



The Solari Report

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1st Quarter Wrap Up- The Clash of Civilizations With Dr. Joseph Farrell



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Dr. Joseph P. Farrell



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C. Austin Fitts: Ladies and gentlemen, it's time for the 1st Quarter Wrap Up and I'm here with my good friend and ally, Dr. Joseph Farrell.

We are going to be talking about the Clash of Civilizations: Can a New Administration Preserve a Prosperous Economy without More Debt Crime than War? This is a report card on the first 70 days of the Trump Administration.

Joseph, welcome to The Solari Report. Can you believe that we're talking about the 1st Quarter Report already? It seems like we just recorded the Annual Wrap Up.

Dr. Joseph Farrell: That's right! It does. Thank you for having me back.

I think this report card is probably going to vary a great deal over the next few months.



C. Austin Fitts: I must say the news has been explosive. Part of the reason is because we have an Administration that is committed to taking as many actions as it can take and keep as many promises as it can, and that is having an explosive impact on how people – or certainly the Beltway – react.

You have the shriek-o-meter turned to high volume continually, day in and day out. That has made it extremely important for our subscribers and members and your members to see, regarding power and money, what is going on that is important because Lord knows when the shriek-o-meter turns this high, it's not that they are discussing anything relevant or important.

We have a web presentation, and there are a couple of different tools on it that I want to make sure folks have available. We are going to be talking about a report card that we've prepared for the first 70 days, and then a section underneath the report card called 'Accomplishments and Material Omissions'. It's in the 'People and Policies' section.

We've listed the key players in the Administration under 'People and Policies' and we will touch on them. I also wanted to focus you below the home section, under the Table of Contents. We've listed the Solari Reports and videos that pertain to this and what you will see if you click there and take a look.

Joseph and I have steadily been covering what has been happening, first with the transition after the election, and then the early developments in this Administration and Washington's response.



You'll see that we've been steadily publishing things, and I think that there is a lot of good material that is going to support it. What we're going to say today, in fact – and I know Joseph is simply going to affirm many of the things that we've been saying – is that the same trends have continued. I think you'll be gratified to see how much is there if you want to dig deeper.

So, are you ready to dive in on the report card, Joseph?

Dr. Joseph Farrell: I'm ready and I have my grades out and my red pen.

C. Austin Fitts: You're the professor here, not me.

Let's go through the different sections. I've separated the grading into many different sections. Before we give an overall grade, why don't we drill through the different sections, and then come back to the overall grade.

I started with 'Vision', and I gave the Trump Administration an A for 'Vision'. We've been operating as a nation without a plan or a strategy for a long time. President Trump has proposed the notion of 'Make America Great Again'. What people need on a vision is something that resonates and it has to be simple and clear.



I think the ‘Make America Great Again’ concept is a brilliant strategy, and now what needs to happen is that strategy be stretched to envision and incorporate America’s role in the whole world because we’re deeply involved in the entire world from the budget standpoint and the military standpoint.

It’s early in the Administration, so I gave the President an A, and I would love to see America have the kind of plans that China has. There is no reason we can’t, other than we have to be much more transparent.

For Vision, what was your grade?

Dr. Joseph Farrell: I have to preface my grades with the comment that we’re approaching this whole thing from two very, very different experiences in life. You’re familiar with the Washington scene in a way that I could never possibly be. So my grading tends to be a little more severe because I expect immediate perfection, which of course is a hopeless fate.

I gave him a B, and my reasons were that the idea of ‘Make America Great Again’ concerning a political campaigning strategy is certainly good, but even at the time it reminded me too much of President Obama and ‘Hope and Change’. In other words, it was too general.

The reason I gave him a B rather than a C was that during the process of the campaign, he was attempting to articulate details of that vision. The problem I had with it was that he wasn’t connecting his specifics often enough to that greater vision.



In other words, he was spelling out certain details and making it clear that these were his plans and desires for ‘Making America Great Again’, but, in my opinion, he wasn’t doing it often enough. There was a disconnect between the detailed vision and the general vision and that is the reason I gave him a B.

C. Austin Fitts: Right. I tend to assess any President based on what they have the power and authority to do.

Dr. Joseph Farrell: Right.

C. Austin Fitts: Presidents have remarkably little power outside of very scripted areas, and the greater support and consensus they have, the more they can do. So a President who is ranked 80% in the polls can get Congress to do nearly whatever they want. If they’re ranked 40% in the polls, it’s a slugfest, and it’s going to be very hard to get anything done.

‘Recruiting a Team’: I gave the President an A-. Frankly, I’m amazed because at this point it’s very hard to get people with talent to want to be on the Administration, but he did. From the Republican side, he has recruited from the A Team. So I think the transition did a very good job of attracting the A Team on the Republican side.

The thing that is interesting to me about this cabinet is that it has people with very significant business, military, or other kinds of ‘doing experience’, and very few lawyers. We’ve had many Presidents full of lawyers and people who make rules, and this is a group of people who are doers and are sick of being trapped by an economy that is being shut down by rules.



The other thing that is interesting is that this is, by and large, a very wealthy cabinet. So the question is: Can they grow from their establishment credentials and wealth to act in the best long-term interest of all of the American people in our role in the world, or will they continue the uneconomic centralization of power, which is one of the key questions about this Administration. Can these people stretch and build the biggest pie as opposed to build a pie for them and their pals?

Dr. Joseph Farrell: Right. I tend to agree with you and I gave him a B+/A-. I'm closer with you in that regard and I have the same concern that you have. I'm looking, not simply at his cabinet, but in some of the other positions that he has filled in and around him. There are certain things that give me pause, but philosophically that is the big question: Are these people going to grow the pie for everybody, or are they going to continue the same old game?

I think it's early yet to tell if that is going to be the case. So I gave him an A-/B+ and he's somewhere on the borderline there.

C. Austin Fitts: I'll tell you what my concern is: Even if the cabinet is going to stretch for the biggest pie, what we saw in the healthcare bill and seeing with Congress is, if it's for everyone, it can't get through. If it makes the rich richer, it can go through like a hot knife through butter.

Dr. Joseph Farrell: Right.



C. Austin Fitts: That's not the President; that's Congress.

There is no way if you're Speaker of the House that you're going to launch 'Ryancare' unless you know you have the votes. I think Ryan had the votes, and I think Mr. Global pulled in numerous control files, and Ryan woke up without the votes – totally switched out. That's an example of how, in fact, anything that is good for the pie gets pulled.

Dr. Joseph Farrell: That was another reason I gave him a B+. I was disturbed at the support for Ryancare. I didn't know much about it. There were heated debates here on the local radio and in the end, it left me rather confused. So I question the political capital he invested with that. It may have been another case of him thinking much more long-term than he got credit for because the way the system is now – as you've pointed out many times – is just completely imploding. Had it passed, it would have been hung around the Republicans' necks. It may have been some political savvy on his part to let it go without much of a fight.

Time will tell. I'm much more concerned with growing the pie like you are. For that reason I hover on the borderline for the grade on this one.

C. Austin Fitts: Here is what I think the President saw. He is a person who has grown a lot in the campaign and is growing now. Healthcare is a perfect example, Joseph, of the fact that the swamp is from sea to shining sea.

Dr. Joseph Farrell: Yes.



C. Austin Fitts: We have a population that is not willing to change its habits; we have a pharmaceutical company which is so corrupt that you and I could spend the rest of our lives describing their corruption; and we have a medical establishment that has grown and blossomed with five decades of massive government intervention and rule-making to a level of complexity which is a nightmare.

Dr. Joseph Farrell: I can recall the days – and I’ve mentioned this many times – when my parents took me to the doctor or dentist, and the transaction was between them; there was no government involved, and they could afford it.

C. Austin Fitts: Right.

Dr. Joseph Farrell: On this one, Catherine, I have always been a strict Libertarian. We saw healthcare prices begin to skyrocket when Lyndon Johnson brought in his ‘great society programs’. You can look at the graphs and charts and see that this is when things really began to take off.

Nothing centralized is going to fix this system. It’s going to implode and the sooner, the better. Let’s get the implosion over with as far as I’m concerned.

C. Austin Fitts: There is one other thing that I wanted to mention: You have the government in the business of poisoning the population. So whether it’s vaccines, fluoride, or global spraying, you are spending billions of dollars to literally poison the population, making the population very toxic and bringing down life expectancy. That is going to drive healthcare expenses up tremendously.



Dr. Joseph Farrell: And we can add GMOs to that.

C. Austin Fitts: Exactly. So if you look at the entire healthcare ecosystem – whether it's pharmaceuticals, whether it's government, whether it's habits – you have a whole world of financial interest.

The final point is that we need healthcare, but we don't need insurance. Insurance just adds another percentage mark-up by turning the whole thing into a financial product.

So if you go through the ecosystem – whether pharmaceuticals, insurance companies, government, or population – every one is in a state of deep denial about the changes required to get an economic solution.

Let's just talk money. Essentially, Switzerland is the richest country in the world, and they have a \$6,000 a year per capita healthcare costs. The United States has \$9,000, and I assure you that the Swiss are much healthier and have much better healthcare services per person than we do in America.

We are spending a fortune, and if you look at all the economic solutions, it means that every different part of the ecosystem is going to have to, not just change, but change considerably. There is no way that Congress or the President can solve that problem.

Dr. Joseph Farrell: That's right. It goes back to the centralizing tendency that we've seen in this country over the last century, beginning with Woodrow Wilson. It really hasn't abated to any significant degree.



This is why I've told people on several occasions that, as far as I'm concerned, the Republican Party has turned out to be a party of fake opposition because it's had majorities where it can do things but doesn't do anything. The solution is to get away from these centralizing solutions – this 'one size fits all' cookie-cutter model that we've been operating under simply is not going to work. Throwing more money at a system where we already have \$11.5 trillion unaccounted for in various aspects of the Federal budget, which is primarily defense, but you add healthcare to this and education and mortgage fraud and all that, and you're talking a large chunk of change.

I'm of the opinion that before we throw any more money at these problems – as you've stressed – we need transparency; we need to follow the Constitution and the budgetary process, which we're not doing. That is where the fix is going to have to come from.

C. Austin Fitts: Right. That is why I'm so big on getting all the data to the local level. It's once you start seeing how the money works that you start grappling with, "Okay, how would we do it here?"

The next category is 'Building a Team'. It's one thing to recruit a team, but it's another thing to turn it into a real team, particularly in such a bitter environment as Washington. On this, I said that 70 days was too early to grade. You're still trying to get the cabinet in place, and not everybody has been confirmed; you're close, but you're not there yet.

I felt that one was too early to grade. It's the more capacity he builds, the more he is going to be able to get done. So building a team out of the people he's brought in is very important.



‘Accomplishments to Date’: 70 days is not a lot of time, especially when you’re getting your team on board. I gave the President and his group a B+. I have never seen anybody arrive in Washington so committed to keeping their promises and using every available tool administratively and with executive orders to actually do it.

I think one of the reasons we’re hearing so many screams from Washington and ,what I call the ‘media shriek-o-meter’ turned up so high, is because this is a new experience for them. They’re not used to this kind of speed and this kind of commitment to keep promises. It’s creating a lot of flow and uncertainty for everyone throughout the Beltway.

This is a President who is pushing very hard and accomplishing what is relatively a lot in the first 70 days, so I gave him a high mark with a B+.

Dr. Joseph Farrell: I’m on the border with you, but this time I weighted it more to the A-. I’m in agreement with you that I think he has moved very, very quickly and it seems that he is probing every avenue that he has simply with the executive power – with the Administrative power to get things accomplished.

I want to point out something very important here and you and I have talked about this. I looked at your chronology that you put together of what he’s done since he took office. When I reviewed that, I certainly haven’t gone over it in detail, I thought, “This is blitzkrieg speed for Washington DC.”

I weighted it on the A- side and he certainly is going at this full tilt, and I don’t think we’ve seen the end of it.



I want to urge people to look at that chronology very, very carefully because that is full of a lot of details and facts that can be used to defend and examine the record and inform people as to what has gone on already. So I gave him more weighted on the A- side of that borderline.

C. Austin Fitts: It's curious because when he did the first immigration order a few things were interesting to me. First of all, whenever you do something like that, you absolutely have to vet it through the implementing bureaucracies. If you don't, you're going to get a complete mess. That is exactly what business people with no government experience do. Then they get to Washington and make a big mess by not vetting it through the bureaucracy. I've seen that many times.

Speed is not always a great thing. When you're dealing with government, you're dealing with a whole layer of complexity that you don't deal with in business. When things go wrong in business, you can solve them in different ways and in ways that you can't with government.

I would say that it's very important to make your implementation thoughtful to the different constituencies and the implementing bureaucracies. That's why he didn't get an A on that one; immigration was a snafu.



The other thing that I have to mention that was really peculiar was, if you ever read the law related to the immigration order that the President has been trying to get out of the courts, it's very clear that the President has the complete authority to do this, and the courts have absolutely no basis to squash his authority.

Dr. Joseph Farrell: This is something that concerns me: He needs a little more pushback on that issue. That's a clear case, and we're going to talk about communication in a moment. He could have taken his case to the American people in a much more direct and sophisticated way than I think he has yet done.

Still, overall, I was impressed with the record that you compiled in that chronology. I stuck with my borderline grade, but tilting north more towards the A- than the B+.

C. Austin Fitts: The next category was 'Effort'. I gave him an A+ on effort, which I think is indicative of what we've been saying about accomplishments to date.

Here is the interesting thing: He does not back off. One of the reasons I am impressed with what has happened in the first 70 days is that this President does not back off when the shriek-o-meter turns off.

The shriek-o-meter is used to back off a politician when it is turn up, and he doesn't back off. He will not be Gaslighted and you cannot Gaslight him. He will become as stubborn as a mule. If he knows he's got the facts, he won't back off. It's kind of funny.

Dr. Joseph Farrell: I have to agree with you on that grade.



C. Austin Fitts: He can get stuck on things that are not important, and that's where people get frustrated with him – or one of the areas where people get frustrated with him.

Next is 'Communication'. Obviously this is a very important area because if you need a broad consensus in the country to get anything done in Congress, then communication is going to be very important.

I think communication is a great strength of Trump and his team, but they have yet to play at this. They were in a campaign, and creating an idea or a concept in a campaign is a simple thing. When you're dealing with very complex, sophisticated policy like a healthcare plan or new healthcare legislation or a budget, then you have to be able to communicate successfully with thousands of different constituents on very sophisticated and detailed things. That is a challenge for this team, and it's a challenge that they're going to have to be good at if they're going to be successful.

It's still early, so I gave them a B. The other thing is that I think the President doesn't understand the power. This is a guy who has been a real estate developer and a casino developer his entire life. He doesn't understand that he is no longer shooting with a water pistol; he's shooting with a missile. So he can be very petulant and petty about certain things and lower his status to very non-Presidential in a way that frustrates people who want to see the US have as good a brand as possible, including globally.



I think they have a bit of learning to do about how to handle very sophisticated things and how to stay Presidential even in an environment where the shriek-o-meter is not being fair or reasonable.

I give him a B on communication. What about you?

Dr. Joseph Farrell: I gave him a B-. The reason is because I'm like you: I think he could improve the communication aspects of things, and I think he's attempting to do that. What I think is lacking is an understanding that he has to communicate in a way that he has not had to up to this point. He now has to strike that fine balance in how he communicates between the general idea and the specific details. He has to start offering more details, but he cannot afford to get the message lost with too many details.

I think he is struggling here to find the balance, so I gave him a B- on that.

C. Austin Fitts: I'll tell you what I would do. Since the government has fantastic webmaster teams in every agency, there is a great deal of talent and a lot of software talent. I would put together the equivalent of a video game team, and I would start having very serious web and online conversations with the 10% of the population that wants to engage at a policy detail level.



I would do a Reddit for the budget and healthcare and the other big issues and get everybody inventing the design and working out the issues because you need a bottom-up chewing out of the issues if you're going to get something that can do that hot knife through butter thing.

I was very impressed with the Ted Cruz/Bernie Sanders debate on healthcare. It was very popular, and what it showed is the population is now ready to engage at a much greater level of detail. It's not everybody, but there is enough of an audience there that I think that 10% will lead everybody else in a more complex consensus. So that's part of where I came from.

Dr. Joseph Farrell: This is my thinking about mentioning the details and striking that balance: They need to quit operating in a vacuum and handing out policies that the rest of us are supposed to follow. They need to start getting feedback from people at the grassroots, and I think your method would certainly do that and it would translate – I think – in the long term into more sane policies.

It's ridiculous that we have a so-called healthcare plan which Congress itself is exempted from. What does that tell you about the healthcare plan?

They need to get the feedback because what they're trying to do, Catherine, is govern in a vacuum. They are trying to govern the entire country with the reality that they themselves live in. They are living in a bubble, and as a result, are coming up with these crazy programs and policies that are not working – quite simply because they can't work on a countrywide locale-to-locale level.



They need to improve the communication. They need to get communication reestablished between the country and Washington DC because this last election brought it out. If you were paying attention, it brought it out bigtime. You had the candidate of the elite, and the candidate of the so-called populous. The message was completely different in both camps because the corporate media is supplying the feedback in one camp, and the other is being supplied by a lot of cynical, disappointed, and, quite frankly, disenfranchised voters.

They need to invent something for improving that line of communication.

C. Austin Fitts: The interesting thing about the disgruntled voters is you have among them, 10% who will engage in the detail and help you design and sort out real options that can make things go on a much more decentralized basis.

In one of the sections of our web presentation is 'Recommendations'. There are many great ideas about how to do that – whether it's a place-based financial data or jumbo waivers, which is something that was developed in the Reagan administration.

There are many different solutions to this, but you have to get enough people in the population engaged to help you sort out the issues so you can build the consensus support you need.

The next section is 'War Games', which I gave them a C. I think they hit Washington naïve about the opposition that they were going to run into throughout both the bureaucracy and the deep state. to warfare.



I think they expected the Democrats to be a bit more oriented towards governance as opposed to warfare.

I also believe that the Anthony Weiner laptop and the pedophilia scandal touched off a scare, which resulted in the Russian witch-hunt and a variety of other things. So I don't think they were prepared to handle war games. I don't think they understood that some sections in the intelligence agencies were listening and recording everything they said during the campaign, everything they said during the transition, and were circulating all that information around and preparing to use it. I think that was a shock to the President to discover his conversations with world leaders were being recorded and leaked to the press. That is a very scary thing.

The other thing is they never set up independent capacity to only deal with the war games. If you look at the capacity coming against them, I'm amazed that they have done as well as they have. They're going to have to have professional capacity to deal with this on an ongoing basis.

You have to have an offense and a defense, and the 'Make America Great Again' team is your offense. You cannot let them get embroiled in the defense that you're going to need for playing war games. This is Washington. It's not nice, but that's the way it is.

Dr. Joseph Farrell: Well, this one is where we probably have our biggest divergence. I gave them a B, but with extreme reservations. My grade is positive on whether or not my typical nutty, high-octane speculation is accurate or not.



So if I were not factoring that in, I probably would have given them a C or maybe a C-. Going with the high-octane speculation, I've noticed this pattern with Mr. Trump. It began midway through the campaign, and that is he is allowing the opposition to self-identify.

I have difficulty believing that he would not have thought that he is being recorded and so on, particularly given some of the contacts that were surrounding him even during the campaign.

I'm stressing that this is very, very high-octane speculation, but I'm speculating that perhaps this may be something along the lines of a long-term strategy to allow the opposition to go on the offensive simply to self-identify where all the problems are and where the areas are that they need to be concerned about and where the leaks are coming from.

As a matter of fact, if we've been following the news very closely, this is what is happening. The circle of leaks is getting closer and closer and higher and higher up in the previous Administration. This, I think, is a big clue that maybe they are following a political strategy. If so – and that is a big 'if' – my guess, Catherine, is that this is coming from some of the advisors that he now has around him. This is coming from people like Matheson; and Flynn is not entirely out of the picture, even though everyone would like to think he is.

C. Austin Fitts: No, I don't think that Flynn is out of the picture either. I think the President wants to bring him back in another capacity.



Dr. Joseph Farrell: Oh, I think that is what is already happening.

Tillerson would certainly have clued him in on some of these things. Again, my grade differs only because I'm considering a high-octane speculation of just what sort of deep state battles we might be looking at in the background.

C. Austin Fitts: We've already covered this in 'Communication'. My next category was 'Building Bottom-Up Support' and I gave them a C+. I think he has to go to a much deeper detail level and build outside/inside communication support.

Dr. Joseph Farrell: Right.

C. Austin Fitts: The next category was 'Introducing Important Change', and on this I gave the Administration an A.

We have a culture in the Beltway that has had a zero percent cost of capital. They have been able to create money out of thin air, and they have no concept of what it takes to earn a dollar in the real world.

You saw Trump walk in the Beltway and start talking about the cost of things and how to optimize, and he sent that whole culture into a complete culture shock, and I'm laughing my head off.

Dr. Joseph Farrell: Me, too: Here I entirely agree with you. I think that just in terms of the shock value of what he's done so far, it has sent ripples through the corridor of powers in that city.



Actually, Catherine, if you stop and think about it, we have not seen this since either John Kennedy or perhaps the first few years of Eisenhower. The ripples going through Washington DC have been very carefully planned. So I agree with you on this one, I think he gets an A on this.

C. Austin Fitts: One of my favorite documentaries is *Sputnik Fever*, which is about the shriek-o-meter trying to bully Eisenhower into all sorts of different things for the Military-Industrial Complex, and he's just too good. He knows the military backwards and forwards. He knows the government backwards and forwards. He's a very confident guy, and has this clear picture of what is right, and will not be bullied.

It's a remarkable thing to see, but many, many people said, "You can't support Trump because he's a bully," and basically America has said yes. He's our bully, and he's going to bully you. It's kind of humorous. On this point, he's done a good job.

The next category was 'Building Bridges' and I separated it between 'International' and 'Domestic'. 'Domestic' we have talked about between 'Communication' and 'War Games'. Seventy-four percent of Americans in one poll about a month ago, want to get on board for 'Make America Great Again'. The election is over and let's 'Make America Great Again'.

I think Trump has done a good job of reaching out to the people who voted for him, but not as good about going across the aisle and saying, "Okay, who wants to 'Make America Great Again'? Let's do it."



So for ‘Domestic’, I gave him a C and for ‘International’, I gave him a C+. This is a guy who is focused on domestic, but America has a very big role globally. Although we can pull back behind the ocean more than many other countries, it won’t behoove us to do so.

I think he has to convert his vision to a global one and sort out how his Presidency fits in with other world leaders. It would be good if he could talk to them privately.

Dr. Joseph Farrell: Right.

C. Austin Fitts: Somebody is making it impossible for him to do that. I gave him a C+ on the ‘International’ because you can see that he is working hard to establish those connections and relationships, although when you watched his meeting with Merkel, and you might say, “What happened to you, Donald?”

I think she reminded him of a teacher who had flunked him in grade school.

Dr. Joseph Farrell: That is entirely possible, given her demeanor the last few years. She looks like a very sorry sad sack of potatoes.

I think that is coming more from her domestic problems and the disaster that her immigration policies have turned out to be in the European Union. Let’s face it – those policies are coming out of Berlin more than Brussels.



I did the same thing, I agreed with you on the ‘Domestic Bridges’, so I gave him a C. Where we disagree is that I gave him a D on building bridges internationally, and I’ll tell you why. My big concern is the large geopolitical picture. Recently, Secretary Tillerson basically made it clear that there is going to be no change of sanctions until we get this situation in the Ukraine settled. In my opinion, this is a big bad thing.

First of all, we made the mess in the Ukraine, not Russia. I’m sorry, folks, but Crimea was typically a part of Russia. The Black Sea Fleet has been based there ever since Russia decided to have a navy under Peter the Great. There’s no way that Russia is going to let this fall into the lap of NATO or the European Union for understandable geopolitical reasons.

We are creating a conflict there that does not need to be created, and this is my problem with the sanctions regime. It’s driving Russia into the hands of China when Russia could be a very good friend to us. We do have coalescing interests in certain regions of the world. Russia has been the light in how to fight the globalists and the rape of their own country, and we could learn a lot about this whole process and I’m very concerned about driving away a potential friend.

The other problem geopolitically that I have with this is that it’s driving Russia into the hands of China and also into the hands of Japan. This is the other hidden story that’s been lurking behind everything – the quiet Japanese rearmament. We’ll talk about that in the second session.



I think this was a foreign policy boo-boo. I think Tillerson should have perhaps moderated his language a bit more than he did because, like it or not, we're going to be facing some strong challenges in the Pacific, and we need friends in that region. We're pushing Japan and Russia away at an alarming rate and we'll talk about that in the geopolitics session.

C. Austin Fitts: I would say that it appears that this group is trying to move back closer to Japan to turn that around. What has been very disappointing is the extent to which both Trump and Tillerson – and I would include Mattis – are trying to prove that they're tough on Russia in response to the shriek-o-meter. I think that the shriek-o-meter needs to be told to stand down and grow up.

Dr. Joseph Farrell: I agree.

C. Austin Fitts: They are threatening plenty of criminalization. In other words, "If you don't play ball with Russia, they will go after you with criminal indictments and all sorts of other things."

I think that the bullying needs to be dealt with. That is part of being good at playing war games.

The way to solve this is to be good at war games as opposed to conceding policies that are going to make matters worse. If you give the neocons an inch, they'll take a mile.

Dr. Joseph Farrell: That's right.



C. Austin Fitts: The next two are too early to grade. Those were ‘Managing the Executive Branch Bureaucracy’, and ‘Developing the Grand Strategy for America and Our Role in the World’. On both of these I said that it was too early to grade, but I think they both have opportunities to grow, so I didn’t want to leave them off the list.

Dr. Joseph Farrell: I agreed with you on the ‘Managing the Executive Branch Bureaucracy’ that it is too early to grade; we are only 70 days into it, and every President has to grapple with that and grow into that role. I agree, I think it’s too early to grade.

Where I have some concerns is the ‘Grand Strategy for America and Our Role in the World’. In giving a grade of C-/D+, I’m not even grading President Trump. We have not had a national strategy or plan, so to speak, since the Eisenhower Administration. I think it was the first Eisenhower Administration, as a matter of fact, that developed a broad national strategy and plan. We haven’t had one since that time.

I think we need to have that, and Trump especially is in a position where he can articulate something like this if he gets the right people and builds a team. We need one. We need to have a definite long-term strategy that both sides of the aisle can agree on and agree on the basic steps of how to get there. This is absolutely crucial because we’ve been reactive – to use that hated expression – rather than proactive for Administration after Administration, and look where it’s gotten us.



I believe it's time to rethink everything and get the ball going. Getting back to what we said earlier, I don't think we can trust this project simply to the Brookings Institute or Heritage Foundation or Rand Corporation – any of the typical think tanks. They're certainly going to have their fingers in the pie, but they need to start listening to the people in this country, too, because brain power is not limited to New York City or Washington DC or LA or any of the other places in the country where these institutions exist. They need to start listening to Lincoln, Nebraska or Scottsbluff and places like that as well. There needs to be a genuine national strategy, not a think tank strategy.

C. Austin Fitts: The think tanks have generally been funded either by people getting vast amounts of money from the government – financed by the debt growth model – or basically the black budget. So if you look at who's been financing the think tank strategy, it's not grounded in the real economy, with rare exception.

Dr. Joseph Farrell: Right.

C. Austin Fitts: It's coming off government subsidy, government debt, government purchases, or secret programs. As a result, it's been a mechanism to fill in the gap when, in fact, the reason you don't have a grand strategy or a public plan is because you're trying to do so much secretive, and the secret money is going out of control.

If anything, it's facilitating things going in the wrong direction. It's not working. That is, in fact, one of the reasons Washington got so far away from being grounded in the real economy.



That turns us to the one that received closest to my flunking grade. As you know, I think this is the most important, and that is, 'Managing the Federal Budget and Contracting Budget'. You can talk policy all day long, but until you bring it down to the budget and make it economic – both for the Federal government within the Federal budget – that budget could be part of a greater economy that's growing strong. Until you learn how to make policies economic, they don't have any meaning.

When I worked in Washington, people would be talking about the policies, but I would be working with the budget. What was going on in the budget had nothing to do with the policies. I called the policies the yakety-yaks. What was real was what was going on in the budget.

The President published a budget blueprint within days after his OMB Director Mulvaney, whom you look to to develop the budget, got on board. I have to tell you that the blueprint was a big disappointment to me.

Dr. Joseph Farrell: Same here.

C. Austin Fitts: First of all, it recognized \$20 trillion of outstanding debt. It did not recognize the fact that over \$11 trillion is missing from the Federal government, including \$6.5 trillion missing in 2015 alone. The government is significantly out of compliance in terms of financial management with both the US Constitution and all the financial management laws. DOD has not produced audited financial statements since the law went into effect requiring that in the 1990's.



When you say, “Look, the \$20 trillion of debt is on budget, but the \$11 trillion that has gone missing and went missing is not on budget, we’re going to pretend that it doesn’t exist,” then literally what you’re saying is that the houses and personal assets of Americans are on the line.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: Before you can turn to the people and say, “Look, we can’t afford healthcare,” wait a minute. What do you mean you can’t afford healthcare? Surely \$6.5 trillion could cover it.

Dr. Joseph Farrell: Right. Where’s the \$11 trillion?

Dr. Joseph Farrell: You and I were at the Secret Space Program conference – both out in San Mateo and Bastrop. In San Mateo, Michael Schratt presented a very interesting and illuminating talk on black projects that are actually known and how much they really cost. Then he pointed out that we could be funding schools and hospitals and so on for all this money.

I’m even more severe than you are on this one. I went ahead and gave them an F on this because we cannot have all the yakety-yak without putting our money where the mouth is, and we don’t even know where the money is. This is priority number one as far as I’m concerned.

First of all, we have to find out where that money is, who stole it, and bring it back. The only way to do that is to enforce the Constitution. So we’re back to page one on that.



But you said something in the actual transcript that I find to be very, very interesting. We need to point this out because this is where that conversation that we've been talking about needs to happen with the people in the country.

You stated, "Are we going to sacrifice the empire to rebuild America, or are we going to sacrifice America to maintain a global empire? Now that the debt growth model is over, we cannot do both."

This is the real problem. In my opinion, you cannot have a secure military position when the interior or the core of the empire and its institutions are being hollowed out and harvested. Sooner or later, the bubble bursts and the empire collapses. I'm thinking of the Western Roman Empire in this regard where the corruption became so rampant that Diocletian and his so-called reforms said basically, "We're going to prevent people from fleeing the country by ordering a law that no one can leave their land."

What he insured was a serf system for 1,000 years, and the empire collapsed anyway. They had a much more sound policy in Byzantium in the Eastern Roman Empire than they did in the Western.

If you're going to maintain a secure America, you have to rebuild America and have to give people an actual stake in the empire. Once you give them a stake in the empire, the problem is that all the empires' faulty military decisions over the past few decades are going to come home to roost because you realize you don't need to surround Russia with military bases. You don't need to have bases in every little country in Europe and so on; you simply don't.



I'm in total agreement. I went further and said, "Let's give them an F and show them that they really need to improve on this."

They need to look at the lost money, to look at Constitutional enforcement, and the whole nine yards. It has to be done.

C. Austin Fitts: I didn't give them an F just because it was the blueprint; it was not the budget. Mattis came in very soon after the inauguration, but he hasn't necessarily had time to come up with a plan. But here is the issue: The budget comes out in May, and you have two problems. One, you have our forces stretched way too thin around the world and it's not working. You have to get back on a much more sustainable page. Yes, you have to rebuild the military at the core in many different ways, but you have enormous waste. You need to reorganize the whole command structure.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: In my opinion, saying, "We're going to appropriate another \$50 billion increase," is kicking the can, especially when you just pulled a switch hit on NATO.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: So they are trying to please both the neocons and the people who want to pull back and rebuild, and you can't do that. Of all the positive things that the Administration has done, this is a complete failure to go at the very heart of the matter.



The reason I call this ‘The Clash of Civilizations’, Joseph, is because we have at the heart of the American economy a conundrum which is: We are a war economy that doesn’t have a war. We keep trying to create or look for a war. We’re ready to start a thermonuclear war with Russia, which we could easily lose.

Dr. Joseph Farrell: Einstein’s famous comment is that, at a certain point, you’re just bouncing the rubble. A thermonuclear war with Russia is not a good idea.

C. Austin Fitts: The entire economy is dependent, and here is what Trump is learning: The population talks a great game about wanting change, but they want their check. So every time you try to do something to implement change, what you discover is that you don’t have 80% consensus behind you in the polls because, in fact, they’re angry that their check is getting cut.

I wrote an article a couple of years ago called *Coming Clean Beyond the Fiscal Cliff* where I talked about the fact that outside the Beltway there was an inability to reach a consensus on what made sense. You can’t blame everyone inside the Beltway for refusing to reach a consensus because we have a financial addiction to warfare and to crime, and the general population has failed to face our own addiction.

Everybody wants the stock market to go up, but what in the world do you think is causing the stock market to stay up? It’s the war economy and crime.



Dr. Joseph Farrell: This is where we return to ‘Communication’. I’m glad that you mentioned this because this is where Trump can exercise real long-term moral and philosophical leadership, and that is to expose this whole financial network and how it works.

Sooner or later we can go down one of two roads. Sooner or later the empire will implode. If you think it’s confined to just Obamacare, think again. When empires implode, they really implode and the result is not pretty.

Think of the brain drain in Great Britain after World War II. Think of the collapse of the German Empire at the end of World War I. Think of the Western Roman Empire and so on. These are not pretty pictures.

This is where I think he can exercise some real long-term leadership. At this point, he needs to concede his role more as an educator than anything else, even a professor. This is why I’m a bit more severe than you are on this budget blueprint issue. I think this is showing, from my point of view, a tremendous lack of insight and vision on a key opportunity that they have that has been handed to them to articulate these things.

C. Austin Fitts: The thing that is interesting to me is – and maybe it’s because I had the pleasure of seeing the results coming out of Community Wizard – one of the reasons I’ve come to respect Trump is because he understands this issue of the Dow Jones and the Popsicle Index.



The Popsicle Index, for those of you who don't know what it is, it is the percent of people who believe a child can leave their home, go to the nearest place to buy a Popsicle, and come home alone safely. So it's a world without whatever is going on in Chicago and without pedophilia. If a child is safe, then there is a high degree of safety and trust within a place.

What I've said is that we have to have a policy discussion in this country that we have an either/or relationship between the Popsicle Index and the Dow Jones Index. The Dow Jones Index is going up, up, up, and the Popsicle Index, for the most part, is going down, down, down.

What I've tried to do with the work that I did in the 1990's and since then at The Solari Report, is explain that we need alignment between the Dow Jones and the Popsicle Index, and we need them both to rise. It's not either/or; it's and/and. It's what I call 'turning the red button green'.

What you'll see Trump doing is constantly trying to tell people that you need and/and, and he has a vision of America where it's and/and. You need the Popsicle Index going up and the Dow Jones Index going up and moving capital being healthy and financial capital being healthy. He absolutely believes you can have both.

I think one thing he is struggling with is he can't fathom why people would say, "You can't have both together on an economic basis," and he is struggling to present that vision. What he is hearing from everybody is, "Oh, no. We don't want to change."



It's gotten tangled up, but I think if he can find a way to understand this relationship between living equity and financial equity and present an image of how America can be prosperous without being in a war economy, that is what is going to get him somewhere. But he needs a portion of the general population to understand it, see it, and absolutely support him in it so that the people who are playing war games against them get associated with destroying prosperity.

You have to brand them as destroying prosperity. They think they're protecting their own prosperity. I think a lot of them don't see the big picture and, in my opinion, this is a big area.

The next to the last category is 'Staying Physically and Emotionally Healthy', which is very hard to do when you're in the Puzzle Palace. On this, I gave the President a B-. He's a hard worker and the people around him are hard workers. Moving your family to DC and setting up operations is always very stressful. I think very few Americans understand the stress of the security issues from people who have big families. You're talking about a family with kids and grandkids.

There is a fair amount of criticism of how much golf he is playing but I hope he plays a lot of golf because the stress is overwhelming.

Dr. Joseph Farrell: I'm in the same boat with you and I actually gave him a B on that. There were people complaining about Obama going out and playing golf, but I have to look back at his first Administration – at the end of the first four years of his Administration – and he looked awful. Then he started playing golf, and he seemed to calm down a bit.



I'm in agreement because he's done a good job watching his health. You have to have an emotional release valve in that office. I can't imagine him not having some sort of hobby to get away from whatever it may be. So I'm in agreement with you on this.

C. Austin Fitts: The last category is 'Growing on the Job', and I gave him an A. I was astonished at the extent to which he grew during the campaign. If you had said to me at the beginning of the campaign that I would vote for Donald Trump, I would have thrown you out of the house or I would have hung up on you.

He clearly grew a great deal and I think he's clearly grown on the job but I think there is a lot more growing to do. The question is: Can he continue to work hard?

The meanness and the bitterness that he's dealing with are very challenging to contend with and keeping his head above water and striving towards the vision and I'm hoping he can do that.

I'll give him an A for ability and willingness to grow.

Dr. Joseph Farrell: We're not too far apart there and I gave him an A-. I'm like you, I came to support him very reluctantly. But given the other people running on the Republican ticket, there wasn't much other choice as far as I was concerned. So, yes, I think he's grown and I think he's grown very fast in the job.



I think that in 100 days we're going to see even more growth. I think you're going to see by the midterm elections a very different man with much of this. My only quibble in giving him an A- rather than an A is a lot of this is going to depend on how he communicates and understands his role as, not simply to be President, but he has to be a leader and a statesman. He has to articulate that vision of 'Making America Great Again' in enough detail that people can understand and grasp it and get onto it.

The communication issue is central for me. He has to articulate a moral and philosophical vision that is very, very long-term.

C. Austin Fitts: You're right. He's going to have to be a teacher. Teaching the whole population, including folks who didn't vote for him, that is going to be a very new role for him.

My overall grade was a B because I look at all these things, and it's a B. There are two big issues with me, Joseph, and those are that he has to grapple with reimagining the National Security State, and needs the factions who supported him in becoming President to help him do that. It's going to take all of them.

The other thing is that he is going to have to challenge and make sure that his economic team wants to truly make America sustainable in the long run as opposed to just lick their chops and liquidate the country for themselves and their pals.



I assure you that the beltway is going to do everything it can to encourage them to lick their chops and enjoy everything for them and their pals. So they are swimming in waters where everybody is going to want them to be liquidators and not Titanic Turners. So those are the two big ‘ifs’. It’s very frustrating for action people – and this is a cabinet made of action people – to not take action, and you tend to take the actions that you can take. If the ones that can get through Congress are the ones that make everybody richer, we’re going to have an extreme mess.

Dr. Joseph Farrell: I agree and I gave him an overall grade of B- for basically the same reasons. I want a little more communication from him with the feedback loops and with the general population. I want to see them rethinking this whole Russia thing, which I think is a colossal geopolitical mistake. There is much that could be done.

Overall, he’s, in such a short time, already accomplished a lot, and I have to give him at least a B- if not a B, so we agreed there, too.

C. Austin Fitts: I want to quickly go through what I said were his top three accomplishments, and also the top three ‘Material Omissions and Stumbles’.

The number one thing that I believe Trump has done is that he has unquestionably quarantined and moved the Clinton and the Bush families out of the executive branch. As you know, in my opinion, that is a huge accomplishment. I don’t think that anybody understands how we were headed very quickly into a very inhuman situation.



Dr. Joseph Farrell: We were headed to a very, very dark place.

C. Austin Fitts: Right. So Trump is somebody who promotes a human civilization. He is a very human guy. If you look at his concern about child and human trafficking, about violent crimes, about the importance he puts on physical safety, and on and on, I think this is a guy who feels committed to having a human society. I underscore with great delight – if you look at what he did to the National Institute of Health’s budget – he slashed it, and I can’t think of a greater contribution to human civilization.

Dr. Joseph Farrell: Not only that, but to healthcare and to genuine healthcare reform. I’m foursquare with you on that, Catherine, and that was a good thing.

Another good thing that I think he did was picking Robert Kennedy, Jr. to head up the vaccine investigation panel. That was a clear attempt to reach across the aisle and share concerns. That is another huge thing because there are all sorts of issues that I’m sure we’re going to be talking about in the second part of this concerning health, so I’m foursquare with you on that.

C. Austin Fitts: I don’t think he’s committed to do that vaccine effort. They talked about it, but I don’t think that the Administration is committed to do it.

Dr. Joseph Farrell: I assume eventually they will.



C. Austin Fitts: I hope so. The second accomplishment I noted, and I think this refers to what you said about the role of teacher, is by busting fake news and by talking price and constantly coming back to what is economic, Trump is the Dutch boy. He has punched a hole in the dam of reality, and the official reality is no longer holding.

Trump refuses to be Gaslighted by the media when he is committed to a position. It was amazing for the first two weeks that he said he'd been wiretapped, of course he'd been wiretapped! We're all wiretapped. So it was amazing to see official Washington insist that it was false and that it wasn't true. He refused to be Gaslighted. He insisted, "It's true, it's true, it's true," and it took a couple of weeks until finally the facts and the evidence started to flow in.

This is a guy who has punched a hole in the official reality. What I've seen – both in the United States and in Europe – is it's amazing that every European I've been in contact with over the last year and a half is how much they were affected and watched the campaign. It has given people who hate Trump or love Trump permission to start talking about reality.

I don't think you can put the official reality back up again. I think Pandora's Box has opened and the conversation is started.

Dr. Joseph Farrell: I agree. The other thing I think we need to mention is, not only about the wiretapping, but he has consistently and consistently opposed this whole Russian hacking meme which I think has now turned back against the people trying to use it. The more that is exposed, is revealing their role rather than anything Putin or Trump did.



The other thing that he did early on was to challenge this whole idea that Hillary actually won the popular vote by pointing out the massive fraud that occurred for her. So he has not backed off any of his positions.

What this has done, in effect, is it has torn a gaping hole into the boat of the mainstream propaganda media. So, yes, fake news. He's not backed down on any of it, and I'm with you there. I give him some chops for that because that was well played, which he nicely did

C. Austin Fitts: The third accomplishment is reinvigorating faith in the law. It's interesting because many of the people who don't have confidence in Trump would be shocked to hear me say this, but on many, many issues we have in practice been so far from the law. In immigration what we're doing versus what we're saying, the gap just keeps getting wider. You have to bring it back into alignment, whether you change the law or change the practice.

You can argue about what the right way to do it is, but you can't afford this kind of gapping. I will tell you that the number one concern in the Heartland is that our economy is being destroyed by rules, by enforcement, and the criminalization of everything.

The productive people who have to make things work economically in the marketplace – small business and farms – are being destroyed not by the market, not by technology, but by government rules. To see Trump go in there and just start slashing the regulatory effort and infrastructure that has been putting us out of business is so inspiring.



The entire Heartland is in a state of happiness, and we all want to buy stock because the relief that they're feeling is unbelievable.

Dr. Joseph Farrell: Yes. I'm with you here, also, Catherine. The regulatory climate in this country has become so hostile – not just to small business or medium-sized business, but even to big business.

C. Austin Fitts: You're right.

Dr. Joseph Farrell: It has become this nightmare that you can't do anything. You can't collect rainwater in some states, as an extreme example and it's ridiculous!

So I gave him kudos for that because you cannot have a functioning economy if you constantly have to deal with the Federal commissar: There, I said it.

C. Austin Fitts: One thing that concerns me and one of the policies that drove me over the top, was the transgender bathroom policy.

Dr. Joseph Farrell: Oh, me, too.

C. Austin Fitts: When Sessions pulled it and thank God he did, we saw a couple of editorials, including from people who I like and respect, saying that there are many good things in this and that we shouldn't just throw it out. I wanted to scream at them and say, "Are you willing to pay \$5,000 a year for the government to legislate and enforce and monitor this?"



You may want something, but for God’s sakes, your local principal and you can figure it out and implement it without the Federal government pick-pocketing my pocket, my neighbor’s pocket, and your pocket to do something on a highly economic basis that can be done in a much more economic way by the market or at the local level.”

We have lost all sense of proportion of what is an effective way to achieve a result. The notion that spending trillions of dollars to have the Federal government do something that the Federal government is not set up to do well: I’ve never seen the level of ignorance that I’ve seen in the general well-educated population on what it takes and what it costs to operationalize anything. It’s frightening and people have become addicted to a rule-based society and economy and don’t seem to understand that it’s going to destroy everything that they once loved about America.

Dr. Joseph Farrell: The deeper issue there is, referring to my idea that he needs to become a statesman. In other words, he needs to seize the philosophical moment to shape the discussion for several generations and articulate a philosophical and cultural vision. There have been sociological studies such as the one in 1934, Unwin at Oxford, published a very lengthy study about what happens to civilizations when they try to use language to redefine human sexuality.

We’ve changed our forms. We no longer check what sex we are; we check what ‘gender’ we are. Well, gender is a linguistic thing. It’s the idea that you create reality by the language that you use rather than let the language reflect what the reality is.



This is not to say that transgender people need to fear for anything, but there is also the majority of the country. Look at Russia, and some of the things that President Putin has said, they will certainly respect the rights of minorities, but they will not allow minorities to become a tyranny to determine the cultural direction of the whole country.

This is what we are sadly lacking in the West, and Trump has a perfect golden opportunity to start articulating these things – not as matters of policy, but simply to put them out there and say that it's okay to discuss these things. It's okay to have this discussion. What that will do is reinvigorate the traditions of free speech in this country, which are being attacked at almost every level that you can conceive of. So he needs to do this.

C. Austin Fitts: Let me quickly run through what I call the top three 'Material Omissions and Stumbles'.

Number one is what we've already discussed – the national security state needs imagination and reinvention. Instead he played kick the can on the budget, and that is not going to work. He needs to do that in the first year and that can't wait.

Dr. Joseph Farrell: Let me add to that, Catherine. I think this whole issue that you just raised is an area where his war-gaming policy group or think tank or whatever you wish to call it has a perfect opportunity to strategize.



He certainly had support of certain factions within the national security community. I think this is the perfect opportunity for him to consult with them, plan their war-gaming strategy of how he's going to deal with the opposition, but also how he can fix this national intelligence nightmare that we have.

C. Austin Fitts: Right.

Dr. Joseph Farrell: That, I think, would be another long-term strategy policy formation session that would be ultimately very beneficial to the country – both in terms of saving money and economizing operations and so on.

I think we have over 17 intelligence agencies in this country, and Germany has two. Britain gets along just fine with two and there's something wrong here.

C. Austin Fitts: The second thing I said was to stop the push for a Constitutional Convention because if you examine everything he is trying to do, a Constitutional Convention can come and just tear everything up. It can tear him up and tear his Administration up. This is the ultimate devastating hit from left field, and he's not even looking at it and saying anything or doing anything about it.

Dr. Joseph Farrell: Catherine, I am so in agreement with you because you and I have talked about this entire Constitutional Convention many times. This is so disastrous because this has a 99% chance of being hijacked.



If you study the people supporting it, there are the Clintons and the Bush's and the neocons and the neoliberals and the globalists. This would be the last method that they would use, not only to cover up their crimes, but also to be able to literally turn us all into slaves and serfs. They're evil and you can kiss your property goodbye.

In the second part of this report we're going to be talking about it, but I want to mention it now. In Connecticut, State Senator Kennedy, the son of former Massachusetts US Senator Ted Kennedy, was trying to put a bill through the Connecticut legislature and I don't know if it passed.

Dr. Joseph Farrell: He was trying to push a bill through that would say that your organs on your death are owned by the state, and that you have to opt out of that program.

Folks, the problem is that this gives them a license to kill you on the operating table. I'll be that blunt and I don't put it past them.

C. Austin Fitts: Right.

Dr. Joseph Farrell: You want to take the organs from somebody who has been pronounced clinically dead. Even that is a problem because we know people have been 'clinically dead' for hours and then revive for whatever reason.

A Constitutional Convention would allow them to get away with everything. It should not be done and I'm foursquare with you, Catherine.



This is where Trump has a real possibility to step up to the plate and articulate a philosophy and a vision that says that the problem isn't our Constitution; our problem is that we're not following it.

Absolutely put an end to this whole states convention thing. Please don't get me wrong, folks, I'm a firm anti-Federalist. I have read, not only the *Federalist Papers*, but also the *Anti-Federalist Papers*. Some of the arguments and criticisms that those people were making had been sadly overlooked, so I'm not a big fan of the current system; I never have been. However, it is infinitely better than anything that you would find coming out of the Council on Foreign Relations or the Rockefellers or Mr. Global or any of these people.

Imagine turning this process over to Bill and Hillary Clinton or a Jeb Bush or a Bill Gates, and you get the idea. It would be totally awful.

C. Austin Fitts: Right. The next thing that you're going to hear is, "Your portion of the Federal debt is \$250,000 so unless you can pay that as an exit tax at your death, they get your organs."

Dr. Joseph Farrell: Right. They get your organs, they get your house, they get your inheritance, and they get your library – everything.

C. Austin Fitts: Right, and I would say it differently. The people who stole the \$50 trillion want to keep it, and the way to keep it is to tear up the Constitution so you can't get it back.



Dr. Joseph Farrell: Yes, the Constitution needs to be observed and these people need to be gone after. If they have stolen the money, put them in jail. I don't care who they are. Dig up David Rockefeller and put him in jail if that's what is found.

C. Austin Fitts: Finally, I think their big stumble is that they were unprepared and naïve about what it was going to take to manage the executive branch when you're bringing about this kind of change and this kind of transparency and the fact that you have a much wider part of the population.

They say that they want to change, but when it comes down to the economic reality, they don't want to change. So I think this has been a big learning experience for them.

At the heart of the matter is: How do we create prosperity without a war economy?

That gets me to one last point, which is: We've had a central banking warfare model for 500 years, and our success in the Western world has been primarily our ability to bring organized violence to bear globally. That system is breaking down.

In fact, what we're seeing is that the cost of the military is becoming greater than the benefits from having the fiat currency globally.



We are really being called to reinvent a model that is 500 years old and not only reinvent how we function, but who is going to enforce the rules. Who makes the rules, and who is going to enforce it? If you and I said, “You can’t achieve that change without having sufficient transparency of what is really going on,” it refers us back to something that we will talk about in the next session, which is the unanswered questions. Who is running things, and why are they behaving this way?

Dr. Joseph Farrell: Exactly. I’m in agreement with your three issues here. The three material omissions that I would add to that list would be: He needs to spell out in more detail why Obamacare is imploding. He needs to exercise his role – not necessarily as President but as a statesman – and place things out in discussion and make it okay to discuss things.

I think that there should have been more pushback against the judiciary decisions about his immigration executive order. The law is very clear. He could have used this as an opportunity to demonstrate what decades of judicial activism have done. That needed to be an argument that was articulated.

Finally, and this is an important one, I think there is so much political correctness and unwillingness to discuss the doctrines and tenants of Islam. We’ve put this entire report in the form of a ‘Clash of Civilizations’. Well, this is ultimately a clash of civilizations. People are uninformed – not necessarily about billions of Muslims trying to clamor to get on our shore and cut off our heads. That idea is ridiculous. But people are misinformed about the central tenets of the religions itself.



This is a perfect opportunity on this immigration issue to spell out what those tenets are and make it okay for people to discuss them and point out that you can be a moderate Muslim, but you never know for sure because it's part of their religion that they can lie to you to advance the cause of Islam.

That is a security issue right there, whether we like it or not. So he has golden opportunities in all three of these areas that he can articulate and change the discussion and show the fraudulent discussion that has been about all three of these things thus far. He needs to do this in a very measured kind of philosophical tone rather than as laying down policy and just saying, "I'm doing what is right because the way I read it is this..."

To support him, he can cite people like Thomas Jefferson who had to deal with some of these problems or Winston Churchill or whomever.

Our leaders have not been blind in the West as to the dangers that that civilization poses, and we need to remind people of it.

C. Austin Fitts: Can you imagine going to Saudi Arabia and proposing a transgender bathroom policy?

Dr. Joseph Farrell: Exactly! How can we maintain a moral footing in this world, Catherine, and be all for equal rights, and then be in bed with a country where, if you're a woman and raped, they blame it on you? There is no compatibility here and I don't care what anybody says.



How can we have transgender bathrooms when we are allied with a country that would take any of those people and throw them off a rooftop or behead them? This is crazy.

C. Austin Fitts: Right.

Dr. Joseph Farrell: We are either going to stick with the hypocrisy or we have to change our game and become like President Reagan said in *A Shining City on the Hill*. Well, we're not a shining city on the hill if we're tolerating all this nonsense in the name of some sort of weird doctrine of political correctness that can't see that system for what it is and discuss it openly. It has to be done.

C. Austin Fitts: The reason I call this 'The Clash of Civilization' is because I believe that the real clash of civilization is ultimately between the lawful and the lawless.

The reality is that in any model that you have, one of the core questions is going to be: Who enforces?

We recently made a new Solari coin. On one side it has the Golden Rule, "Do unto others as you would have them do unto you." One thing I'm always saying is, "Finance unto others what you would have financed unto you."

We talk a great game, but then we finance genocide and make money on it. So we're all being called, in this process of transformation, to come clean. You have a group of people who are willing to go along with being held within the strictures of the law.



What we've seen for a long time now is the rise and increasing power of people who are free to act outside the law with impunity.

You know my story of the HUD Cabinet Secretary saying to me in a group of regional administrators, "I don't have to obey the law; I report to a higher moral authority." In other words, "We're above the law. We don't have to obey the law."

He looked at us like we were stupid people who were hopelessly bourgeois. "You obey the law."

I remember talking to a fellow from one of the intelligence agencies who had done Iran-Contra fraud. I said to him, "You're so clever. I could teach you how to make more money legally than you're making now."

He turned bright red and got very offended, and said, "I would do clean business."

It was almost like he wanted to say, "I'm a real man, and real men don't do clean."

We've created this culture where crime pays. They think lawfulness is for patsies. No civilization can survive on that basis unless we're going to depopulate down to criminals only, which is what a Constitutional Convention would give them the ability to do.



Dr. Joseph Farrell: Exactly. If you want mafia wars, have a Constitutional Convention.

C. Austin Fitts: Yes, and then they will proceed to kill each other down to a much smaller population.

I think the real clash of civilization is: Can we build a prosperous economy that is lawful and has a business other than making war on the whole world and ourselves? Of course, the answer is: We can. We can have a much more prosperous economy if we go to a much higher civilization, but that requires a commitment to the law.

Dr. Joseph Farrell: It requires a commitment to that Golden Rule, and part of that commitment means that you're not going to do business with people who violate it. It's just that simple.

People get upset with me – and I've had criticism all my life about this – because when people cross a certain line with me, I have nothing more to do with them. That's ultimately what it comes down to. If you want to do business with people, make sure that they are people who are living their life according to the Golden Rule – or at least attempting to. We all fall short, but we're trying.

C. Austin Fitts: In my opinion, we are in 'The Clash of Civilization'.

The last thing I wanted to mention before we close, Joseph, is that in the last 70 days, I've been very frustrated listening to the independent media cover what's happening in Washington. I gave up a long time ago on the corporate media.



I just laugh and roll my eyes because I've had so many experiences with the *New York Times* and *The Washington Post*; they're just fake news; I don't take them seriously.

I will link to selected articles because they still have good reporters doing good things within the official reality, so I'm not saying that it's all useless, but I don't expect them to provide a lot of meaningful guidance on most issues, with very rare exception.

The independent media, in my opinion, has done an absolutely dreadful job of covering the first 70 days.

Dr. Joseph Farrell: Oh yes.

C. Austin Fitts: First of all, when you walk into the executive branch, you have a huge flow of things coming through that you have to attend to, not to mention all the new initiatives that you want to do. There is a large amount of topics, and if you examine all the lists I've made of accomplishments or stumbles in the chronology, what we did is pulled up the Wikipedia chronology. They're doing a very good job of keeping one.

We cleaned it up, and if you look at everything that has been accomplished and everything that has been done, I would say that, if these guys were playing baseball, they're batting .400 or above. Given how high the shriek-o-meter is, this is what 'pretty good' looks like.



I don't agree with them. I think they've made plenty of mistakes, but this is like baseball, and there is no way that you are going to get a hit every time at bat. You have to keep getting up to bat, and if you can get four hits out of ten, that is great. That is how the process works and it's very organic.

I didn't see the healthcare bill failing as a 'failure'. That bill needed to fail because the country needs to grow on this issue before Washington can move. This is all part of democracy. Democracy is very organic.

So we've had the independent media say, "This happened, and it's not perfect. So this is now a complete failure." Their shriek-o-meter has been just as high and just as ridiculous.

There have been a couple of notable exceptions, and that is where we've seen David Stockman and Drudge and Steve Forbes all get together and say, "Wait a minute. We're here to 'Make America Great Again', not to get into these pissing contests." They do a good job of bringing the Administration back into what is really important from outside the Beltway.

I would say the independent media has been a disappointment.

Dr. Joseph Farrell: I totally agree. A large part of that is coming from the fact that much of the independent media in this country – and I can't speak for other countries – is more or less aligned with the political right and the genuine conservatives.



It's always been the political weakness of the American style of conservatism that it does not view things incrementally. It has to have total victory or it goes into a corner and pouts.

C. Austin Fitts: Right.

Dr. Joseph Farrell: That has not served the political right in this country well at all. It's reflecting itself in what you're talking about and the way the independent media has been covering all of this. I'm foursquare with you and I'm very disappointed with it.

C. Austin Fitts: I think we always have to put ourselves in the shoes of the people who are sitting there trying to deal with the flow and still get things accomplished.

What would we do if we were in their shoes? One of the reasons we're going to have a recommendation section on the website is because I think there's much, that we've seen for the first 70 days, they can do to get their grade up to an A and do a good job of providing that leadership that helps America see the issues and the options and start to move to more of an intelligent consensus.

The one thing that I will say is that this group of people has gotten America unstuck.

Dr. Joseph Farrell: They've certainly done that. To the extent that they have been successful – and I think they've been tremendously successful given such a short time that they've been in authority – in driving the discussion. I think this, too, is why the shriek-o-meter is so big.



My point is that they need to drive the discussion across the board. There are many issues and opportunities that, if they open their mouths and articulate a position, regardless of what the position is, the fact that they are opening their mouths and saying something on a particular issue. Taking Islam as an example, just informing people what the actual tenets of the religion are will immediately draw forth howls of protests.

What that will do is put it on the table for discussion, and people will start investigating. There will be a lot of people who won't investigate, but there will be many people who will. Those are the people who are going to make the change.

They have done a great deal, but I think they can do better. They've been playing the media very, very well to a certain extent. I think they need to do better at doing it and start putting things on the table for discussion. Once that happens, people begin to investigate on their own, particularly in today's climate, and begin to start discussing things. This really is what has not been happening since 9/11 – not just with Islam, but also with other issues.

C. Austin Fitts: Right, with everything.

Dr. Joseph Farrell: In this climate of not being able to talk about things, as an example, I recently posted a blog on my website where a student at an American university was docked points because she had submitted a paper to a professor that required her to use gender neutral language.



This lady said, “I don’t feel excluded by the use of the word ‘mankind’. That is the traditional usage, and I’m going to use it.” The professor waxed fairly frothy about her academic right to do so, and went on to inform her that she was still going to be docked points on her paper because she wasn’t going along with the exercise.

It’s nonsense like this, across the board, that we need to put on the discussion table. It needs to happen all the way across the board. If anyone can do it, Trump is the person to do it. He has to realize that his role is much bigger than being President of the United States; he is also the leader of a culture, and he has to view his role that way.

C. Austin Fitts: Let me ask you something, Joseph. You’ve seen his polls drop steadily since the inauguration and I’m curious to get your take on why you think that is.

Dr. Joseph Farrell: I’m convinced it is because he is becoming more reactive than he was prior to the inauguration. I think what you see happening is he is losing that connection he had with the people who supported him in his campaign. So we’re back to the communication issue. You know I’ve been on this culture kick for the last three or four years and I view that our culture and civilization is under tremendous assault. There are people who would like nothing better than for us to simply disappear and go away.

I think Trump is missing opportunities to articulate his vision of Making America Great Again within the wider context of not being the leader of the free world, but being the inheritor and leader of a civilization. This he has to articulate.



My guess, Catherine, is that people may not even realize or understand why they are reacting the way they are in the poll numbers, but I bet if you scratch and dig long and deep enough, that is ultimately the issue that they are feeling beneath it all.

C. Austin Fitts: I think part of it is that the shriek-o-meter is wearing him down.

Dr. Joseph Farrell: That too.

C. Austin Fitts: I said this earlier, and I'll say this in closing. I've been very stressed by talking with people, and I'm very much day-to-day focused on the power and the money. What are the executive orders? What are the administrative actions? What is happening in Congress? How does it affect the stock market? How does it affect equity? How does it affect mainstream? I'm only watching the power and the money.

Whenever I talk to people who have been watching the shriek-o-meter, they are so divorced from what is really going on in the power and money, and they are so negative and depressed. I keep asking, "Why are you paying attention to any of that? It's irrelevant."

Dr. Joseph Farrell: I'm in agreement with you. I think that is a factor in the declining poll numbers, but let's look on the flip side for a moment. If you look at the so-called populous movements in Europe and this country and elsewhere, I don't even call them 'populous'.



I don't like that term because it has very, very negative connotations, particularly within the American academia. I call it a cultural tradition movement because what most people, particularly in Europe who are supporting the candidacies of Frauke Petry or Geert Wilders or Marine Le Pen are really articulating is, "We like our culture, and we want to keep it."

No one is speaking directly to this issue. In other words, it's something that is transcending mere politics. It's something much bigger that is simmering for some people consciously, and for other people subconsciously.

They know something is wrong, but they don't know what it is. They think it's merely a political thing. So people in that condition are going to be – I think – weaker in their ability to withstand and respond to the shriek-o-meter. If they examine and dig down as to what they really sense is going on, I think that is it.

C. Austin Fitts: It's too bad because the shriek-o-meter being turned to full noise level is a signal that Trump is doing his job. He's pushing through change, and that is the symptom that it's working.

Dr. Joseph Farrell: No argument from me. I think that is the sure sign that he is having an effect. I think he could have a huge multiplier effect if he started realizing his role is a cultural one. That will put him in good stead with movements like that in other parts of the world. It will ultimately put him in good stead with dealing with countries that are far more traditional in their approach to their natural culture like China, Japan, Russia, and so on.



Culture is a very, very important thing. I think it's beginning now, in this age, to have significant geopolitical consequences when you neglect it. That will, in turn, reflect itself in significant consequences domestically. So I think it's crucial for Trump strategically to look even beyond his Administration and look to the long future and to articulate where the civilization has come and where it has been and where it has to go, in that sense.

C. Austin Fitts: Joseph, I think this is profoundly wise advice. I defined myself as a deal doer and that's what I was. When I ran into the buzzsaw, I had to reinvent myself. It was very hard to go from being a deal doer to somebody who understood that ideas have power and I was in the business of communicating information and ideas.

That was a big change, so I know how hard it's going to be for him. I think you're right, to be successful, he needs to make that transition and if he does, it could be very powerful.

I would also think the people who dislike Trump – having lived in New York, there were many of us in New York who were very skeptical – all need to understand that if they want to have a human civilization and to have a successful economy globally or in America, it would serve all of us well to have this guy succeed.

Dr. Joseph Farrell: Absolutely.



C. Austin Fitts: So I'm not interested in being the peanut gallery; I'm interested in figuring out, "What do we need to do to help this go in a good direction for everybody and not in a bad direction?"

The big failure here, I think, is going to be very expensive. The people who are for an inhuman civilization will be very much advantaged by a failure here.

I think it behooves all of us to do everything we can to make sure that this goes in the best long-term interest of America and America's role in the world.

So with that, Joseph, is there anything you want to add before we close?

Dr. Joseph Farrell: I would just say that he needs to keep being a dealmaker, and needs to expand his role. He's the bearer of a culture tradition, and has to make sure that he articulates it and hands it down.

In other words, I'm not telling him to change; I'm simply telling him to expand his understanding of the times that we're in and of his unique position in those times. That's always crucial.

C. Austin Fitts: He's about to meet with the Chinese President, and being a very competitive guy, maybe he will let some rub off.

Dr. Joseph Farrell: Exactly.



C. Austin Fitts: Well, Joseph, this has been a great conversation. I look forward to talking with you next week about News Trends & Stories.

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

C. Austin Fitts: Goodbye.

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