued \$65 billion in profits over a period of more than 40 years. The reality was that he was running a Ponzi scheme, simply paying current investors with the cash from new investors.

Elizabeth Holmes was a kind of "medical Madoff," says Erin Arvedlund, who wrote the definitive book on Bernie Madoff, *Too Good to*

Be True: The Rise and Fall of Bernie Madoff.

The similarities are striking. Madoff got away with vague explanations of how he was able to generate such strong and consistent returns... and, when pushed, hid behind the claim that his ideas were proprietary. Holmes similarly used jargon and fuzzy language, designed to confuse rather than clarify.

Like Holmes, Madoff had a long list of influential backers – investors who happily referred their friends and family to Madoff, thinking they were doing them a favor. Like Madoff, Holmes warned investors not to expect much information or frequent updates... and actively discouraged probing questions.

Madoff's investment results were simply mathematically impossible. Says Arvedlund...

There were those who suspected Madoff's magic was just an illusion. Among Wall Street option traders, the conventional wisdom was that Madoff's strategy could not be replicated by anyone in the marketplace – at least not so it generated the double-digit returns he claimed.

Like Madoff, Theranos couldn't reliably and repeatedly deliver results without cheating.

Madoff was sentenced to life in prison, where he died earlier this year.

Theranos took a long time to crumble...

In August 2015, the Food and Drug Administration nosed around the Theranos facilities, and medical regulators found inaccuracies in the company's blood tests... Soon after this discovery, the first in a series of bombshell articles in the Wall Street Journal – which Holmes admitted trying to kill – put Holmes on the defensive.

The Securities and Exchange Commission launched an investigation into the company. In late 2016, Theranos closed its lab operations. And in June 2018, Holmes stepped down as CEO and was charged with conspiracy and wire fraud.

The trial is ongoing, and Holmes recently took the stand for multiple days to defend herself in an effort to stay out of jail. Whatever the verdict, the takeaways from Theranos will last forever.

The lessons of Theranos are instructive...

Beware the "story stock"...

In the investment world, a "story stock" is a company that's valued based on a promise, a vision, or a cool idea... but which often lacks strong fundamentals or an actual business plan. Story stocks often have delusions of grandeur, but little revenue.

Hot Internet stocks in the dot-com boom of the late 1990s, for example – Pets.com, anyone? – were big-time story stocks... Investors who employed "eyeballs" as a valuation metric and ignored negative cash flows learned the hard way when these sorts of stocks collapsed under the weight of their own faulty narrative.

Of course, some story stocks – Tesla (TSLA) and Amazon (AMZN) are two prominent examples – go on to change the world and make investors rich along the way. But chances were that Theranos was not going to be among them.

10 Best and Worst States in America to Retire

Do your due diligence...

There's no substitute for the hard work of research... something that investors in Theranos simply didn't do. As the New York Times recently asked, in reporting on the Holmes trial...

As investors have testified at Ms. Holmes's trial, a central tension has emerged around due diligence. Could these investors have avoided disaster if they had simply done better research on Theranos?

That's about checking in with customers, suppliers, and partners about a company's product and production... getting expert insight on the sector, and on the strengths and weaknesses of the company... reviewing past forecasts to see if they were met... talking with former executives from the company and managers of competing firms... stress- and reality-test financial statements and projections.

Though it might seem obvious, all too often investors, including those who should know better – with visions of huge returns and under the spell of the car mechanic – don't do basic research on prospective investments, even with millions of dollars hanging in the balance.

It's a lesson that investors in Theranos learned the hard way.

Don't put all your eggs in your company basket...

Holmes was – on paper – a multibillionaire. But she never sold any of her shares in Theranos. Perhaps it was a show of her own faith in the enterprise, or possibly a way to avoid revealing the uselessness of her product.

At some point, she knew that her billion-dollar product would not work... And instead of pivoting and using her hundreds of millions of dollars in funding to find a product that did work, she lied to cover her failure. Surely, with all those scientists, PhDs, and engineers, Theranos could have developed something that ultimately did work. She didn't diversify. She bet it all on one product... and that product failed.

She was like the investor who doesn't balance his portfolio after a big win... or doesn't follow a stop loss on a stock that moved up quick and fast.

As a result, Holmes apparently lost it all when Theranos went bust.

End of Article

The 10 Best and Worst States in America to Retire



For you and your clients the end of your career raises numerous questions about where and how to spend your days now that you're no longer tied to a specific location.

Should you settle by the beach or in the mountains? Do you prefer golf or cross-country skiing? Perhaps most important, where do your children, grandchildren, friends and health care providers live? These are all deeply personal questions that transcend dollars and cents.

In a recent study, Bankrate looked at a number of public and private data sets related to the life of a retiree to determine where each state stands. The study examined five categories (weightings in parentheses): affordability (40%), wellness (20%), culture (15%), weather (15%) and crime (10%).

According to Bankrate's study, Georgia is the best state in which to retire, followed by Florida, Tennessee, Missouri and—surprisingly—Massachusetts. Maryland, on the other hand, held last place in our ranking. The state was dragged down by a lack of affordability and by mediocre scores on culture and weather.

Here are the rest of the 10 best (and 10 worst) states to retire in 2021:



10 Best and Worst States in America to Retire



1. Georgia

- Affordability Ranking: 3
- Wellness Ranking: 32
- Culture Ranking: 41
- Weather Ranking: 4
- Crime Ranking: 29



4. Missouri

- Affordability Ranking: 3
- Wellness Ranking: 34
- Culture Ranking: 34
- Weather Ranking: 18
- Crime Ranking: 42



2. Florida

- Affordability Ranking: 14
- Wellness Ranking: 24
- Culture Ranking: 15
- Weather Ranking: 14
- Crime Ranking: 27



5. Massachusetts

- Affordability Ranking: 42
- Wellness Ranking: 1
- Culture Ranking: 12
- Weather Ranking: 6



3. Tennessee

- Affordability Ranking: 1
- Wellness Ranking: 42
- Culture Ranking: 29
- Weather Ranking: 8
- Crime Ranking: 45



6. Wyoming

- Affordability Ranking: 17
- Wellness Ranking: 28
- Culture Ranking: 10
- Weather Ranking: 49
- Crime Ranking: 7

10 Best and Worst States in America to Retire



7. Arizona

- Affordability Ranking: 16
- Wellness Ranking: 97
- Culture Ranking: 40
- Weather Ranking: 1
- Crime Ranking: 41



10. Kentucky

- Affordability Ranking: 14
- Wellness Ranking: 46
- Culture Ranking: 47
- Weather Ranking: 2
- Crime Ranking: 11



8. Ohio

- Affordability Ranking: 19
- Wellness Ranking: 34
- Culture Ranking: 32
- Weather Ranking: 45
- Crime Ranking: 20



9. Indiana

- Affordability Ranking: 7
- Wellness Ranking: 41
- Culture Ranking: 45
- Weather Ranking: 20
- Crime Ranking: 22



41. Connecticut

- Affordability Ranking: 49
- Wellness Ranking: 7
- Culture Ranking: 9
- Weather Ranking: 36
- Crime Ranking: 4

10 Best and Worst States in America to Retire



41. Idaho

Affordability Ranking: 22
 Wellness Ranking: 39
 Culture Ranking: 30
 Weather Ranking: 43
 Crime Ranking: 6



44. Maine

Affordability Ranking: 40
 Wellness Ranking: 29
 Culture Ranking: 1
 Weather Ranking: 50
 Crime Ranking: 2



43. Alabama

Affordability Ranking: 8
 Wellness Ranking: 44
 Culture Ranking: 48
 Weather Ranking: 39
 Crime Ranking: 44



46. Alaska

Affordability Ranking: 95
 Wellness Ranking: 23
 Culture Ranking: 20
 Weather Ranking: 48
 Crime Ranking: 49



44. Arkansas

Affordability Ranking: 19
 Wellness Ranking: 49
 Culture Ranking: 42
 Weather Ranking: 9
 Crime Ranking: 46



47. Montana

Affordability Ranking: 38
 Wellness Ranking: 33
 Culture Ranking: 12
 Weather Ranking: 47
 Crime Ranking: 39



How Federal Reserve Makes and Destroys Money



48. Kansas

- Affordability Ranking: 34
- Wellness Ranking: 26
- Culture Ranking: 28
- Weather Ranking: 41
- Crime Ranking: 35



49. Minnesota

- Affordability Ranking: 39
- Wellness Ranking: 15
- Culture Ranking: 34
- Weather Ranking: 25
- Crime Ranking: 17



50. Maryland

- Affordability Ranking: 47
- Wellness Ranking: 4
- Culture Ranking: 39
- Weather Ranking: 36
- Crime Ranking: 39

[End of Article](#)

How the Federal Reserve Makes and Destroys Money



The month of January has been very brutal for the stock market. The Dow Jones hit in all time high at the end of December but has been steadily declining ever since. Why is that? I can give you all manner of collateral reasons for this decline including the rise in interest rates and inflation, the Covid pandemic, the supply chain crisis, the rising unemployment and crime statistics, the tensions over the takeover of Ukraine and Taiwan, the increase in global warming, etc. But the main reason for the stock market decline can be boiled down to a more central cause, that is the shrinking liquidity in our monetary system. To explain this best, I present to you the following article by Rodney Johnson, editor of the financial publishing company H.S. Dent Publishing. This article was released January 26, 2022 and in it Johnson makes reference to “fiat currency” which means the U.S. dollar and any other currency in the world that is not backed by some form of tangible asset such as gold. I think you will find this article informative. D. Miyoshi

The Fed Beats Physics

Let’s be clear. The current and continuing market meltdown is not about inflation or even the Fed fighting inflation. Few investors are getting worked up over the idea that the Federal Reserve might raise short-term rates from near zero to 0.75% this year, or even 1%, instead of 0.50%. With bank loans essentially flat over the last several years, changing rates aren’t likely to curb economic activity, although they will reprice financed assets like cars and homes. The red on the equity screen this year is about one thing, shrinking liquidity.

To understand the importance of liquidity, it’s worth remembering that the first law of thermodynamics is that matter or energy cannot be created or destroyed, and also that the Fed is not bound by such a law.

Football Frenzies

When describing the physical world, you have to know what things can change and what things will remain constant. Even though fire appears to consume a tree, the chemical reaction simply changes the state of the tree's energy from physical form to gas and heat. The overall amount of matter/energy in the world (and in the universe, for that matter) does not change.

The laws of physics do not apply to the world of fiat currency. The Federal Reserve and other central banks change the amount of money in existence with a few keystrokes, which defies our sense of double-entry accounting. When the central bankers at the Federal Reserve want to add liquidity to the markets, they buy bonds from banks. The central bankers do not use money sitting around in some account for the purchases. Instead, they make adjustments to the selling bank's account at the Fed. If the Fed buys \$50 million worth of bonds from JPMorgan, a central bank employee will "adjust" JPMorgan's account at the Fed to be \$50 million higher and JPMorgan will send the bonds to the Fed. After the transaction, the Fed has the bonds and JPMorgan has \$50 million that did not exist before the transaction.

The new \$50 million then becomes part of the financial ecosystem, adding to all other liquidity in the system chasing financial assets like stocks and bonds. The more cash the Fed creates, the more money is out there chasing assets, which leads to rising markets.

But we're not talking about \$50 million. Since the pandemic started, the Fed has added more than \$4.5 trillion. That's money created out of nothing that's been chasing risk assets for almost two years. When the Fed released the minutes of its December meeting, we found that the bankers were discussing draining liquidity from the markets. The bankers will do this by reversing the transaction described above. They will sell \$50 million worth of bonds to JPMorgan by delivering the bonds to the company and then adjusting JPMorgan's account at the Fed to be \$50 million lighter. The extra cash, which used to be in the system chasing assets, disappears.

We know how this works, and we know that the central bankers intend to go down this road, but we don't know when they will start reducing the money supply or by how much. Without those answers, investors are left with nothing but their fear-filled imaginations.

After the Great Financial Crisis, the Fed added \$3.5 trillion to its balance sheet, driving it up from about \$1 billion to \$4.5 trillion, where it stayed from late 2014 through late 2017, when the bankers began reducing the money supply. Over the next two years, they allowed just \$750 million to roll off, bringing their balance sheet down to \$3.75 billion, before reversing course in late 2019. The takeaway is that when they drained liquidity, they did so very slowly and didn't come anywhere close to removing all that they had added. Chances are, they will repeat that pattern, but it might not work.

Even if they want to drain some of the excess liquidity they've created, they'll be hampered by the pain of falling markets. The central bankers might be okay with a correction in equities or even a shallow bear market, which are marked by declines of 10% and 20%,

respectively. But any more than that and they will be blamed for destroying the wealth of everyday Americans, which sits in index funds in 401ks and IRAs. That's a game no one wins.

But it's not clear that the Fed will be able to change course so easily this time around. In the late 2010s, we were riding the tailwind of falling taxes, rising GDP, and falling unemployment. The markets were able to absorb the very slow pace of Fed tightening. This time around, we're likely to face falling GDP, as pandemic government largesse fades and equities are at exceptionally high valuations. If the Fed follows through with draining liquidity in this environment, it's likely to get a lot uglier in the months ahead.

End of Article

Football Frenzies



During the NFL regular season, the league's games accounted for 91 of the top 100 TV broadcasts, and 48 of the top 50. The weekend of Jan 21-23 showed why—it was simply the best content around. Among the craziness...

- All four divisional playoff games ended in walk-off fashion.
- The Bills and Chiefs combined to score 25 points in the final 1:54 of regulation (which game some consider as the greatest ever played in the NFL).
- Also, this is the first time in 12 years that a conference title game won't feature Tom Brady or Aaron Rodgers.

Not to mention all the recent hoopla in college football about the Transfer Portal (equal to the NFL's free agency) and the new ability of high school and college players to monetarily benefit from their Name, Image and Likeness (NIL).

And on February 13, 2022 at SoFi Stadium in Inglewood, California it will be the Cincinnati Bengals vs the Los Angeles Rams for the Super Bowl Championship. It took 7 tries for the Rams to beat the 49ers but finally they did.

Now on to more sober matters.

D. Miyoshi

The Georgia Guidestones



Georgia Guidestones at sunrise by Diania Eric

The Georgia Guidestones have been called “America’s Most Mysterious Monument.”

The Georgia Guidestones are a granite monument erected in 1980 in Elbert County, Georgia, in the United States. A set of ten guidelines is inscribed on the structure in eight modern languages and a shorter message is inscribed at the top of the structure in four ancient language scripts.

In June 1979, a man using the pseudonym R. C. Christian approached the Elberton Granite Finishing Company on behalf of "a small group of loyal Americans", and commissioned the structure. Christian explained that the stones would function as a compass, calendar, and clock, and should be capable of "withstanding catastrophic events". Joe Fendley of Elberton Granite assumed that Christian was "a nut" and attempted to discourage him by providing a quote for the commission which was several times higher than any project the company had previously taken, explaining that the guidestones would require additional tools and consultants. To Fendley's surprise, Christian accepted the quote. When arranging payment, Christian said that he represented a group which had been planning the guidestones for 20 years and which wanted to remain anonymous.

Christian delivered a scale model of the guidestones and ten pages of specifications. The 5-acre (2-hectare) land was apparently purchased by Christian on October 1, 1979, from farm owner Wayne Mullinex. Mullinex and his children were given lifetime cattle grazing rights on the guidestones site.

On March 22, 1980, the monument was unveiled before an audience variously described as 100 or 400 people. Christian later transferred ownership of the land and the guidestones to Elbert County.

In 2008, the stones were defaced with polyurethane paint and graffiti with slogans such as "Death to the new world order". Wired magazine called the defacement "the first serious act of vandalism in the guidestones' history".



In September 2014, an employee of the Elbert County maintenance department contacted the Federal Bureau of Investigation when the stones were vandalized with graffiti including the phrase "I Am Isis, goddess of love".

The following information is taken from an article by Jim Goad that recently appeared in the Creepy Catalogue website.

The Georgia Guidestones, also known as the “American Stonehenge,” are a massive granite structure in far eastern Georgia near the South Carolina border. No one knows who paid for the construction of the Georgia Guidestones, nor what exactly is meant by the strange messages engraved on them. Here is the text inscribed in English on them.

What do the Georgia Guidestones say?

The following ten messages are inscribed on one of the structure’s giant slabs. These ten “messages” are written on the Guidestones in eight different languages. Those languages are English, Swahili, Russian, Spanish, Sanskrit, Hebrew, Arabic, and Chinese. Although they are not numbered on the monument itself, they are presented in this order in every language:

Maintain humanity under 500,000,000 in perpetual balance with nature

Guide reproduction wisely – improving fitness and diversity

Unite humanity with a living new language

Rule passion – faith – tradition – and all things with tempered reason

Protect people and nations with fair laws and just courts

Let all nations rule internally resolving external disputes in a world court

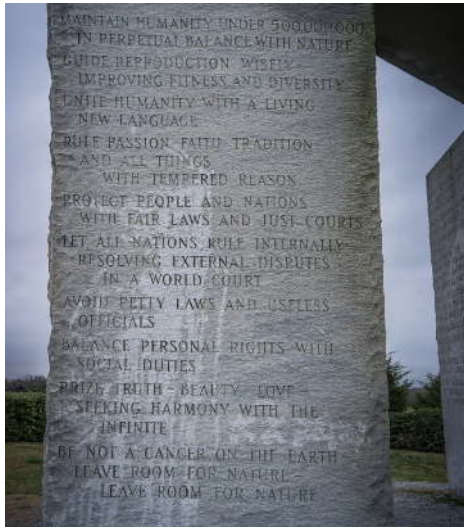
Avoid petty laws and useless officials

Balance personal rights with social duties

Prize truth – beauty – love-seeking harmony with the infinite

Be not a cancer on the earth – leave room for nature – leave room for nature.

The Georgia Guidestones



The text and message as it appears in the guidestones in English, photo by Dina Eric

Where are the Georgia Guidestones?

The Guidestones are located in far eastern Georgia, about 30 miles from the college town of Athens and 90 miles from Atlanta, where the closest major airport—which also happens to be the world’s busiest airport—is located.

Who made them and how where they constructed?

The Georgia Guidestones are almost twice as tall as Stonehenge. Nearly a quarter-million pounds of granite was used to make them.

No one knows who paid for their construction. As the story goes, an elegant, well-spoken, well-dressed, and grey-haired man who identified himself only as “R. C. Christian” appeared at a granite company in nearby Elberton, GA one day requesting a quote on the project. Figuring he was some “nut,” the granite specialist purposely claimed a ridiculous price, figuring Mr. “Christian” would balk. Instead, Mr. Christian agreed to the price.

R. C. Christian allegedly presented builders with a shoebox containing a wooden model of the monument along with 10 pages of extremely detailed specifications.

Seated at the highest point in the entire county, the monument was precisely engineered to track the movements of the sun and stars. Depending on where they stand and which slots or holes they peer through,

visitors can see the sunrise during an equinox or solstice or locate the North Star.

Some people suspect the Rosicrucian Order financed the project. Since “Rose Cross Christian,” AKA “Christian Rosenkreuz,” was the founder of the mystical society the Rosicrucian Order, many suspect that the Rosicrucians financed the building of the Georgia Guidestones.

The project’s builders’ had to sign a legal agreement never to reveal the identity of the financiers. They also swore to destroy all legal papers regarding the Guidestones’ construction once the project was finished.

Others suspect that Ted Turner financed the project. Since Ted Turner of CNN fame is located a mere 100 miles away in Atlanta, and since many of his stated globalist goals reflect the Message of the Georgia Guidestones, it has also been suggested that he is the mystery patron behind the giant granite slabs.

What do they mean? Decoding the message

The “Message of the Georgia Guidestones” seems to call for at least 90% of the Earth’s population to be wiped out. The passage about maintaining humanity at a population of a half-billion or less would require a massive dying-off of humanity the likes of which we’ve never seen. This is what has led many conspiracy theorists to allege that whoever financed the Guidestones, they are in cahoots with an evil New World Order project to extensively depopulate the planet.

But since whoever paid for their construction was able to not only hide their identity but also their intentions for constructing this extremely bizarre monument, what they actually mean is anyone’s guess.

Right-wing pundit Mark Dice claims they are of “a deep Satanic origin” and that R. C. Christian was a member of “a Luciferian secret society” with ties to the “New World Order.” Urging that the Guidestones be “smashed into a million pieces,” Dice elaborated:

The elite are planning to develop successful life-extension technology in the next few decades that will nearly stop the aging process, and they fear that with the current population of Earth so high, the masses

The Georgia Guidestones

will be using resources that the elite want for themselves. The Guidestones are the New World Order's Ten Commandments. They're also a way for the elite to get a laugh at the expense of the uninformed masses, as their agenda stands as clear as day and the zombies don't even notice it.

Radical Christians have referred to the ten messages inscribed on the Guidestones as "The Ten Commandments of the Antichrist." In 2000, Christian minister Reagan R. Davis said the messages on the Guidestones are a clear call for world government, for state-sponsored eugenics programs, and for a global culling of the human herd, all of which were predicted in the Book of Revelation.

Conspiracy Theorist Van Smith says the Guidestones were the pet project of a white supremacist from Iowa who sought to establish a totalitarian one-world government. He also says that encoded in the Guidestones' structure is the numerical value in feet of Dubai's Burj Khalifa, the world's tallest building. He says this proves that the planners intended the Burj Khalifa to be the new Tower of Babel that would usher in "the dawning of a new era in which man can become God."

Because the type of granite used to build the Guidestones is called "Pyramid Blue" and the granite came from Pyramid Quarries, some conspiracists have said the Guidestones are part of an elaborate Masonic conspiracy to control the world.

Since one of the eight languages on the Guidestones is Hebrew—which is only spoken by nine million people—others insist that the monument is part of a Zionist plan to construct a New World Order.

Alex Jones, in his film *Endgame: Blueprint for Global Enslavement*, claims the Guidestones represent a genocidal depopulation program sponsored by the world's financial elites.

Seattle-based conspiracist Jay Weidner says the Guidestones were created by Rosicrucians, who believe that a solar event comes every 13,000 years to devastate Earth. He says the Rosicrucian order is working behind the scenes to create "planetary chaos" that culminates in a destructive solar event.

Others claim they were intended to be seen by the survivors of a nuclear war. Since the Georgia Guidestones were built in 1979, at the height of the Cold War between the USA and the Soviet Union that

many thought would inevitably result in a nuclear apocalypse, writers such as Brad Meltzer suggests that the Guidestones were meant to be seen by that war's survivors, at which point the world's population would already be below a half-billion.

Interesting Facts

- Yoko Ono called the Guidestones "a stirring call to rational freedom." She cut a tribute track in 1993 called "Georgia Stone."
- The stones were defaced with graffiti in 2008. The spray-painted message was DEATH TO THE NEW WORLD ORDER.
- A mysterious "Time Capsule" is allegedly buried nearby. A tablet erected near the Guidestones' claims that a time capsule is buried beneath the tablet, although there is no proof the capsule really exists and no suggestion of what is written on it.
- The Guidestones were purposely designed to track the sun's east-west migration year-round.
- During an equinox or solstice, those who stand at the west side of a "mail slot" carved into the Guidestones can see the sunrise over the horizon.
- The four outer stones are positioned to mark the limits of the 18.6 year lunar declination cycle.
- An eye-level hole drilled into the center stone permits viewers to locate the North Star.
- A small hole drilled through the capstone serves as a sundial.
- At noon every day, a reading of where the sunbeam hits the center column allows one to pinpoint the exact day of the year.
- In 2009, a man stole a 6-inch cube of granite from the top of one of the Guidestones. Four years later, police arrested William Jeremy Ellis in the middle of the night as he was trying to replace the cube of granite he'd stolen. He explained to police that he "didn't want that weight anymore."
- A tablet in front of the monument declares "LET THESE BE GUIDESTONES TO AN AGE OF REASON." It's kind of hard to be reasonable when you're talking about wiping out 90% of the planet's inhabit-

America now world leader in Bitcoin mining

ants, though?

The Guidestones were designed to withstand catastrophic events. Events such as, oh, a World War that wiped out 6.5 billion people. As the world lay in ashes, somewhere R.C. Christian and his cohorts could take a little comfort that at least their giant creepy tombstone was still standing way out in rural Georgia.

Well, I hope you found this interesting. It's a fact that the more we search the more we will find.

D. Miyoshi

America now world leader in Bitcoin mining



A recent CNBC article reports that as of July 2021, 35.4% of bitcoin's hashrate – an industry term used to describe the world wide collective computing power of miners – is in the United States, according to the Cambridge Centre for Alternative Finance. That's a 428% increase from September 2020.

America partly has China to thank for its newfound dominance in the mining industry.

In mid 2020, China was the world market leader in terms of hashrate – by a long shot. But Beijing's outlawing of crypto mining in the spring of 2021 took half the world's bitcoin miners offline practically overnight.

Miners started fleeing China en masse, heading to the cheapest energy sources on the planet in what was dubbed "the great mining migration." A whole lot of them ended up in America.

The newly-released Cambridge data zeroes out China's average

monthly share of the global hashrate in July 2021 – a major reversal from September 2020, when China captured about 67% of the market.

"The whole narrative of China controls bitcoin is now completely destroyed," said Boaz Sobrado, a London-based fintech data analyst.

Heading to America

The U.S. ticks a lot of boxes for migrant bitcoin miners searching for a new home.

For one, states like Texas boast some of the world's lowest energy prices, which is a major incentive to miners who compete in a low-margin industry, where their only variable cost is typically energy.

The U.S. is also flush with renewable power sources.

Washington state is a mecca for hydropowered mining farms. New York produces more hydroelectric power than any other state east of the Rocky Mountains, and it counts its nuclear power plants toward its 100% carbon-free electricity goal. Meanwhile, Texas' share of renewables is growing over time, with 20% of its power coming from wind as of 2019. The Texas grid also continues to rapidly add more wind and solar power.

Miners across the country have also harnessed nuclear power. Some are latching their rigs to otherwise stranded energy, like natural gas going to waste in oil fields across Texas. This reduces greenhouse gas emissions and generates money for the gas providers and miners.

This shift toward zero-emission, clean energy sources has already begun to recast the narrative among skeptics that bitcoin is bad for the environment.

"Mining is price sensitive, so as to seek out the lowest-cost power and the lowest-cost power tends to be renewable because if you're burning fossil fuels ... it has extraction, refinement and transport costs," Blockstream CEO Adam Back said.

Besides lower electricity costs, some U.S. states like Texas also have crypto-friendly policymakers and an adequate supply of hosting infrastructure.

The state has a deregulated power grid with real-time spot pricing that lets customers choose between power providers, and crucially, its political leaders are pro-crypto. Those are dream conditions for miners who want a kind welcome and cheap energy sources.

"If you're looking to relocate hundreds of millions of dollars of miners out of China, you want to make sure you have geographic, politi-



America now world leader in Bitcoin mining

cal, and jurisdictional stability. You also want to make sure there are private property rights protections for the assets that you are relocating,” said Darin Feinstein, co-founder of Core Scientific.

Luck meets preparation

America’s rise to the top is also a case of luck meeting preparation. The U.S. has been quietly boosting its hosting capacity for years.

Before bitcoin miners started coming to America, companies across the country made a gamble that eventually, if adequate infrastructure were in place, they would set up shop in the U.S.

That gamble is paying off.

When bitcoin crashed in late 2017 and the wider market entered a multi-year crypto winter, there wasn’t much demand for big bitcoin farms. U.S. mining operators saw their opening and jumped at the chance to deploy cheap money to build up the mining ecosystem in the States.

“The large, publicly-traded miners were able to raise capital to go make big purchases,” said Mike Colyer, CEO of digital currency company Foundry, which helped bring over \$300 million of mining equipment into North America.

Feinstein says that in the last 18 months, there has been a serious growth of mining infrastructure in America. “We’ve noticed a massive uptick in mining operations looking to relocate to North America, mostly in the U.S.,” continued Feinstein.

Companies like North American crypto mining operator Core Scientific kept building out hosting space all through the crypto winter to ensure the capacity to plug in new gear, according to Colyer.

“A majority of the new equipment manufactured from May 2020 through December 2020 was shipped to the U.S. and Canada,” he said.

Alex Brammer of Luxor Mining, a cryptocurrency pool built for advanced miners, points out that maturing capital markets and financial instruments around the mining industry also played a big role in the industry’s quick ascent in the U.S. Brammer says many of these American operators were able to start rapidly expanding once they secured financing by leveraging a multi-year track record of profitability and existing capital as collateral.

Covid also played a role.

Though the global pandemic shut down large swaths of the economy, the ensuing stimulus payments proved a boon for U.S. mining

companies.

“All the money printing during the pandemic meant that more capital needed to be deployed,” explained bitcoin mining engineer Brandon Arvanaghi.

“People were looking for places to park their cash. The appetite for large-scale investments had never been bigger. A lot of that likely found its way into bitcoin mining operations in places outside of China,” continued Arvanaghi.

Then, there’s Kazakhstan

Not all miners, however, are headed to renewable destinations.

Kazakhstan is just behind the U.S. in terms of its share of the global bitcoin mining market, with 18.1% of all crypto mining. It’s home to coal mines that provide a cheap and abundant supply of energy — but also ample carbon dioxide emissions.

However, several mining experts tell CNBC they think that Kazakhstan, which neighbors China, is just a temporary stopover on a longer migration west.

Brammer sees large miners going there in the short-term with older-generation equipment. “But as older-generation machines reach the end of their service lives, those companies will likely deploy new machines into more stable and energy efficient and renewable jurisdictions,” he said.

Also likely to put a damper on Kazakhstan’s popularity is a law newly signed by that country’s president that will introduce extra taxes for crypto miners starting in 2022.

“This will significantly change the incentives for people to deploy capital in Kazakhstan,” said Brammer.

Crypto mining has a great start in the U.S. And the potential for this industry is extraordinary. But it’s critical the U.S. continues to provide a hospitable environment to encourage the industry to want to be here long term.

Regardless of its valuation today, or any time before, blockchains and mining will be part of the future.

And it’s exciting to see the promise of that future being executed, incubated, and encouraged here in the United States of America. We need it.

D. Miyoshi



Is America in Decline?



So often these days we hear the plaintive refrain of Americans that real wages are falling, productivity growth is down, companies aren't competitive in global markets, white-collar jobs are no longer secure, the nation's infrastructure is collapsing, the federal deficit is soaring, the health system is deteriorating, the cities are unsafe, the schools are failing, the gap between rich and poor is widening, and on and on.

So, is America actually in decline? Well, according to the Christian oriented publication *The Philadelphia Trumpet*, yes, it is. Moreover, this decline is specifically prophesized in the Bible and was explained by the *Trumpet* publication before. To explain this from a Christian perspective, I present to you the following essay by the editor Joel Hilliker that appeared in the February 2022 edition of *The Philadelphia Trumpet*. I hope you find it informative. D. Miyoshi

Why the Western World is Falling, a Christian Perspective



THE KEY TO UNDERSTANDING THE COLLAPSE

Why this special issue of *the Trumpet* will help you understand your world

The most dominant, powerful and prosperous single nation in world history is deep into a catastrophic decline. It is rapidly withdrawing from international leadership. Its disastrous social, political and economic experiments are dividing the population against itself and its government. A great many Americans recognize this and are saddened, angry and bewildered. People the world over see it as well. This represents a massive, epoch-defining transformation of the modern world.

The *Trumpet* has written much about this decline within America in recent years. Our editor in chief's lead-off article in this issue is the latest in a series he has produced on the subject, providing essential understanding of this trend's spiritual dimension.

We have not written nearly as much, though, on how this same trend is unfolding in several other nations worldwide—specifically a band of nations that share significant history with America. This group of English-speaking nations has dominated the world for over 200 years, led by America and Britain. Now there is a strong push to weaken and destroy these nations. It is being abetted by great and rising powers like Russia and China, by rogue regimes like Iran, and even by supposed allies like Germany.

But shamefully, the worst damage is being wreaked by the leaders within these once richly blessed nations!

The anger and perplexity of so many of America's 330 million people is shared by a great many of the 67 million citizens of Britain—and the 38 million people of Canada, and 25 million Australians, and 5 million New Zealanders. Their lives are being turned upside-down; long-cherished beliefs, traditions and ideals are being trashed and vilified; rights and freedoms are being stripped overnight.

But as incomprehensible and disorienting as these events are, they have a singular, crystal-clear explanation.

Particularly in the past two years of covid-19, events have dramatically transformed the entire world. But these English-speaking nations, and their status in the world, have been most grievously hurt. The key to understanding why lies in knowing their shared history. This points to some of the most inspiring truth you will ever learn. And it shows you in advance the ultimate outcome of the recent developments afflicting these interrelated nations.

'A Company of Nations'

America, Canada, Australia and New Zealand were all British colonies. The peoples of these nations are the same peoples as the British. They have a common ancestry. The moral and political strides made by the British people over centuries—Magna Carta, parliamentary rule, Common Law, the abolition of slavery—have extended to all these nations. They share a common commitment to the rule of law, human rights, limited government, the sanctity of private property, education, and personal responsibility and freedom.

As a result, the age of Anglo-American dominance was characterized by civilizational progress, technological development and individual liberty. These English-speaking nations have increased the quality of life, literacy and prosperity for millions of people in nations worldwide. On several occasions, these nations have saved the world from the jaws of tyranny.

These peoples all descended from the British—but where did the



Is America in Decline?

British people come from? A look further back in their history shows the inspiring origin of many of the characteristics and beliefs that made them unique.

That history is revealed in a landmark book, written by Herbert W. Armstrong, titled *The United States and Britain in Prophecy*. This book supplies crucial understanding of our modern world. It is so important that the publisher of the Trumpet prints and offers free copies to anyone who asks for it. And it definitively shows that the British peoples descended from the biblical nation of Israel.

Biblical history shows that Israel was a nation God founded with one righteous, obedient and faithful man, Abraham. To this great patriarch, God made spectacular promises of national greatness in his descendants, as well as spiritual promises of salvation. "These are not casual, incidental, unimportant promises," Mr. Armstrong wrote. "These are basic—the foundation for the establishment of the greatest world powers ..." (*The United States and Britain in Prophecy*). God promised Abraham that He would "make of thee a great nation," "multiply thee exceedingly," and that Abraham would "be a father of many nations." "I ... will make nations [plural] of thee, and kings shall come out of thee," God said (Genesis 12:2; 17:2, 4, 6). Further, He promised, "I will multiply thy seed as the stars of the heaven, and as the sand which is upon the sea shore; and thy seed shall possess the gate of his enemies" (Genesis 22:17).

God reiterated and expanded these promises to Abraham's son, his son and his sons. He promised Abraham's grandson Jacob that his descendants would receive untold wealth symbolized by "the dew of heaven, and the fatness of the earth, and plenty of corn and wine," and that they would be "as the dust of the earth, and ... shalt spread abroad to the west, and to the east, and to the north, and to the south ..." (Genesis 27:28; 28:14). After renaming Jacob Israel, God promised that "a nation and a company of nations shall be of thee ..." (Genesis 35:10-11). Israel had 12 sons, who fathered the 12 tribes that composed the nation of Israel. His son Joseph had two sons, Ephraim and Manasseh, on whom Israel placed his name and established that Manasseh would father a single "great" people, while the "multitude of nations" would descend from Ephraim (Genesis 48:16, 19). Among all the progeny of Israel, these two Josephite peoples would receive the choicest birthright blessings, amounting to prosperity unparalleled in human history (1 Chronicles 5:2).

The world has come to view the Jews as the modern descendants of Israel—and so they are. But they are the progeny of the tribe of Judah, which is just one of the 12 tribes of Israel, the only one that has preserved its biblical identity. The 10-tribed northern kingdom of Israel broke away from Judah in 928 B.C., endured two centuries of wicked rule by a sequence of terrible kings, fought its brother kingdom of Judah on more than one occasion, and was finally conquered and enslaved in 721 to 718 B.C. At that point, the identity of these Israelites was virtually lost to the world, and even largely to themselves. They were subsumed into their captor peoples, the Assyrians.

Even by the first century A.D., Jesus Christ Himself referred to these peoples as "the lost sheep of the house of Israel" (Matthew 10:6; 15:24). Intriguingly, though, He commissioned His disciples to go to

them. So though they were "lost" from general view, God knew exactly where they were and was still enacting His plans for them.

The United States and Britain in Prophecy tracks just what happened to them. The fact is, the greatest of material promises God made to the descendants of Israel, He also conditioned on their obedience to Him (see Leviticus 26). As that book explains, God promised that if they rebelled against Him, He would withhold those blessings for a certain duration. That period of punishment ended right at the beginning of the 19th century. And it was right at that time that the British and American peoples exploded into unprecedented prominence, prosperity and global influence.

They have taken crafty counsel against thy people, and consulted against thy hidden ones. They have said, Come, and let us cut them off from being a nation; that the name of Israel may be no more in remembrance. Psalm 83:3-4

Almost overnight, Britain became the largest empire in world history. Even after the empire's dissolution, it remains a commonwealth of nations. This is the "company of nations" prophesied 3,700 years ago in Genesis 35:11! The people of America descend from Manasseh, whom God prophesied would become a single great nation. The people of Britain—and of its dominions Canada, Australia and New Zealand—trace back to the ancient Israelite tribe of Ephraim, which descended from Joseph, son of Israel, son of Isaac, son of Abraham!

This prophecy links these English-speaking nations together. It shows God's hand in their rise and explains the role they have played in the world for the past 200 years.

The truth of their biblical identity also unlocks an enormous amount of your Bible to your understanding.

Prophecy and Spiritual War

Do you believe God inspired the Bible? A great many people do, but very few acknowledge the fact that at least one third of this inspired book is devoted to prophecy. Jesus Christ Himself was a prophet. In passage after passage, biblical book after book, God foretold the rise and fall of specific individuals, cities, peoples, nations and empires. God alone is able to foretell events and bring it to pass. And He offers prophecy as proof of His active existence and intervention in human affairs—and of proof of the divine inspiration of the Holy Bible. Fulfilled prophecy is undeniable, watertight confirmation of the reliability of God's Word.

The trouble is, most people see prophecy as incomprehensible. It has no relevance to them because they do not see how it relates to the modern world.

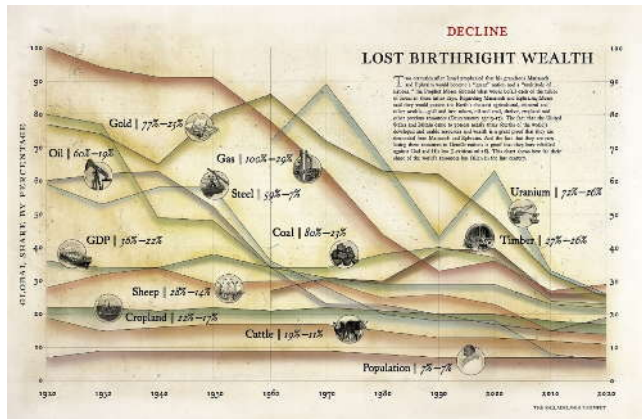
Once you recognize, though, that the prophecies related to Israel apply directly to America, Britain and the other modern Ephraimite nations, you gain penetrating insight into the world as it is and as it will be in the time just ahead.

Those prophecies show that, though God promised to make Ephraim and Manasseh great in this modern time, He also conditioned the



#1 Secret of Investing (and Life)

retention of those blessings on these nations' obedience to Him. In prophecy after prophecy, He detailed exactly what would happen if they turned away from Him.



In this Trumpet issue, we look at how these prophecies are coming to pass in each of these nations of Ephraim: Britain, Canada, Australia and New Zealand. Read these articles and understand the spectacular connections between these nations and the miraculous reasons they have attained their heights of achievement. Read these articles and recognize the factors that have led to their decline. This Trumpet issue will broaden your perspective and enable you to see God's hand in world events in a way that will truly strengthen your faith!

The story of the rise of these nations is inspiring. You can read all about it in The United States and Britain in Prophecy. The fall of these nations was always going to be gut-wrenching. We are witnesses to it. Prophecy supplies the broad outline and also forecasts some remarkable detail. But now history and current events are filling in the full picture.

It is critical to see the spiritual reasons behind these events. The most dominant factor in what is happening is the spiritual dimension. On one hand you have the God of Israel, intervening directly in human history over a period of millenniums to fulfill His promises and provide material blessings to millions upon millions of people. You also have Him warning of the consequences of rebelling, and then chastening them in incrementally more devastating ways in an effort to turn them back to Himself.

On the other you have an evil spirit, Satan the devil, who hates and works to undermine everything God is doing. He is attacking these nations in a focused way. In fact, as Gerald Flurry brings out, his ultimate goal is to blot out the very name of Israel, which rests on these English-speaking nations in particular (e.g. 2 Kings 14:27; Psalm 83:3-4).

This is the spiritual backdrop of the plagues besieging these nations. Once you see this, you can understand all these bewildering crises. And you can take to heart the Bible's warnings that conditions are

going to get far worse—before they get far better.

Mr. Armstrong called the understanding of the identity of these nations as “the all-important master key” to biblical prophecy. He wrote, “This very eye-opening, astounding identity is the strongest proof of the inspiration and authority of the Holy Bible!” (ibid).

The rise of these nations proves those prophecies, and hence the Bible, true. The current fall of these nations supplies additional authoritative proof. It shows that prophecy is real, active, alive, reliable. All that God said would happen has happened—and what remains yet unfulfilled is happening. Those prophecies reveal the end result of the trends playing out right now. They signal a lightning-bolt warning that our nations must heed or pay a terrifying price.

Those prophecies also show, thankfully, that on the other side of the English-speaking world's collapse, there is a glorious hope.

End of Report

#1 Secret of Investing (and Life)



This idea separates the best investors from the rest...

Without this one concept, you'll never make a dime in the stock market. Without mastering it, you'll flounder in your career... And even worse, you'll live a wasteful, frustrating life.

It is one of the most important ideas you'll ever learn. And it's definitely the most important investing idea you'll ever learn.

It's the one thing such different investors and thinkers like Warren Buffett, Charlie Munger, George Soros, Ray Dalio, and even Albert Einstein all have in common.

#1 Secret of Investing (and Life)

Master it and you'll easily outperform the vast majority of investors – most of whom won't or can't practice it... whether out of ignorance, hubris, or institutional inertia.

This idea comes from the desk of Dan Ferris, the editor of the financial publication *American Consequences* and the host of the *Stansberry Investor Hour* podcast.

And here it is, one of the most important life secrets Ferris ever learned, and by far the No. 1 most important investing principle that Ferris knows and practices. I think you will find it very informative.

D. Miyoshi

The #1 Investing Secret

By Dan Ferris

Author and trader Nassim Taleb summed it up best in his must-read book, *Antifragile*, when he wrote...

The learning of life is about what to avoid.

Taleb calls this idea "via negativa," which is Latin for the "negative way." Among other benefits, via negativa can help you assess my value to you. More from Taleb in *Antifragile* (bold added for emphasis)...

Charlatans are recognizable in that they will give you positive advice, and only positive advice, exploiting our gullibility and sucker-proneness... Yet in practice it is the negative that's used by the pros, those selected by evolution... people become rich by not going bust (particularly when others do).

It's easy to keep investors engaged with positive advice... Anyone can see a connection between buying a stock, a bond, or an option and making money.

It's much harder to keep investors engaged with "negative advice"... foundational guidance like don't lose money, don't take too much risk, or don't blow yourself up.

It's just not sexy – even though it's more valuable.

It's more valuable because you can't make any money unless you first avoid losing what you have. You must avoid loss with every stock, bond, and option you buy.

No matter what asset you buy, if you fail to avoid losses as a primary part of your strategy, one day, you'll blow up and lose everything.

Only a deep understanding of via negativa can prevent that from happening.

That's why via negativa is the primary secret of the wealthiest investors. Ask any of them, and that's exactly what they'll tell you...

Warren Buffett once said, "The first rule of investment is don't lose and the second rule of investment is don't forget the first rule, and that's all the rules there are."

A single edict, don't lose, is all the rules there are.

For Buffett, perhaps the greatest investor of all time, avoiding loss is a valuable, low-hanging fruit. His longtime business partner, Berkshire Hathaway (BRK-B) Vice Chairman Charlie Munger, said it a little differently...

It is remarkable how much long-term advantage people like us have gotten by trying to be consistently not stupid, instead of trying to be very intelligent.

Consistently not stupid.

For one example of what Buffett and Munger might be talking about, ask yourself... Would you ever want to own a stock if the business had little or no hope of ever becoming profitable?

That seems like something you would want to avoid. Unprofitable companies' stock prices can soar sometimes. But reality always catches up with them... Eventually, investors realize they're not making any money. And in turn, the unprofitable company's stock blows up.

When too many people fail to avoid a mistake, it can look like a success – until reality catches up with them. Ask anybody who bought Pets.com, Webvan.com, eToys.com, or numerous other companies that never earned a dime during the dot-com boom.

Investing in unprofitable companies gets stupid quickly. It's

#1 Secret of Investing (and Life)

best to avoid them.

Ray Dalio is another legendary investor you might recognize...

Dalio founded Bridgewater Associates in 1975. Today, Bridgewater is the world's largest hedge fund... with more than \$100 billion in assets under management.

Dalio, too, has mastered the negative way. Throughout his illustrious career, he has said (bold emphasis added), "At any given time, there's so much you're not seeing," and "My biggest advantage is not what I know. It's that I know that I don't know a lot."

What you're not seeing. What you don't know.

Then there's George Soros. The wealthy philanthropist and speculator who famously "broke the Bank of England" in the 1990s once said...

Well, the secret of my success actually, I can now tell you... I'm always wrong. I'm always wrong and I try to correct my mistakes. That is the secret of my success. The funds are a very successful model, but they all have a flaw in the end. And eventually if you persist then the flaw becomes apparent.

I'm always wrong. Mistakes. Flaws.

Soros' success is, by his own account, based on being wrong and figuring out what not to do – rather than on being right and figuring out what to do.

It's negatively defined, just like the approaches from Buffett, Munger, and Dalio.

These billionaire geniuses all have different investing styles and different backgrounds...

Buffett and Munger are bottom-up value investors raised in Omaha, Nebraska. Dalio runs a diversified hedge fund and is the son of an Italian musician from the New York City borough of Queens. Soros is a macro trader raised in Hungary, who survived the Nazi occupation.

Yet they all converge on one idea, the one way of looking at the world that you must master before you make a penny in financial markets... via negativa.

It's the ability to figure out what speculations, businesses, investments, relationships, or just about anything else should be avoided. In *Antifragile*, Taleb explains why the via negativa is so powerful...

The greatest – and most robust – contribution to knowledge consists in removing what we think is wrong – subtractive epistemology.

Epistemology is a fancy word for the discipline of figuring out how we know what we know. And the very best way to know anything is to eliminate everything that it is not.

Investors should understand economics well. The power of via negativa goes a long way here, too...

I first learned about via negativa (before I knew what it was called) in *Economics in One Lesson* by longtime journalist Henry Hazlitt. In the book, Hazlitt describes the "broken window" fallacy frequently embraced by modern economic charlatans like Paul Krugman...

Some economists say it's an economic gain when a hoodlum breaks a baker's window because it creates business for the glassmaker to make a new window. But it's a fallacy because the money spent on the window won't be spent elsewhere, at other shops like the local tailor. As Hazlitt explains in *Economics in One Lesson*...

The [glassmaker's] gain of business... is merely the tailor's loss of business... [People who don't understand the fallacy] had forgotten the potential third party involved, the tailor... because he will not now enter the scene.

Seeing who is not there is the key to understanding this important economic fallacy.

After you're done with Hazlitt, read *The Forgotten Man* by William Graham Sumner. Again, the focus is on the person not present in decisions to create new government programs...

As soon as A observes something which seems to him to be

Why China and America May Go to War

wrong, from which X is suffering, A talks it over with B, and A and B then propose to get a law passed to remedy the evil and help X. Their law always proposes to determine what C shall do for X... I call [C] The Forgotten Man... He is the man who is never thought of. He is the victim of the reformer, social speculator and philanthropist.

In Antifragile, Taleb amplifies Sumner in terms of positive and negative actions...

Acts of commission are respected and glorified by our primitive minds and lead to, say, naïve government interventions that end in disaster, followed by generalized complaints about naïve government interventions... followed by more naïve government interventions. Acts of omission, not doing something, are not considered acts and do not appear to be part of one's mission.

We all know the sound of someone whining for the government to "do something."

Not doing something is often the better decision. People and businesses should generally get less government help, not more.

Buffett's "first rule of investment," Soros' "secret," and every other piece of negative investment advice of the great investors are all acts of omission.

Omit and correct investment mistakes, and investment profits become more likely.

This is why every editor at Stansberry Research uses some type of risk control...

They all know the via negativa from hard-won experience. They wouldn't dream of making a recommendation without an intimate understanding of the risk – of what not to do. All effective investment strategies make risk reduction a primary concern.

Via negativa is everywhere...

You can't escape the need to master it if you wish to live a good life. Think how often you've said "less is more" at least once in your life, acknowledging the power of subtractive knowledge.

Apple (AAPL) founder Steve Jobs understood it. In a 1998 Businessweek article, he said...

That's been one of my mantras – focus and simplicity. Simple can be harder than complex: You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains.

Simplicity is the absence of complexity, the result of the process of subtraction.

Apple products are known for all the complexity that isn't in your way, making them rather addictive for users. To really "wow" your customers, master the negative way.

Every profession and every business needs to understand and master the power of the negative way. A mapmaker once wrote to Taleb and told him...

I learned a long time ago that the key to good mapmaking is precisely the info you choose to leave out... if a map is too literal and precise, it confuses people.

I hope from this day forward that you'll learn to focus your attention on all that shouldn't be there in your life, your portfolio, and your relationships.

It'll increase the gains in your portfolio... And more important, it'll enhance all the days of your life.

End of Article

Why China and America May Go to War



Why China and America May Go to War

History may not always repeat, but it often rhymes... in a way that could lead to war between China and America.

How's that?

Well, here is Kim Iskyan of *American Consequences* describing what happened before to two countries.

Country G boasts a big military, a fast-growing economy, and rising technological prowess. And it's challenging the existing international order that is led – at least for now – by Country U.

Countries G and U have deep and broad trade links. But Country U increasingly views Country G as an economic adversary, rather than just a competitor.

That's partly because Country U thinks that Country G has taken economic and investment shortcuts – for example, through government funding of strategic industries... while in Country U, development and growth have been organic and market-driven.

Country G is using its growing wealth and economic might to ensure access to resources, extend its geopolitical positioning, and export its ideology around the world. That's increasingly threatening Country U's position at the head of the global geopolitical table.

In addition to harboring clashing economic philosophies, Country G's political culture is fundamentally different from the more liberal values and traditions of Country U.

Country G wants to fulfill what it believes is its destiny... to be recognized – again – as a great power. Country U knows that it's unlikely that Country G's ambitions will stop there, and knows that it's only a matter of time before Country G threatens its predominant position.

Then... and Now

As you may have guessed – especially if you're a history buff – Country G is Germany... and Country U is the United Kingdom shortly before World War I.

And we know what happened next between the U.K. and Germany. As *Foreign Affairs* magazine explained...

The course of the British-German rivalry that culminated in war [the Great War – that is, World War I] in 1914 shows how two great powers can be drawn inexorably toward a conflict that seemed highly unlikely – right up until the moment it began.

And exactly what is this storied history rhyming with today?

The parallels to today's contest between the United States and China could hardly be clearer.

No less authority than Henry Kissinger – who as Secretary of State for President Richard Nixon laid the groundwork for the historic reopening of U.S. relations with China in 1972 – also sees the historical analogy... and is alarmed.

"Unless there is some basis for some cooperative action, the world will slide into a catastrophe comparable to World War I," the 98-year-old Kissinger said at a conference in November.

U.S. President Joe Biden and Chinese President Xi Jinping – the leaders of the two biggest, most powerful countries on Earth (with a nod to Russia only because of its nuclear arsenal) – spoke on the phone only a few times in 2021, until they had a more formal conversation in late November.

That certainly doesn't bode well for any kind of cooperative action. "U.S.-China relations are at their worst in decades," an NPR host explained in November.

War? Couldn't Be... (But It Could)

An old-fashioned geopolitical bar brawl – updated for the nuclear age – between the world's superpower and the rising No. 2 might sound like something you'd hear about from a black-and-white television... Surely in the 21st century, we – Americans, the other countries at the big-boy table, and humankind in general – have advanced beyond something so primitive, right?

In a world of instant communication, artificial intelligence, obligatory motorcycle helmets, and kiddie bumper rails in bowling alleys, the whole idea of war between the world's two biggest economies feels – especially for anyone under age 60 – is as remote as a late-night History Channel documentary on Theodore Roosevelt.

But it's here, right now, even if you're fortunate enough to not know or notice. A recent tally by World Population Review lists 21 countries that are currently at war. It includes conflicts of the civil, terrorist insurgency, drug, ethnic violence, and political unrest brands... such as those in Ethiopia (civil war also involving Eritrea), Mexico (where the government is fighting drug cartels), Myanmar and Syria (civil wars), and Burkina Faso, Tanzania, and Nigeria (which are fighting terrorist insurgencies)... and elsewhere.

These wars – like all wars – are tragic and terrible. The silver lining, if such a thing exists in people killing each other, is that these conflicts have been relatively contained... most haven't spread, forest fire-like, to engulf neighbors or other powers to become war-by-proxies.

Meanwhile, the current period of peace between the world's biggest powers since the end of World War II is historically unprecedented... It's often lost on non-historians (and those not in a war zone) that the current "long peace" is an extraor-

Why China and America May Go to War



Advancing in a Time of Crisis



Financial Crisis Report



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inary gift. And as part of that, Europe is in the midst of the longest period of peace between major countries on the continent in 2,000 years.

No matter the trappings of civility and modernity, we – humans – are a bellicose species. As war historian and author of the 2020 book War, Margaret MacMillan said...

We like to think of war as an aberration, as the breakdown of the normal state of peace. This is comforting but wrong. War is deeply woven into the history of human society. Wherever we look in the past, no matter where or how far back we go, groups of people have organized themselves to protect their own territory or ways of life and, often, to attack those of others.

Right now, the chances are rising that historical rhyming – cue the echoes of Germany and the United Kingdom before the Great War – could lead to war between the United States and China.

And that's not of the "trade" or "cyber" kind, which are bad enough, nor what companies do when they're competing in the global marketplace.

No...we are referring to the actual blood-and-bullets kind of war, where soldiers and civilians – a multitude of them – die.

The Money Question

But can't China and the U.S. work things out with money and not have to shoot at each other?

The economies of China and the U.S. are as close as Irish twins. The U.S. imports more goods from China (nearly 18% of everything it buys abroad) than anywhere else... Without

China, your local Walmart – which gets around 80% of the goods it sells from China – would be almost as empty as the paper-products aisle during peak COVID-19 pandemic hoarding.

In turn, the U.S. is China's biggest export market... And China is one of Uncle Sam's biggest creditors, via its holdings of U.S. Treasuries (around 5% of the total).

Would you start shooting at the guys who owe you \$1.1 trillion? Likely not.

But financial and economic links are no guarantee. Before World War I, the economies of the U.K. and Germany were like peas in a pod... And that didn't stop the bullets.

And the economies of China and the U.S. are currently uncoupling faster than a midnight marriage at a Las Vegas drive-through chapel.

For example... there's the still-ongoing trade war that didn't draw to a quick end with the departure of Donald Trump... the evolving battle of technologies between the two countries likely resulting in a ring-fenced Chinese tech universe... a simmering series of cyber-battles that could lead to something much bigger... and big global manufacturers that are rethinking their reliance on China as the world's sweatshop, production floor, and manufacturing center in the wake of the unprecedented stresses on the global supply chain.

And then there's the "how" of war... which China is building – fast.

So, you see, if history rhymes again, trial and tribulation may soon be upon those in China and the U.S.

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