



The Solari Report

October 5, 2017

Precious Metals Report with Franklin Sanders





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C. Austin Fitts: Ladies and gentlemen, I welcome back to The Solari Report a man who needs no introduction, Franklin Sanders of the *Moneychanger*. We're going to talk about precious metals, but also about all of the different things that are happening. This is going to be an integrated picture of the financial and commodities markets, but then the reinvention of everything, if you will.

Franklin, welcome to The Solari Report.

Franklin Sanders: It's great to be here.

Fitts: Let's start with the US dollar: Where are we going?

Sanders: If you look at that US dollar chart, you can see that there is a roughly two-year long megaphone or broadening top. That might have been a consolidation and continuation pattern, or it might have been a top. It frequently is a top, and what you see that has happened is that it broke down after the high early this year. It changed and made a head and shoulders. The green line on there is the neckline. It broke down out of that, and it came all the way back to the low from May 2016.



The significant thing here is that it went beneath that low. That is our clue that this is a top and not a continuation pattern, and it should go further down.

The only problem with that, of course, is that currency exchange rates are all manipulated. The central banks commonly manipulate their rates. There doesn't seem to be any rational reason for why the Fed would want the dollar to drop, but then who says that the Fed is right anyway?

Fitts: I think that the executive branch would love to see the dollar drop.

Sanders: That is probably true. The rationalization for it is not true that it makes US exports more competitive because it winds up with a spiral of competitive devaluations like it did during the Great Depression. So it's not true, but it's one of those nostrums that the people in charge follow. That may be the reason to account for it.

What makes me more nervous is wondering if there is not some deeper cause – some bigger disease that we're not seeing within the dollar. Certainly there are all sorts of noises being made by Russia and China that attack dollar hegemony around the world, and the dollar's status as a reserve currency is plainly one of the greatest strengths of the United States, other than its military. Of course, the military is used to enforce the dollar hegemony, and the Chinese don't want that.



I was very much intrigued to see this new contract in Shanghai for oil that is soluble either in Chinese yuan or in gold. Conceptually that is an enormous step. Whether it actually catches on in practice is another thing, but it raises the yuan to a status of an international trade currency. Oil has been traded in that, and it's a direct attack on the dollar's monopoly on pricing oil. Then if it offers an alternative payment in gold, how can anybody resist it? It's a fabulous idea from their standpoint.

All of those things together – plus the pattern that we see that looks like a top – seems to say that the dollar is in for a pretty big fall. When I say 'pretty big fall', you remember that this started at about 80 on the dollar index, and you're looking today at about 92.5 or close to that. That's a long way to fall.

That, of course, has implications for gold and silver because – to some extent – they are the reciprocal of the dollar index and other fiat currencies. So the more trouble the dollar has, the better it is for silver and gold.

Fitts: I was waiting to see if the index would break the 92 line. I believe that is a very important technical support line. It went down, but then it popped back up. If you look at the various things that are happening between the US and Russia and the US and North Korea, much of that has to do with supporting that 92 line.

Sanders: It may, but the other side of that is the dollar has been sinking essentially since the first of the year, and very much accelerated in the last few months. So regardless of whether it's going to go down long-term or not, it's time for a relief rally or some kind of reaction. We'll have to see how far this carries. Can it get through 94 or not?



Fitts: I would point out that the President only appointed one person for the Fed, but you have three or four vacancies at the Fed. The executive branch now has the ability to stack it with people who will take it wherever they want to go. If they want a weak dollar, they can stack it with the people who will support that kind of policy.

Sanders: True. The question arises – and you and I have talked about this: Why did Stanley Fischer leave? What is the real reason for that?

Fitts: I don't know if you noticed, but I decided that when he resigned, it was very significant. Generally, when you're in Washington and a woman and placed into a position like Yellen, they put a ringer quietly underneath you and tell everybody, "Look, Fischer is really running things. Go through him."

So in an odd way, Fischer is more important than Yellen in terms of the real flows. Fischer has always been that kind of inside baseball player. So for Fischer to walk off before the end of the term, which he did it at the Bank of Israel, and this is not the first time that he has walked off in the middle of the term, but for him to do appears like a cut and run.

I looked at his resignation letter, and it was very interesting because there was a line across the middle of it. Either he had folded it and they hadn't fixed it before they posted it, or they had cut out a paragraph. I figured that he probably folded it.

The reason I wanted to look at it is because, normally when you resign, you give a two-week notice or a four-week notice, but he gave an odd-week number notice with a resignation effective on October 13, 2017.



October 13th is a Friday the 13th, and the history of superstition around Friday the 13th began on October 13, 1307 when the Vatican slaughtered the Templars.

I wouldn't bring that up except the people who run these things care about symbology like that. They do numerology. If you look at important events or important resignations, you will see a remarkable coincidence in terms of numerology.

When Stanley Fischer resigned on Friday, October 13th, I said, "Oh my God!" So I'm waiting to see what it means but I don't know. I think it's a sign of somebody wanting to get out.

Sanders: That certainly is the way that it appears and is a little nerve-wracking.

If that is the case, then that is one little clue that says that the dollar has bigger problems. I don't know.

Things are piling up and that's scary for the dollar.

Let's move on to gold. The charts that I'm offering today are all big picture charts and longer-term charts because I think now that's what is more important. It's more important to focus on the bigger context and the longer-term context than is only the day-to-day moves, although of course those are interesting too.

If you look at the gold chart, you see that there was a low in December 2015.



That low marked the end of the decline that began in August 2011. The diagonal red line at the top of the chart is the downtrend line from 2011.

You see the uptrend line was validated in December of 2016, and then it traveled up. First of all, there is a big rally from December 2015 to July of 2016. Then there was the decline and a reaction, and that came back and validated that uptrend line. Then it traded back up to the downtrend line in 2011.

You have to realize that months and months ago silver already crossed this downtrend line from 2011, but we were waiting for gold to do that. Gold crossed the 200-day moving average – which is the wavy, red line on your chart – back in April and it zigzagged across it.

Finally in July, it moved above it. Then it crossed above the downtrend line from 2011, ran up to \$1,362, and then traded back to the 50-day moving average. The 50-day moving average is a very common target for a market correction when a market is trending upwards.

So what you have is momentous brake approved – this increasing proof with higher highs and lower lows. You have this big even-sided triangle formation that gold has broken out of, and now it's touched back after the first breakout.

Our next goal is to get through \$1,380. Once gold does that, it will run. Then the next big target will be the breakdown from 2013, which was about \$1,550. I think that is what you see unrolling here and it's a very, very bullish outlook for gold.



Fitts: I was recently in Colorado at a conference on cryptocurrencies, and essentially many people who have been associated with liberty and freedom were invited. So you had Ron Paul, Dennis Kucinich, Peter Schiff, and I was there and it was quite an interesting discussion.

One thing that was very easy to see – if you understand multiple markets – was the people who have been buying cryptocurrency. If cryptocurrency wasn't attracting the men, they would be buying coins.

Sanders: There is no question that is true.

Fitts: I spent plenty of time going through the detail on that. Harry Blazer and I are going to do a report about it because he was there. We'll publish that sometime in the next 30 days.

Here is essentially what I saw: At one point I was on a panel with Dennis Kucinich and Patrick Byrne from Overstock. Everyone was talking about how they hated the Fed and wondering when the Fed was going to go after this. I said, "Why would the Fed come after this? Do you know how hard it is to manage the precious metals market? If you can get trillions of dollars to buy zeroes and ones instead of gold or land, it makes your life that much more wonderful."

I almost felt like I was watching GLD 2.0.

Sanders: Right. It's a way to suck demand from physical gold.



Fitts: Did you ever read the *Land Report*? The *Land Report* is the 100 largest owners of land in the United States. Since 2008 their holdings have almost doubled. It's fascinating to read.

If you were sitting here contemplating the ultimate possibility of an implosion of all fiat currencies, what would you be buying? You'd be buying Bitcoin, you'd be buying coins, bars, and land, and things that didn't necessarily require intense management in explosive situations, and would hold their value through anything.

If you looked at the hard assets that people would want to buy, there is a real trend away from that. It's quite remarkable.

Sanders: Let me add an observation to that. I watch the premiums in the gold and silver market – the amount over gold or silver that an item costs – because the changes in those premiums, even though they're very small, can offer a significant clue to what is happening in the market.

This year, premiums on the items that had never broken before – gold items and silver items – have simply evaporated. And every wholesaler I've talked to complains that they are being covered up with product.

Then there are a few reports that I hear of people who come in and sell and say that they're going to put their money in Bitcoin – not many, but a few. That is certainly logical.

It appears that there has been a large liquidation of physical gold and silver, and one would guess that it's gone into Bitcoin.



The Bitcoin parabolic curve is not sustainable. It can continue for a while, but sooner or later that is going to crash. The physical gold and silver markets show that somebody is selling.

The spot price is not going down, but the price of these items and the premium of these items are going down. Even the American Eagle is broken.

Fitts: I've obtained significant reports of depositories being reduced. I received one interesting report from Texas that says that banks are consolidating their safe deposit operations because they have such a reduced demand. So clearly, you're seeing some kind of liquidation.

I think some of that is because people need money for expenses. Part of it is a squeeze on income, not that they're putting it someplace else.

I would imagine that if it weren't for those dynamics – whether you're selling it to buy food or selling it to speculate in cryptocurrencies and if it wasn't for those two things- we would be seeing the price much, much higher.

Sanders: Right. I would agree with that. Of course, the problem with that is there is no way that we can measure it; all we can do is look at these reflections and say, "That's probably what we're seeing."

I think I finished talking about gold. I'm only saying that's a very, very bullish chart. The last arrow on the right that points to that 50-day moving average; gold might go down to that 2011 uptrend line. It might go down to \$1,280, but a \$20 difference here –



considering the magnitude of the rise that you're looking for, which is at least \$8,000 –is not a magnitude worth fooling about.

Let's move on to silver. There is somewhat of the same pattern in silver as in gold. There was a low in 2015, and there has been an uptrend since then. The uptrend is validated by another low at the end of December of 2016.

Yes, you have a big, strong rise in 2016, and silver has made this even-sided triangle, outlined by green. It made a false breakdown on July 10th where there was a sudden one-day spike down. It says \$14.34 but I never saw it there, however, that's what my chart says.

From there, that is a typical false breakdown. It's a trap, and it traded square back up through the nose of the triangle. It broke out of the triangle and headed higher. It stopped below \$18.50, which is the next target that we have.

It's essentially doing the same thing that gold does. Whenever you look at the silver chart, you expect to see more extremes. You expect to see wild things like that false breakdown. Silver is just more volatile; it's a smaller market, however, it's above the downtrend line from 2011. It broke through that last year, and it's never gone under it. It's above the uptrend line from December 2015. It's broken out of an even-sided triangle to the upside.

As this chart stands right now, there is no pain in it. It appears as though all it has to do is get through \$18.66 – which was the last high – and then it will head for about \$21.30.



Silver looks really, really strong. As with gold, the premiums of silver items have all collapsed. Even the gold American Eagles have lost a considerable amount of their premium.

I would like to look, also, at the gold/silver ratio. That is the fourth chart. You see that there was an uptrend from April 2011 – the last time that the gold/silver ratio made a low of about 32 to 1, and that traded up all the way to 84 in March of 2016. Then you can see that it collapsed. That is the first leg down, where I have that ‘one’ there.

Then you have a corrective sidewise trading that breaks out and goes up to 79. The numbers on this chart are a bit exaggerated, but that’s okay because it gives us the pattern.

Now it’s retreated and formed a downtrend. The next leg down is going to be a big one. The third leg down is what is starting, and it should be a very, very large one. It should carry to someplace around 50. It’s about 75 now – unless, of course, it negates that by going up through 79.

For now, it appears that the gold/silver ratio is dropping – like it should drop if gold and silver intend to run.

The last chart that I have is Dow Industrial. They made a megaphone or a broadening top formation throw over the top of that, but then that throw over failed. This is characteristic of topping markets. Then it broke out again into a real wedge-shaped rally, and appears that it’s dribbling out now, but I don’t know.



Could it go to \$23,000? It could, but this chart's days are numbered and I think that's a place to be very defensive.

Fitts: Here is the rather interesting thing. I don't know if I sent you the chart on the Fortune 500 revenues.

From 1955 to 1995 the Fortune 500 revenues grew approximately in alignment and at the same pace as the US GNP. Then in 1995, the Fortune 500 revenues exploded and grew to a point where, today, they are up more than double for the period from 1955. So the GNP is up 4,000 plus percent, and the Fortune 500 revenues are up 8,500%, which is significantly more than double.

If you review this year, for example, all the markets, and look at precious metals and securities and stocks, they significantly outperformed the GNP. So every year, the liquid traded securities or commodities outperformed the GNP. That is an enormous sucking sound out of the real economy into those mechanisms.

Precious metals are a relatively tiny market, but the stock market is now up to \$83 trillion plus. The fixed income markets stay there at about \$140 or \$150 trillion. For those to consistently outperform the real economy, means that you need a giant sucking sound. Governments borrowing money and then giving contracts or purchases to those Fortune 500 companies have traditionally engineered that giant sucking sound.



There are many mechanisms, but basically that rise has floated with the rise of debt on sovereign government. So what you see when you look at the chart for 2016 and 2017, is that it is starting to drop down. You can tell that there is a war occurring to get it back up. The question is: Where is the tornado going to harvest next?

You go back to the stock market and say, “If the rise of this has been floated by \$19 trillion of missing money and the budget being engineered to run everything through large corporations – the privatization on the ‘just do it model – how do you keep this going? It’s impossible to have liquid corporate securities significantly outperform the GNP forever.

Sanders: I’m only thinking about the financial corporations, and profits of financial corporations are a percent of all corporations.

In the 1950’s and for years and years, it was 5-8% of all corporate profits. Well, that jumped to about 30% in the late 1990’s, as I remember. So what are they doing now that they didn’t do before that they’re being paid for? I would suggest that it’s nothing but useless trading.

Fitts: So they financialize healthcare. We don’t need healthcare insurance; we actually need healthcare. Turning it into an insurance product complexifies and makes it more expensive. So it’s a complete waste of money to turn it into a financial product. We keep financializing things, and also centralizing.



I don't know if you saw the announcement from Goldman Sachs about six weeks ago. They announced doing an online lending business. Now when Goldman Sachs goes back into retail to find markets, I get nervous. So I started to investigate what was happening.

If you look at Bitcoin and block chain, they are currently not scalable. However, if you talk with the software developers who believe that they can innovate their way into scalability and make scalability economic, there's a lot of 'if's. What divisions they have will essentially delete 8,500 community and local banks and 5,000 local credit unions. If you delete them and make them uneconomic, then who is going to be left standing? It's the banks that have the force of the US government and the Fed and use the bailouts to radically increase their market share. They will still have control of the government credit and the government flows if nothing changes.

With those going away, the question is: Who is going to do the lending? That's when an online lending business could be attractive.

Sanders: Right. This is all part of the same trend of centralization and faithlessness. I say 'faithlessness' because I think that makes a difference.

People want to buy gold or silver, and say, "Why should I buy from you instead of Joe Blow Discounter on the internet?"



I say, “Buy from the internet. What you’re going to do is do business with a computer, and nobody is going to ask you anything about your situation and find out what you really need.”

With a bank, it’s even worse. That problem is compounded if there is no human face at the bank that you can deal with.

Fitts: I want to differentiate between banks because I love my bank and I have the world’s greatest bank. I’m exploring Europe, and somebody hits my debit card with a \$500 charge at Paris Disneyland. Within an hour, the bank is calling me in the middle of Europe. I’m running around, listening to music concerts, and they called and said, “One thing that we know is that you’re not at Disneyworld – even in Paris.”

We had it blocked, but it’s because I have a human relationship with humans, and those humans do a fabulous job circulating liquidity in their local community and keeping things decentralized.

I’m not saying that the Federal Reserve System is perfect because they have to be a member of that entire system, but if you wipe out all the little banks- what I keep hearing from people is, “I hate the banks.” My attitude is, “Wait a minute. You hate the New York Fed member banks that engineered all of this. Do you really hate the bank that is facilitating liquidity in stopping the crazy happenings in your neighborhood? Is that what you want – to destroy them?”



Sanders: I couldn't agree more, but those are the banks that are being gobbled up. If you look at the Great Depression, in the beginning there were 15,000 banks. Coming out of the Great Depression, there were about 7,500. So half of them collapsed. The half that went down weren't the biggest ones; they were the small, country banks and the local banks.

I don't know what came out of the Savings & Loan Crisis, but probably 4,000 banks or fewer. Then there has been another shakeout after 2008. So what you have is this process of centralization that is accelerating, and that means that those people have a stranglehold over the rest of us; unavoidably, that is what that means.

I guess Goldman Sachs thinks that they want to jump into that market because they perceive it's going to be a growth market, but it's still scary.

Fitts: I'm glad that you brought up the Great Depression. At the end of the Great Depression there were 3,100 local currencies in America, and there was a giant sucking sound.

I think that one of the reasons they did the WPA was because there were syndicates coming together doing their own currencies and building their own entrepreneurial networks.

Father Divine had thousands of businesses going, and they came in because they were building syndicates of equity ownership away from the central channels, and it was getting powerful. People were learning how to do it.



So they came in with an abundance of government money and the WPA, and kept things centrally controlled. I've been reading about what's happening in the Caribbean and in Puerto Rico because of the defamation. The electricity won't work, so the ATMs won't work and, clearly, the Bitcoin won't work. That's exactly when you need to know how to do local currencies and create them out of thin air and create dollars or trade time or whatever, but if you have gold and silver, you can pull that out and start trading.

Sanders: Right, and there was an article this morning about a shortage of cash in Puerto Rico, which underlines what you just said.

Fitts: I know that you've done a great deal of work on trying to get gold and silver tradeable. You designed all of the mathematics for the Silver and Gold Calculator that we have on the internet – not that it would be working if the electricity went down, but it will teach you the concept. You've also worked with the Tennessee state legislator to try to remove the taxes because, of course, in some states the taxes are a problem.

If you go around the country and follow this and the *Moneychanger*, states are either doing or talking about doing the depositories. It appears that they are getting prepared to be able to trade gold and silver if the dollar goes away.

Sanders: That is exactly what the Texas depositories are planning for and finally, a contractor stepped up and said that he would do it. He said that he would implement the plan.



Fitts: That's a courageous man.

Sanders: Oh, he is courageous. This is one of the big objections that I have to Bitcoin: You own it, but if you can't access it, what good does it do you? I had this problem this morning. I was supposed to be on your show, and my power went out and I couldn't do anything; I don't have internet and I don't have telephone and I don't have anything. It doesn't happen all the time, but it certainly happens enough that you have to take it into account.

Fitts: Our 3rd Quarter Wrap Up is called *Control 101*. One thing that has really struck me is – and I feel as though I'm in many situations where I get to play Franklin Sanders – I keep telling people, “Look, control is analog. The control system ultimately works out of the barrel of a gun. It works through physical force.”

There are many, many layers because you can stay much more invisible and much more secret if you don't come out of the closet and you use physical force. So the control system – and it's grown over centuries – is very complex. They prefer not to be caught visibly using physical force, although they do it all the time. Control is analog, and thinking that you can create a digital system-our governance system is secret and doesn't have integrity. Our financial system, which is a subset of the governance system, is also secretive and doesn't have integrity. Now we have information systems that don't have integrity. Even if they did, they depend on electricity, which more and more doesn't have integrity.

So why do you think that you can create a financial digital product, which is going to create integrity?



Sanders: You're carrying collards to Georgia here because I couldn't agree with you more.

Fitts: I almost feel when I talk with people about this that they are in the bubble of living in a world where they enjoyed Constitutional rights and they haven't been hit by the smite button yet. They don't understand that the world is controlled physically, and it doesn't have integrity for a reason. That reason is that we are being harvested.

Sanders: There are many people who call themselves Libertarian who think that way and get plenty of publicity. They are very public. They publish and write newsletters and all that type of thing.

Then the fact is that you don't get the entire picture unless you realize that you're being harvested. Somebody up there is profiting off all of these things.

I understand their enthusiasm about Bitcoin, and I wish them well. I hope that it does mark a new age of decentralization and elimination of intermediaries, but there are plenty of road blocks in the way, and there are a lot of suspicions in my mind about who is in charge.

Fitts: I have more research to do, but most of the smart people I've talked to so far think that there is a back door. It's peculiar because I finally decided, in the interest of clients and subscribers, that I have to due diligence on this. I've spent over 100 hours trying to understand block chain technology. I do think that open distributed ledger technology has a great deal of potential, but I've spent 100 hours and, at the end of the 100 hours, I still couldn't tell you how to theoretically invest in Bitcoin securely.



I have one more appointment with somebody who I think can really help me, but it's all based on four secret decoder rings.

I think that if somebody with my history and experience can't give you a definitive picture of this thing after 100 hours and talking to many experts and finding some of the best materials on this, then there is a problem.

Sanders: One thing that I would like to add to that is many times well-known public figures, like Warren Buffett, for instance, will make statements that are very positive about some investment or the other, and it doesn't occur to people that they may be 'talking their book'. You know what the expression 'talking their book' means: They're talking up investments they already own so that other people will buy them and drive them up further.

You see these announcements – positive or negative – such as when Jamie Dimon came out and slammed Bitcoin not long ago.

Fitts: Then the JP Morgan traders picked it up cheap.

Sanders: Right. Exactly. They have some advantage when they're doing that. For instance, Warren Buffett said the other day that the stock market by 2100 would be over a million. He said that the Dow would be over a million. Well, the establishment always drives out Buffett whenever they have a crisis on their hands or a crash in the stock market. They always drive him out, and he says similar to what JP Morgan said in 1907, "The country is basically sound, and nobody ever made money going short on America," or something like that.



They're talking their book; it's all propaganda. You have to be careful about that. Frankly, I'm with you. I've not studied Bitcoin, but that chart makes me so nervous that I can't buy it.

Fitts: Let me say that Bitcoin now is a speculative investment. I'll tell you a story. I was in Germany and went to Basel to do a great interview with Thomas Meyer, whose publishing company is based in Basel. Then I drove with Thomas past the Bank of International Settlements to the Basel railroad station.

Sanders: I know exactly where that is.

Fitts: I walked in, and went to the automated machine to buy my ticket. I'm less than a mile away from the BIS, and buy my ticket, and can pay with Bitcoin. Now get this: Not only can I pay with Bitcoin, but also I can buy more Bitcoin. I can top off my Bitcoin wallet from this Swiss Federal Railway automated machine.

In the meantime, I'm having a war with a software developer on email about Bitcoin and Ethereum. He's saying that this is a 'grassroots revolution' and I'm saying, "If I'm buying a Swiss Federal Railway ticket next to the BIS in Basel, Switzerland, surrounded by all the pharmaceutical companies, how can this be a grassroots phenomenon?"

Sanders: That is a good question.

Fitts: That was very interesting to me and I believe that this is prototyping.



One thing that I showed at the conference was that interview with Alex Jones where Aaron Russo explains that the Rockefellers told him that their goal, ultimately, was to get people chipped and, if they didn't behave, you could turn off their chip and they would starve, and everything would be done with digital currencies. If you wanted to raise taxes, you took it out of their chip and there it was.

I believe if Aaron Russo said it, it happened.

I told you that I did some reading on the African slave trade. I found a great professor from Cornell who wrote a book called *The Half that's Never Been Told* about the fundamental economics of slavery. My interpretation from reading his history and the real economics is that there are two reasons they cancelled the slave trade: One was that they couldn't put down the Haiti revolution, and the Haitians managed to beat several European armies. That scared them because, if that moved virally through the American south, it would be very hard to deal with. So that was the first one.

The other one was that you couldn't perfect collateral, and when commodity prices were down, the southern plantation owners kept selling the slaves west and defaulting on their debt. So it was the southern banks that couldn't figure out how to find the collateral, and Wall Street was selling income-producing securities off all this. The banks in London were losing money, and it kept happening.

Now with digital technology, you can perfect collateral. It solves one problem.



Sanders: When you say ‘perfect collateral’ do you mean that you can establish your title to those people?

Fitts: Right. Once I put a chip in you that is GIS-trackable, I can find you anywhere in the world at low cost, and I can prove that you are related to that loan. Suddenly, I have a highly economic manner of perfecting collateral.

Sanders: This is one thing about slavery that people don’t understand: The actual legal theory of slavery in the United States was, not that you owned the person, but that you owned their labor. So if you paid \$1,000 for a slave, the way that you would financially calculate the value of that slave is amortize the future value of his labor and discount it back to the present. You know how all that is done; it’s done with any investment.

People don’t realize that when you get a student loan, you are monetizing your future labor. You are selling that future labor forward to somebody, and the bank owns it. It is not an accident that in 2005 they ended bankruptcy against student loans.

They let the slaves run free, but if they have them chipped and they can locate them, then they’re not really free; it’s easier because you don’t have to pay for their upkeep. That’s what it amounts to.

Fitts: I don’t know if you ever read it, but I wrote an article called *William Diefenderfer: The Financial Hit Man of Student Loans* about the person who, I believe, engineered all of that. He was a former board member of mine.



I believe one of the biggest questions – and one of the most important questions in America – is why would someone like William Diefenderfer do that? Why would you destroy the future of millions of children? Why would you sit down with a piece of paper and a pen and figure out how to destroy the future of, not only the students, but also the country? Because when you destroy the future of the young people, you destroy the future of the country. It's very sobering.

Sanders: Did you figure out why he did it?

Fitts: No, I can't figure it out. The questions that I asked were: Why did he do it, and why does his family go along with him doing it? And how do you walk through the world feeling good about yourself having done that?

Those are question that I've explored considerably because what I wanted to understand was, not just the corruption of the swamp, but also the corruption of the general population.

There are a couple of trances in America. One trance is that we don't appreciate the extent to which the leadership believes in slavery, practices slavery, and how phenomenally profitable it is. I would argue that slavery is the most profitable business in the history of human civilization, and that would include war because it's very difficult to implement war without slavery. You have to be able to force people to do all sorts of things.

Sanders: I'm thinking about what it was that Goethe said, "None are more firmly enslaved than those who believe they are free."



If you try to explain this to Americans, they become irate because they couldn't possibly be enslaved. This is the home of the brave and the land of the free, and it always has been, right?

Fitts: One thing that I wanted to bring up today was Charlottesville because, when Charlottesville really exploded, I was in Europe. I wasn't in a position to give you a call. All that I could think about was, "I hope Franklin's faith is strong," because knowing what you know about Charlottesville – the Civil War and the history of the country – and then to listen to the rhetoric on that.

I think Charlottesville was entirely a professional operation, and it was all designed to create fake news. What amazed me, if you saw some of the interviews – even on CNN – I don't think that the American people fell for it.

During that time, I would get messages from subscribers who were deeply depressed about the whole thing.

Sanders: It was very depressing.

Fitts: It was very depressing, but I think that both sides of that were financed and organized by 'Soros 3.0' – whoever it is. I think it's like a reality TV show; I don't think it's real.

Sanders: You were praying for me to make sure that the top of my head didn't blow off, right?



Fitts: I knew a person who was a fairly senior member at covert ops at the CIA, and he said, “Look, it’s like a wave. You need to let it roll over and ignore it. When those types of things happen, the most efficient way to use your time is to completely ignore it and let it roll over, and keep focused on what you’re supposed to be doing.”

It’s, what I call, the ‘shriek-o-meter’ and the shriek-o-meter is getting louder and louder. I think that what is scary, is how many people are falling from it.

I recently saw a very attractive young woman give an entire speech about what was happening in America, based on a theory that the kids showing up in the black hoods and doing violence, were citizens as opposed to paid professionals. She didn’t know.

I thought, “Oh my God! How can you not know?”

Sanders: She thinks that people could leave their jobs, travel all the way across the country, and drive five to ten hours, just to get into a fight with other people?

Fitts: Somebody had a picture of two buses and the neo-Nazis getting off one bus and the ‘Black Lives Matter’ people getting off the other bus. It’s like a group of actors reporting for work.

Sanders: One of the bizarre things about this entire Nazi phobia is Nazism is the American elite’s ideology. They are fascist to the core.



It's the same thing; it's corporatism. It's what Mussolini really pioneered. So there is an irony there.

The other irony is that the flag-waving Nazi ideology has zero chance of taking root in the United States – absolutely zero. It's like worrying about the entire world being taken over by Johnson grass. It's an annoyance, but it's not a real threat. Serious people don't worry about that being a real threat.

They keep playing this tune over and over and over, and I think that one thing that grieves me the most, is the incredible lies that are being told in the name of undoing or fighting racism, and they are nothing but racism personified. The whole purpose of this is to divide us one from the other. So whatever progress has been made in the last 60 years in terms of racial harmony is being destroyed now.

Fitts: I was in Walmart the other night. I got home late from Colorado, and I stopped at one of the supercenters on the way home. I think I was one of the few white people, and I could feel the hostility. They don't understand.

Now, if you look at the squeeze they are taking on their incomes and everything, they are in a brutal squeeze. Everybody is, but they are especially.

Sanders: That is true, but it is different in different parts of the country. Memphis is a hotbed, and you are located in that area. It's a hotbed of racial antipathy. It makes it very uncomfortable and unpleasant to be there because that has taken over and ruled everything.



I'm not saying that it had to, but it is. All of this business about monuments is making the problem way worse than it ever has been.

Fitts: I wrote a long commentary on my website about it because I grew up in an African-American neighborhood. I was raised by an African-American woman, and in both Wall Street and in my life; I've had many dealings. Then when I studied spiritual warfare, I studied it in an African-American church. For a long time, my best friend was an African-American named Georgie.

I've listened to the concerns and the legitimate and illegitimate complaints of the African-American community for a long time, and if you read *Dillon Read and the Aristocracy of Stock Profits*, part of the reason I did what I did was because they were committing genocide in African-American neighborhoods, and I was trying to stop it – the drugs, the weapons, and the complete game, and also the private prisons.

It was really peculiar. This is how naïve I was: In the 1990's I thought they were going to kill all of the African-American's and maybe some of the Hispanics. In 1994, one of the Deputy Assistant Secretaries in the Clinton Administration said to me, "Look, black people are hopeless. We're going to clean them out and bring in the Hispanics."

Sometime, if you're interested, I can talk about it in more detail, but I thought that the genocide was only the African-Americans; I didn't realize that it was everybody.



Sanders: Oh, no, it's everybody because we're all what the Nazis used to call, 'nutzlose Esser' or 'useless eaters'. That's all we are. That's just the way they look at all of us.

I understand what you're saying and how that fits together, but what is happening now is a maximum divide and conquer effort.

Fitts: I'll tell you that one thing that I've always believed is that there is tremendous knowledge in the African-American communities. One of the reasons I studied spiritual warfare at an African-American church was because, having grown up in those communities and seeing the drugs and mortgage fraud move in when I was a child, I knew that they had the knowledge and technology of how to outwit it because I had seen them outwit it.

Fundamentally, they go at things through the prism of spiritual warfare. I don't know much about Martin Luther King, but I assume that was part of how he did what he did, and Malcolm X, too.

I said, "Okay, they have the technology on how to deal with these guys because it is completely lawless and very violent." So how do you stand up against something that, in a material sense, is all-powerful, completely lawless, and very violent? Without spiritual tools, you're not going to make it.

Off I went and, what is interesting, is that I know they have a wealth of the technology that could help white people, but I've never been able to figure out how to build the bridge between the people who really know that technology and practice it and middle-class white people who don't understand that it's there.



Sanders: They don't think that it's going to be pointed against them.

Fitts: It's been pointed against them every day now.

Sanders: Oh, I know! I understand that, but they don't think that it is.

The only practical thing for me to do is to resist that at a personal level. I'm not going to take part in that at a personal level. I'm not going to lie and say that what happened didn't happen. History is more complicated and more intricate and more vexed than people think.

Think about the War Between the States: White and black people lived together all the time. They rubbed shoulders all the time. Segregation didn't come into play until long after the war in the 1890's.

When people live together all the time, they have to figure out some way to get along.

Fitts: Right. They have to survive together.

Here is what I see when I look at this: If you only look at an inner-generational pool of capital, the same intergenerational pool of capital is organizing the slave trade, selling the slave trade into the south, and organizing covertly the Civil War, then outlawing slavery to do the dump, and then targeting everybody, and then coming along and saying, "Oh, well."



They've been pumping and dumping and dividing the races for 150 years. If you look at the intergenerational pools of capital that we're dealing with, it's the same guy who made all the money pumping and dumping the African slave trade.

Sanders: Yes, absolutely. That's the reason the people in the South get so bamboozled and angry about New England getting up on their high horse about slavery since the folks from Rhode Island and Massachusetts were the ones who ran the slave trade. How do you think they built Brown University?

Fitts: Yes! Brown University is in the *Dillon Read* story because, if you examine the private prison, they were making money on that one, too.

I don't know if you realize it, but they brought in this great African-American president to cover up after they were exposed on that one, and he ended up on Goldman Sachs' board. It never ends.

One thing that I want to bring up is what I beat the drum about all the time, Silicon Valley software and entrainment technology. I try to get all of my subscribers to listen to or read the very great Solari Report that we did on entrainment technology. I find that one of the problems that folks have in understanding something like all of the different false flag events or all of the different reality TV shows, most of it depends on entrainment technology to make the marketing go.

Have you ever read that transcript?



Sanders: I don't think I have.

Fitts: I'm going to send it to you. I have to get everybody to read this because it's definitely a piece. One of the opportunities that I've had in the last couple of years is to meet with or see in person and listen to speeches by people who are at the top of the software development food chain. They are either running software businesses or they are investing and had a great deal of success in investing in software businesses and on and on. Some of them were in person, and some of them are from watching videos.

What I'm watching is a group of people who are living in a little bubble. They understand the pieces that they are dealing with, but like the rest of us, they don't necessarily have an integrated piece of the complete picture.

For example, if you scrutinize Silicon Valley, what you will see is how much technology got engineered out of the black budget and dumped into the Silicon Valley for free, and there is all the money that was gathered with the crack/cocaine epidemic and other drugs into the communities and invested at very low costs. So you get a government subsidized cost of capital, you get government subsidized technology, and then have a boom with government continuing to pour in capital, and think you're a genius.

You have nothing to do with government; yours is a private business. You made all this money, and your success is from your hard sweat, and you don't realize, of course, that this technology is what the top people want to help facilitate centralization.



So you have Mr. Global's wind at your back because you're doing his dirty work for him, but you don't know that; you think you're a genius.

So you're helping to centralize, and on this tier. Essentially, in all sorts of different conversations, these people think, "I'm going to take software, and I can use software and artificial intelligence to run every business, government, and operation in America."

Sanders: I'm sorry for laughing.

Fitts: Here's the issue. There is a wonderful new book that I recommend to you called *Weapons of Mass Destruction* by Cathy O'Neil. She was a very successful academic who was hired by D.E. Shaw to do analytics, and became appalled at how software was being used and the embedded algorithms in these different businesses that were using them to consolidate various markets. One thing she shows is how you can get a software algorithm that helps centralize and harm or destroy people, and everybody thinks that it works because they can get away with it.

You're doing things that ultimately are lawless. If they're not illegal, they should be. And you're also playing with a wealth of government money – whether it's directly or indirectly.

If you look at the entire ecosystem of what is happening, you're shrinking the total economy, but you think that you're a genius because it's making you money or somebody is paying you to do it or it works. It would never work unless Mr. Global wanted centralization and didn't care that it shrunk the pie or killed people.



She does a very good job of documenting the dynamics. Through her documentation, you realize how the people are doing this. Remember how I always say that people who played in a rigged game get stupid? You have incredibly wealthy, highly financially successful people who are getting considerable admiration and attention – because that is always how Mr. Global does it – and they think that they are enormously successful and that this is all a great plan and it's all going to work.

What they will tell you is, “We will give people universal basic incomes.” You’ve seen Zuckerberg speak out for universal basic incomes. They think that the money that they have is their money, not understanding that ultimately it’s controlled with analog. So when Mr. Global wants them to invest all of that money in whatever, that is what they are going to have to do or say goodbye to them.

Sanders: The ultimate conclusion of their reasoning is that we can just do away with the human beings and have artificial intelligence. Whenever you take anything to its ridiculous extreme, that tells you whether your argument is correct or not.

I don’t know if you’ve read *Flash Boys* by Michael Lewis, but what that covers is the HFT revolution on Wall Street. Basically, what these people figured out is a way to put a \$22 billion a year tax on the stock market by completely useless trading. It does nothing whatsoever to make the market more efficient, and somehow it keeps happening.

These are the people who are running Wall Street. Of course, they can take most of that money and increase their leverage in Washington with it.



Fitts: There is one other thing that I wanted to bring up to you, and that is when I was in Colorado, I had the opportunity to see the documentary *Dark Web* and meet Lyn Ulbricht, who is Ross Ulbricht's mother. Ross Ulbricht was the technologist who was indicted and prosecuted by the Federal government over the Silk Road website. His sentencing involved two consecutive life sentences plus 40 years.

It's similar to my story or your story; it's unbelievably complicated. Thanks to Lyn's speech and thanks to the documentary, I was able to get the timeline.

I also saw a TED speech by one of the prosecutors who prosecuted the case, and I'm going to grossly oversimplify and come back to a point I want to make. You and I share some rather unique knowledge about legal enforcement in the United States.

The prosecutor's presentation basically said, "Look, we had a task force underneath the jurisdiction of the FBI. Two of the agents decided to steal \$25 million of Bitcoin," which is now worth a fantastic amount of money.

They engineered a theft and were able to persuade one of the admins of the site that another person involved in the site had stolen it, not them. Then they claimed to have persuaded one of the admins to pay them to murder the person who they were framing for stealing the Bitcoin, which they had actually stolen.

Remember, these were Federal agents. So, number one, they steal, number two, they do a criminal entrapment, and number three, they persuade somebody to commit a murder.



Finally, they falsify the murders, and go on from there.

So here is a situation where a significant amount of any crime occurring is being invented and created by the Federal agents. Then they prosecuted, and bragged about it.

She doesn't even know to be embarrassed about what she's saying. And when it's all said and done, they keep the Bitcoin.

Sanders: Sure. When they seize the cash, they keep it. They buy something with it for themselves.

Fitts: Let me step back for a second and talk about my experience with some of these folks.

We had our building seized, and they seized our software in a process where we were required to turn over 100%. I was literally not allowed to keep my address book. 100% of any record or knowledge that I had, I had to turn it in. They were in control of our office for a week, and anything that I had in my home I had to return.

It's a long and very interesting story, but one thing that happened was, when I came back into the building— which had been impeccable; it was designed after a Japanese tea house, and it was unbelievably pristine clean at all times — was a mess. They had literally done number one's and number two's on the rug, they had put out cigarette butts in the rug, they had left food and ground it into the rugs on the floor, and the place was in shambles. It was energetically demonic, and it's designed to do this; it's designed to break your spirit.



I called in a team of my dearest friends who had a cleaning company, and they brought a complete crew down. The crew was from both Washington and New York. They spent three days just cleaning, and it was at my personal expense because everything for the company was either gone or frozen.

We cleaned and cleaned and cleaned because I couldn't leave it that way and I couldn't let that be on me.

On Monday, the property manager came in and was so touched. He was a refugee who had left Latin America because of the violence. He had left South America to get away from this, and now here it was.

He thought that he was going to have to clean the entire thing, and he was so touched that he said to my facilities manager – while I was in the building – “They organized and falsified a frame. Tell Austin to bring her attorneys, and I will give you an affidavit,” which was an incredibly courageous thing for him to do.

He gave an affidavit, and explained how they had taken empty shredding bins in the basement and took trash that we were saving. We weren't throwing the trash out because we were worried that they would say that it was in violation of subpoenas. They opened the trash, put it in the bin, and then went upstairs, procured our accounting documents, and pulled them out and put them on top of the shredding bins. Then the HUD General Counsel started taking pictures.

They used him to get down in the basement, and he was watching. He said to the General Counsel, “Wait a minute. You can't do that.”



She turned to him and said, “Shut up! This is none of your business.”

So he gave us an affidavit describing all of that. If he hadn’t, I would have probably ended up in prison.

The other thing that happened is, when they pulled out of the building, we knew to go in that night and get out the main servers. They had backed everything up and had copies of everything, but we went in that night and took out the back servers and moved them to our law firm so that they couldn’t seize them. They were behind the protection of attorney client privilege, and my corporation owns them. There was nothing that they could do.

The next morning, we went into the office, and the facilities manager went into the office. The FBI and HUD IG came back in. The HUD IG was working for this General Counsel or coordinating with him. He said to my facilities manager, “Where are the main servers?”

My facilities manager said, “We took them last night.”

He froze and said, “You don’t understand. You can’t take them. You can’t do that.”

The facilities manager said, “We own them. They are our property. There is nothing that you can do; they’re gone.”

He turned white, and said, “You don’t understand. I’m under strict orders. You are not allowed to have a copy of any of the knowledge.”



What I realized in listening to the *Dark Web* is that the people who are framed – Ross Ulbricht and his attorneys and his family – have had falsified evidence from the digital systems which they had control of. I've always believed that the reason he was under orders of not allowing us to have a copy was because we had copies of the FHA mortgage databases that would show massive fraud, including securities fraud, especially if you understood what was happening. He didn't want us to have that during the housing bubble.

The second thing was that I think they wanted to frame us using digital systems, which is to say – whether you look at the *Dark Web* case or my case or your case – that our subscribers, whether it's the Moneychanger subscribers or The Solari Report subscribers, do not want to depend on these systems for your records. You need to have either physical copies, or have digital copies that are offline and inaccessible, including over an air gap.

If it's digital, it's has to be very secure. It has to be redundant in many different places, and physical, likewise. You need redundancy and security, and these systems are not secure.

Sanders: It's similar to their ability to forge photographs now. They can Photoshop you as a person behind President Lincoln with a gun if they want to and present that as evidence. If the judge lets it in, you're sunk. That's what happens and the judge usually does let it in.

I couldn't agree with you more. However, coming back around, isn't this another argument against Bitcoin?



Fitts: I think that Bitcoin is, first and foremost, an op. What Mr. Global wants is digital currencies and to get things cashless. I think Aaron Russo is exactly right. He wants a chip, and next, digital currencies.

I should also say that there are absolutely legitimate reasons the world wants both local and digital currencies. I think that in a world that was free, you and I would be dealing with local currencies, and then we would have cryptocurrencies. It would be very dynamic and robust.

Part of that is because I know the world wants to be able to make low cost, speedy, international transactions. Going through the banks is very cumbersome and frustrating, especially if you're used to, "Click, click, click," and want to be able to do it at a very low cost.

If you examine the current financial system, the fees and transaction fees are far too high if we're going to bring in everybody. A farmer in India cannot afford these kinds of transaction costs. He just can't.

There is a deep, deep hunger in the body of politic to create better and speedier ways to transact with each other, and that is very real and positive.

The other thing, when it comes to blotching technology, is that there is a tremendous amount of optimization that can be done in businesses that will cut the financial people out. You talked about the financial people going to 30% or more of the GNP. We could get that back down to 10%, and this kind of technology should help do it.



There are some very powerful, fundamental, economic reasons for the push – not just Mr. Global wanting to centralize.

I went off on a tangent but I think block chain is a prototype where you get all of the creative people who know software and this kind of hardware to prototype your digital currency. It's that period of innovation.

I think I mentioned this, but there is a great book by Tim Wu called *The Master Switch: The Rise and Fall of Information Empires*. What it describes is that, for the last 150-200 years, when an innovation is revealed, we have a blossoming, and everybody thinks that it's terrific and that it's going to save the world, and then – wham! – after it gets figured out, it centralizes. It happens again and again and again.

So I think that we are in the blossoming period, and Mr. Global is figuring out how to do his digital currencies. We are all helping him prototype. If you look at what is being done to encourage people to do that, one of the ways – and you've seen this many, many times as have I – is you pump and dump.

You run the price up, and suddenly everybody is getting squeezed, and the slow burn comes running in to make money. If you have a huge position, then as long as you get your money out in the pump, then not only do you get everybody to prototype your digital currency, but you make money doing it. It's quite remarkable.



Sanders: Right, and they're pioneering the market for you.

Fitts: They are pioneering the market, and in the meantime, you can buy gold and silver without the prices running up anywhere near as much as they would if all these people were buying coins. You have to give them credit; it's very clever.

Sanders: Yes, it is clever, but the problem from their standpoint and the optimistic outlook from our standpoint is that this technology keeps bubbling up and the implication of it is decentralizing.

We've talked before about the era of centralization that ran from about 1650 until the downfall of the Soviet Empire. There was a tendency to centralize in human affairs, and it broke and topped when there was only one world empire left standing – the American empire. I understand it's so strong now, and has been for the last 25 years, that everyone thinks, "That's not possible. You can't see it," but I want you to look around the world. Look at what is happening in Catalonia; look at what is happening in Kurdistan; look at what has happened in Scotland.

Look at all of these nations that are breaking away – or that want to break away – and they are ancient nations. Catalonia has been there for 1,000 years. They are an ancient nation, and now in Germany-the same decentralizing tendency that helped bring Trump to power and helped swing the vote for Brexit-that same decentralizing tendency has worked in Germany, as well.



There is a decentralizing tendency in human affairs that has taken over and is going to run the next 400 years or so, and that makes me very optimistic. There can be plenty of messiness and bloodshed while that gets sorted out because, as Stalin said, “The ruling classes never voluntarily leave the stages of history.”

That is very true, but their days are numbered. Loyalty is shifting away from central point back to peripheries. That trend is going to go on for 400 years, and it’s going to speed up. It astounds me when I look at the news, and once or twice a week there is some big decentralization happening somewhere.

Fitts: The other thing that I want to bring up is the US Constitution. One thing that I’ve perceived is that I think Bitcoin is also a laundry for a variety of things. I watched a presentation this weekend of someone who is running for President, but the campaign is running for ‘Not President’. Here is the plan that they propose, and Bitcoin is financing them anonymously.

If I run for Congress, I have to disclose everybody who gives me money. If I’m a not for profit or a lobbyist, I have to disclose who gives me money. However, these people are doing this, and they get their money from Bitcoin, so they don’t have to disclose where they are getting the money. They can also say that they don’t necessarily know where they’re getting the money from because it’s anonymous, etc.

You’ve seen this plan before. This is a test to see if you remember where you saw this plan implemented: The first thing that you do is use digital technologies to implode the US government.



So first, you implode the government, you get into office the first day, and create a trust, but because you've imploded, all cash flows stop.

Then you create a trust and privatize all the assets after stopping all of the cash flows. So if 50% of the income in all neighborhoods comes directly from the Federal government, 50% of the people in every county suddenly have all of their incomes stopped. So you can imagine what that is going to do to market prices immediately before you start privatizing.

When you privatize, obviously the only people who have any money are people who have stolen all of the money in the financial coup and are prepared and ready for this because they've been looking forward to it and licking their chops.

Then you proceed to privatize things at a penny on the dollar – all of the national land and whatever – and so they buy up everything. Then you continue from there.

The Constitution is an old document, and you don't need it, so you tear it up. When this plan was tried in Russia, the estimate is that 25 million people died. If you have no income and have no savings and that you have three weeks of food, so you can live for another three weeks without dying and after six weeks, the die-off begins.

When I asked about that, they said, "We need to learn to stop learning to be materialistic."



Sanders: So we need to learn to stop eating?

Fitts: Apparently. Basically, what they're saying is that these people got together and stole \$27 trillion in the bailouts, \$19 trillion in the missing money, more in the pump and dump of the housing market and the stock market, and so what we are going to let them do is tear up the Constitution and abrogate all the obligations because there is no money. Then they buy everything at a penny on the dollar. This is all being marketed as a way to get back at the bad guys who did Iraq and to use this 'wonderful technology' to 'stop the evilness'. And it's going to be so 'groovy' because everybody is going to get what they want.

I heard this presentation sitting in the main auditorium of the Aspen Institute.

Sanders: Where is this coming from, and from whom?

Fitts: I'll send you the name of the person who is running for President. He's an Iraqi vet, and it appears that he has a group of vets supporting him. The people I was sitting next to were saying, "Wait a minute. This guy isn't an activist; he's a pro."

This is a professional operation-this is an op. I don't know the person, but needless to say, I stood up and made a few very financially grounded suggestions. Essentially, he is saying, "Look, let's go and wipe out and destroy your family wealth, and let Goldman Sachs buy your neighborhood at a penny on the dollar."



It was quite astonishing to watch. I'll send you the website so you can see it. Fundamentally, what you are trying to do is the same as the state legislator saying, "We need a Constitutional Convention. Let's go in and revise the Constitution," which, of course, your good friend Edwin Vieira knows that if you open that door, the next thing that they can do is tear it up.

Nevertheless, if I've stolen \$19 trillion out of the US government illegally, and now that the money is skinny, I don't want people to notice that and get that money back. A legal mechanism exists, particularly under the Constitution, to get that \$19 trillion back. Wouldn't you want to shred the Constitution if that were you? You would be shredding the trail.

You're shredding the paper trail, and you're shredding the legal trail and you want to shred those trails.

You have one effort in the older generation trying to get a 'Con Con' and in the younger generation you have an effort to say, "Oh, it's old. Let's just blow it up."

Sanders: One thing that frightens me about the whole 'Con Con' issue is that, if you have read anything that the founding fathers wrote or anything that any American statesman of any stature from 1860 or earlier, then you know that there is no one today – and I don't care how many PhD's you have – who has the intellectual grasp and integrity and breadth of vision to be able to devise a constitution. I could make many criticisms of the US Constitution, which essentially was a revolution to overthrow the Revolution and then was hijacked by Hamilton.



Fitts: You and I disagree about that, but we will discuss that another time.

Sanders: In any event, where are you going to get the experts today to devise a Constitution? From Harvard, Yale, Washington? Where are they going to come from?

Fitts: If you have a Constitutional Convention, it will be much the same as the Patriot Act. They are going to plop it out and it's written.

In our 2nd Quarter Wrap Up, our cover had the picture of George Washington with big pink lipstick on his cheek saying, "If you don't enforce the Constitution, you can kiss your money goodbye."

I've been through a period of great frustration so far this year, and it's why we made the cover a bit catchier than we normally do. I am constantly asked, as I know you are, about where somebody should put their assets. "Should we put it in coins? Should we put it in securities? Should we put it in bonds or stocks or Bitcoin or whatever?"

The reality is that this is all very interesting and important, but if you shred the Constitution, it doesn't matter what your assets are in because they are going to disappear. If somebody puts a chip in your arm and you can't buy food without a chip, then it doesn't matter.

Sanders: Correct.



Fitts: So all financial systems, products, and values trade on a platform of our covenants – whether cultural or legal. I think because we’ve been so blessed as a society, most people have forgotten that. If there is no law, then it doesn’t matter where your assets are because the control will be affected analog.

Sanders: Exactly, which is a very complicated way of saying that somebody will stick a gun in your face and say, “Do it.”

Fitts: Right. The last time that I saw that happen, most people went along. I don’t know what our problem is, but we didn’t seem to be able to go along.

One of the stories that I told several times in the discussions I’ve had over the last week was when the swine flu vaccine came out, and I was very sure very early on that it was really dangerous. So I wrote a blogpost about it being depopulation, and I took plenty of heat for it.

If you look at the medical practitioners, they came out hard and early, and there was so much opposition that they couldn’t get it done and they backed off. They were trying to go state to state to mandate it, and the uproar was there. So now they’ve returned covertly, and placed the swine flu in the flu vaccine, and it has done a lot of damage.

Needless to say, I was very clear that this was my moment, and I was not going to cross that line. I called you and I said, “Franklin, if it gets mandated and it comes to that, can I bring my guns and come over to your house?”



You said, “Yes. I’m not taking it, so we’re talking about a gunfight.”

I was totally sure that I was going to die in a gunfight if that was going to happen. I wasn’t going to run to Costa Rica. There is no point in running away, but the moment had come where it was slavery or freedom, so I was probably going to die in a gunfight. I would much rather die in a gunfight with you than by myself.

Do you remember that?

Sanders: I do and here is the thing: People have to draw that line in the sand before it happens. If you don’t, if you haven’t made up your mind, “This is the place I’m not going to go. This is the place I’ll stop and fight,” then all you’ll be doing is keep saying to them, “Don’t you cross that line,” and then stepping back when they cross it.

Fitts: I think the reason they backed off is because they heard thousands – if not millions – of telephone calls just like ours.

Sanders: That is one of the mistakes people make when they think about this sort of thing. They don’t realize that when the government or the elite or whoever they are comes out with these plans and the government tries to enforce them, there is such a thing as mass refusal to go along. They know that. That is the reason they mount such huge propaganda campaigns.



Fitts: I feel as though we're coming into an inflection point, and it's going to be around the Constitution. I agree with you that it's not perfect, but I have no interest in opening it up now. First we have to decide if we are going to have a human society or if we are going to have an inhuman society. If you look at the forces raised to tear up the Constitution, what they want is to keep the money they stole through the financial coup d'état and use it to finance an inhuman society. There is going to be about 5-10% of us who decide if we are prepared to die in a gunfight to stop that. It may come down to that.

I would remind everybody that there are many things that we can do to make sure that it doesn't come down to that, and one of them is shifting your money.

I had a subscriber post a very funny thing. They said, "I've been hearing you say this for years, but I just realized that if we all moved our money out of the big banks, it would really shift things. It could be very powerful."

I said, "Wow!" Sometimes it surprises me how many years it takes to communicate things at an emotional level.

Sanders: To go all the way from the eardrum to the brain and then to the heart takes a long distance.

Fitts: Before we close, do you have anything else that you would like to say about the next three months-between now and the end of the year?



Sanders: I think that it's going to be very good for silver and gold. I'm not expecting them to take off within the next two weeks, but I think that it is going to be very, very good for silver and gold, and it is shaping up to be bad for the stock market and bad for bonds. Of course, it appears that interest rates are going to be rising, too. All of that together signals plenty of turmoil.

Fitts: Right. I think that the one thing that people most appreciate in our networks is that you manage to turtle your way through enormous adversity – watching the shriek-o-meter on Charlottesville or issues like this – and stay focused on doing good in this world and going forward. You need to give us faith on the last minute here. How do you do it?

Sanders: I'll share something with you that a friend in Texas shared with me recently, and I hate to use the phrase, "It's changed my life," but I will say that I'm waking up thinking about it every single morning.

She summed up the fourth chapter of Philippians – the fourth through the seventh verses. What she says is this, "My work today and every day is to rejoice always, to pray unceasingly, and to thank God in everything."

Rejoice always, pray unceasingly, and thank God in everything. That is my work every day. I have to tell you that I've known those verses for years, and this is another example of the great distance between eardrums, brain, and heart.



I don't know why that has hit me so hard recently but it has taken a big load off me. It has taken away that irritability that comes in circumstances when things go wrong, when you stub your toe and then you break a thumb and everything is going wrong and fighting against you.

If I merely keep thinking about that and keeping it before me that my work today is to do those three things, the promise is that the peace of God will guard your heart, and it does. It really does and that is my discovery for the year, and I'm holding onto it.

Fitts: Franklin, it's always a pleasure. You have a wonderful day and thank you for joining us on The Solari Report.

Sanders: Thank you for the opportunity and God bless you.



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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