



The Solari Report

January 14, 2017

Special Report: Goldman Sachs, the CIA, Russia & the Privatization of Covert Finance





Goldman Sachs, the CIA, Russia & the Privatization of Covert Finance with Joseph Farrell

C. Austin Fitts: Ladies and gentlemen, it's a pleasure to welcome you to The Solari Report. We're doing a special report with Dr. Joseph Farrell, and will be talking about Goldman Sachs.

We see a flood of Goldman Sachs alums and Goldman Sachs employees going into the Trump Administration and it's raising a lot of questions. It brings up topics that Joseph and I have been discussing for years, including the 'Rape of Russia', the hidden system of finance, the black budget, and the need to re-engineer Federal government finances and how to do that when the covert operations are so very powerful and significant.

Joseph, thank you for joining me on The Solari Report and doing this special.



Dr. Joseph Farrell: Thank you for having me back. We were talking about how necessary doing this special report is because I've been getting a lot of questions from my website members. I'm sure you've been getting them too. We thought, "Let's do this and come up with our percentages of assessments of how optimistic or cautious we are."

C. Austin Fitts: There are several things I want to describe on background before we dive in and start with discussing who Goldman Sachs is and why they are in the news.

The first is just a matter of disclosure. I worked at Goldman Sachs during the summer of 1977 and almost went to work there instead of going to Dillon Read. So I have some history with Goldman Sachs. In fact, in 2008, if you're an alum you have online access to portions of their website, and I wrote them and said, "You guys are so corrupt that I don't even want to be on your alumni network. Please delete me."

I've been giving them a hard time.

The big mystery during the financial crisis was: Who is going to be the number one user of our website that day? Was it going to be the New York Fed, Goldman Sachs, Fannie Mae, or the firm that was going down during that three-week period? When Bear Stearns went down, they were number one. So there is a history of me beating up on Goldman Sachs on the Solari Report.



The other matter is: We've seen an amazing squabble beginning to boil coming into the inauguration of the new Administration. Chuck Schumer probably said it best last weekend when he said, "You can't buck the intelligence agencies; they have six ways from Sunday to get you."

It's bringing up the old question: Who is really in charge? Does the CIA work for the President, or does the President do what the CIA tells him to do?

This goes to a long history that you and I have described in numerous speeches, and I wanted just to reference it. We're going to put many links up with this report when we post it for subscribers and your members, but I would strongly recommend if you haven't seen Joseph and my presentations from the Secret Space Program 2014-2015, watch them because I think they are excellent backgrounds. We get into the mechanics of how the hidden system of finance and the black budget works. We discussed, to a certain extent, how it interacts with Wall Street. I think that's a significant background if you want to understand or get perspective on any of this. I'll put up a lot of links.

The other thing, Joseph, that you and I have been talking about in this administrative transition in the US government, is an interview we did called 'The Trump Transition' and one on the election, and I did one with Jon Rappoport in 'Making America Great Again'.



I will put all these links up, but I think we've covered some of this material already. We're not going to repeat it, so that is great background information as well.

Dr. Joseph Farrell: I would add just one thing to the links: I would also mention that people might want to read my book, *Covert Wars and Breakaway Civilizations* because that is the book that I attempted to outline as thoroughly as I could what I think some of the mechanisms of that hidden system of finance are.

C. Austin Fitts: Right. It's very good. Obviously I have a deep prejudice, and I want to mention my conflict. I want to remind people – and I put it on Twitter the other day – that if you observe the CIA and the intelligence agencies, whether it's what has happened with my family or what happened with Hamilton Securities Group, I basically consider them a criminal enterprise. I have real reason to be fed up with them. So I'll just say that I'm completely fed up with the arrogance of that system.

I have some pretty deep conflicts in this conversation, and I need to disclose them before we go on.

Do you have anything else in terms of references or conflicts that you think we should bring up?

Dr. Joseph Farrell: No. We can get into what we've discussed previously later on about some intermeshing fighting within the intelligence community.



C. Austin Fitts: Right. There are 17 intelligence agencies in the United States, and maybe four million factions therein.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: It's what Jon Rappoport calls 'the fractured kingdom'.

So who is Goldman Sachs? Goldman Sachs is a global investment bank. They have about 35,000 employees. That compares to JP Morgan Chase, who has about 232,000. It's been an investment bank only serving institutions until very recently. Someone like JP Morgan does retail and has far more bureaucracy to do what they do.

Goldman Sachs was started in the 1800's, and it came up through the equity line. They became well-known for equity block trading. Then Robert Rubin was part of the department that put them on the map regarding equity arbitrage. So when the takeover battles started in the 1970's and 1980's, they were really in the thick of things.

They traditionally had a tremendous reputation for aggressive but ethical client service, and I would say that that line and the reputation has changed. They kept the aggression, but they haven't retained the reputation for ethics.

Dr. Joseph Farrell: Right.



C. Austin Fitts: The reality is that when you're an investment bank doing the kinds of things that they do, both trading and serving clients and managing money, by definition you have different departments that take different positions. So it's possible to do a whole lot of things that don't look ethical. But if you look at Goldman's role, for example, in engineering the strong dollar policy, the housing bubble, and all these different things, we've seen a lot of concrete evidence of highly questionable ethics and behavior. I think that's why it makes people nervous when they trade so many people in and out of government.

I wanted to help people understand the history of Goldman Sachs, so I want to talk a little about the Exchange Stabilization Fund (ESF). I want to talk about Sullivan & Cromwell, and about the role of the New York Fed because when you discuss Goldman Sachs, you literally have to examine how the Federal credit mechanism works.

If you consider the US government, Joseph, and the depository for the US government – the government's bank account – it is the New York Fed. In fact, the New York Fed acts through its member banks. So its member banks own the New York Fed, and it is serving as the depository for the US government. So think of it this way: Treasury doesn't run Treasury; the New York Fed runs treasury. I'm being a little facetious.

The New York Fed member banks primarily control and implement the bank accounts for the US government and much of the other servicing of financial liabilities and financial assets.



So the US government operationally and the Treasury operationally is deeply dependent on the New York Fed and the New York Fed member banks. That is why it is so hard to regulate them; it's like regulating your bookkeeper.

Dr. Joseph Farrell: Right.

C. Austin Fitts: One of the accounts that the New York Fed manages is the agent for the Secretary of Treasury – and it is important to understand the Exchange Stabilization Fund does not report to the bureaucracy; it reports directly to the Secretary of the Treasury. There is no reporting line through the bureaucracy; the bureaucracy is entirely at the New York Fed, and it reports to the Secretary of Treasury directly.

The Exchange Stabilization Fund has broad authority to intervene in the market. I call it 'the mother of all slush funds'.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: There is an excellent story that I always use that was in Christopher Simpson's book, *Blowback*. It talks about the Dulles brothers sitting at Sullivan and Cromwell and using the Exchange Stabilization Fund to pull in all the monies that were seized from the Nazis and use it at the request of the Vatican to rig the Italian elections in 1948.

Dr. Joseph Farrell: Right. It might be helpful for people also to know what the Exchange Stabilization Fund is supposed to do and what it's for.



C. Austin Fitts: The Exchange Stabilization Fund was created by the Gold Reserve Act of 1934. It has broad authority to deal in and intervene in gold, foreign exchange and securities markets. It's primarily for "stabilizing markets." It is used for broad intervention in markets and all sorts of financial covert operations. I think it's at the intersection between the black budgets of Federal credit and the hidden system of finance.

Dr. Joseph Farrell: Those activities would include things, I'm sure, like manipulating the commodities markets, the bullion markets, currency exchange rates, and so on.

C. Austin Fitts: Absolutely right.

Dr. Joseph Farrell: It's important that people understand the details of what we're talking about.

C. Austin Fitts: Right, and also the precious metals. The gold market is very much the purview of the Exchange Stabilization Fund.

Dr. Joseph Farrell: Right.

C. Austin Fitts: I have come to believe looking back at the 1990's, that during the Clinton Administration Bob Rubin first went in as National Economic Advisor, and then become Secretary of the Treasury. Goldman Sachs had Lloyd Blankfein, who is now the Chairman running the fixed income division along with his deputy, Gary Cohen, who is now the Chief Operating Officer at Goldman Sachs and now coming in as National Economic Advisor in the Trump Administration.



Blankfein came from J. Aron, who Goldman Sachs bought as a commodities firm. He came up through the gold desk. In fact, Cohen, likewise, came up trading silver. The two of them – both precious metals traders in essence – advanced and ended running the fixed income division at the very time when the strong dollar policy was engineered with two key pillars: One was driving the value of the dollar up, and the other was driving the price of gold down.

If you observe Rubin at the White House and then at Treasury, and Blankfein and Cohen at the fixed income division, I believe that they were primarily the nuts and bolts guys who helped Rubin engineer the strong dollar policy. At the same time that we were doing that – driving gold down and driving the dollar up – we were collapsing currencies around the world, and as we globalized, acquiring things cheap.

One of my theories as to how that was done was they brought in large amounts of money from Russia – the so-called ‘Rape of Russia’.

Dr. Joseph Farrell: Right.

C. Austin Fitts: It’s interesting. As Trump was running for President we saw a former member of the intelligence agency who had been at the state department. I believe it was CIA, Steve Pieczenik, starting to give interviews to Alex Jones and describing himself as somebody who was part of the Treasury covert operations that went in at the end of the Soviet Union falling and was part of essentially privatizing the Russian economy.



One of their goals was to make sure that Western investment interests ended up controlling all the oil and gas.

Dr. Joseph Farrell: Right.

C. Austin Fitts: We know that in concert with the Russian mafia, a large amount of money was laundered in to the United States and into the Western world. I've always believed Goldman Sachs was a major player in that operation. So it's very interesting with Pieczenik saying that and suddenly Goldman pops up to the extent that they now do in the Trump Administration.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: Let me say a few other things about Goldman Sachs which I think are pertinent to our discussion. Goldman is extremely close with their traditional general counsel, Sullivan & Cromwell. When I worked at Goldman Sachs, they were sitting all over the firm. It was a very integrated operation.

As you know, Sullivan and Cromwell was the Dulles brothers' firm. If any legal firm is associated with running the black budget and being deep into things like ESF operations, it's Sullivan and Cromwell.



Dr. Joseph Farrell: And along with the Dulles brothers we need to add John J. McCloy was also a member of Sullivan and Cromwell.

He was the former American High Commissioner for Germany after the war, and then a subsequent member of the Warren Commission with Allen Dulles. So we can get a measure of the power of that law firm and its connections with those three individuals.

Dr. Joseph Farrell: At that time I think that he did have a connection with World Bank. I don't recall exactly what it was, but I think you are correct there.

C. Austin Fitts: As part of the strong dollar policy, I give Goldman credit for being the biggest brains in the engineering of the housing market bubble. If you remember, it was Goldman with the big short that brought it down starting in 2006. So they made money on the way up, and they made big, big money on the way down.

The reality, though, is the way down got out of hand. When it did, we saw a bailout of AIG. There are significant questions about how much Goldman exploited the bailouts of AIG for their own benefit.



They did it at a time when Hank Paulson, the Secretary of Treasury, was the former Chairman of Goldman Sachs.

If you look at what Paulson proposed on the bailouts, there is no doubt that in reviewing the ‘Rape of Russia’, Paulson and the bailouts of the United States was one of the many rapes of the United States. So in that sense, if you assess Goldman’s role with AIG and Goldman’s role with Paulson, it doesn’t bode well for a heavy Goldman team.

One thing I want to mention is that one of the people who made a big investment at Goldman Sachs at that time was Warren Buffett. Now he came in in the form of a preferred equity position. If you evaluate Goldman’s common equity structure, the large stock investors are the big index funds. Buffett came in in a preferred status, and I think he still has a reasonably large position.

When you talk about Goldman Sachs, you’re also talking about Berkshire Hathaway and Buffett.

Dr. Joseph Farrell: Right.

C. Austin Fitts: He has too much money invested not to care. And, of course, if you’re going to regather money into North America, Buffett is going to benefit enormously; he has benefitted enormously already from the rise in the equity markets since Trump won the election.



Let me review a few other things about history before we go onto the Trump Administration. Goldman Sachs went public in 1999, so it's publicly traded. That means that whether it's at their website or the SEC, you can get a fair amount of information about them at either website. They are required to file publicly proxies and annual reports. There is a large amount of information in those.

Another thing I wanted to mention is that Goldman Sachs traditionally was a major player in real estate, including New York real estate. They were the ones who helped the Rockefeller family recapitalize Rockefeller Center and sell it to the Japanese.

Dr. Joseph Farrell: Right.

C. Austin Fitts: New York is very small, and the business and financial community is very small. So if you're Donald Trump and you live in that community, you're bound to know many people who worked at Goldman Sachs or still work at Goldman Sachs, especially if you're in real estate. So he's been crossing Goldman Sachs every day throughout his career.

It's like in Hickory Valley, there is no way that you're not going to go to the Hickory Valley Grocery Store at some point; it's just too ubiquitous a player given the place. So it's important to understand that him having ties with Goldman Sachs doesn't in and of itself mean anything.

Dr. Joseph Farrell: Right.



C. Austin Fitts: The other thing is that if you study Wall Street, especially when I went there, you could almost divide people up among players who represented the WASPs and players who represented the Vatican and players who represented the Jews. Those weren't clear-cut boundaries, particularly in real estate.

My bet is that the Vatican has a major, major position in New York real estate, as does the Queen and many other people. But there is no doubt that Goldman came very much from the Jewish line, and their breaking into the respectable underwriting business occurred with their first big corporate client, Sears. Another big client was Ford. Their Chicago office was very important. Hank Paulson came out of their Chicago office, and their Chicago office was very important to them.

Sears going down is really the end of an era regarding the wave that they rode in the equity business, "what was good for General Motors was good for America". They absolutely triumphed on that wave. They would be acutely sensitive to the fact that as the middle class dies off, there is a vast world of corporations whose equity is dying with it.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: What is interesting is that Goldman was always very much an institutional bank. Now what is happening for the first time is they have opened a retail division. They bought the GE Capital Bank, and with the bailouts they started offering FDIC deposit insurance.



Now they've started an online lending arm. That has been happening as they are running into more and more opposition globally.

As the world is getting a lot less friendly towards Americans, what we see with this retail arm, I think, is them trying to figure out how they can make more money going deeper in North America.

In addition, as the world is automating, they are two. A recent article pointed out in one division that the traders had dropped from 600 to 2. Everything else had been automated.

Another thing that I wanted to mention about them is they were famous for investing a lot of money in philanthropy and doing it in a way that helped their fundamental underwriting business. They were very aggressive at it.

There are some things in philanthropy – when we get to the Trump Administration – that I want to talk about because I think they are relevant to what they are up to.

So let's turn to the 'Rape of Russia' because it's something that you and I have talked much about. I've had Anne Williamson on The Solari Report, and we've had a great deal of discussion – you and I, and with Anne – on what happened.

Why don't you give us an overview of what happened between the United States and Russia after the Soviet Union came down?



Dr. Joseph Farrell: Fundamentally, as far as I understand the story and have been able to follow it, when the Soviet Union collapsed, they brought in Boris Yeltsin. I had heard stories that when Gorbachev and Yeltsin were in this country, Yeltsin was off meeting with high financiers here. Of course, once he became President of Russia, you had the rise of the oligarchs in Russia who were acting, insofar as we can tell, in concert with American financial interests, buying up the properties of the old Soviet state for pennies on the dollar. This concentrated the wealth of the old communist state in very few hands who were, in turn, taking that money and buying political influence and power within Russia and moving it toward somewhat of Atlanticist political position.

In the interim, we also saw happening in Russia at that time was the middle class collapsing. You had a severe power problem, you had some agricultural shortages that amplified the problems in Russia. The other role, which you are more familiar with than I am, is the role of the Harvard endowments in helping to buy up many of these properties.

What that did – and this is something that I've told people about many, many times that American audiences don't get – is it brought the Russian intelligence services, the KGB particularly, which was somewhat of a repository for Russian nationalism. We tend to think of it as an exclusively communist organization, but within Russian history, in 1936, Stalin struck a deal with the then head of the Russian Orthodox Church, the Locum Tenens, which is the metropolitan that handles things until a new Patriarch is elected.



It's like an equivalent position for people who are familiar with the Roman Catholic Church to the role that the Cardinal Camerlengo, the Cardinal Chamberlain, plays in between elections when one Pope has died and another one takes over. This is a similar position within the Russian Church.

Stalin, in that deal, allowed the Church to reopen a number of churches and to reopen some seminaries in return for an arrangement where the KGB, back then known as the NKVD, would recruit clergy into the intelligence organizations of Russia.

I've told people many times who have viewed that as a compromise of the church by the intelligence agencies. It's also working the other way around; it's also setting up a bureau within the Russian intelligence services that is being taken over by the Church. So if you can imagine – and it's not hard to imagine because you can see that this has happened to a certain extent in the American FBI – the FBI going to the Mormon church and saying, “For you guys to continue to exist, we're going to have to recruit a lot of you into our organization.”

So what you soon have is a group of Mormons in certain departments of the FBI. This is what happens in Russia. So there is an element within the Russian national security service, the NKVD at the time, that becomes heavily suffused with people who have a dual allegiance – one to the communist state, but the other to the Russian Orthodox Church.



The intelligence services peculiarly became a repository for a more traditional form of Russian nationalism. It's fascinating. I said this even when I was teaching Russian history in college, and I pointed this out to my students. It's interesting that in the wake of the collapse of the Soviet Union, particularly with the advent of Mr. Putin onto the center stage in Russian politics, that you see a revival of the symbols of pro communist Russia – symbols going back to the autocracy with the double-headed eagle and the Romanos prominently displayed on Russian flags and the Kremlin; statues to Russian saints; services inside the Kremlin after Putin took over the national repentance for the murder of the tsar. These little things don't make big news in the West, but in Russia, they are highly significant.

In addition to this, now you see a group of advisors around Putin who came out of a school of philosophy within Russia called the Cosmists, many of whom were very deeply religious. You see this school reemerging into Russian philosophical discussion of how to orient society.

In other words, when Putin came in, he, of course, clamped down on the oligarchs, particularly those oligarchs with ties to the West who wanted to move Russia in a completely secular, Western-style, materialistic, capitalistic society. Putin put a stop to that.

This is crucial for our understanding of what has gone on in Russia and why he is viewed as such a threat to the West, because he put a stop to their financial plans for Russia. Basically, he put a stop to the Rape of Russia.



C. Austin Fitts: Right. I don't know how much money was laundered out of Russia during the 1990's, but I know it was very significant. There is an excellent book by a journalist who was killed right after he published *The Red Mafia* about the Russian mafia. Clearly, we teamed up with the Russian mafia, which very much had a significant toehold in New York, and then got a big toehold in Israel because all of those folks were eligible for Israeli passports. At least that is what my understanding is.

My understanding from *Red Mafia* is that the Russian mafia is 99% Jewish. We saw a lot of deep ties to the Jewish part of the New York financial community, the Russian mafia, and basically this covert operation of Treasury to pull all the money out.

Dr. Joseph Farrell: Right.

C. Austin Fitts: One of the reasons I ended up looking into it is because money is like water; it just flows everywhere and it makes for strange bedfellows.

My company was hired to lead \$12 billion of defaulted mortgage loan sales, and we did about \$10 billion of auctions and then the program was shut down. One of the things we did was hired AT&T Bell Laboratories and used their optimization technology to auction the bids. The reason that was so important, Joseph, was because it allowed scores of different markets to bid. So rather than stratify the mortgages so that mortgage players had to bid or real estate players had to bid or securities players had to bid, we would let the bidders self-stratify, which meant that all sorts of different markets came in. We made the disclosure packages very accessible. They were on Bloomberg, so you could be in Hong Kong and bid.



What happened is that we had estimates of what we thought the bids would do. Goldman Sachs consistently performed the best in terms of winning bidders. Joseph, they were bidding way over what I thought the market should be – way over.

Dr. Joseph Farrell: Wow!

C. Austin Fitts: I couldn't figure out where they were getting all this money and how they could afford to bid wildly over the market. One of my theories was that they were laundering the money in for Treasury. I believe that the Treasury or the intelligence agency – and it could have been the CIA or the Department of Justice – were using PROMIS software to help them engineer the bids.

Bidders would wire in their deposit of 1% or 10% into the government's bank accounts, and if you had PROMIS software, you could access the bank accounts and see how much people were wiring in, which meant that you could get a beat on what they were bidding.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: I think what was happening was Goldman Sachs was not bidding as Goldman Sachs; Goldman Sachs was bidding on behalf of the Exchange Stabilization Fund. One of the reasons Treasury wanted to win was because they wanted to make sure they got all of those files. Those files included enormous amounts of financial fraud.



I've told you the story about how we were worried about what the fraud was going to be in the files from Arkansas when Clinton was governor and from Texas where the Bush family were active when we went to get them in the Murrah Building in Oklahoma City, and the bombing relieved us of having to get them; they just blew up the files.

PROMIS software was developed by William Hamilton's company, Inslaw. Then it was basically stolen by the intelligence agencies. Its initial power was the ability to access and conform disparate databases that were using different software. It was an integrator, but it also ended up developing the capacity essentially to bust into bank accounts.

It was very much used by the US intelligence agencies as a way of tracking money around the world. At some point the accusation was that it gave, not only the ability to view all the accounts, but also to transfer money in and out.

When I first called Bill Hamilton to talk to him, he said, "Have you read *Black Money* by Michael Thomas?"

I said, "No."

He said, "Read it. Call me back."

I always tell people that in connection with PROMIS, because it's somewhat a beach-reading way to understand the power of PROMIS software, and I think the creation of software tools that would compromise the financial system and their use by the intelligence agencies,



in part to manage the hidden system of finance, is one of the things that got going so crazy in the 1970's and 1980's.

It was very suspicious because I had designed the loan sales to be able to be a Manchurian candidate. I designed them so that a Manchurian candidate could not compromise the sales, but I didn't know about PROMIS software. It never occurred to me that somebody would compromise by bidding more.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: I think that was one of the reasons that we got hit; Treasury just got tired of paying a premium.

So there I was representing the US government, and the US government was compromising the loan sales and then trying to accuse me of doing what they were doing. It was all very messy, but in the process the people who worked for me had to deal with Goldman Sachs a lot.

I'll never forget a shouting match with one of my lead bankers. She said something nice about Goldman Sachs. I turned to her and said, "Goldman Sachs is not your friend," because everything was about them winning. I didn't mean that in a critical way; it was just that they would have driven over their mother to make another \$0.10 if it was business. The relationship banking by that point had gone out the door.



I think one of the reasons was not just the change in globalization, but in part because people would rise to the top of the firm who were commodity traders and not from the banking side of the business. Cohen and Blankfein were definitely from the trading side and success meant they had to be successful with the hot money – with the way things were going. That is one of the dangers. If they think short term, and they think everything is a trade, then the United States is going to be traded.

Let me just summarize what happened in Russia in the context of what I call ‘the financial coup d’état’. If you look at every aspect of what I describe as \$45-50 trillion stolen during the financial coup d’état, let’s go back and look at it – government securities fraud.

Goldman Sachs is a primary dealer – one of the most powerful in that market – and they are in the thick of things. In the pump and dump of the housing market, I think they were the brains. In the suppression of the gold price, I think they were the brains. In the pump and dump of the equity markets and the internet stock bubble, they were right in the thick of things. In the bailouts, they were in the thick of things.

I think the **AIG** big piece, is that we know that 9/11 involved all sorts of aspects with government securities fraud and gold.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: I believe **AIG** was managing the trading in the currency in bond markets on behalf of the Exchange Stabilization Fund.



I think that they made a fortune. But if AIG was in there doing that, it wouldn't surprise me if Goldman was there, too, but I have no proof of that.

Dr. Joseph Farrell: One thing that we need to recall as we're discussing 9/11 and the potential role of Goldman Sachs as agent for the Exchange Stabilization Fund and many of these other activities, is that on 9/11 there were a number of financial investigations that were being conducted in conjunction with certain brokerage houses that were located in the World Trade Center. Some of these investigations were even being conducted out of the Pentagon by the Office of Naval Investigation.

I detailed that in my 9/11 book, and since we are putting all of this into the context of the incoming Trump Administration, this would constitute a connection for him where he would be able to get intelligence about 9/11. I had always maintained that when he zinged Jeb Bush during the Republican Primary with that statement about 9/11 being an inside job and that his family was involved, and then days later Jeb Bush drops out of the race, this would be a potential source of that information.

My take on that comment that he made during the Primary campaign was that this was not simply just Trump being Trump and shooting from the hip; this was a carefully timed release of information and a carefully timed message. So that is something to bear in mind as we proceed.



C. Austin Fitts: So whether we're talking about the financial coup d'état or talking about the CIA's management of the hidden system of finance, what we're talking about are the nuts and bolts implementers for much of it. So if you said to me, "Who was the brains that engineered the financial coup?" and it is going to be more than one person and more than one firm, "Pick the biggest part of the brain," I would say, "Goldman Sachs and Sullivan & Cromwell."

Dr. Joseph Farrell: Definitely.

C. Austin Fitts: Then you would ask, "Who at Goldman Sachs?" and I would say, "Blankfein and Cohen." That's how traders get to run a firm. Concerning building up Goldman Sachs' financial power and muscle, being a winner at engineering that was the way you made it to the top.

Whether you liked the financial coup or not, these are the guys who did it. That brings us back to our age-old question: Why?

These are the guys who did it, and these are the guys who globalized all the money. Now if you're going to reshore it all back to North America, it's logical that if these are the people who engineered pulling all the money out and taking it around the world, if you were going to bring some back, it would be logical that you would use the same people to bring it back.



Dr. Joseph Farrell: If I can interject here, this raises a number of important points. The first concerns what I've been calling 'the hidden system of finance' and the second raises the reshoring itself and why it is a geopolitical necessity for them to do this. I said this years ago in my conversations with the late GeorgeAnn Hughes on her radio show that it looked like what we were seeing were the very beginnings of a move to massively beef up their power base in North America and essentially reshore things.

The hidden system of finance just to round it out or remind people of what I've been saying about it, this was not the black budget; this is a completely off-the-books system of finance that has been used as a political slush fund for covert operations, for economic warfare, and I think ultimately, given the massive amounts of money involved in it, for the covert funding of black research projects – exotic science basically.

Historically President Truman set up this system in a decision that he made in 1947 after he had signed the National Security Act into law that placed the operational management of that system into the hands of the National Security Council. This effectively means that what he did was put the American intelligence community into the banking business.

I think it was at that first conference that you mentioned in your references where I raised the fact that if you're going to set up a system like this, you have to have the participation at some level in that system of the major prime banks and investment houses of the West.



So indeed you would be looking at a firm like Sullivan and Cromwell, or on Wall Street, you would be looking at a Goldman Sachs. You would be looking at a JP Morgan Chase or a Hong Kong Shanghai Bank, and all of the big international banking players would be a part of this operation. I think Deutsche Bank would be another one.

C. Austin Fitts: Clearly.

Dr. Joseph Farrell: So that's the other thing that people need to bear in mind here.

C. Austin Fitts: One thing I believe is, if you look at the Exchange Stabilization Fund, you're talking about an entity that aligns the black budget with the hidden system of finance because the two end up ping-ponging back and forth; they are separate, but they are aligned and they ping-pong.

What you have is within the US government a shadow government, which is in every agency and in many different parts of the agency attorneys who interact with their counterparts behind attorney-client privilege.

So if you ever study how the US government runs narcotics trafficking in communities, attorney-client privilege is a critical part of doing that and setting things up so that it is under the guise of national security law, and the lawyers are operating behind attorney-client privilege. That is critical to that ping ponging between the two.



The question is: How do you share the information about the hidden system of finance in a way that can coordinate with the black budget? The reality is: You share it behind national security law and you share it behind attorney-client privilege.

Another player I wanted to mention is: If you look at Goldman Sachs' board, still on their Board of Directors is Jim Johnson, who was head of Fannie Mae during the engineering of the housing bubble. So he is a very important player in that role.

Another interesting one is Jamie Gorelick. If you look at the pump and dump of the housing market, New York and the New York real estate players were very important to that whole effort. I suspect much of the money coming in from Russia got reinvested in real estate. Jamie Gorelick played a big part in that role, who at the time was the number two at Department of Justice.

What would happen in our lawsuit, when we were targeted, the various parties – including the Department of Justice – kept falsifying evidence against us. Then we would catch them.

Part of our challenge was that there were two lawsuits involving the loan sales – two primary ones. One was in a secret court, which was private. The other one was in a public court. The Department of Justice was taking opposite positions in the two courts.



In the secret court, they were saying that the sky is green, and in the public court, they were saying that the sky is blue. They went to great lengths to keep them under different judges and keep them separate. Because they had so much trouble coordinating taking opposite positions in opposite courts, I was told that they had Jamie Gorelick as the overall person overseeing all of this.

This was one of several things she was doing, I'm sure, to make sure that the housing bubble could really go. So what you were seeing is government engineering financial fraud in violation of the financial laws in a very significant way. She was rewarded by being appointed Vice Chairman of Fannie Mae, despite the fact that she was a lawyer and had absolutely no experience in housing other than destroying housing programs and engineering financial fraud for the intelligence agencies.

So where does she pop up? She is the attorney representing Jared Kushner in the review of how he can take care of his conflicts of interest and work for Trump.

So we have Jamie Gorelick, and you almost wonder, "What did she do for the New York real estate guys while she was pumping and dumping the housing market?"

She was also critical in building the private prisons. There were many people who thought that if Clinton won, Jamie Gorelick had a shot at being Attorney General.



Dr. Joseph Farrell: Right.

C. Austin Fitts: So it's another reminder that you're watching the same cast of characters who did a lot of the shenanigans in the 1990's.

So let's talk about who is in the Trump Administration. The Goldman Sachs beat started off when Steve Bannon was appointed White House Advisor. Bannon has been gone from Goldman Sachs for many years, and I think it's very important when you look at this question, that a lot of people have cycled through Goldman Sachs over the years. I worked at Goldman Sachs, and many people have worked there.

The fact that Steve Bannon worked there years ago doesn't really mean that much, whereas Gary Cohen, who is the chief operating officer, was right in the thick of engineering many different aspects of the financial coup d'état, going in straight from Goldman as National Economic Advisor.

Frankly, my guess is that wasn't his idea; somebody said, "Gary, we need you to go in here and make sure that when they reengineer everything, they don't mess up the derivatives and bond market. We need a nuts and bolts guy in there making sure all this works for us."

So when you turn the Federal budget, you turn all the financial markets, and you need somebody who everybody trusts as a nuts and bolts guy in the middle of it to make sure that it all works.



Dr. Joseph Farrell: Right.

C. Austin Fitts: It turns out that if Gary Cohen had it in his heart to be a Titanic-turner, that is not a bad idea. If he has it in his heart to be a Piggie, then we have a big, big problem.

Dr. Joseph Farrell: This is why I think the geopolitics is so very crucial. The Bush and Obama Administrations have managed, in 16 short years of disastrous foreign policy, to turn a great deal of the world against us. The bottom line – and this has always been my take on it – is that you can't run an empire without a military that can sustain it, and you can't run a military to sustain an empire if parts of your major weapons systems are being built here and there and under license to a foreign company and that foreign company has no manufacturing base in the country. That is problem number one.

C. Austin Fitts: Right.

Dr. Joseph Farrell: I've said this for years; the 3D printing is something that is factoring into their consideration. They don't need the big industrial plants to build things for them anymore; they can farm it out and disperse it and disperse the targets quite literally. That is what I'm talking about, but they do have to reshore. That is the problem. They do have to reshore because they have virtually the whole world mad at them for American intervention, American military projects, and the disastrous Arab Spring. It's been mainly America that has been behind the refugee crisis in Europe with Merkel acting as their puppet in this respect.



There is plenty of ill will. For the oligarchy, it is necessary for them to shore up the base of their power, which is still North America. So this is the geopolitical reasoning here. I lean on the optimism side that this is not just talk; they are very serious about doing this because they have to.

C. Austin Fitts: I agree with you, and I think it's twofold. One is: They are afraid that if there is a war, they are going to lose.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: That is number one. Number two is: Once you discovered that everybody's systems have zero integrity, you want them out.

Goldman Sachs facing serious business headwinds in China, I think, was also because of the greed on the digital and Silicon Valley side.

We essentially said to the world, "We are scorpions, and there is no point in doing business with us because we'll always screw you no matter what."

Dr. Joseph Farrell: Exactly. People are waking up to this. I'm with you. I've been looking at some of the moves that have been made very quietly against Germany, and I do think that there is a covert economic war going on against Germany. I think the refugee crisis is one part of it that we see and the fines against Volkswagen. I suspect that we are going to see some shenanigans being played out with Deutsche Bank.



They have to reshore – not out of any altruistic motivation to help the American middle class other than that they need that middle class to continue buying their products. Under the system that has been obtained during the last 30 years, that is crumbling.

Obamacare didn't help. They also have to maintain the empire. So you can't run a prosperous empire and have a strong military if you've outsourced all the manufacturing, and you can't have a strong empire if you've outsourced and strip-mined the middle class wealth and left them with no discretionary income.

It's necessary, I think, for them to try to read the tea leaves.

C. Austin Fitts: Let me keep going. The first person was Steve Bannon, who I don't consider very much to be Goldman Sachs.

The second was Steve Mnuchin, who had left Goldman Sachs. He has been gone for quite a while, but he was deemed to be more Goldman Sachs because his dad, Bob Mnuchin, was a very famous Goldman partner who came from the equity side when Gus Levy was running it. In fact, I met him when I worked at Goldman Sachs.

The Mnuchins were Goldman Sachs royalty, if you will. Mnuchin went to Yale and was tagged for Skull and Bones, so you have a Skull and Bones person who is Goldman Sachs royalty. He was in the fixed income division with Gary Cohen and Blankfein as part of the engineering of the strong dollar policy in that whole period.



It's very interesting. You almost feel like Yeltsin is going to show up for some kind of honorary position.

Dr. Joseph Farrell: He's dead, but he's still suffering a hangover with a half-life of 50 years, so you never know.

C. Austin Fitts: You never know!

So Mnuchin is in the Secretary of Treasury position. Then we have Gary Cohen to become National Economic Advisor, and that is a much more direct post. Cohen is really at the heart. You name every vampire squid allegation in the world, and Cohen is right at the heart of it.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: The National Economic Advisor is not a position approved by the Senate the way that the Secretary of the Treasury is.

Here is what is interesting: We have a Sullivan and Cromwell partner, Jay Clayton, announced as the head of the SEC. Now, if you're going to engineer a turn and a reshoring and particularly take advantage of the place-based opportunity, having Cohen as National Economic Advisor and a Sullivan and Cromwell partner at SEC, it starts to get very interesting because we know that Wall Street is looking for regulatory relief. In fact, all of America is looking for regulatory relief.

Dr. Joseph Farrell: Right.



C. Austin Fitts: Since last summer, when Trump started to come up in the polls, how much do you think Goldman Sachs' stock is up?

Dr. Joseph Farrell: Oh, I would imagine it's up a great deal.

C. Austin Fitts: It's up 72%.

Dr. Joseph Farrell: Oh my word! I would never have guessed that!

C. Austin Fitts: Here is what is interesting: They had become beaten down, but if you observed the trading in the US equity markets and NYPD gets a hold of Anthony Weiner's laptop, the judge then gives the FBI authority to access it, and the next day, the market starts to trade Trump's victory. That is eight days before the election.

From that day and for a month after the election, 50% of the rise in the Dow came from three stocks, number one being Goldman Sachs.

Dr. Joseph Farrell: I can believe that. Definitely.

C. Austin Fitts: Booz Allen Hamilton, who has been briefing the President-Elect instead of the CIA, started trading up within 24 hours, and then Goldman Sachs within 48 hours. Their stock has been rising ever since.



So whatever that deal was between Trump and NYPD, Goldman Sachs was in the thick of it. I'd love to know who was in the room for that negotiation and deal. That is when the Clinton people stood down, whether Clinton knew it or not.

Dr. Joseph Farrell: It's not only that, but it's peculiar now that Hillary has apparently made noises that she wants to run for Mayor of New York. If that is the case, my suspicion is strong that she wants to get in there and get her hands on whatever files they have and run the shredder over time.

So, yes, this is still an ongoing contest. But there is something else that we need to mention with respect to Goldman Sachs and Booz Allen Hamilton, and Dr. Pieczenik, and that is what I've said all along – and I think what we have to bear in mind –we are looking at the real public face of some real factional infighting between the neocon and neoliberal crowd within the intelligence community. It appears Catherine, that what is happening here is that they want to rest the intelligence agency control of this hidden system of finance and privatize it. You've said this already.

C. Austin Fitts: Right.

Dr. Joseph Farrell: They want to roll it out of the government. What is very interesting is if you look at Trump's other appointments – the military and so on – what you see is a new alignment taking place within the military-industrial complex, basically walling off the CIA and excluding them.



C. Austin Fitts: I think this is a very important insight, and I want to spend a little time on it.

If you look at the central banking warfare model, you have the military, and then the central bank – the money. So you have money, and you have force. What is very interesting is there is a world of people on the military side who do real things; they build boats, they sail the boats around, they police the sea-lanes, etc.

Then you have people on the money side, and they do the servicing and balance the books and similar things. What I think you're seeing is: The people who do essential things on both sides are getting fed up with the fluff.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: What they're saying is, "We don't need 1,000 people to do these functions, and we don't have time to placate these 800. We can do this with 200 people." It's almost as though you have a revolution of the people who are responsible for operations on both sides saying, "Let's make a deal and cut out all this waste because we don't have time for them."

Dr. Joseph Farrell: Right.

C. Austin Fitts: The other thing is that you've had three Presidents in a row of which two were lawyers. Bill Clinton was a lawyer, George Bush was just a silver spoon in the mouth and Obama was a lawyer. But there is nobody who understands money, deals, and can count.



Dr. Joseph Farrell: Right.

C. Austin Fitts: Financially, it has gone out of control. So I think you're seeing a productivity backlash on the covert side of life in both the military and the finance side, and the brains of the operations on both sides are saying, "Too many people, too much fluff. We can't afford it, and we are in danger of losing. We have too much overhead."

Dr. Joseph Farrell: I agree. We have too much fluff, and what it has done is driven up the cost of weapons systems that don't work. I read a story about the navy dropping their \$800,000 per round – stop and imagine that – artillery projectile that costs almost \$1,000,000. They have dropped this. Then you had Trump sending the message about Air Force One, that we are not paying that much money for this plane. That is a bottom line. That is sending messages.

I think your reading here is exactly correct; you've got people who are just tired of the fluff and all of the overhead and costs and non-productivity that it creates in the system. Absolutely.

C. Austin Fitts: Right. Let me continue about the people coming in from Goldman. So we have a guy who left Goldman, who runs SkyBridge Capital, appointed as Senior White House Advisor. His name is Anthony Scaramucci. He is bringing with him someone who is at Goldman Sachs, and this gets very interesting.



Goldman Sachs has had all sorts of forays into what I would call ‘socially responsible investments’. During the bailouts, they would constantly run pictures of very large black women and talk about their \$10,000 small business initiative and social impact and their foundation doing all these great things.

You have a machinery that is destroying small business on one side and using government to do it in a way that is uneconomic, and then taking a tiny portion of their profits and doing good works. It’s just as profoundly offensive as you and I can imagine.

Then you have Dina Habib Powell, who is Egyptian and I think she went to the University of Texas. She had worked in the Bush Administration. She had been hired after the Bush Administration to run their impact investing, which oversees \$4 billion in housing and community development, and leads the corporate foundation.

So if you’re going to take advantage, you have Warren Buffett and everything that Goldman Sachs is trying to do. Remember that Goldman Sachs is a major player in the municipal bond market. Goldman Sachs is as knowledgeable as there is on Wall Street about place-based financing. So with the arrival of Dina Powell, between Cohen on the derivatives and fixed income and the covert hard stuff, and Powell on the social responsibility and goody two-shoes stuff – whether it’s overt or covert – it appears like a team that is getting set. Then you add Warren Buffett into the picture, and he has clearly set his equity to take advantage of this.



Dr. Joseph Farrell: Yes.

C. Austin Fitts: I think with these guys, concerning nuts and bolts engineers and looking at how you reoptimize the economy in North America and how you set it up so you can bring in a lot of capital and how you can make money on that capital, it brings me back to the issue that you and I have been talking about for years now. We have much of the economy run through the Federal budget and Federal credit. That's not good. If anything, we need to decentralize.

The question about that money is: Is it going to be operated at a negative return on investment as it is now, or is it going to move to a positive?

It can get more negative. If they do a version of the 'Rape of Russia II' in the United States it's going to get much more negative. You're going to wipe out the middle class, and they are all going to feast at the trough.

So those are the questions: Can they turn it positive or will they turn it negative?

The interesting thing is: If you look at the team that they are bringing in from Goldman Sachs, these are people who could turn it positive if they wanted to.

So before we dive in about this, I want to return to the squabble that is going on in Washington right now.



Dr. Joseph Farrell: Sure.

C. Austin Fitts: You have the Trump team and the nominees coming in. Primarily they are very clear that their goal is, “Make America Great Again.” So rebuild the North America economy,” and that is goal number one, number two, and number three. This is a group of people who are definitely committed to reshoring, and they’re running into tremendous opposition.

The question is: Is that opposition hopeful? I don’t see any hope to turn this back into the unipolar empire.

Dr. Joseph Farrell: I don’t either for several reasons.

C. Austin Fitts: So the questions are: What are they playing for? The team that is resisting, what are they trying to accomplish?

Dr. Joseph Farrell: The key here has several factors. One of them is this hidden system of finance and who is going to control it. There is so much money sloshing around in it that just through sheer fraud it enables people to line their pockets and continue to harvest wealth at the cost of everybody else. So I think part of this problem is just sheer greed.

The other part of the problem, as you pointed out many times, Catherine, is you have control files on a lot of these people. So the people wanting to retain that power and keep things going on the finance capital model of things – for example,



George Soros, who is a man who makes his money not by producing anything, but simply by trades of securities or currency or whatever. He's not based in equity capital, and people like Buffett are. You're seeing a bit of backlash and a bit of a struggle between those two financial ideologies, if you will.

Part of the resistance, I think, is coming from the fact that the control files on a lot of these people who are leading the opposition are pretty deep, and those who want to continue their operation of that system with all the fraud sloshing around in it are using those control files. So you had better fight tooth and nail every step of the way.

I don't think it is going to work because I think the intelligence community is badly divided between the military and the producing people and that group of people. So that's one factor.

The other factor that we have to figure is that a lot of that opposition, particularly in the Bush-Clinton network – because I really think the Bush's are the ones behind the Clintons – has a lot of foreign influences in it. There is Saudi money and there are heavy donations from the Saudis to Hillary Clinton. There are even donations from Angela Merkel to Hillary Clinton. So they are heavily invested in that whole international unipolar empire enterprise, part of which is the heavy reliance of that enterprise on finance rather than equity capital. So I think you're looking at that factor.

The final factor, I genuinely think, is that that group has been in charge of this country for so long.



Going back to the fact that Truman established this hidden system in 1947, and it occupies the country. It stages the coup d'état with the assassination of President Kennedy. So we're looking at a long-term phenomenon, and they've lived in that bubble for so long that they can't conceive of any other way of doing things or acting or behaving other than what they have been doing all along. It's a species of unreality. It's a species of insanity, in a certain sense, that we are also dealing with.

C. Austin Fitts: What we're seeing, if you consider the Trump appointees, as far as I know, the only lawyer is White House Counsel and the head of the SEC where you must have a lawyer. Obviously, Sessions is an attorney, but Clinton and Obama were 'lawyer, lawyer, lawyer' in everything. Now you're talking instead, about people who understand price.

So we've been trying to build a society based on rules instead of a society based on price. The price guys are leading a revolution and coming back in and talking price.

Dr. Joseph Farrell: Exactly. It's an ideological struggle that we're looking at. I've said all along, Catherine, that this election was a referendum on several things. Whether Trump had been in there or not, it would have been someone else if it weren't Trump. If he's not successful, you're not going to see this phenomenon go away. It will reemerge and it will reemerge if he is unsuccessful.

In other words, if we're looking at a 'Rape of Russia' scenario then you're going to see the same coalition that backed him this time reemerge and back somebody else.



The real question is: What are we looking at? Are we looking at positive return on investment? Is that the scenario we're seeing? Or are we looking at 'Rape of Russia II' on Steroids?

C. Austin Fitts: One thing I don't understand, and I want to come back to it again, is the attitude towards Russia. In the last two weeks, the dialogue in Washington about Russia has been humiliating if you're an American. You're watching people behave like kindergartners. So there are people who are saying, "Let's kill Russia rabid mad dog," and when they talk the way they talk, you can't get a logical reason from them on why we should go blow up Russia.

Dr. Joseph Farrell: My intuition, Catherine, and this is going to sound crazy, is during the summer there were a couple of articles that appeared on the internet. I think it was the Swedish Interior Minister who came out and said something to the effect that the enemy to the New World Order is Russian Orthodoxy. Then somebody else – and I forget who it was – also came out and said much the same thing.

This is a long-term Western visceral, innate, subconscious reaction to Russia because number one: Western Christians don't understand Orthodoxy; they just don't. I tell people, "If you want to understand Orthodoxy, you have to unlearn everything that you think you know about Christianity because it's a totally different way of thinking about the fundamental doctrines of the religion."



The other thing we need to remember is that Russia as a nation was midwived into existence by Orthodoxy. So it is so deeply suffused in Russian culture. If you're looking at something that you don't understand that is vaguely familiar to you on the one hand, and yet at the same time foreign, you have a visceral reaction against it. I think this is a large part of the anti-Russian hysteria. People just don't understand what they're dealing with. Therefore, the easiest way to understand something that you don't want to understand is to vilify it, demonize it, and attempt to destroy it so that you don't have to think about it anymore.

C. Austin Fitts: I think that in a practical sense there are four things going on, and I want to discuss three of them with you. One, we are watching a war on cash globally coming out of Davos in the United States, which I would say reflects a level of desperation that is concerning. Russia clearly stands in the way of a global cash-controlled, global digital payment system. They are the number one stinker. That is number one.

Number two, if we're going to control from space, they are a threat.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: They have the capabilities of playing in space with weapon technology in a very major way.

The third thing is: They have played the soft revolution card brilliantly, and we have failed completely



Dr. Joseph Farrell: Yes, they have.

C. Austin Fitts: James Mattis, in his testimony in his nominee hearing for Secretary of Defense, said that to project power we need military power. He didn't use the word 'soft revolution' but 'soft revolution power'. He said on soft revolution you need inspiration, and we are way too dependent on force and we're short of inspiration.

Dr. Joseph Farrell: Let me address that one point because President Putin gave a Christmas message that I wish people would go watch.

C. Austin Fitts: I put it up on my website.

Dr. Joseph Farrell: Good. What he did in that message was addressed certain cultural trends in the West, particularly during the Obama years – the whole transgender bathroom thing and everything else – and he directly addressed the immigration crisis in Russian terms by saying, “We need to continue to protect the rights of minorities in Russia.” At the same time, the next sentence out of his mouth was, “But we will never allow the culture of the majority to become hijacked by minorities.”

What he was doing, Catherine, was addressing directly, not just people inside of Russia, but he was addressing the West and to people in the West who have watched this multicultural agenda erode the institutions and landmarks and monuments of their civilization. That is what he was addressing.



In other words, he was saying that if you feel disenfranchised in the West, we here in Russia understand your plight. We understand what you're fighting for.

C. Austin Fitts: Right. The thing that he brought up that was so powerful was the way he described the debasement of the culture in the West and why it was destroying the West. It was being destroyed through the debasement of culture.

The other thing that he brought up was pedophilia as the ultimate example that documents their debasement. He used the word 'pedophilia' twice if I recall, and I think that goes right at the heart of the Anthony Weiner laptop.

Dr. Joseph Farrell: Yes. He was clearly sending messages.

C. Austin Fitts: If you look at Rubio, at Graham, and at McCain, they are behaving exactly the way I saw the Secretary of HUD behave when I was at HUD and he was being blackmailed or it was alleged that he was being blackmailed over pedophilia. People under threat of blackmail for pedophilia do not act rationally.

Dr. Joseph Farrell: No, they don't. I think this goes directly to why you had those statements appearing in the summer from European ministers that the whole problem with the New World Order is Orthodoxy. In other words, "It's Russia" and I think that is precisely why we're not the only ones who would have control files on these people. I suspect that the Russians know a great deal about all of these people. The threat is that they could release it.



As you say, Russia poses a threat in space. It is not going to move to a cashless system; as a matter of fact, we talked about this a couple of years ago with the Russians instituting their own financial clearing systems independently of any American or Western corporation. Then they turned around, and this is something that we need to bear in mind as we're looking at positive return on investment or 'Rape of Russia II'.

If I recall the time correctly, two years ago the Russians made an agreement with Japan that gave Russia access to the Japanese credit banking system. Their major financial clearing in the Pacific is run by a Japanese company. This is all over the Pacific, and the Russians got access to this. To my way of thinking, looking in retrospect, that was something that prepared for the agreements that they reached after the Onsen Summit last month, in December of 2016.

Regarding the Davos matter, I think you are exactly correct; this is a desperation move. The only thing that it is going to produce is the rise of local and regional currencies. People just cannot survive on digital clearing systems alone that are not secure. This is the whole problem, as you have said over and over and over again.

The real question is: Are they going to try to do something like that here in the midst of all of this return on investment? Is it going to be positive, or are we going to have a 'Rape of Russia II'?



I would suggest that one powerful message that we might be seeing a ‘Rape of Russia’ scenario is if, indeed, they try to pull some similar stunt here as they’ve pulled in India. That is one thing that we need to watch for.

C. Austin Fitts: Right. The constraints on cash have been happening quietly and steadily all along.

Here is why I ask it: Here is Goldman Sachs intimately involved with the Treasury and the ‘Rape of Russia’ and yet they are now aligned with a President making pro-Russian statements, or certainly making sense on Russia as opposed to the Russian hawks. It is an interesting realignment that makes you shake your head. You would think that having helped steal all that money out of Russia, they might be a Russian hawk themselves.

Goldman Sachs is always ready to switch and play ball today. Everything is about what makes money today.

Dr. Joseph Farrell: Let me offer a speculation on what might be going on with that very thing. This changing of attitude by aligning with Trump, who has made it very clear that he wants to have a very different relationship with Russia. We’ve seen several hints that this was in the making over the past few years. We saw Kissinger break with Brzezinski in several articles that he wrote. He made several trips privately to see President Putin, and then wrote these articles that the United States needs to quit demonizing Russia and rethink its whole policy.



Now we see Trump voicing the same thing – the incoming President-elect – and we see Goldman Sachs change sides, so to speak, on this whole thing. I think what you're looking at is a real attempt to get as close to Russia as possible, not only in terms of perhaps an eventual lifting of the sanctions regime, but on security matters dealing with Islamic terrorism and so on.

Also, we need to remember that Russia has been trying desperately to develop the infrastructure in Siberia, to develop the tremendous resources that it has available in Siberia, and they have turned to China in the past few years to get the capital to do this. Now we see them opening up to Japan get Japanese money to do this.

I think the whole reason that Russia did this was to offset any potential Chinese influence in Siberia. They are playing a very careful balance of power political game vis-à-vis Siberia. With that realignment taking place, I think if you're a geopolitical financier in an investment bank like Goldman Sachs, you're seeing this as a perfect opportunity to get some capital into Russia and make it work in a productive fashion that everybody benefits from, and create a geopolitical realignment in the process that is going to further isolate China.

So that is my speculation on why Goldman Sachs appears to be aligning with Trump after it was involved with the 'Rape of Russia'. I can bet my bottom dollar that this is probably the way the analysts in Moscow are looking at things, too. I think this is what you're seeing.



C. Austin Fitts: Russia is also one of the reasons for Tillerson as Secretary of State.

Dr. Joseph Farrell: Bingo!

C. Austin Fitts: He is primarily the guy to negotiate what we do with Russia in the Arctic Circle, and if you want to get back in the lead on the Arctic Circle and make sure it's not the Chinese, then that is the way to go. I keep going back to what Jack Ma said, "When trade stops, war starts."

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: To a certain extent, what you're looking at with Tillerson and Trump and the Goldman Sachs people is: This is the 'Let's Make a Deal' party. These are deals that fuel people, and they're price people. They don't care about lawyers and rules; they care about price.

Dr. Joseph Farrell: Right.

C. Austin Fitts: So if it's not economic, they're going to throw it out – good or bad.

Dr. Joseph Farrell: It's also a realization that the 'Rape of Russia' plan didn't work. They realize now that the Russians simply are not going to allow that sort of thing to happen, but that doesn't necessarily mean that they're not open to making a deal. That is a very different matter.



So if we're looking at a positive return on investment scenario, or if we are looking at 'Rape of Russia II', that at least is a factor on the side of positive return on investment scenario. The other problem is the empire, so to speak, is faced with a real security problem now that it helped create the refugee crisis and the mess that Hillary and Obama made in Syria and elsewhere in the Middle East. This is something that they have to address, and to address it quickly. We're looking at Turkey – a very significant NATO member – that looks like it is breaking away, to a certain extent, from being essentially a sock puppet for Washington's policies in the region.

There is much going on here, but that is one factor that puts it in the positive return on investment column rather than the 'Rape of Russia' column.

C. Austin Fitts: If you brought in a team that didn't know anything about the kinds of things we are talking about; let's say that they had no understanding of the covert side, you couldn't flip it to positive because the number one obstacle to flipping the negative return on investment to positive is figuring out how you're going to handle the covert piece.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: If you don't know the covert piece, you're going to have happen what happened to me in the 1990's, which I figured wasn't my problem; it was the covert guys who would figure that piece out. Of course, we were out of alignment and I didn't know it.



It is interesting because I think of the CIA and secret society networks, more than anyone, run the drugs into the US neighborhoods. It's going to be very interesting because if military intelligence is going to team up with the finance side and re-engineer this, you could see those CIA networks get squeezed out. You know, they squeezed out organized crime, and now the organized crime guys have come in on the overt side and may be squeezing them out.

Dr. Joseph Farrell: They're squeezing back. We need to remember historically, since you mentioned the covert side and the CIA and drug running operations that this is something that is not made up. You have the work of Gary Webb; you also had all of those allegations going back to the Clintons – Mena, Arkansas, the Iran-Contra, that whole drug running operation out of there; Larry Nichols who broke from the Clintons and tried to tell that story; Terry Reed who wrote a book on the Clinton-Bush nexus and what all of that was about, and it was all CIA drug running operations under the Reagan Administration.

C. Austin Fitts: Remember Goldman Sachs was doing a lot of the laundering at Mena, Arkansas.

Dr. Joseph Farrell: Right. That is one down in the 'Rape of Russia' scenario column. But by the same token, you cannot have that kind of covert operation if people do not have discretionary income to spend on their illegal drugs. So we're back to square one. They've harvested just about every last dime that they can, and they've got to do something different. The only way to do that is to get the regulatory boot off of people and get some



C. Austin Fitts: Let me tell you what my big fear is here. Let's say that their intention is to do a positive return on investment, so they're looking to decentralize. Let's say they're seeking to have venture pools for neighborhoods and crowdfunding and lots more of decentralized small business and take the boot off small business and do all these wonderful things. If, however, you've got a digital system and network that is full of entrainment and mind control, and putting chips in everybody, then you're just talking about friendly fascism. It's all going to look lovely and make people feel okay economically, but, frankly, I'm not interested in being a chipped member of the middle class.

Dr. Joseph Farrell: Oh, I'm not either. Fascism is a danger in all movements like this. It's always an inherent danger of movements like this.

The real thing that we have to bear in mind is just to say, "No." If there is any glimmer of a message like that in the cards, then their feet have to be held to the fire that we're just not going to do that.

I don't see them attempting to do anything like that because I think too many people are already awake and aware and alive to the dangers of that sort of thing, and if they were to move too quickly on it, it would collapse the coalition that put them into office.

Congress would start getting so many phone calls that this would collapse. If that happened, the agenda is up. They couldn't be trusted to do anything else.



I'm not too pessimistic on that score right off the bat. Much is going to depend, as I've said before, on what he says during that first State of the Union address that is coming up later this month. We're going to find out a lot about that. We're going to find out about what his intentions are with how he handles all of the executive orders that Obama has put into place. I expect that he will repeal some of them.

Those are the things that we have to watch for.

C. Austin Fitts: I don't know if you saw this tidbit. Trump met with the head of AT&T, and they said that they didn't discuss their proposed Time Warner merger, but shortly after meeting with Trump someone – either AT&T or Time Warner – mentioned that one thing that might make the merger go is if they spun out CNN.

I thought, “Wow! Trump really retaliated against CNN!”

Dr. Joseph Farrell: Yes, he really did.

C. Austin Fitts: They're getting thumped out on their own financially. Talk about payback!

Dr. Joseph Farrell: Exactly. That was a body blow to the solar plexus. This says everything about what you're watching is the old ways of dealing with Presidents from the media. They're not dealing with a lawyer; they're dealing with a guy who knows the business world and knows how it operates. Now he's got his hands on the levers of power. That is a clear indicator that he is going to use them.



C. Austin Fitts: I keep going back to Goldman Sachs. Here is what we have: A firm which, traditionally I have associated with having major responsibilities for the CIA and the intelligence community on both the hidden system of finance and on the black budget – both CIA and Treasury. What I'm watching is them aligning with a President-elect who is having a war with the head of the CIA and refusing to take briefings from them because they just repeat themselves and he would rather hear from Booz Allen.

Dr. Joseph Farrell: Right.

C. Austin Fitts: That's why I go back to: Are we looking at a privatization of the covert side of finance, or a realignment of a privatized finance side with the military and military intelligence?

Dr. Joseph Farrell: I think you're looking at the latter. The structure of power of the deep state behind Trump looks like what you have within the intelligence community – all the three-letter agencies – agencies like ONI, DIA, National Reconnaissance Office, National Security Agency, and so on are aligning with Trump. What they are doing is leaving the CIA out in the cold.

C. Austin Fitts: If you have ONI, DIA, NSA, and NRO, do you need the CIA?



Dr. Joseph Farrell: You don't; that's my point.

C. Austin Fitts: What is it that they do that you need?

Dr. Joseph Farrell: The only thing that the CIA does that you can conceivably need is the drug dealing and the covert ops. The other intelligence agencies are as capable of running covert ops as the CIA.

In other words, it's looking like you're seeing a classical walling off. They're not going to get rid of the CIA; they're just going to make it irrelevant. Gradually, over time, the budget will sink and the national security financial resources will go into those other agencies.

If that reading is correct – and let's admit that is a big 'if' – then I suspect that at some point in his first or second Administration, if he gets a second one, you're going to see a major restructuring of the entire intelligence structure in this country. I think that is in the cards if my reading of things is correct.

The other thing that you've mentioned and that we've talked about is that the intelligence communities are only one part of this. You're watching something else happen in the Pentagon, as you've pointed out. You have the people who are interested in actual operational productivity rather than all the fluff coming in.

So that restructuring, I think, is going to eventually touch the Pentagon itself. I don't think he would be picking the people who he's picking if that weren't in the cards down the line.



The alignment of that faction with Goldman Sachs and the financial aspect of things, are dealing with people who are interested in production and interested in positive return on investment, be the weapons systems for the military or what have you.

That is another one in the positive return on investment column.

C. Austin Fitts: Let me put this in perspective: We had a financial coup d'état and we pulled all the assets out of 2.0. Now 2.0 is filled with liabilities, and the question is, it's time for the end game and we have to engineer 2.0. How is that going to happen? Who is going to do it? What is going to happen?

You have a group of people saying, "Wait a minute. If we try to keep the unipolar goal model going with 2.0, it's too high of a risk and we are going to fail and get killed. So we need to regroup and resource back into North America. We need to rebuild."

The question is: If they rebuild and rebuild the military, are they going to turn around and want to go back to war?

Dr. Joseph Farrell: That is a good question. That is certainly a possibility because Trump has already made it clear that he wants to build up the military again. That is certainly a possibility, but geopolitically I don't see that happening for several reasons that we've already talked about.



The Japanese rapprochement with Russia, Mr. Abe is playing a very, very good diplomatic game from what I can tell, and a very aggressive one. We haven't seen this out of a Japanese Prime Minister since the end of the war – not since Tojo.

C. Austin Fitts: I should say that Goldman Sachs has a very significant Tokyo office.

Dr. Joseph Farrell: Oh, yes. Absolutely.

C. Austin Fitts: They were always the major player. The Japanese traditionally have big investments in Goldman Sachs' equity.

Dr. Joseph Farrell: The other thing too, is there is no doubt in my mind that Goldman Sachs played a role in that Japanese bank, pledging so many billions of dollars to Trump's infrastructure. There is no doubt in my mind that they played a role in that.

I don't think the geopolitical situation portends another return to the unipolar empire war scenario; I think what you're looking at, is not only an attempt to build up North America, but to shift the attention to China. We can't be the world's policeman, so we're going to put the bulk of our assets where we have been seeing significant challenges from the Chinese – Africa being one place, and the Pacific certainly being another. That's what I see in the cards concerning the long-term military strategy that we're watching.

C. Austin Fitts: Right. The pressure now will be that they care more about the South China Sea and asserting hegemony in Asia.



If you lose that hegemony in Asia, you're in real serious trouble. Tillerson made it very clear that he was going to be aggressive there.

One question that I didn't hear the answer to because I haven't listened to the entire Tillerson testimony, was whether or not Tillerson was going to keep DynCorp on. DynCorp, of course, being the contractor. They've always been a lead contractor at state, but it's the contractor with the most allegations. They've had two lawsuits against them in the 1990's and early 2000's on pedophilia and sex slave trafficking. Of course, the pedophilia allegation has the DynCorp name bouncing around again.

I thought it was interesting that somebody asked him about that. What was most interesting to me about the Tillerson hearing – and I don't know if you watched any of it– was that Senator Rubio made a complete fool of himself.

Dr. Joseph Farrell: I'm not surprised.

C. Austin Fitts: It was frightening to watch a sitting senator be that naïve and ridiculous.

Dr. Joseph Farrell: And clueless.

C. Austin Fitts: If you look at the fake news coverage of it, they made it sound like he was behaving in a senatorial manner.



He demanded that Tillerson declare that Putin was a war criminal. If you are the nominee for Secretary of State and have not had access to the classified documentation, there is no way you can respond to that. You just can't. It's not possible, and you certainly can't do it without conferring and agreeing with the national security advisor and the President.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: For a senator to ask you to do that, you think the theme song to the Howdy Doody show should start playing.

Matt Taibbi wrote an excellent article about Goldman Sachs, likening them to a 'Vampire Squid'. It's an amusing article, and well deserved.

It's true they have a tentacle in everything. If there is one financial institution that knows a lot of the bodies, it's AIG. They were, in my opinion, running the insurance book on the black budget hidden system of finance info. Once they got turned topsy-turvy during the bailouts, Goldman emerged. Lehman did, too. Lehman had a lot on the covert side. So if you get rid of AIG and Lehman, or trounce them, that leaves Goldman as the number one hidden system of finance black budget firm.

These are guys who know where all the bodies are buried. So if they're going to flip the model, you need people who mechanically know how to do it and know where all the bodies are concealed. The question is: Who are they working for?



The the last thing that I want to talk about is: How do we keep an eye on this? How do we watch?

I think that Trump is sincere enough, being through the campaign, and he's enough of a businessman to know that if you eat the pie as opposed to building a bakery, then it's good for dinner, but that's all. There are people in the mix who understand that you want to develop something enduring as opposed to just raping the place.

The question is: Who do we as citizens and individuals need to inspire to build a bakery instead of just eating the pie?

Dr. Joseph Farrell: First of all, we have to watch carefully. The whole problem with the scenarios that we've been talking about – positive return on investment, and if we are going to turn the Titanic or is this going to be another 'Rape of Russia' scenario –is if you were inclined to look just simply at his Goldman Sachs appointments, you would have to say, "It's looking more like a 'Rape of Russia' scenario." But when you consider those appointments against the broader backdrop of his other appointments, then it's looking more like a positive return on investment scenario.

You also have to factor in the messages that he has been sending – the Carrier air conditioning issue and the Ford plant staying in the United States rather than going overseas. Of course, Ford said, "This has nothing to do with Donald Trump," which is nonsense. It has everything to do with Trump.



You have to look at the messages that Trump is sending in that sense and the messages that he has sent prior to the election. You've pointed out the Davos desperation with the move towards a cashless society and Trump saying over and over, "If you want to have secure communications, write it out and send it by courier because no computer is safe."

What he really has said is that a cashless digital system of daily transactions is just not going to work. That's what he said because it's not secure. So you have to look at his messages as well as simply looking at his appointments. Those are the things that I would urge people to do.

In other words, we can't panic too quickly about things. "The proof is in the putting." The proof is in the actions that are taken.

The other thing, I think, that we need to look very carefully at as to whether or not we're dealing with a rape or positive return on investment scenario is how do his plans translate locally and regionally – in other words, place-based?

If those plans translate to positive things happening locally, then I would say you're looking at a positive thing; I would say that you are looking at that positive return on investment and they're serious about it. If, on the other hand, trillions of dollars are appropriated for infrastructure, Obama did this. We have to remember that Obama very quickly did this in his administration. But what did it translate into locally?



Well, I can tell you what it translated into locally where I live: A certain section of the freeway was repaired and it was updated and made all nice and new and shiny, but most of the freeway system where I live is in tatters. The roads are bumpy and the bridges are literally melting before your eyes.

What happened was a big bureaucracy was created which paid more fluff. We saw the solar panel industry get special perks and privileges under Obama and did absolutely nothing. I believe “the proof is in the pudding.” Is this infrastructure project that he’s been talking about in glittering generalities going to issue anything that is actually going to have an effect locally? That is what I would urge people to do. Ask: What is going to be the consequence of this locally?

By saying that we have to watch this, what I mean is: What we have to do is hold their feet to the fire. When they come out with all these grand plans and announcements, we have to demand that they explain, “What is this going to do for us in Shreveport or Texarkana or whatever? What exactly are we benefitting here?”

I remember, as you probably do, when Eisenhower passed the National Defense Highway Act to create the interstate system. As the interstate system was being built, you would come up to places on the interstate where you would have to get off the old road. There would be a big sign that would say, “Your tax dollars at work,” and the sign would spell out how much money was being spent here.

I remember this very vividly. This was an attempt at local transparency of how much money was being spent, and we don’t see that anymore.



I think that's exactly what the Federal government, in order to restore confidence and trust in what they're doing, have to do. They have to put those old signs back up. "We're adding this addition to your airport. We're upgrading the radar here, and this is how much it's costing. This is how much is being financed, etc."

Those signs were a very, very crucial part of the success of Eisenhower's interstate system program that we've all benefitted from enormously.

C. Austin Fitts: Last year I wrote a letter to my congressman essentially saying, "Look, it won't cost you a penny. You already have the resources to do it. Just put up the place-based financial disclosure on your website, and let's all go to work."

One of the ways you turn a negative to a positive is get all the intelligence in the area working to turn it positive, and may the best plan win.

Dr. Joseph Farrell: Exactly. If I remember correctly, Catherine, don't the congressmen have a certain discretionary budget for their mailers to their constituents and so on where they could be sending information?

C. Austin Fitts: Sure.

Dr. Joseph Farrell: They could be doing this very easily. I get mailers from my congressman all the time, but there is no information in it. So if I saw a budgetary breakdown of what they're doing here and what they're doing there and where the money is going, I would sit down and read the thing.



C. Austin Fitts: I'm having an unprecedented number of questions come in from subscribers looking for help in figuring out both local budgets as well as the underfunded pensions and other liabilities in their area because it's starting to impact them personally. They're starting to say, "Wait a minute. Let me look at the money."

I'm getting all sorts of questions on 'how to'. In fact, I offered to help one subscriber figure out the detail and to teach them how to understand the money in their place if they would write up the experience so that I could publish it for all the subscribers. Hopefully that will happen.

All this money is going to start being real to everyone, and I know all the reasons government officials don't want to make all this information easily accessible and public, but I don't see how we reoptimize and get things headed in a positive direction without that kind of transparency.

Dr. Joseph Farrell: I don't either, and it would be so easy to do. Just from the standpoint of good government, people hold the Federal government in such low esteem right now – and rightly so – precisely because of this lack of transparency. I go back to those old interstate signs that we saw in the 1960's as they were building the interstate system, "Your tax dollars at work," and specified exactly what it was going for.

If you had that kind of national effort to hold them accountable, they would restore trust. In the restoration of trust, they would restore confidence. That's an essential part of a functioning economy.



C. Austin Fitts: If you are Goldman Sachs, the way you made money was by that system being secret. You centralize and use fraud to rig trillions of dollars to be able to go global or go down the hidden system of finance and black budget wherever. There is \$50 trillion missing in a financial coup, all made possible by secrecy, privilege, and centralization.

So how is it a company and a culture that has succeeded wildly from this process of centralization, secrecy, and privilege would agree to take it in the opposite direction?

Dr. Joseph Farrell: Because they have to. I personally think, going back to everything that we've said, they have to. You can't have a functioning economy that is based on parasitism. Parasitism only survives in that kind of secretive context.

The fact of the matter is that you can build out all the infrastructure you want to, but if you don't have people who can afford a car to drive down the interstate or buy a train ticket or a plane ticket to fly into these new airports, what good is it going to do you?

You've got to restore the discretionary income of the middle class, you've got to raise up the lower classes and give them a stake. We've talked several times about the racism and bigotry that has been shown to the black populations and the urban centers. To create that kind of trust, you're going to have to, not only show them where the money is going regarding the actual numbers on the ledger, but you're going to have to show them that you're actually building something with it.



In other words, Goldman Sachs may be inclined by all of their plights and corporate history to this secrecy thing, but the fact of the matter is that the secrecy situation has run its course; it's part of that debt finance model that has run its course, and they can't do that anymore. They've got to produce their way out of it.

C. Austin Fitts: There are two places where the rubber is going to meet the road. One is that Ben Carson is going to be at HUD.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: You're making a fortune on bringing drugs into that neighborhood and engaging in financial fraud and mortgage fraud in those neighborhoods. How are you going to end that game? Are you going to end that game? That's where the rubber is going to meet the road –at HUD.

Dr. Joseph Farrell: That is where the rubber meets the road. This is another big, whopping speculation, but at least it is looking like they are walling off the CIA. Of course, the CIA has been most of that covert drug trading activity. So in walling off the CIA they're creating the climate to do what you're suggesting and going into those neighborhoods and lifting those people up a little.

This is all a comprehensive thing, and if we're correct, then this has been carefully planned and plotted for some time.



C. Austin Fitts: So here is the other place where it breaks down. You have a whole group of people who are over 65. Some will keep working for some period of time, let's say to over 70, and they're an expense. They are no longer going to help you build the muscle. The reality is that they are the grandparents or the relatives of somebody who is going to help you build the muscle. So it's hard to separate them out.

Dr. Joseph Farrell: Right. I agree. By restoring the local place-based financing and restoring the transparency of it, you're going to create enough of a climate where this is no longer a drag on the system.

It appears they have to do these things. It's not a matter of whether they want to do these things; it's a matter of them having to do these things.

Let me turn the roles around a little here. I've been telling people, Catherine, for a few weeks that I'm cautiously optimistic about what I'm seeing. I'm more on the caution side than the optimism side. So I tell people that I'm about 60% cautious about what we're seeing and about 40% optimistic.

If you were to break it down in terms of those kinds of numbers, are you more cautious or are you more optimistic?

C. Austin Fitts: Right now I would say 50/50. I think there is something going on here spiritually and energetically.

Dr. Joseph Farrell: I do as well.



C. Austin Fitts: I think part of what is happening is the field. I think we have 325 million Americans, and one thing I've discovered – whether doing competitive process on financial assets or just dealing with media of different kinds – involving big fields in America is that the American people, when you get them all together and you get them thinking and talking about the big issues, they're unbelievably smart.

We can be so stupid in the short run or so stupid about something important, but in situations like this, they really do understand that you have to grow the goose that lays the golden egg; you can't just slaughter it and eat it for dinner. They are surprisingly long-term in their thinking, but they're also very pro-human. I think they understand that there is something going on which is deeply anti-human, and I think they are deeply offended by it. So I think there is something going on in the field which is extremely positive.

Dr. Joseph Farrell: Yes, something that transcends all of these nuts, bolts, and details. I would agree.

C. Austin Fitts: Yes, and I think when Trump went out on the campaign trail-he's a ferociously competitive guy, and he got out on the campaign trail and spent months and months and months- he became deeply vested in the notion that he could preserve and grow the goose. I think his ego is very deeply entwined with the idea that he can make America great again.

Now, there is a whole world of people behind him who want to see America in a position to go back out to war and win.

Dr. Joseph Farrell: Right.



C. Austin Fitts: They're looking to rebuild the military machine, and the reality is that if you consider the waste in the national security infrastructure in this country, it's just unbelievable.

Dr. Joseph Farrell: It's enormous. It's obscene.

C. Austin Fitts: That's the perfect word: It's obscene.

I also think there is something else at play here, and the person who really brought it to the fore was Putin – and you and I were talking about this earlier – “Do you realize what you've done?”

I think it's just beginning to dawn on America how frightening what we've done over the last 20 years is. Sir James Goldsmith warned us how frightening what we were planning on doing was.

I think the backlash is here, and it's putting us – as a country – in enormous danger.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: I agree with you that they have to do something, and it would be stupid to just do a rape, because where do you go? They don't have Mars set up yet.

Dr. Joseph Farrell: No, they don't. The bottom line is that if we combine our numbers, we're looking at a 55% on the caution side and a 45% on the optimism side.



That's the way I think, too. There is something about what we've seen happening in the country that transcends all of this nuts and bolts stuff. It's in the field, and we're seeing the same thing happening in Europe. This is not just an America-only phenomenon; we're seeing it in France and Italy and Germany and the Netherlands.

It's interesting. I watched Marine Le Pen last night on YouTube, and she was saying many of the same things that we're saying. In other words, it's a message that is not necessarily confined to Trump or his supporters; it's something that appears to be happening all over the world, including inside of Russia.

It's going to be an interesting four years, needless to say.

C. Austin Fitts: Here is the question: Can Goldman Sachs serve the humanists well for a profit?

Dr. Joseph Farrell: Oh, I think so. I think they could. I think any big investment bank could if they put their talent and analytical skills to figuring out how to go about doing it.

The thing that is interesting, Catherine, is that it does look increasingly like they have been thinking along these lines for quite a while. In other words, I don't think what you're seeing now with Trump is simply accidental. It's come out recently that this was something that they've been thinking about for a while, and that they first approached him about running back in 2008. I've heard stories to that effect.



In other words, it's looking like they have had this big master plan in their heads for a while. I'm not looking at what he's been doing as just shooting from the hip or accidental; these are very, very carefully thought out appointments and messages. The timing he has exhibited during the campaign for more of his 'outlandish statements' didn't strike me as such, and I fully grant to all those listening that I'm odd man out here. Most people view his comments as, "That's just Donald Trump the narcissist." Those comments at different points during the campaign were delivered very carefully and deliberately at carefully timed moments; they were not just shooting from the hip and, "Trump being Trump."

It's appears that we're looking at something very deliberate. Over and above that I think there is something in the field. I think there is a spiritual, cultural aspect to this that no one could have planned. There are other factors and forces in play here that I think are changing things around.

Time will tell, and in the meantime we just have to keep holding their feet to the fire.

C. Austin Fitts: There is one other thing I wanted to bring up. I think I told you about this earlier. I received an email from someone who said to me, "Are you ready for the clubtocracy?" referring to this new crew coming in.

I wrote back and said, "There is \$50 trillion that has gone missing since 1995. What do you mean by 'coming'?"



Dr. Joseph Farrell: Exactly.

C. Austin Fitts: I think the power of what can happen is, if you have 3,100 counties take responsibility to move on down the road, one thing that helps us see that clearly is it always helps to know what your history is and where you've come from. We've gone through a clubtocracy – the likes of which Western civilization has never known. Obama contributed to it more than anyone. He is the one who made it all possible. He consolidated the financial coup d'état and, in our 'Just a Taste' that we put up tonight is about that, from you and I discussing it in the Annual Wrap Up.

I think that the biggest obstacle is not Goldman Sachs; I think that the biggest obstacle is the refusal of the American people to push the red button and take responsibility for how we got here and where we have to go.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: I worked at Goldman Sachs, and if you think that they are pigs, then you should meet some of my neighbors. The debasement of the culture is across the board.

Dr. Joseph Farrell: Yes it is.

C. Austin Fitts: We're going to have to turn it around one person and one family and one county at a time.



Dr. Joseph Farrell: Hear, hear. I've been saying that for years. I've been telling my website members that we as individuals are now responsible for maintaining and handing down to our progeny the traditions and institutions of Western civilization. That means that we have to know what those traditions are in their high form and their high expression, not in the modern debased, barbaric form that they have become. We're now all responsible for it.

C. Austin Fitts: Maybe we should suggest to Trump that he ought to play some Bach at the inauguration.

Dr. Joseph Farrell: I don't know what he listens to, but it can't hurt! It certainly can't hurt.

C. Austin Fitts: Anyway, Goldman Sachs' stock is flying. I will say this, Joseph: The capital gains opportunity – if you re-engineer bottom-up in the United States – is quite extraordinary. It's clear to me from what Goldman Sachs is up to, and what Warren Buffett is up to, they're all licking their chops.

It's there to be done, and we can do the end game on Global 2.0 in a way that could work. It's not going to be easy, but I think it's going to take all of us.

Dr. Joseph Farrell: It certainly will.

C. Austin Fitts: It will be very interesting. I think you're right that we need to hold their feet to the fire.



It's ironic because I had another person lobby me for going to work in the Administration. I wanted to reach through the screen and punch them because I thought, "How many people are there in the independent media who know enough about Wall Street and Washington to hold these folks' feet to the fire? Why would you want to lose them?"

Dr. Joseph Farrell: Exactly. Hear, hear.

C. Austin Fitts: Well, let's make their life difficult, shall we?

Dr. Joseph Farrell: Let's do that.

C. Austin Fitts: Before we close, do you have anything else on Goldman Sachs?

Dr. Joseph Farrell: No. That is it.

C. Austin Fitts: When so many Goldman Sachs people were coming in under Obama, there was a great quote from an Indonesian cab driver who said, "Why is Goldman Sachs running your country?"

I would say that it's because they know where all the bodies are buried. That is why. But the way that I would answer that is: "I do think we're looking at a streamlining of the covert side of the financial house".

Dr. Joseph Farrell: Yes. It needs to be done. It's long overdue.



C. Austin Fitts: It needs to be done, but it's a major power shift. So I don't think the fireworks are anywhere near from over.

Dr. Joseph Farrell: Oh, I don't either. No way. When I say that I'm cautiously optimistic with 60% caution and 40% optimism, most of that caution is based on how bumpy it probably is going to get and the degree of nasty fighting that we are going to see.

C. Austin Fitts: Right. There is a lot of nasty fighting because you have plenty of scorpion nests in this thing.

Dr. Joseph Farrell: You sure do.

C. Austin Fitts: I said this in Money & Markets earlier this week. You see this on Trump's face. The beauty of New York if you're a real estate developer or you're Goldman Sachs, is there is a limit to how much you'll fight because fighting doesn't make money. It can make money sometimes, but the guy you're fighting with today is the guy you will be in a syndicate with tomorrow, and life is long. Everybody is trying to make money. So the fights get bad and they get ugly and people can be mean, but it always comes back around to the fact that you have to add value in the marketplace or else nobody makes money.

Dr. Joseph Farrell: Right.

C. Austin Fitts: You can't just make money by stealing other people's pies; you have to bake pies.



What Trump is now running into is people who are not subject to that ethic; they believe in always throwing up tollbooths and fighting. They're Scorpions. They don't feel any compunction to make the system work or go; just print more money. That will solve the problem, right?

Dr. Joseph Farrell: Right.

C. Austin Fitts: That is the hardest thing to get rid of if you remove the debt growth model – the people who have no culture or character associated with sustainable economics.

Dr. Joseph Farrell: That is part of the ideological conflict that I think we've seen in this last election, and we're seeing it reproducing itself in Europe. We saw it with the Brexit. It's two different cultures; it's the central bank welfare-warfare model on the one hand with the privileged snowflakes, and on the other hand it's the people paying the taxes to give the privileged snowflakes their privileges. It's the pie eaters and the pie bakers.

C. Austin Fitts: Right. Well, Joseph, it is always a pleasure. Thank you so much for joining us on The Solari Report.

Dr. Joseph Farrell: Thank you, Catherine, for having me back on.



MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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