



The Solari Report

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Annual Wrap Up Part I: News Trends & Stories with Joseph Farrell



Catherine Austin Fitts



Dr. Joseph P Farrell



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C. Austin Fitts: Ladies and gentlemen, welcome to the 2017 Annual Wrap Up. I am Catherine Austin Fitts, and am with Dr. Joseph Farrell. This is News Trends & Stories, Part I.

In Part I we are going to be talking about the Financial Markets, the Economy, and Geopolitics. Then in Part II, which we will play next week, we will talk about Culture, Science, Space, and Technology, Inspiration, Unanswered Questions, and Go Local.

I have driven to be with Joseph in person because these are our juiciest conversations and he has his cigarettes rolled. By way of introduction, one of the great questions that I received this year was from Dr. Skidmore who asked me, “Why do you put so much stress on scholars?”

I said, “Because, without scholars, society loses its mind.”

Dr. Joseph Farrell: Yes. I would agree.



Fitts: One of the things that I learned in working with the top people in Wall Street is that they spend a fortune on the academy and knowledge. They understood that without your mind you're not going to have much of an economy.

If the world was different, I don't know where you would be. You would be a professor at Oxford or someplace.

Farrell: Oh no! I tried that route, and that didn't work, but that's another long story.

Fitts: Daniel West calls it 'Professor at Solari University', so you are 'Professor at Giza DeathStar' and 'Visiting scholar and fellow at Solari University'. Joseph, thank you very much for doing this.

Farrell: Thank you for having me back on.

Fitts: I should say that we are doing this early this year. Today is December 16th, and this is very courageous for us. We always wait until the last minute because you never know. I think that Brexit happened the day before the end of the quarter. Do you remember that?

Farrell: Yes, I do.

Fitts: Joseph has kindly agreed that if the world rocks and rolls between now and the end of the year – which it certainly may with what is happening today and the last 24 hours – then we will do an addendum by phone. So, if anything happens after December 16th, look for an addendum at the end of this Part I.



The other thing that I wanted to say before we start is that I cannot thank you enough for everything that you have done for our subscribers and for me and our entire network this year.

Farrell: Thank you, and vice-versa.

Fitts: It's ironic because we dove in last night and started to talk about some of what we're going to discuss today, and I felt that I had so many aha's.

Farrell: Oh, I did too. We really have to start recording those off-the-record conversations.

Fitts: Do you have anything to say before we probe further?

Farrell: The only thing that I would mention before we dive in is that I think that people have to understand that the scenario that we are going to outline is not dependent on Trump.

Fitts: I think that Trump and a couple of players use it as a distraction to keep everybody focused off the real game.

Let's begin. Our News Trends & Stories editor, Brad Eddins does a fabulous job. Every week we aggregate the stories on the website, and quarterly, we bring them in and aggregate them again. Then we do another aggregation.



What we are trying to do is see the deeper patterns, and every time I go through this, I think I know what is important. Then we go through the process of aggregating and looking and talking and stewing about it, and then whole new things emerge. It's amazing. It's been a fantastic process for me.

I was so excited this time to be able to come and talk to you about it. So, for the Economy and Financial Markets and Geopolitics, I created a list of what I thought were the top deeper stories. We're not going to go into all the News Trends & Stories; the news is way too explosive. We're going to do what we did last quarter, and just focus on what is important.

The thing that struck me the most about the year when I merged all of the big stories and the deeper patterns is that I call 2017 **'The Year of Punching Back'** because the number of experienced, knowledgeable, talented people who are punching back is amazing. It's made me really excited and I'm starting to really get jazzed.

I'll go through some of them. Bill Binney, with his team of Tom Drake and Kirk Wiebe, NSA whistleblowers, has made extraordinary contributions this year. It was Binney who got the information to Trump that he had been under surveillance during the campaign.

Trump hung out there for about two weeks when the entire fake news said, "It's not true. There's no evidence," and Trump just stood by and it was amazing. Talk about just standing!

He could do that because he had it from Binney.



The second thing was that Binney and his team were able to affirm that the DNC leak to WikiLeaks was a local download. That was huge. It just blew the whole Russia thing out of the water.

There were four tracks of litigation to hold the NSA accountable, and he has provided affidavits and support of two of them, and he has basically supported all of them. If you look at his affidavits, I was so impressed that I said to Bill, “Is there any place where we can have the case study summarized and the affidavits available?”

What I realized is that it was 100 hours to get all of this information. So, we did a special report doing case summaries for all of the different litigations and acquired all of the documents and made them accessible. There is a wonderful new law firm in California that has been doing special reports for me this year.

Every time you turned around, Binney was punching back in ways that were so courageous and fearless that it took my breath away. So, I will start with Binney. Do you want to pick one?

Farrell: I was going to add to that. I see that in your articles you have Bundy not rolling over for Uranium One.

Fitts: The Bundy’s continue to amaze me and impress me. I think that these are excellent people. We just made another small donation to their legal defense fund, and I recommend that to everybody.



What has come out now is that you have a BLM whistleblower— this week – and providing documentation that proves that you have very significant violations of the law by BLM, by the Department of Justice, I'm sure from the sounds of it, and this is rolling around the internet.

Part of it was that you had a BLM manager who actually had a kill list on the Bundy's, and they had marked certain people to kill and get rid of and whatever. This is a person whose record is horrible. They have this person bragging about the fact that in a Utah case he got three people to commit suicide.

I know that a very similar crew tried to get me to do the same, basically.

Farrell: If these allegations are true, and I have no doubt that they are given the response of the ranching community up there, I suspect that this is going to start a legal process that is going to impact the politics next year very strongly in the run-up to the Congressional elections.

You have the Bundy legal team now that is going to be investigating all of this. In other words, this is not going to go away.

Fitts: You have a well-prepared, well-versed legal team in the middle of it right now, and this just gives them fuel.

Farrell: This gives them ammo and this gives them directions and places to look. They have the power of subpoena. This could be a rolling story, and I think that it is going to be a rolling story throughout 2018. . It's going to be interesting to see how the mainstream fake news media is going to cover this. They are going to have to say something.



This is going to implicate much of the political machinery. This is going to roll through the departments of the executive branch. It's going to roll into Congress and both parties. I am certain that it will touch both parties.

This is a huge story. It's not going to go away. But the other thing that we need to caution people is that this is not going to explode either. This is going to come out in chapters. It will be a slow trickle turning into a stream, and eventually, they are going to try to control this up to the point of the election.

There is something else that you mentioned when we were discussing this in terms of our scenario that we are going to try to lay out, and that is this story implicates all of the departments of government that you can think of – interior, commerce, state, and probably the central intelligence at some point, the national security council, the Department of Justice, and so on.

What is the one department that is not implicated in this?

Fitts: The Department of Defense.

Farrell: The Department of Defense. That is key to the scenario that we are going to be laying out.

Fitts: This week we had a Washington legislator representative, Matt Shea from Washington, give a press presentation on who the whistleblower is, affirming his legitimacy, and describing why it is so important. Well, he is a former Army captain.



I keep thinking of the song in *Price of Egypt* where all of the Mandarins around Pharaoh are saying, “You’re playing with the big boys now.”

It’s ironic. I said that I think the savviest group of people on the planet is the line military and the line senior intelligence and some of the senior civil servants. You have a layer, and we refer to them as SES. It’s the Mandarin class, and you have the equivalent in the military.

Normally they don’t push back this way, but when they decide to kill you, that’s it. That is the A-Team. I think that the A-Team is operating here. That is what it feels like. I don’t think that there is a group of people in this country who deserve more support from the A-Team than the Bundy’s.

Farrell: I would agree. You began to know that something was happening when the judge released them. That was a big clue that there was either pressure being exerted behind the scenes on the judge or that this story was about to break.

Fitts: I don’t think you realize this, but I put this on Solari. The judge released Bundy, the father, and he refused to leave the prison unless she released everyone. So, she had to relent and release everyone. That was an unbelievably principled thing for him to do.

I will say this: If you wanted to deliver a punch back to the Ziocons, this is it. This is going to work. So, ignore the fake news and get the story that is going viral.



Support the Bundy legal defense fund. Every dime that we give them, those lawyers can do miraculous things now that they have these documents.

Farrell: Right, and disseminate the story. This won't go away if we don't allow it to go away. That is key.

Fitts: My next one is Helen Chaitman. Helen Chaitman is one of the attorneys who has done the most for the Madoff victims, and she is the one who has established that Madoff had one bank account at JP Morgan Chase. JP Morgan Chase saw every dime go in and every dime go out, and was perfectly aware that no money had ever gone to a securities custodian.

She continues to represent victims of more major financial institution crimes, and it's just unbelievable what she is up against.

Lyn Ulbricht is the mother of Ross Ulbricht. She is the lead fundraiser for organizing the defense for her son, Ross Ulbricht. Just as the Bundy case is outrageous regarding the violations of the law, I believe the 'Silk Ross' case and the violations of the law known that have been proven so far are just unbelievable. In this case, it's both the FBI and the Department of Justice.

It's interesting because, if you look at what they tried to do to Bill Binney and what they tried to do to me, they could never get it done because we kept a copy of all digital records. What happened to Ross Ulbricht is that he was not able to do that. So, they were able to falsely frame him using the digital records.



So, Lyn Ulbricht has been up against it, and it's been an amazing fight. They now have new representation, and I think that they are going to the Supreme Court.

On the Solari Report, earlier this year was Howard Root who had a very successful medical equipment company. The Department of Justice went after him, and it was completely bogus. It was a *qui tam* lawsuit, like the one I had to deal with, and he fought back for five years. He spent \$25 million and won. Then he wrote a book about it called *Cardiac Arrest*, which is just amazing.

It's another one of these Department of Justice situations where I think that the violations of the law were very significant. That is what I believe.

Then we get to our favorite, Donald Trump, who is very easy to criticize. If you look at what is happening politically in this country, it's very easy to criticize an imperfect person. But I have to say that if you look at who is in command of the US government military now compared to who would have been in command if the other team won, we are infinitely better off. We have to look at where we thought we were going to be a year ago and realize that Trump has cancelled the Trans-Pacific Partnership, he has cancelled the Paris Climate Accord, and he has basically cracked the trance on fake news, which I think is huge.

Farrell: It is huge. If we were to stop and think of where we would be had the other team won, we would be seeing more Uranium One Bundy Ranch affairs.



Fitts: The entire country would be asset-stripped. It's quite remarkable. I think that breaking this trance on fake news is much more important than people realize. I've been in that crosshair where the fake news is going after you with fake news, and when Trump said, "They did surveillance on me and my family," they just pummeled him for two weeks. They said, "No evidence. It's not true," and then Nunes came out, "Yes, it is true," and off it went.

Then look at what happened to Nunes. It has taken him all year to get out from under the ethics charges which they came after him. So, they really went after it, and Trump wouldn't give.

If you look at that combination, it was the judge on Fox News who was part of it, Judge Napolitano, and Binney and Trump who just wouldn't let it stand.

Of course, I have to bring up Dr. Mark Skidmore.

Farrell: I'm glad that you did. I've been waiting for this one.

Fitts: This has been an amazing experience for me because, for 17 years I kept this thing alive, and I can't tell you how draining it was to just keep it alive and keep it alive and keep it alive. I believe, if we were going to punch back, we had to call them on the money. If you can finance illegal activity, then you can do illegal activity – especially when you can steal this much and this size. If you can steal \$21 trillion, then you can control. I didn't understand why other people couldn't see it.

I'll never forget this. I had one lovely relative who said to me, "Dear, missing money is your issue. My issue is peace."



I said, “Don’t you understand? If people can steal \$21 trillion, then they can decide whether there is peace or war.”

I don’t know if you know the story, but Skidmore was listening to me about a year ago on a radio show, and I was talking about the \$6.5 trillion that had gone missing in 2015. I had made a big deal about that, because from 1998 to 2015 – in which DOD was \$20 trillion and HUD was \$1 trillion – during that entire period, Lockheed Martin had run the systems. They were the primary systems provider for the payment and information systems of DOD.

After the close of the 2000 fiscal year, but before the audit was published, Lockheed Martin spins out its IT division to a new company that was a spinout from SAIC, who also did that. SAIC is also a company that had huge obligations and contracts in Antarctica.

So, they are spinning out their corporate liability to a company that is working on Antarctica. I ask, “What is this?”

I wrote an article called *Lockheed Cuts and Run*. I started talking about this on a radio show. I mentioned that this \$6.5 trillion is missing in 2015 alone. Dr. Skidmore is a scholar at Michigan State University and is a chair of State and Local Government. He is a tenured professor, and also has a number of other obligations and responsibilities and roles that I won’t go into. This is a person who is very serious. If you look at his research and publications, he is very serious. He also knows government accounting.



He is listening to me, and says, “That can’t be true; she has to be wrong.” So, he goes online and starts delving into the documents. What he discovered was that I was not wrong.

I received an email from him, and he said, “Would it help if we dove in and looked at that?”

I said, “Are you kidding?”

So, I’m 17 years in, and I have been waiting for the cavalry for 17 years. At this point it’s been so long. He came in with a couple of graduate students, and they went through literally hundreds – if not thousands – of documents in the HUD Inspector General and Controller’s Office, HUD, and DOD from 1998 to 2015.

These documents are hundreds of pages long. To say that it is boring to read them is an understatement; this is tough work. So, they poured through them.

I said, “What we need to do is put up the raw documentation at Solari. If we can put up all the raw documentation and do a complete survey, then researchers and accountants and people from all over the world can help figure it out.”

So, I was adamant that we had to download all the documents and put them on the Solari server before we went public with anything. He probably thought that I was being overly cautious, but we set it up so that you had every year for DOD and HUD. It wasn’t only DOD, but it was the Army, the Air Force, and all the different services. Then we would put the page number, a link to the document on Solari, and the amount of the undocumentable adjustment.



For many years they wouldn't give you an amount, but for some years they do.

He and his graduate students kept digging and digging. I had the number at about \$11.5 or \$12 trillion. He would write me and say, "We found another trillion. We found another trillion."

Finally, on September 3rd he published a report based on \$18 trillion, but then he kept finding more. I kept getting these emails, "Oh my God! We found another trillion."

Then – and this was a bell-ringing moment – it went up to \$20 trillion and then \$21 trillion. Here is why this is such a magic number. The total outstanding debt of the US government is \$20 trillion. So, it's now bigger than the total outstanding debt of the US government, which really does put things into a bit of a perspective.

Do you want me to go through the timeline now, or do you want to add anything before I dive in?

Farrell: I was going to add that there was another story that emerged in the last couple of weeks, and that is the missing soldiers. The story is that the Pentagon could not find or account for approximately 44,000 personnel.

You have to understand that I love military history. I'm a war gamer. That is one of my hobbies, and people know that about me. So, I'm thinking, "Okay, 44,000 people. That's two to three divisions or an entire corps.



This kind of staff work wouldn't be approved by von Schlieffen and Marshal Zhukov. It's just absurd."

As I read the story with my jaw on the floor, they say that this is due to accounting procedures, and we have not one accounting system that keeps track of all of this. What really struck me is that this is the same structure and the same spin. It's all due to accounting procedures, and there is no one system that we know where to look for all of this data.

This reminded me of that exchange that you put on Solari between Congresswoman McKinney and Donald Rumsfeld when he was Secretary of Defense because they were saying, "This is all accounting, and, no, we don't really have the contracts for whoever is handing all of this."

Fitts: You're right. The controller of DOD is saying that she doesn't know who does her accounts and records and systems.

Farrell: Exactly. And now we find out that we can't account for two to three divisions. So, it's the same structure of missing personal as the structure for missing money.

Fitts: I always say that this is like the person who has two families and is financing two families out of one budget. So apparently the family has 44,000 soldiers.



Farrell: They are somewhere out there and this entire thing got me thinking. We've been arguing for some years – and this is how we backed into each other – as I was approaching this from looking at World War II and all of that missing money, and you were approaching it from looking at the Federal government and the budget and all of that missing money. We came to the conclusion that we are dealing with a hidden system of finance of some sort, and now it turns out that we are dealing with a hidden system of personnel, too.

You know where my speculation is going here, and I'm pretty certain that everybody listening does as well. I'm thinking that 44,000 people is an excessively big group of people that you can't account for. That is perfect for all of your underground bases, your secret deployments to Africa or Antarctica or outer space or wherever.

With this story, I think that we have the other side of the picture of the missing money. We are now dealing with missing personnel. I think that this is the other pillar of the argument that has just been neatly laid out for us.

Fitts: Here is what happened, and we saw this at the two Secret Space Program conferences: The people who were talking about the missing money and the people who were talking about this parallel universe of underground bases and black budget projects got together, and started to integrate the money story with the asset story and the parallel universe story. What has been happening – and if you listen to all of the work that we've both been doing over the last three or four years – it's about figuring out how to integrate it in a way which is sound.



What we've seen continuously is disinformation integrated in a way that is not sound, and you can't do that. This has to come together in a way from a bottom-up standpoint.

Farrell: Right, and if you are the military and you're not in on the loop of this parallel universe/breakaway group misplacing 44,000 personnel, it's going to be a national security issue. You're going to have to address this.

What is amazing to me – and I want to stress this – is that from the way that this story is reported, the structure underneath the story is almost exactly parallel to the structure we've encountered with the missing money.

Fitts: It's the same spin that doesn't make sense.

So, Dr. Skidmore published his report on September 23rd. On September 28th, we published a Solari Report interview with him. Then a week later – and this is what is interesting and a very important thing when we get into the discussion of Bitcoin – Lockheed Martin spun off its information systems, but many of those transactions went through the New York Fed. The New York Fed is the depository for the US government, and a lot of that is handled, not by the New York Fed, but by its member banks. So, they are all liable for this \$21 trillion one way or another.

A week later, we have the announcement that 100 firetrucks had to go to the Fed on the weekend because a fire broke out on the roof as a result of somebody using an old fireplace in the Fed on a Saturday.



Farrell: Fancy that! What a coincidence. I wonder what they were doing.

Fitts: They weren't willing for these papers to even go out in the shredding service; they were burning documents, and they started a fire at the Fed.

Farrell: It doesn't get any better than that.

Fitts: But here is the issue: If you are the bankers, how do you spin out your information systems? You start a whole new currency, right? You create new train tracks and be prepared to let these train tracks go down if they don't make it.

Farrell: Yes, can we say 'cryptocurrencies'?

Fitts: Here is the interesting thing. Skidmore interviewed with *USA Watchdog*, which will be one of the top news videos of this year because it was priceless. The thing about Skidmore is that I met with him in October in Washington. I went to see him and Bill Binney and some other people. All of the different spins and trances don't seem to work on Skidmore. He has very high intellectual integrity.

He says, "Wait a minute. I don't understand. You say your computers don't talk to each other, but one of these undocumented adjustments was that the Treasury sent the Army \$800 million in one transaction where the Army's entire budget was \$120 million. So that is six or seven times' the Army's budget, and that's not a problem because all you have to do is look and see what that was and where it went."



He will count the number of transactions and will say, “Wait a minute. We’re only talking about a total of 126 expenditures all year long. So, this can’t be because it’s big and hard and complicated. Let’s only look at those 126 transactions.”

One of the things that he said on the *USA Watchdog* interview is, “Look, spending \$100 million for auditors is a great investment. Let’s just get some auditors and figure out where this money went. This is not hard.”

So, it’s like Trump breaking the trance on fake news. Skidmore just keeps breaking the trance on the missing money.

He started to work with Professor Laurence Kotlikoff, who is a Professor of Economics at Boston University. He is quite famous for his work on pension funds.

The same week that the *USA Watchdog* interview came out, Laurence Kotlikoff published an article coauthored with Dr. Skidmore in *Forbes Magazine*.

Farrell: Yes, that is big.

Fitts: It’s enormous because *Forbes* is one of, if not the most, credible business magazines in the country. *Forbes* will regularly have stories that the fake news won’t touch. So, they’re not afraid to deal with the real deal. They have done more than most of the corporate media has ever done on that.



Forbes is, in my opinion, the most credible place in that world to do this, and Kotlikoff is very strong. So, the combination was enormous, and that week as these two things were breaking, what does the Department of Defense do? They announced a massive audit, and – of course – it’s the same old spin we’ve been hearing. “It’s very complicated. The systems don’t talk to each other,” but the thing that was interesting. They were also saying that this was the first-time audit, which is not true. There has been a ‘first-time audit’ many, many times. They were required not to start, but to complete an audit in 1996, so during the last 17 years we have been announcing audits.

In fact, Cruz and Rand Paul and some others in 2015 submitted a bill saying that they would be penalized if they didn’t complete the audit that they had promised to finish in 2017. So, I guess they didn’t complete that, but they’re announcing this now. The spin was very, very professional.

We’re going to talk a little more about the missing money later, but what I have to say – because this story is breaking daily– is that this time it’s not going to go away.

Farrell: It isn’t going to go away because it’s too entangled with everything else that we’ve already talked about. In other words, if they are successful in stressing one aspect of the story, it’s going to pop up in another fashion somewhere else. It’s too interlinked with everything else.



Fitts: Two other things happened, which I think we should bring up. One of them was that I had insisted that we not go public with it until we had the documents on Solari and backed up in a variety of other jurisdictions around the world. So, then they removed the documents right after we launched the report in September/October when the Fed was burning down. The HUD and DOD OIG line took the documents down.

I'm so used to those things happening that it was like, "Oh, it's raining. No big deal." I would not have made a big deal about it. Skidmore was shocked, he was really shocked. He's a scholar. You just don't do that. Kotlikoff, too, got upset. They both made a very big deal about that.

Then we were informed, "Oh, they didn't take them down; they were reorganizing their website."

Here is what is interesting: Multiple searches affirmed that they hadn't moved before; they took them down. But then getting nailed in both *Forbes* and Skidmore's report for taking them down, they put them back up on different URL's. So, our team has just spent three days finding the new ones and putting those links up again because we like to have links to their documents. This is like information warfare, and this is very serious.

Finally, what I wanted to get to is the last thing that happened. Michigan State University published a story on their website about 'MSU Scholars Discover Unauthorized Spending of \$21 trillion' and it's amazing. They published that, and going back to the year of pushing back, you have a very fine scholar at MSU, his students, Kotlikoff, *Forbes*, and now the university itself pushing back.



I can't find words to tell you how enormous that is.

Farrell: It's enormous and, it's out of the bottle. It can't be suppressed, and it will probably spread from university to university, particularly in the Midwest.

Fitts: That's good because the one thing that I've seen from both Dr. Skidmore and from the different people he has consulted with about this – because he is going at this at a very detailed level, bottom-up and using the documents – is, I think, that if you get enough smart people like that and others who really know accounting and government finance, they are, not only going to be able to figure out a huge amount, but they are going to be able to tie it back to state and local government, which is where we have to go.

Farrell: That is precisely why the university system is so significant. This goes directly to the states and what their Federal apportionments are. This is going to spread.

Fitts: I have been trying for 17 years to tell people that this is real money and that this much money has real consequences to their lives, to their pensions, to their municipal services, to the crime in their neighborhoods, and for 17 years, while the debt growth model was growing, everyone could pretend that it wasn't real. This is the big thing that has happened with this last election: The debt growth model is over. You and I have been saying this for a few years now. The debt growth model is over, and all of this money is going to become real.



This is real, but it's as though, suddenly, you have an entire world of serious people who are now accepting that this is real.

Farrell: What that means is it puts the 'business as usual' people on their guard because now they are behind the curve. This is being done independently. This is not an organized effort, although it's going to take on organizational characteristics as it spreads. If you get a major university system in Michigan – which has been hard hit by the talent drain, the brain drain, the Rust Belt, and everything else – that is going to spread. I'm almost sure that you are going to see it spread to other universities like Illinois – which was also hard hit. It is going to spread to California and will continue to spread.

Fitts: Here is the thing: Michigan is a state which can win on the insourcing back into the United States. Michigan has an incredible opportunity.

More on that later.

We're still talking about people punching back, and I have to give Dr. Kotlikoff credit because he is the first person willing to take this into the corporate media, and that takes enormous intellectual confidence.

I have also to mention Chuck Marohn whom we did a great interview with. He runs Strong Towns. He was an engineer working for an engineer consulting firm, and kept discovering that municipalities didn't have enough maintenance money to keep their infrastructure upgraded.



Rather than re-engineering their infrastructure, they would get more Federal grants to do more infrastructure that would put them in a bigger maintenance hole.

He kept trying to talk them out of taking on more Federal money to build more infrastructure. This is a real ‘fees for your friends’ issue.

Lafayette hired him to come in and do a study. What they discovered was that if they were going to maintain their current infrastructure, they would need to raise their average property taxes from \$1,500 to \$8,500 a year. What he showed was that using the Federal money, they would have built an infrastructure which is beyond what the private economy can support. It’s not an infrastructure that is giving energy to that private investment. This goes back to draining your small business and all of the issues that we’ve talked about.

So, he decided to leave engineering and start a not-for-profit called Strong Towns, and it’s all about building a healthy economy and using engineering investment to build a healthy economy and how to do that. It’s an amazing program.

If you go to www.StrongTowns.org, it looks really lovely and sweet and local, but it’s revolutionary. It’s revolutionary what they are doing.

One of the reasons I so appreciate Skidmore is because he knows how to ultimately bring these things down to a state and local level. He is a Chair Professor in State and Local Finance.

I introduced the two of them, and this is what you need. You need a team of people who can rebuild our local economies but interact with what is happening with the Federal government.



Farrell: Precisely. You need to put people together who can connect the dots. You have Marohn essentially doing what you've been talking about – place-based financing – and then you have Skidmore tracking all of this missing money. The important thing here is that they are networking with each other and comparing notes. This is precisely why this is not going to be able to be stopped. It's taking on a life of its own, and people are starting to connect the dots, which is what we've wanted to happen for quite some time. This is a major, major benchmark.

Fitts: What Marohn sees that is so great is the opportunity. He sees how sub-optimized things are and how much money is being wasted sub-optimizing. He knows that we can reoptimize and get much better results for much fewer dollars.

This brings me to Mel and Aaron Dykes from Truthstream TV. When I decided to do 'Control 101' for the 3rd Quarter Wrap Up, one of the things that I was focused on was the extent to which the leadership has now supplemented controlling through financial mechanisms with managing through mind control. They have taken the MK-Ultra technology, the mind control technology that the Nazis supplemented after World War II, and they figured out how to take it to the general population at very low cost.

People will pay you for an iPhone, and they can proceed to entrain you. In other words, we are paying them to entrain us. It's a for-profit mind control.

I started to have real feelings of guilt because we did the entrainment technology Solari Report and we've done a great deal on this.



But I realized that if you look at what people need to understand what they are up against, we've done many book reviews on how it relates to pornography and how it relates to gambling and all of these things, but people still weren't getting it. I said, "I need a major effort here."

That's not my beat, and I didn't want to do it, but I said, "I feel that I have to do it." So, I got online to see who else was doing what and I realized that I didn't have to do it because Truthstream Media was doing it. They decided to take on mind control, so I just kept peppering them with emails until I got in touch with them.

They came on and did a Solari Report, and we discovered that they are working on a documentary. I hope they finish it by the end of the year. It's a real history of how we got to where we are on mind control.

Farrell: I want to add that it is important for people to understand that when we are talking about mind control, we are not talking just about the hard technologies of beaming microwaves and interfering with your thoughts; we are talking about the entire panoply of technology and technique – marketing, neurolinguistic programming, and a huge thing that people don't think about in this connection, and that is the arts, particularly music. People need to remember that the CIA was pushing modern art and certain kinds of music precisely in an effort to dumb people down and entrain them.

We're talking not just nuts and bolts technology. We're talking about the whole cultural matrix of manipulating people's information -



and manipulating how they respond to it, deadening their emotions, and so on. The arts are a large part of that effort.

The iPads and everything that you've mentioned are also a part of it.

Fitts: I was talking with you about this scientist who raised all of his children from the womb to the age only on highly complex classical music, and by five or six or seven, they were speaking five languages because they've had those train tracks laid down.

Farrell: It's very important. Hopefully, someday we'll be able to get into, what I call, the 'soft aspects' of mind control because, in many ways, I think that is much more dangerous than the actual hard mind control technologies. It's much subtler, and people are exposed to it every day. We're going to have to get into that. So, bare that in mind whenever we say 'mind control'. This is what we mean.

Fitts: We are still talking about people punching back, and I have to talk about Stephen Willeford. I don't know if you even remember who Stephen Willeford is, but he was the gentleman who was a former NRA instructor. When the church shooting happened in Texas recently, he got his assault rifle and stopped the shooter.

He was still shooting, and when Willeford showed up, the shooter stopped and tried to get out. Willeford was able to shoot him and stopped him.

It's ironic. At one press release, Trump believed that was not the only church that the shooter was going to and it gets even better.



Here is Willeford with an assault rifle, and when you hear the detailed description of what he did and how he did it, it was essentially that he had an assault rifle. A revolver was not going to do it.

Anyway, he refused to speak to the mainstream media, and will only talk to the NRA news program and another news program that one of the NRA news people does on local TV, and also Steven Crowder. So, he got his story out impeccably. He's a very cool guy and, apparently, was in construction for many years.

At one point, he left the house barefoot because he doesn't have time to put on shoes, and he turns to his daughter and asks her to load a couple more magazines. So, Chuck Crowder said, "Why did you do that since you were going a couple of blocks away?"

He said, "I wanted to keep her busy so she wouldn't follow me."

That is a man who knows how to handle himself around trouble. If you look at how he handled that and the extent to which it completely devastated the different spins on gun control, the only information that got out about Willeford was what went out through the independent media.

Then Scott Tips at Health Freedom has continued to do an amazing job of trying to stop Codex, and that is something that most Americans don't seem to understand – the danger of the global effort to really shut off our vitamins and supplements.



Josh del Sol on Smart Meters and the Smart grid has a new program now on how to litigate. In fact, it's not only Josh. I've been in touch with several groups who are working in their different areas such as student loans and mortgages and teaching people how to litigate back. I'm very excited about this for 2018 because if we can help citizens representing themselves to start filing massive numbers of lawsuits to push back, I think that it can make a big difference.

Colonel Lawrence Wilkerson continues to push back regarding national security and the 'war machine'. He has continued to do interviews all year.

Finally, I have to say that John McAfee, who is a cryptocurrency minor, has a company that is doing Bitcoin mining. He has been warning people about the security issues. It's a much more honest, insightful review of the real security issues.

So, if you look at the list of who has been pushing back, every time you turn around there is another punch coming through, and these are people who know what they are doing, and they are effective, smart, experienced, and valuable.

It's almost as though the world says, "We've had it with this."

Farrell: I agree. There was some major pushback. The Bundy Ranch incident is the key here – hanging all of us together, and that is monumental.

I'm with you. I am very encouraged.



Fitts: Let's move to the second part. The most important story is the 'Year of Punching Back'.

Number two is '**The Shift from Global 2.0 to Global 3.0**'. For people who are new to this concept, what we have been talking about for several years is that we think the financial coup d'état was really a process of shifting money out of the industrial economy – much of it by hidden and illegal means – and using that money to finance a new Global 3.0.

One of the questions is: How did they evolve cryptocurrencies into being in the currency for 3.0? Of course, that is part of this.

As I said at the beginning of the Annual Wrap Up, in January 2017 and Global Harvest, the big question here is that they took the money and moved it out of 2.0, but the liabilities – pension funds and social security – are still there. How is that going to be dealt with now?

What I saw this year was, first and foremost, one of the most important things that happened this year was that David Rockefeller died in March. David Rockefeller died, and then Brzezinski died. What you're talking about is the people who approved the Kennedy assassination and the 9/11 operation, so people at the top of the food chain are dying. Bush and Cheney are essentially sidelined. So, you have this whole generation, and you described it as an arc. We have an arc from the Kennedy assassination to 9/11, and those are the people who controlled the arc.

Farrell: You're dealing with a structure in that arc that begins with the Kennedy assassination, the CIA, what I call, the 'Sullivan & Cromwell crowd', and you're dealing with the deep state.



The problem is that generation based its power not only on that structure but on their ability to control the information through the media.

Of course, for a long time that was the three networks, the CIA, Operation Mockingbird, and all of that. What began to happen, of course, towards the end of that arc is the internet and the explosion of independent researchers who were challenging that entire structure. Of course, it began with Kennedy. Now that structure has collapsed. This is the important thing. It's not only the death of the old guard that at least had some sense of restraint – although murdering a President and 9/11 may not seem that way in retrospect considering some of the other things that we are going to talk about, that is true. But their power structure has evaporated, and what they were doing is no longer possible. The debt growth model, as we've been hammering this over and over again, is over.

In the scenario that we're going to be outlining today, you're really looking at, not only deep factional infighting taking place, but it's now taking on definitive lines. You can see the fissures and the fault lines. As we discussed earlier with Bundy Ranch, there are certain departments of the Federal government that are part of the structure of the old guard. It appears as though the Department of Defense is caught in the middle; part of it is old guard, and part of it is new.

The power structure has shifted from the corporate media to the independent media to the independent researchers who now have the ability to get their information out and get it out quickly.



So, yes, this shift from Global 2.0 to Global 3.0 is being accompanied by the shift in the power structure and a number of new people coming in trying to manage the old power structure. They're not terribly clever, as we're going to see.

But we are definitely dealing with an arc.

Fitts: We're dealing with an arc, and the other thing – just to make it simple – is that we are dealing with life under the Rockefellers versus life under Bill Gates. That is a frightening thing because the Bill Gates of the world, in my experience, if you ever dealt with that group of young techies like the Mark Zuckerberg's, these are the little boys who pulled wings off flies and thought that was funny.

Farrell: Yes. You are dealing with people in the Young Turk crowd who were not grounded in the culture.

Fitts: They're not grounded in anything; they're not grounded period.

Farrell: I would agree with that, but they're not grounded in any sort of ethical constraint. Please note that I'm saying 'ethical', not 'moral'. In addition to this, they have accumulated their fortune mainly through mercantilist policies that have favored them.

Fitts: I'll say it this way: If you will give the NSA what they want and do it in secret, you can be a billionaire.

I believe Silicon Valley was built on a sea of narcotics trafficking money and Area 51 technology. So, they got the technology for free, -



and they got the capital for free, and they don't even know it.

Farrell: They don't know it, and they have no cultural constraints nor have any moral constraints. You at least had some presence of that with the old guard, and that is gone. All of the restraints are gone, and all of the brakes have been removed.

The other problem that you're dealing with is that the Rockefeller 'Sullivan & Cromwell crowd' were practiced hands at these types of things. They were careful, they were able to manage crises as they came up, and they were able to manage the information flow. This new crowd has not a clue how to do any of this and do it well. I think that is the reason you see so much of this come out with Uranium One. These people were, in the final analysis, fundamentally clumsy and stupid to do the things that they've done – kill lists.

This isn't the hallmark of anybody who is professional. The arc that we see come to an end and all of this pushback, in part, is because these people have been so clumsy at what they've been doing.

Fitts: The new generation – the Clintons – were very, very sloppy. They didn't feel that they needed to be neat or careful.

Farrell: Exactly. So, this is coming to an end. I think that you are going to see – particularly with respect to Gates and his involvement with vaccines and GMOs and Common Core and all of these projects. And let's just look at the educational system because this is part of this factional infighting that we're seeing – Gates and his connections in Common Core, who else was pushing Common Core?



Part of his various structures that he was setting up to drive it, he found Hillary Clinton, and he found Jeb Bush.

In other words, this total network is closing in on itself. It's imploding in on itself because they are losing control of the information. They have lost control of the information, and this is hurting them drastically. I don't see that it is going to change.

Fitts: It appears to me that the techies made a deal. If you look at who was behind Trump, I don't think Trump 'won' the campaign; I think that the people behind him won the campaign.

Farrell: You and I have said all along that it was a deep state candidate; it was just a different faction of it.

Fitts: Right, but I think that the deep state faction that backed Trump and used Trump made a deal with the techies this summer. That is what I perceive. So, Gates and the military have buried the hatchet. What exactly that means, I don't know.

David Rockefeller dies in March, and then what do you see happen next? Amazon announces that it is buying Whole Foods, and the entire grocery market market capitalization trades down \$40 billion . Amazon and Whole Foods are up \$15 billion in market cap, but the whole market trades down \$40 billion, so the market is down by \$25 billion. That's a very big shift. Suddenly everybody realizes, "Oh, now we're starting up the curve into 3.0, and this change is going to accelerate."



That is what has happened the entire year; it's now begun. Of course, as that is happening, we are seeing more and more talk about abrogating or canceling different pension funds, and we see bankruptcies. The controlled demolition of 2.0 has started, and that 3.0 S-curve is starting.

Farrell: With that controlled 2.0 demolition, the other thing that we need to emphasize is that they are taking out the people who were running it. They are taking them out.

Fitts: Let's look at Amazon for a second. Who and what is Amazon? We know that Amazon/Jeff Bezos bought Whole Foods at the same time that he cut a deal for a major contract with the CIA to run their cloud. So, who is Amazon? They are the CIA's cloud.

The CIA has now put all 17 intelligence agencies into a shared cloud so that they can coordinate together. One of the reasons I think we saw a deal this summer is because DOD now comes out and says that they are going into the cloud with the CIA and the 17 intelligence agencies underneath the Amazon umbrella.

Now instead of Lockheed Martin running the data beast, suddenly Amazon is running the data beast. There is a big question there.

Farrell: It's a very big question, and we are definitely going to be getting back to it.

Fitts: That takes us now to what you brought up, which is that, interestingly enough in the beginning of the year, if you went back two weeks ago, we had 'The Best of the Solari Reports: —



The Wrap Ups' and one of the things that I predicted in the Annual Wrap Up and in the 1st Quarter Wrap Up was that you were going to have to purge all the old leadership. I said that there were going to be big purges this year.

Well, this has been the year of the purge.

Farrell: It has, and it's not over. In fact, I think that what we're seeing is just a prelude. We are going to get the fugue next year.

Fitts: Touché. It starts with the sex purges, and I keep going back to *Casablanca*. I was shocked to find out that gambling was going on in this establishment. My favorite was Hillary Clinton saying, "Oh, I didn't know Harvey Weinstein."

Farrell: Yes. "I'm shocked! I'm shocked!" Right.

Fitts: There was one interview where Clinton said, "How can we tolerate a man in the White House who abuses women?"

Farrell: I know! I'm thinking, "This takes some really big brass ones, Hillary." It's just too much.

Fitts: Here is the thing: I left The Department of Justice and started fighting in 1996, and then left Washington in 1999 when I sold my house. The corruption was so off the charts and just getting worse every year, so I was glad to get out. It was too perverted for words.



When you listen to the sex revelations, what you realize is that this has been getting more and more out of control for years, and you just can't imagine how bad it is.

Farrell: I can. What disturbs me is what we're watching is, not only weaponizing women, but it's also creating a culture that I find very, very disturbing in a way almost prerevolutionary.

I believe this is the Jacobin culture of revolutionary France and Robespierre's committee of public safety. All it's taking now to end somebody's career is an accusation – no evidence and no due process; only an accusation.

Part of me thinks that the scuttlebutt on the internet is all an op so that they can go after Trump. Well, that may or may not be true, but it's not going to work. The reason it's not going to work – and we're going to get into this detail later – is something that we mentioned at the beginning of the interview. The scenario that we are outlining is not dependent on Trump; this is a major pushback effort on parts of the deep state against other parts of the deep state.

It appears that this is emanating from the Department of Defense in some fashion. So, bare that in mind as we are talking through the rest of the scenario.

Fitts: I don't think that this is dependent on Trump whatsoever.

Farrell: It isn't at all. This is going back to what we previously discussed.



Fitts: They are using Trump to get control.

Farrell: Yes, they used Trump to get control. He was the deep state candidate from the beginning, and we said that last year. This factional infighting that we were predicting was going to happen is happening.

Fitts: Now there are the sex purges, but there are the shakedown purges as well.

Farrell: That is different.

Fitts: You're still getting rid of older, expensive people. It's just much more profitable.

Farrell: The shakedown purges are Saudi Arabia. Look at what had happened in that country. You look at their financial charts and you look at their demographics and so on, and they are in a very, very bad position. They have to get their hands on cash.

This is what fascinates me. Who was arrested in the Saudi coup? Well, Prince Alwaleed bin Talal, who was a major stakeholder in CitiBank CitiGroup was arrested. He has some major interest in the top floors of the Mandalay Bay Hotel with Bill Gates. He also has major stakes in various communications industries. He was one of the people arrested and shaken down, and he, in turn, has some very loose ties to the Clinton network. If you look at the Obama cabinet, all of this is coming out of CitiGroup.



Then you had the arrest of the bin Laden prince inside of Saudi Arabia, and this came at the same time that we saw all of these sex purges. So, it appears that this is part of a piece. If you look at the Saudi purge, the two American families that it seems are being deliberately targeted in the Saudi purge are precisely the Clinton network with Talal and the Bush network with the bin Laden prince. So, this is the shakedown. This is good old mafia wars here.

Fitts: You also see something that I think is all part of these purges, which is you have stolen the money, you don't need these people anymore, and you certainly don't need them to sit on this money, and the money needs to get reinvested back into the hard economy. I think that this is all part of bringing money out of the offshore havens and out of the fixed income market and down into the real economy.

Part of what the bankers are struggling with is how to do that without massive inflation. That is part of the cryptocurrency move.

MBS and Saudi Arabia need the money, and he can't negotiate with a hundred big egos to get the money. The oil game is over.

Farrell: The oil game is over. They have to move into production, and this is precisely what the Saudis are doing. They are cutting these deals with Russia, and they are cutting these deals with Trump to have a manufacturing capability in Saudi Arabia.

The way that it seems to me is they are using the Saudis as a beta test. If they can do this and get away with it there in that climate, in that kind of repressive environment, then it will work here.



So, I think that the shakedown in Saudi Arabia is the tip of the iceberg of what we are going to start seeing, and I think that the Uranium One matter is connected with this, too. That is another shakedown operation, and it is going to fall out that way.

Fitts: I could make a list of a whole group of people who deserve a major shakedown, but you cannot do that unless you get control of the Department of Justice. The Department of Justice is deeply compromised.

Farrell: It's been compromised since Reagan and Inslaw-PROMIS scandal. That is what is lying behind all of this.

Fitts: It's deeply compromised, and one thing that has really struck is Fox News. If Disney gets control of Fox News, what does that mean? If you look at the different revelations over the last two or three weeks about the incredible behavior of the FBI and the Department of Justice during the campaign and during the transition, what you see is the culture that I saw when I litigated, which is the Sheriff of Nottingham culture that believes they are above the law and free to do whatever they want, and they are never going to be held accountable. People keep saying, "Why in the world would they put that in an email or text? You have to be nuts," but they believe that they are above the law.

Farrell: And they believe that they are going to win and be protected. This is why the Bundy/Uranium One issue is so significant.



If you look at the implications of the Departments of the Federal government that are going to be implicated in that, the Department of Justice is at the top.

You have several Attorneys General that are implicated. By extension, Assistant District Attorneys, US attorneys in various regions, and the FBI are going to be implicated. The FBI Director, Eric Holder, Loretta Lynch, and the entire Clinton-Lynch meeting are going to come under scrutiny.

Fitts: Here is the thing: One of the most corrupt AG's that I ever saw was Jamie Gorelick, who is now a Wilmer Cutler partner. She is Jared Kushner's attorney.

The Kushners were deep in it with the Section 8 and the HUD matter. As you know, I think it was the money pouring out of HUD that was used to finance both the Clinton Foundation, the Blair Foundation, and Jeffrey Epstein's operation. So, this could pull us back to the *Worricker Trilogy* and the money that the Clintons used to buy Blair and the Brits.

Farrell: Yes. This is going to roll. There are going to be many heads rolling here. The Kushner role in here is unusual because he is, of course, the one who made the trip to Saudi Arabia just before the coup happened there. So, something is going on there. There is somewhat of a quid pro quo that we haven't quite figured out yet.



Fitts: They have converted all of the Kushner money into commercial New York properties. It was all HUD Section 8 housing. So, the Kushner money and the Kushner data went to prison. That is all Section 8 housing, and Netanyahu and the Israelis.

When Jared Kushner retained Jamie Gorelick and brought her into a Trump post, I was thinking, “Are you out of your mind? Why are you doing this?”

Farrell: This is going to be very, very interesting.

Fitts: Yes. This takes us all back to the HUD missing money. I will tell you the other thing that takes us into the HUD missing money: The new Fed Chairman, Jerome Powell, was at Dillon Read with me. He is basically a Nick Brady guy.

I was at Dillon Read in 1988. Nick went in early to be the Secretary Treasury at the end of Reagan because he was going to stay on and be the Secretary Treasury for Bush. I think that Nick brought Powell down with him in the Bush Administration, but I’m not sure. Powell left, and I think he went to Bankers Trust. But when the money starts disappearing from HUD and DOD at the beginning of fiscal 1998, do you remember what the President of CalPERS said to me? “They are moving all of the money out starting in the fall?” That is when the money started missing.

Immediately when that happened, Monica Lewinsky is blowing up, so nobody is paying attention to anything other than sex in the oval office.



At this time, Carlyle explodes with revenue. They are putting together billions of dollars of funds to invest in China, and everybody is saying, “Where are these guys getting all this money?” It was unbelievably miraculous.

They put Powell in as a partner at Carlyle. My theory is that they wanted Powell. Brady and his people didn’t trust the guys at Carlyle who were fast and furious, so they put Powell at Carlyle to watch that missing money and make sure that things were on the up and up.

If I’m right, Powell was an important figure for that syndicate in laundering the money out of HUD and DOD and getting it reinvested.

Farrell: If that is the case, then there is another prediction that we can make. Netanyahu is under investigation in Israel for some financial issues. So, I’m suspecting now that, based on what you just said, this is somehow connected to why Netanyahu is under investigation, and that this whole picture is somehow all related. It’s going to start spilling out once people start pulling on all these threads.

I’m willing to bet money that this is related to what is happening in Israel.

Fitts: The Section 8 people had plenty of money flowing back and forth, and Kushner’s group was right in the heart of it. They were New Jersey and New York properties, I think.

\$21 trillion is a lot of money. It could flow to many places.



Farrell: Yes, it certainly can. We'll get back to it.

Fitts: I'm with you. I think that the purges have just begun. What is interesting is that when you are highly successful and gain tremendous power in – as you described it – one arc, the arc from the assassination of Kennedy to 9/11 is definitely an arc. What you are noticing about the people who built enough power there is that they don't see this shift coming.

This is a huge and deep shift, and it's being driven by the fundamental economics and the fundamental structural realities. I don't know where this goes or how it happens, but I think that the purges could be enormous, and I think that the shock to the people who are being taken out could be enormous.

Farrell: I suspect that one thing you are going to start seeing – if this latest reading that you are offering is true, and if we are correct that this is an arc from Kennedy to 9/11 – is all of the factors that you have in between. You have the savings & loan business, Franklin Bank scandal, Nugan Hand Bank scandal, Vatican Bank scandal, BCCI, and all of these financial things are intertwined.

Fitts: There is \$50 to \$100 trillion stolen.

Farrell: Exactly. You have the same people involved in all of this. I remember the Meg Greenfield column years and years ago after the BCCI scandal broke in *Newsweek*. She wrote this brilliant column about how she felt as if she was watching a Mozart opera with all of these financial scandals – the Vatican Bank and P2 and BCCI.



She said, “It’s like a Mozart opera. Everybody is in disguise, and they are all wearing masks, but yet when the masks are off, it’s the same people over and over and over. We have to get to the bottom of this.”

If we are right about this being an arc and these purges happening to the 2.0 people who were managing all of this, then this is going to roll from the United States across the ocean into Europe. We’re going to start to see some purges happen over there.

It’s important for people to understand what I’m suggesting is that if we start seeing this begin to happen in Europe and also in the Asian banking centers – Hong Kong and Shanghai, Tokyo, and so on – then it’s a bit of corroboration of the scenario that we are offering.

In other words, I don’t see 2018 and these purges as being confined to the United States. It’s going to spill. I’m looking at Germany for one place that is going to spill. France is another key one that we were discussing. They’ve taken a terrible hit. In Italy and Spain, we see it, but we haven’t seen the purges start happening in those countries yet. I think we are going to start seeing them now.

Fitts: I agree.

So, number one was ‘The Year of Pushing Back’. Number two was ‘The Shift from Global 2.0 to Global 3.0’ that starts up the S-curve.

Farrell: Before we leave that, let’s mention one other thing with these purges. You have a very important question in your notes, and that is:



Now that they have won the election, who needs their help or their policies? That is one reason for the purge.

The other thing that we are looking at is they are trying to reassert control of the systems. This is not just about finance; this is about reasserting control over the information systems. This is what is lying behind all of this with the missing money and the missing personnel. They are trying to reassert control over the systems. This is where I think your insight about Amazon and the CIA trying to collect everything under one cloud or umbrella is happening.

If I were the DOD looking at all of this, I would be saying, “No. We can’t be putting that much confidence and trust in the very same corporations that have helped to create this mess.”

Fitts: If I were the DOD and the intelligence agencies, I would insource everything. Just like Kennedy brought in a whole wave of the best and brightest to be government civil servants, I would commit to major personnel investment training, and I would insource every bit of this.

Farrell: Yes, and we are going to get back to that part of the scenario, but I wanted to mention this: This is about control of the systems. This is the end of the arc. The structures that were present for control mechanisms throughout that arc are no longer viable.

They are going to have to insource everything at this point, and I think you are going to see some sweeping changes.



Fitts: The number three top story that I want to talk about for 2017 is what I call ‘**A Tsunami of Ops**’.

What was interesting when I was booted out of the establishment and started to participate in independent media, I discovered this phenomenon of the conspiracy – and the conspiracy being a bad thing.

I had been brought up to believe that people getting together, putting together a secret plan, and executing it was the basic fundamental operating unit of society, and I didn’t think it was a bad thing. This was simply how things got done. It was transaction; it was ‘Let’s make a deal.’ So, you got together, you made a plan, you made a deal, and you implemented. That is how things got done.

What I soon discovered is that the CIA creating this pejorative thing called a ‘conspiracy’ is essentially their way of keeping people powerless. They were teaching you that this was something that you could never do, which meant that you had no power.

Here is what is interesting: Once upon a time, we really did get things done by launching a new product or starting a new government program, or an agency announced that they were going to do something. No more. Now everything is an op. The fundamental governance process is op after op after op, and this year every day was a new op.

Farrell: This is important: All of these ops are designed, more or less, to keep the status quo going. That is the objective, and it’s not working.



Fitts: The 2.0 groups are using ops to defend. The 3.0 are using ops to accelerate into 3.0. You have all different kinds of ops occurring. If you aren't trained in intelligence agency operations or covert operations for the intelligence agencies and the banks or whomever, and you are a citizen who has gone through the normal US educational system, the world makes absolutely no sense.

That is why I have had more and more people join Solari. They always talk about your work and my work. What they say is, "I can't understand my world." But you can't understand your world unless you understand ops.

This year it's a tsunami, and I find it breathtaking.

Farrell: It is breathtaking, and it's very important for people to understand. You have ops being run to maintain the status quo, and you've ops being run to take those people out. So, you're in a mafia war.

Fitts: Right, but it's a mafia war engaged by people who are very sophisticated and have incredible resources.

So, let's just go through the 100 major ops. In Control 101 I said that the mind control op is the op that makes all of the ops come true. You can't get away with all of these different ops and you can't execute them unless you have major mind control operating. That's why I think it's so important.



I believe the number one major op going on is, what I call, the ‘Con Con con’. You’re brilliant on this, so maybe you could describe the Con Con con.

Farrell: The Con Con con is the idea that to fix all of this, we need to have a Constitutional Convention. I’m sorry, but I’ve said it over and over again until I’m blue in the face. If you have a Constitutional Convention, this could end up being another Philadelphia convention. What they were supposed to do is amend the Articles of Confederacy, and they tore them up.

Once you get into a Constitutional Convention, you could end up with an entirely new Constitution. This could be their means to roll all the liabilities onto the public and walk away from all of their responsibilities – legally – for all of the missing money.

Fitts: They tear up the liability for the \$21 trillion, they tear up all of the different legal obstacles that are stopping them from doing radical re-engineering. This is how you tear up guns, freedom of speech, human rights, and you tear up everything.

Farrell: You tear up copyrights, you tear up patents, you tear up everything. This is not a way to go. The way to go is to enforce the Constitution and bring some transparency and some rule of law back into the situation.

The other thing that we have to face is that a Constitutional Convention, by the same token is not going to address the mountain of Federal regulations that are choking the economy. So, this is all smoke and mirrors as far as I’m concerned.



Fitts: The way you address that is to bring the \$21 trillion down to the state and local level, and start talking about the bottom-up, how we re-engineer step by step by step.

We've done a tremendous amount on the Constitution this year – both you and I. We had “The Best of the Solari Report 2017” the third week of December, and in the final week we pulled up all of our ‘Enforce the Constitution’ topics. There is a tremendous amount of information on there, I encourage every subscriber to think about, “What can I do to help enforce the Constitution?”

Much of it is going to come down to working with state and local officials and your neighbors. Look at what the Bundy's and their friends did. Talk about saving the country!

So, we get to what is the biggest financial op of the year, and that is Bitcoin! Whoa!

I completed a major due diligence. When you have to do due diligence as an investment advisor, it's very high standard. It took 100+ hours, and I asked Court Skinner to provide me as much information as possible on it. He's a brilliant man and was head of research at National Semiconductor. He received his Ph.D. from MIT. You need that caliber of real engineering brains to figure it out.

I was able to go around the country and talk to some of the top cryptologists and software developers that I know. Without them, I could have never figured it out.



Anyway, we did a great Solari Report with Harry Blazer. He came to the Cryptocurrency Conference with me, and we did a Solari Report called ‘Bitcoin: The Op’ where I went through it in detail.

One thing that I pointed out is that I do think it is very important to understand watching technology and its ramifications. In ‘Bitcoin: The Op’ there are a tremendous number of links to some great resources if you want to do that.

The reality that I see coming into the 2018 campaign, and the most brilliant comment that I heard all year on Bitcoin was said by you. You probably don’t even remember this. When we did the 3rd Quarter Wrap Up: News Trends & Stories, you said, “This is Hitler’s wet dream: An infinite amount of money to finance secret armies.”

Farrell: It is. Everything about this bothers me. The blockchain idea has been around as far as I’ve been able to tell – and people have been informing me – since the 1970’s.

What I did not know, and I found out this week, is that the original encryption algorithms have been based on 256-bit encryption.

Fitts: That’s not secure.

Let me give you a little background. Cambridge University did a marvelous overview of the whole cryptocurrency industry. It is linked in ‘Bitcoin: The Op’ and they did a fabulous job



Let me give you a little factoid: At the time they published their study in January 2017, 70% of Bitcoin holders had their holdings on exchanges where the exchange had the private key.

Farrell: That's not secure, folks. It's simply not secure.

If you want the nightmare scenario, just remember that this technology is being drafted and talked about in the 1970's by the intelligence agencies. In other words, the way that I'm looking at it is you have another op with a backdoor – or multiple backdoors – that the intelligence agencies have access to.

Fitts: The keystrokes can be compromised, the transaction compromised, the hash compromised, and that is before we talk about whether quantum computing can bust the blockchain.

Farrell: There is that also, but the problem here in the way that I'm looking at it is that everybody says that it is foolproof, and I'm thinking that if you are intent on committing banking fraud, this is your dream. They can strip you of everything at the push of a button if they wanted to or they could crash the whole value in an instant if they wanted to. On top of all of this, this has all the hallmarks of a deliberately staged bubble.

Fitts: I had never spoken to as many naïve people as I did when I discussed the custodian issues on any financial product, including cryptocurrencies. You're talking to an entire world of people who have never dealt with significant custodian risk management.



Farrell: There is no concept of it with these people.

Fitts: They have no idea about this, and they also have no idea how the law and regulations work.

Farrell: Here is another thing that you brought up when we were discussing this problem. The people investing in Bitcoin are bringing with them their entire information cultural field. In other words, Bitcoin to them is being sold and marketed to a certain extent as a new world or a new culture or a religious type of panacea fix for everything.

Many of these people are, not only invested financially in it, but they are invested emotionally and even spiritually in it. This is what I find so very, very disturbing about it.

We did a vid chat yesterday, December 15th, and this is in my Members area. Someone wrote a comment. If any of your listeners are also subscribers to my website, go to that vid chat and listen to it. Someone sent me a four-page commentary on what they saw as possibilities for the Bitcoin scenario, and it is truly frightening.

It is all based on the fundamental thing that you have hammered home over and over and over again: These systems are not secure. These systems have no integrity. There is no integrity in this system. You don't know who the owners are.

The other thing that bothers me about Bitcoin is, if you look at its performance, it's extremely volatile and is fluctuating all over the place.



Fitts: It was at \$19,000 yesterday.

Farrell: It's absurd. This is not a good thing and it's an op and a bubble.

Fitts: When I finally figured out how it worked, I was so amused because if you look at the brains that are going into inventing how we can scale blockchain and scale cryptocurrencies and if I put all of that talent and tried to hire it, they would not work for the establishment. But even if they would work for the establishment, it is much cheaper to run the price up than it is to hire them all.

So, if you want to develop global currencies and a chipping system – which is really what we are talking about – if you want to build a chipping control system, the fastest way to do it is exactly what they are doing right now.

You run the price up, everybody thinks that they are a genius, they are drunk on entrainment, etc.

It's interesting because what I've said to subscribers is that if you look at what needs to be invented and if you look at the extent to which you can run private armies into the 2018/2020 elections in Europe and Asia and here, why would you give this up?

When someone like John McAfee says that the price is going to go to \$500,000, it could.



Farrell: Here is the other problem. You mentioned private armies. I've already blogged about a story in relationship to Bitcoin that certain Neo-Nazi groups are using Bitcoin as a means of funding their activities.

Fitts: One of the reasons the price is so high is because you're free of regulations. Most participants are not paying taxes, most participants are not following regulations, and most are operating as though they are free of regulations.

What that means is that, since everybody is in the NSA database, when they decide that they want to have a control file or do asset seizures, they are going to be able to nail every one of these people.

Farrell: Here is the other thing that they are building out towards: It's not only blockchain currency that they are building towards, but they want to put all financial records on blockchain – property deeds, titles, and everything similar. I've been warning people for years about the hazards and dangers of eBooks. I've noticed that my books that have been on eBooks, the formatting is changed, there is no way to reference a page specifically because of this ability to change the format. That is information control.

I don't know about you, but I don't want the title deed to my house or my car or my belongings floating out there in some ledger; I want a physical paper copy. Do you want to turn all your records over to this operation? No thank you.



Fitts: It's ironic because when I started Hamilton Securities, we were the most digitized company in the world. When MCI wanted to figure out how to integrate their computers with their telephone, they studied us.

MCI was learning from us on how to do it. That was our goal – to prototype and integrate new technology faster than anybody. So, it was a paperless office.

Now I'm the opposite because I've learned. One of the things that I've learned about Mr. Global is that Mr. Global never puts out anything that he doesn't have a backdoor into – ever.

Ultimately, the other thing that I know is if you look at how to control financial prices, they have created a financial market where they can control the price, not economics. There is no market; there are just interventions. How did they do that? By controlling everybody who manages the financial market one person at a time. If you think that they can't do that with the information systems, you are dreaming.

Farrell: Exactly. Bitcoin, in my opinion, is not only an operation about currency and a chipping system. The real goal of Bitcoin is to gain access to every aspect of private financial information – not just your currency or your cash. It's an effort to gain control of your titles.

If you can imagine the Soviet encyclopedia era on the internet, yesterday Yezhov is in the picture with Stalin, and then he's purged. Then the next year in the Soviet encyclopedia the picture is cropped.



Do you want your titles in a system that somebody could go into and change and take your name off your title? No, I'm sorry, but that danger is there.

As far as I'm concerned, they are going to try to sell quantum encryption as the next step of security in the blockchain technology. The problem is that even there you can create backdoors. The other problem – and I'm going to sound as though I'm far off the end of the twig of speculation here – is that human ingenuity is eventually going to find a way around even that. There is no doubt in my mind that that is coming down the pike.

I'm so adamantly against Bitcoin that I have increased the number of cash transactions that I've been doing since last year.

Fitts: So have I.

Farrell: I'm not using the debit card nearly as much anymore.

Fitts: It's interesting because I do believe, if you look at what has to be invented and then how long they want their private armies operating, I think that they can take the price much higher, and I think that it is likely to happen.

I don't own any Bitcoin and I don't have a Bitcoin account. I may have to prototype and use a hard wallet because I want to understand the hard wallet technology, but I think you have two options: : One, you can surmise that it is too dangerous to have your name in the database so you're not going to participate. Period.



You don't want the energy. The other is to say, "Okay, I think that they could take the price to \$500,000 so I'm going to speculate on the pump n' dump. I'm going to put money in, ride it up, get my principle out, play for my winnings, and I'm going to keep it over here in a speculation box. I'm not going to involve my culture, my field, or my dreams. I'm not going to get sucked into the field. I'm going to protect my field from this because it's not healthy, but I'm going to soak it and harvest it financially."

If you do that, then what you have to do is make sure that you have a complete archive and record of everything you've done, and you have a CPA who understands it and who it is disclosed to. Ideally, I would have a lawyer who it is disclosed to because when they come around looking to do the asset seizures or the control files, I would want to make sure that I was on the record, paid my taxes, and filed my currency transaction reports, and they could not prove intent to fraud.

Maybe they just run this thing into a global currency and never come after everybody, but this could go down many different ways.

Farrell: It could go down many different ways. I'm not seeing that it's going to run into a global currency. This is a beta test, but I don't think that this is the actual rollout yet. There are too many problems with it that they still have to deal with.

Fitts: I don't know if you saw Putin talk about how dangerous cryptocurrencies were. It was the financial version of his Christmas pedophilia speech. Everybody should watch it. It will be one of our videos this year.



We could talk about Bitcoin forever, but I would really suggest to everyone that if you are interested, you could look at ‘Bitcoin: The Op’ and in addition to listening to it, look at the links if you want to learn more about blockchain or cryptocurrencies or Bitcoin. There are some great links there and the Cambridge University study is really marvelous.

I would also say that it is interesting because what I’ve seen is that there are a few people – myself, Ed Griffin, you – who have come out and said, “Look, this is dangerous. This is an op on Bitcoin,” but I’m starting to see more voices now.

What was interesting when I first started to do it, the pushback that I got was enormous. When you’re dealing with people, I call it the ‘Bitcoin flu’. You have a combination of big profits for the first time in their lives. They haven’t lived through that. I’ve lived through that many times. They take that as affirmation that they are right on everything.

Big profits for the first time plus high testosterone – in most cases – plus entrainment, and this is heavy entrainment on people who don’t know that entrainment exists. So, you are dealing with seriously mind-controlled people.

This is exactly what happened to me with Jack Kemp. Suddenly, when faced with logic that they can’t respond to, they just go into flaming bully mode. It’s unbelievable.

Farrell: I’ve seen the same thing.



Fitts: Now let's talk about the burnout op. We have a thermal warfare fire problem around the world. It's very hard to understand because of the technology of what could be causing it. Arson is clearly involved in some or all of these cases, but understanding how that arson works mechanically is very tricky. We don't have much good information on that. That is number one.

Number two, the implications of this are huge. That is why you said to me that I have to be careful about discussing the arson aspect of this. It's true and I don't understand the technology.

I've been getting books on thermal warfare in ancient times, and what we are seeing is a way for the leadership to jump the curve on the legal and other real estate zoning obstacles that stand in their way. What I believe happened in the California fires is if we are going to bring major manufacturing capability and insource plenty of corporate capability into this country – which tax reform clearly says that we are going to do – then you need a great deal of space fast. You need hundreds of thousands of acres. The question is how to get them in very dense areas like LA and San Francisco.

I think that what is happening in Northern California is they said, "Okay, what we're going to do is we are going to create a Silicon Valley North," because they are busting at the seams in Silicon Valley. "We need a couple of hundred thousand acres. We go north to the east of 101 and build out towards Sacramento. We can also build out Reno, Nevada." That is another big financial center.



That is what it appears to me. The other thing that complicates it is what Mark McCandlish discussed in his fabulous testimony at the Mt. Shasta County Commissioners. Dane Wigington got a whole group of them there, and he talked about what was in the global spraying that makes it much harder to put out fires.

I had subscribers in Montana, Washington, Idaho panhandle, Northern California, and Southern California dealing with this. I said, “Please get this information to your firefighters,” because McCandlish is so good.

This is a complicated story, and we understand very little, but the implications are very scary.

Farrell: The implications are scary. As far as I’m concerned regarding the Northern California fires, there is enough anomalous evidence there to suggest that there is some type of exotic technology in play. There were too many cases of houses and businesses that were burnt to the ground or demolished somehow, and immediately next to them – within a region where the thermal gradient of a fire would have been sufficient to cause these plants and shrubs and trees to burn – didn’t burn.

That’s an exotic technology, whether we want to admit it or not, whether it’s the result of spraying, whether it’s the result of microwave interferometry, I don’t know. I’m saying microwave interferometry because this is connected to another story that we will be talking about, and that is the Cuba Embassy sonic attacks.



With interferometry, basically what you are doing is mixing a number of waves and creating an interference pattern in a certain region. It's that interference pattern itself that is loading energy.

You can literally target a house, and the microwave environment that is creating that interference pattern will be around the house, and it will affect the plants and shrubs and so on that you see. You will see the evidence of this in the Northern California fires with plants bent over with nodules on the plants that are signature of microwaves.

In the Southern California fires, we haven't seen that yet. The last time that I looked was about three days ago. But the interesting thing about the Southern California fires is apparently some of the fires have already damaged Rupert Murdoch's home. If you are looking for a reason on why these things might be being engineered, you are burning people out of their real estate and then trying to pick it up on the cheap so that you can make all of this expansion.

It's important for people to understand the scenario that we are suggesting here. The scenario is one that I was suggesting almost a decade ago with Georganne Hughes. She kept asking me, "When do you think the dollar is going to collapse? When do you think they are going to collapse the economy?"

I said, "They're not going to for a very simple reason: North America is their power base."



The scenario that we are working with is that we are thinking all of this is prelude – the purges, the tax bill that is going through Congress right now – to a scenario where they are attempting to reshore actual manufacturing productivity.

The long-term strategic picture that they have to look at is that they cannot have this concentrated. It has to be concentrated at the beginning, but eventually it's going to have to be decentralized. They are on such a short-term timetable, for reasons that we will probably get into later, that they have to do this quickly. That means that right now they have to pick up a large amount of real estate on the cheap, and California is the place that they are going to try to do it.

Fitts: What I don't see, though, is how they consolidate this area now. How do you sweep up and get all this real estate? How do you put together the blocks that you need?

I don't think that we will have a clear picture on this for a couple of years.

Farrell: I don't either. I'm in agreement there and I don't think that we are going to see that picture emerging. It may even be as much as five years, but the long-term game is that they are going to play to disburse manufacturing. In other words, 3D printing and manufacturing is going to be disbursed around the country. The reason for doing that is purely military and purely strategic. You can't create many concentrated targets, so I think that is the long-term agenda here.



As far as the short-term agenda, I think that the reason California is being selected –I don't know how they are going to pick up all these blocks; they're going to have to finagle something in the California legislature, which is probably coming down the pike –is because they are going to have to use California simply because that is where most of the technically savvy personnel still reside.

This is why we are seeing the fires in California. Ultimately, it's going to spread and they are going to take this tactic. I think that your prediction that we are looking at a burnout version of Operation Phoenix could be true. We might see this expand.

Fitts: Talk about relational database management! If you look at how I was doing Community Wizard, it appears this burnout pattern in Northern California reflects a Community Wizard-type of operation. The one thing that I will say about the people running an operation like this is that they are very smart and they stack functions. They are trying to optimize every ounce.

The one thing that the Military-Industrial Complex cannot tolerate is any talk of secession in California. Since those fires started, there has not been a peep about secession. It wouldn't surprise me if you examined whose homes were burned, they were pro-secession.

Also hit were counties that were giving the most trouble on GMOs, on vaccines, and all of this. I think that there was a stacking of functions, and what they are saying is, "We need to go fast, we need certain things taken care of, and we're going to nip a number of things in the bud – particularly on secession. We don't even want to hear about it."



Part of it, and it's not unlike what you saw with Spain and Catalonia, is that they know if you are responsible for the bond market – both municipal bonds and treasuries – and you are responsible to make sure that the pension fund systems get paid, including military pensions, the reality is that you know that all of this creative talk about secession can implode everything.

Farrell: It's interesting that you mention 'secession' and 'Spain' because I have a website member who lives in Catalonia. This individual informed me that the real reason you have the secessionist movement there is because they are trying to restructure the drug trade.

This is all deep state issues. It fits your California anti-secession model, and I am in agreement with you. I think that they have nested several objectives at once in these operations. I am in total agreement and that is the way that they operate.

Fitts: Then we move on to the AI op. AI seems to be the great front for everything. "Oh, the AI made me do it. The algorithm did it; not me. I'm not responsible."

Farrell: I'm not the one who executed that trade.

Fitts: There is no doubt that AI is getting integrated and it is getting integrated fast. It is going to have a very dramatic impact on many industries.



I think that one of the most astounding videos of the year was the ‘autonomous weapons’ video. Little drones were flying around, and drone assassins operating on AI is a very old science fiction theme. That is nothing new, but there is no doubt that AI is changing our world, and it is going to continue.

I do think that some of it is simply artificial intelligence re-engineering and making things go faster, but the other thing is that I do think that it is a front for a number of things.

Farrell: It’s a front for a whole lot of mischief, and I think you can even go so far as to say that it is probably a front for the constant market interventions that we see. “Blame it on the AI; it’s not us.”

The reason I think that you are onto something there is because if you go back and look at the banker deaths and the insurance people deaths over the last few years, and these are all people. There is a pattern in it. Most of those people are people who would have been in positions in these banks to be able to look at computer printouts and see what was happening, particularly the lady who was killed while jogging – in the insurance angle of things.

I am in total agreement.

Fitts: Another op is weather warfare. If you look at the patterns and the management of the hurricanes in Houston and the Caribbean and Puerto Rico, the behavior was so bazaar.



When I started to talk to people about weather warfare, they thought I was nuts. Now the patterns and the behaviors are so completely unnatural that it is becoming a common understanding.

Farrell: Let's go back to the template that we've been arguing for many years. If you see strange weather or geophysical events in close proximity to political events, this began, I believe, with Fukushima and the Japanese government saying, "We want you out of Okinawa and we are going to patch things up with China," and Secretary of Defense Gates says, "If you do, you're going to regret it."

That was a threat. You've talked about the Indonesian tsunami and the sale of Indonesian sovereign securities about a week before it happened, and now we have Houston with the hurricane that parks itself on Houston. Every hurricane that I can recall growing up, they move inland and dump large amounts of rain, but once it goes inland, it dissipates.

Not this one, which parked itself over Houston, and then moved back out into the gulf to get a little more energy, and then moved back in for a second go. What is the political connection? I think it's the Texas Bullion Depository.

They are going ahead with it anyway, hurricane or no hurricane. I think that was weather warfare and that Katrina was as well.

Fitts: Katrina definitely was. I think that they blew the levies on Katrina.



Farrell: I think they blew the levies on Katrina, but the thing about Katrina that was totally unnatural was it was tracking west towards Texas. It went below New Orleans, made a 90-degree turn, and plowed into New Orleans.

I'll never forget that at the time it was plowing into New Orleans, Richard Hoagland called me and said, "Have you been tracking Katrina?"

I said, "Yes, it's totally bizarre."

He said, "Look at the jet stream."

I said, "What about the jet stream?"

He said, "Look online." I was still on the phone with him, and sure enough, as the hurricane started tracking north, suddenly, the jet stream dipped south, like someone was trying to steer it away.

I think that all of this is weather warfare. I know that you also have Puerto Rico as an issue.

Fitts: I would hope to be able to get some decent information on Puerto Rico. I think that what is happening to those people is really genocide.

Farrell: It's not only genocide, but let's look at something else here.



Fitts: Also, the Caribbean islands that we've heard very little about that has been totally wiped out, including their energy.

Farrell: Their energy and their infrastructure and everything else has been shredded there. In Puerto Rico's case, we had the story about their debt mounting and the possibility of them wanting to become a state and so on. They wanted to roll the debt into the Federal government.

There is no doubt in my mind that the hurricane that struck there is connected to weather warfare.

Fitts: It was very interesting because I had many theories of what was going to happen on that debt, and they've just jumped the curve on it again. It's the same as Northern California.

You're watching a group of people who have to go really fast, and they want to keep it quiet as to why they are moving that fast. You can argue that they want a couple of hundred thousand acres in Northern California for cheap, so this is a way of getting below market prices, but I don't think it's that.

I think that they need to move so big and so fast, and need to keep it secret. I'm not saying that they wouldn't like to pick it up for cheap, but I don't think that is the goal. I think that the goal is to keep it secret.



Farrell: I think that the goal is to keep it secret, and the other thing that is happening here that we need to mention in respect to this scenario is that what is also happening, is they are wiping out infrastructure.

In repairing the place, what do you do? You're bringing in the new infrastructure, you're bringing in the new technology, and this is the easiest way to do it and make it look accidental.

Fitts: That is a very good point. You need to completely re-engineer the infrastructure.

Farrell: Right, and this is the way to do it and make it look completely accidental. "This is an act of God," and so on. I am very suspicious of these things, increasingly so.

Fitts: False flags is next. There were so many false flags this year, so we will only touch on the big ones.

Charlottesville was a very important false flag that failed. One of the reasons it failed – and one of my favorite videos of the year – was a group of citizens that were brought together by CNN. CNN was trying to pile on Charlottesville. They had this wonderful, unbelievably juicy, delicious African-American woman. The CNN hostess said, "The right-wingers killed people."

The black woman said, "Wait a minute. The only reason people died was because the police stood down."



Suddenly, the entire spin just turned, and you could see that the host didn't know what to do, and kept trying. They had six American citizens on with this woman in the lead, and it just fell flat. The fake news spin wasn't working.

Farrell: Charlottesville, as far as I'm concerned was an op that went bad. They attempted to salvage part of the goal from it. What you saw emerge from that was the takedown of all of the statues of Confederate leaders and so on, but the real op there was that they were trying to go, again, after the Constitution.

It's the 'old white men' and some of them were slave owners – Jefferson and Washington. The ultimate goal there was to begin the attack on the Constitution.

Fitts: Here is what is interesting: Going into Charlottesville, if you look at the people in the Solari network and the subscriber base, this notion of the 'Year of Pushing Back' was really taking hold. You had people punching.

You had a certain kind of person getting their vigor – the kind of person who is really going to punch back. A very high percentage of that group are highly educated white men.

I was in Europe at this time –in Austria and Switzerland and Germany. Charlottesville happened, and suddenly, I started emailing with folks, and these exact people are saying, "I feel sad. I was so hopeful, and now I'm depressed." You could see that it had completely caused them to do a 180.



I was emailing you, and you said, “I feel so depressed.”

I was in Europe, so I’m not feeling it. I realized that something was up because these people were being targeted. The people punching back are the people being targeted with this. It’s a certain group.

So, if you are a successful or knowledgeable or experienced white man, this is designed to make you feel that it’s hopeless and get you to quit.

Farrell: Charlottesville is the American version of what you see Soros and people like this trying to pull in Europe with the migrant crisis. It’s the same people behind it, and it’s the same agenda. The agenda, as far as I’m concerned, is a cultural one. It has nothing to do with race. It has everything to do with the pillars of this civilization, which are the Judaic component with covenant and contract. That implies implicitly by the very nature of the case, personal individual sovereignty and responsibility.

The second pillar is Christianity and the idea of incarnate logos. The third pillar is the idea of humanism and humanistic critique and enlightenment. This culture is unique because it’s a blend of all three of these things. When one of them gets out of balance and starts to dominate the other two, the culture begins to falter.

Charlottesville was a very clever cultural op. What it was really doing was targeting all three of those things. This is what you see happening in Europe. This is why you see the backlash in Europe that we’ve seen in the Austrian elections, the German elections, and I think it is going to hit France.



Fitts: We're going to get to France when we talk about the Administration.

Then, of course, we had the Texas church shooting and the continued effort at gun control.

One of the things that I thought was the most amazing occurrence in the year 2017, and talk about punching back, was Richard Dolan doing a series on false flags. It was a TV series on Gaia TV, which is absolutely fantastic. It is the most credible thing I've seen on false flags. He's been working on a book for three years now, and he has done a tremendous amount of research.

What it does is, by showing you the entire history of this technology and how it's used, suddenly it blows the lid on all of the most current false flags, including 9/11. I think that people are willing to see it now.

Farrell: I do, too. I think that this is another reason you see Global 2.0 panicking. I think that this is part of the reason you see a certain amount of purge.

A certain amount of the purges could be coming from within their own house because these things are being so clumsily managed now.

Fitts: Financial fraud never ends, so we don't need to go there. There are some things that we are going to talk about later, but it just never ends.

The White House now wants private op teams, which I think is such a bad idea.



Farrell: We're on the same page there. When I saw that story come out, the first thing that I thought of was Richard Nixon and the plumbers in Watergate. Here we go again and that is a really bad idea.

Fitts: We will talk about the hacks more in cryptocurrencies. WikiLeaks is publishing all of the vault files from the CIA, so we may see all of the CIA hacking tools.

Equifax had a very big hack. Then there was the White House afterwards saying, "Now we need to get everything on blockchain."

Farrell: And then we see the Bitcoin and cryptocurrency hacks – the Ethereum hack.

Fitts: Here is what is interesting: One thing that I keep trying to tell the Bitcoin crew is, "If you think the people who can rig the prices on the stock market, the bond market, and the derivatives and currency market can't rig the price," but then you look at the number of hacks and the amounts, they are hacking only to get the money. In other words, they aren't investing a dime in manipulating this market.

First of all, the ownership is very consolidated. So, you don't need a large amount of money, but you can get all of the money you need to rig the prices and manipulate the prices through the hacks. This is a for-profit op.

Farrell: Exactly. Look, if nothing else convinces you about the security of these systems, look at the hacks.



Fitts: Then, of course, we have the Paradise Papers. I don't know enough about who is who in the Paradise Papers to know how this fits in.

Farrell: I don't either. I do think that it fits in somehow with our overall scenario – that they are trying to move in very quickly and reshore and build out, but I don't know exactly how.

Fitts: Let me comment on my biggest concern on Paradise Papers: As you know, I believe that the Bush's and the Clintons made a deal with the Mexican cartels to do a variety of different things, but one of them with the cartels was that we would open up our narcotics trafficking markets to the cartels, they would move their personnel in, and they would significantly increase the harvesting of the American drug markets. Basically, the Mexican cartels would move in and take over from the different African-American gangs and other groups.

So, you are squeezing out many old people, and then all of this would accrue to the Bush and Clinton cartel. They would get a percent – whatever the percent was. That percent would be delivered to them in terms of assets and deals in Mexico and South America, so it would never move through US banks.

Now we see the Trump group win the election, and we see a real effort by Trump to shut down that whole Mexican cartel network throughout the country. That is what I believe the indictments are.



Farrell: I think you are right there and that is a plausible reading. I think that Fast & Furious is part of this story. I don't think that we've heard the last of that either. I think that next year that is going to resurface in connection with Uranium One and all these other things happening.

I think that your take is sound here because, if you are going to reshore and have all of these activities, you cannot have a criminal element operating in the same regions totally above the law. It's not going to be an environment that any corporation is going to come into.

You have to clean out those middle echelon managers in that Bush/Clinton deal. Otherwise, this is not going to fly. So, yes, I am foursquare with you there.

Fitts: Part of the problem is that cartel – because of the deal they made – is very Mexican. I think that much of Trump's 'yakety-yak' about Mexicans is not about Mexicans.

We have millions of hardworking, family-oriented, great Mexican people who have immigrated to the United States – whether legally or illegally. They all think that he is talking about them, but he's not. He's talking about something else.

When you look at Trump – and this is something that I've said all year long – he is a real estate developer. When you are on Wall Street or Hollywood or when you are in the Silicon Valley, crime doesn't interfere with your equity or your assets. If you are a real estate developer, this kind of crime can destroy your building and your value and wipe you out.



We're talking about the people who do the concrete work, and if we're going to bring all these corporations back home, then all of this has to stop.

After World War II, the group that killed Kennedy was the group that opened these markets to narcotics trafficking, and they have made hundreds of trillions of dollars. When you engineer those cash flows from narcotics trafficking, you use those cash flows to get control of the Federal credit, one county at a time.

Farrell: And let's not forget the other part of that history that fits into your reading of this situation, and that was the restructuring of the drug trade that occurred as a result of Vietnam – again, the same group of people involved – the restructuring of the drug trade to the Latin cartels, cutting out the French connection, and so on. It's the same group of people who brought on the JFK assassination, Vietnam, and everything else, ultimately leading to the Bush/Clinton nexus.

I think your reading here is absolutely sound, and I'm in agreement. I don't think that some of these indictments that everyone is talking about being Pedo (pedophilia) indictments

Fitts: That's happening too? They're trying to shut off the money to the Bush/Clinton syndicate, and they are trying to get control of physical safety on the ground and the places where they are going to bring in new capacity.



Farrell: Exactly. It's a twin track operation so far, as they are going after the Pito ring. It's going to be in those regions, and incidentally, that is where we are seeing much of this starting to emerge. So, they are shutting off the cash flow, and are trying to choke it to death, quite literally. And the Saudi operations are part of this.

Fitts: I wonder if the Pito ring around the country is to also cut off the cash flow.

Farrell: Yes, it's to cut it off. That is why you see the Saudi thing happening, too. They are involved with that.

Fitts: It's global.

Next are assassinations. The death count keeps rolling, and the most recent one at the end of the year was the doctors at Cornell. You had one researcher doing research on stem cell applied to cancer who was stabbed to death in a bathroom in the hospital. Then several weeks later, it appears to be his colleague, another doctor doing stem cell research, who was stabbed to death in his Park Avenue apartment with his daughter at home.

Normally and historically, when you assassinate people like this – and I know because my father was a famous surgeon, and there are big questions that I have about my parents' very suspicious death – you do it very subtly. You don't do it like this.

Farrell: Unless you intended to send a message.



Fitts: This was a real butchery, so something is clearly up. If anything, this speaks to me about the agility of pharmaceutical profits because the pharmaceutical is getting hit from a number of different directions and are in real jeopardy of losing the whole franchise.

Farrell: That is one reading. When you mentioned it, I think that it is very possible.

The other reading that we're seeing on the doctor that supposedly committed suicide when his daughter was home, is that he apparently also had been to Haiti as part of the medical relief there. He had been writing about that. So now the scuttlebutt on the internet is that perhaps he had some evidence against the Clinton Foundation 'aid' to Haiti. I don't know if this is true or not, but I do think that the problem with the doctors' deaths is that it is pharmaceutical-related. We've seen too many in the last two years of doctors practicing preventative medicine and much of it seems to be directed at the pharmaceuticals.

I think you are right. I think that they are very, very fragile. In fact, I mentioned when we were talking about the latest play from IG Farben-Monsanto, as I like to call it, that now they are getting so desperate they are offering humongous rebates – basically cash bribes – to farmers to use this new herbicide in their crops. That, I think, is the other long-term objective that they have to keep in mind.

If they are going to bring corporations back and reshore things, they have to have a population that is healthy and that has energy, and that isn't going to come out of GMOs. I'm sorry, but there are no two ways about it.



Fitts: Those are some of the ‘tsunami of ops’.

So, we had The Year of Punching Back, The Shift from Global 2.0 to 3.0, and A Tsunami of Ops was number three.

Number four is ‘**The BRICS Build Independent Systems**’. We’ve seen for many years now – since 2010 when the Russians got their Global GIS system up and the sanction and the different squabbles started to happen – indications that they are moving to build independent financial and information systems. This year you see rollout after rollout of announcement and enormous progress on really building out this infrastructure. This is very significant.

Farrell: It’s very significant, and it’s a chapter out of Russian history. You and I have been talking about the necessity for the BRICSA bloc – and I call it ‘BRICSA because I include South Africa. You’ve seen the build-up of this Shanghai Accord BRICSA bloc, and we’ve been talking for years that if they are serious about this, they are going to have to build their own independent system of international financial clearing.

This began when the Russians kicked out MasterCard, brought in their own internal mirror credit clearing system inside of Russia. Then the next step was when Russia made that deal with the Japanese credit agency that handles most of the credit card transactions in the Trans-Pacific Basin. Now you’ve seen them roll out this clearing system that is genuinely international.



While all of this is taking place, the other thing that we've seen happen is Russia and China have been making these bilateral currency swap agreements and bypassing the dollar. You saw India jump in with Iran with the rupee. So, they are putting this system into place, and it is very important for people to understand the Russian mentality here.

We finished talking about after World War I when the communists had taken power and defeated the Whites in the Russian Civil War. You had the five-year plans in the Soviet Union where they industrialized within about ten years to a degree that is genuinely mind-boggling when you look at the scale of what they accomplished.

Yes, there were many atrocities along the way that the regime committed, but for the Russians at the time, the memory was World War I. During World War I Russian-heavy industry was very small, and it was concentrated in places like Riga in modern day Latvia and it was concentrated in Minsk, Kiev, St. Petersburg, and Warsaw. If you look at World War I, those were the areas that eventually the central powers occupied.

In other words, it was a strategic necessity for Russia if it was going to remain a great power to expand their heavy industrial base to diversify and disperse it throughout European Russia, and this is the period that you saw Russia begin to industrialize Siberia. The sole calculation here was their understanding that there will probably be another world war, and that they would probably be facing Germany again, and they were simply not going to surrender a second time.



This is what I think you are seeing with this Russian push to build out an independent financial clearing system. They are not going to be sanctioned out of SWIFT and have their international trade blocked by a unipolar, run-amuck power; they're simply not.

Fitts: I think that they also don't want to bet the ranch that the unipolar model is successful; they want resiliency.

Part of the challenge with managing geopolitics right now is that everything is far too centralized. So, everything becomes a prisoner of a bigger issue, and it's very inefficient.

If you can get the different countries in the BRICS nations to build trading systems with each other at a much more granular level, you have much more resiliency in the system, and then many things can get settled without getting bolloxed up at the central level.

Farrell: Yes, and you are quite right to mention this. If you look at what Russia, in particular, has been doing inside the BRICSA bloc, it's been playing China and Japan against each other very, very astutely. In order for Russia to conduct the trade that it needs to continue with the buildout of infrastructure in Siberia, it needs Japanese and Chinese money and Japanese and Chinese technology. For that to work, it needs a clearing system with those countries that is going to work.

This is precisely what you see the Russians doing and I don't blame them. If I were Mr. Putin and his advisors, I would be doing exactly what they are doing.



Fitts: Let me read through some of the announcements that we have had this year, and then I want to talk about the cryptocurrency in Russia.

Farrell: I want to talk about Russia and Venezuela, but we'll get there.

Fitts: 'Russia announces an independent internet for the BRICS' just as we are talking about killing net neutrality here in the United States. My first thought was, "How do I start an offshore subsidiary and get on that internet?"

I think that if you want to be competitive in the global arena, you're going to have to be on that internet.

'BRICS in discussion to establish their own gold trading system'. So, you have Russia, China, South Africa, and Brazil who are all major gold producers talking about doing an internal gold trading system. This is very big.

Then 'The Bank of Russia signs an MOU with China on developing a joint gold trading system in the first step in implementation'. This, I think, is much more important than everybody realizes: 'The Bank of Russia opens their first office abroad in Beijing'.

Farrell: You know what is going to follow? If we are right about these moves that Russia is making on the global financial stage, then the next offices you are going to see the Russian bank open are going to be in Hong Kong, Shanghai, Tokyo, and on the Kuril Islands.



We've seen Mr. Putin and Mr. Abe make some really amazing progress with regard to the Kuril Islands, and they have been able to do so by throwing out the requirement to come to a formal end to World War II. Technically they are still at war.

Fitts: I believe that the Bank of Russia is a BIS/Rothschild

Farrell: It is, but that is going to be next. This is why I think Brexit participates here. If you remember, Xi Jinping went to Great Britain prior to the Brexit vote and was given a state dinner by the Queen herself. Then, after that visit, the Queen summoned the Vice Premier to Buckingham Palace. She said, "Name me three good things about staying in the European Union."

So, it was clear where the Queen's sympathies lie. I think you are going to see Britain play this to the hilt.

Fitts: Somehow at that meeting the Anglo-American Alliance completed a deal with China that we can't see clearly. One thing that it reflects is their lack of confidence in the American leadership.

Russia and China create yuan-ruble payment system. Russia announces future issue of ruble cryptocurrency'.

This is why Putin's video on cryptocurrencies is so interesting. I think that he has complete mastery of the different issues and dangers and the different ways that it could go, but let me suggest this: If in partnership with China-Russia and/or China issues a cryptocurrency (because Putin has announced a ruble cryptocurrency) all he has to do is tie it with gold, 2007, —



and they store/custodian that gold across the BRICS and possibly in Switzerland. I think that Switzerland will be part of this.

So, the gold is not only in Russia, but it is spread throughout the BRICS. That cryptocurrency becomes the number one cryptocurrency in the world.

Farrell: Yes, and you are going to see China and Japan jump on board, and maybe India.

The financial moves are going to have to be accompanied by something else that we've discussed, and that is North Korea. I think that you are going to see the tone changing – not dramatically at first, but it is going to change over the next few years. They are going to become much less bellicose. Russia's advantage is to China's advantage is to Japan's advantage to have that situation stabilized. I think that, in part, is what is behind Tillerson's recent announcement that you have a willingness to sit down and talk about anything.

I think that they are sensing the handwriting on the wall as far as what Asia is going to do and how North Korea is going to be played.

The other thing that we need to mention here in connection with this is Russia's offer to help Japan clean up Fukushima. That is very important for two reasons: Number one, I think that Russia has had for some time technology that they haven't publicly disclosed for dealing with nuclear catastrophes. That is largely in the wake of Chernobyl.



Their offer to help Japan, I think, has to be taken in conjunction with all of these other overtures that Putin has made with Japan and the deals that he and Abe have worked out.

This is very significant because, what I suspect is happening with that offer to help clean up Fukushima, is that the Russians are offering some of their technology. That will be big.

Fitts: Fukushima may be one of the greatest risks to the planet right now.

Farrell: It is, and if you are going to have stability for the BRICSA bloc, you have to include Japan. You can't have an unstable Japan because of Fukushima. So, this is a very calculated risk that they are taking.

I think that the long-term geopolitics here – and I've been saying this for years – is that Japan is ready to bolt. I think that Japan is seeing the handwriting on the wall for the unipolar empire, and they are making all of the moves to start playing an independent game. We are seeing the same thing happening in Europe. It's the flip side of the coin.

So, yes, Russia is a factor to be reckoned with here.

Fitts: Another headline is 'China pledges \$124 billion along the Silk Road' and if you look at both the Silk Road plans and the Maritime Silk Road plans, what we keep seeing – and it's very frustrating for me as an American –



is the BRICS constantly focusing on achieving concrete accomplishments at building the future, whereas the United States is running around engaging everybody in dirty tricks and stopping the future.

How did we end up on the wrong side of history here? Fukushima can kill everyone, but it's Putin who is helping.

What happened in Syria is so beyond lawless that you don't know what to say, and it's Putin that is helping.

We keep seeing the Chinese and the Russians step in on the right side of history, and we keep seeing ourselves on the wrong side of history.

Farrell: We have not had a national strategy plan since Eisenhower. We've had no national strategy infrastructure plan since then.

Fitts: Has the strategy just been 'whatever deal makes the Clinton Foundation money or the Bushes money'?

Farrell: With the coup d'état that happened with Kennedy and that long arc, you have people running a finance crony capitalism game, and it's running out of steam.

I think that what you're seeing is – if our scenario is correct in that they are trying to reshore things as quickly as possible because they've realized now, and maybe too late – they have to get back into the game, and they can't get back into the game if all of our production capacity is overseas. It just can't happen.



Fitts: Last night I drove an S-curve, and I said, “Before the election in 2016 we had the deep state looking at that curve. If we don’t do something now and turn this ship, we could find ourselves with military in hundreds of countries around the world facing an implosion of the empire with people and troops spread around the world, and us responsible. Then the whole thing implodes.”

What they are saying is, “We don’t trust the political leadership, and we don’t trust the bankers to manage this or lead it because they’re not leading it.”

One of the things that has astonished me since the election is, if you listen to Clinton and some of the top Democrats, they seem to be oblivious as to what the real risk issues were.

Farrell: They totally are, and I would include top Republicans as well – the Bushes and some of the Congressional leadership on the Republican side. I think that they are equally oblivious to this, and this is why we emphasized at the start of this conversation that it’s important for people to understand the scenario that we are portraying here. It’s not a scenario that the people in the Pentagon would be oblivious to. Therefore, it’s not Trump that is the center of the show here.

In other words, it’s the faction that put him in that is the center of the show.



Fitts: I have a theory as to what happened. That faction lost with McCain, and that faction lost with Romney. I think that after twelve years of losing, they took one look at that S-curve and what could happen, and they said, “We cannot afford to lose this time.”

Farrell: They could not afford to lose, and the other problem here that they are facing is they are getting a decreasing return on the dollar for their military investment. They have hardware systems that aren't working and that are extremely costly. On top of this, we are still building ‘missile magnets’, as I like to call them, or aircraft carriers.

Fitts: Their acquisition budget is being run to generate stock market profits and campaign contributions; it's not being run to achieve the highest performance military available.

Farrell: It's not optimizing the military budget and it's not optimizing any of the training that occurs. These ship collisions that we've had – to some extent – are blamable on the cutback in training in the Navy. If it's in the Navy, then it's in the Air Force. We have a shortage of pilots. I would imagine that we have a very bad problem with replacing competent staff officers. So, this is across the board.

Fitts: The line military has been stripped. Wherever the \$21 trillion has been going, it's not to run the optimal force that you need to preserve the dollar.

If you look at the Bush/Clinton racketeers, they have depended more and more on force to make the dollar go and less and less on trade and soft power. Basically, they have been depending on the military to make this go.



Farrell: At the same time, they have not been increasing the optimization of the dollar that they are investing in. That is set up for a situation to implode, as you say. So, they have to reshore. They have run all of the wrong people. They have played the Bilderberger game and put up their designated losers, and played with the country's future. Now they have to do it.

Fitts: I always wondered if they just had miraculous space weaponry that nobody knew about and that was what gave them the confidence.

Farrell: The problem here is that if we are correct, if Richard Dolan is correct, then this has essentially become a breakaway civilization, and then they can no longer count on their control of those platforms.

Fitts: I think that is what the Bundy case is an example of. They cannot control their platforms.

Farrell: Exactly. So, they have to reshore. They have to get a handle on all of this. They have to find out where the assets are. I would not be a bit surprised if this missing troop story is the tip of a much bigger iceberg, and the iceberg that is underneath the surface may be the iceberg that we don't know what our space assets actually are and if we really control these things.

Fitts: In the latest budget Trump authorized \$700 billion, so that is a big increase in the defense budget. But part of that is the creation of the US Space Corps under the Air Force, and part of that may be to get control of our space assets.



Farrell: That is exactly what I'm thinking. Your idea that they have to do this in-house rather than farm it out to corporations that are now a part of this big military-industrial complex run amuck on its own. This, I think, is the clearest indicator that they are trying to get control of this again.

The other tip that we have to bear in mind as a possibility of corroborating this scenario is that we've been watching increasingly dramatic moves on the financial stage and on the soft power geopolitical stage by the BRICSA bloc. They would not be taking these types of steps if they were not relatively certain and secure that some facet of the American military has lost control over all of its assets. I don't think that we would be watching this if they weren't relatively secured.

Fitts: I think that is what the audit announcement was about. I don't think it's about doing an audit; I think it's about making sure that the DOD command structure controls – one that they know every penny that goes rolling through, and they control where it goes and who gets it. I think it's about asserting control of the professional military leadership.

Farrell: I think you are on to something there, and I think that the audit could also be an audit that is going to review the command structure and find out where the weaknesses are. Why? Because if you go back to 9/11 and look at all of the drills that are running, it's very clear that 9/11 is being run as an operation piggyback on these drills. That means that they lost control, to a certain extent, of their own assets, and they don't want a repeat of that.



I think that was ultimately the reason Bush made that panic flight to Barksdale AFB and then onto Offutt AFB. He had to reassert personal control over the nation's nuclear forces really fast because they were in danger of losing it.

I think that this is all spill-out, in a certain sense, of 9/11 and the realization that we don't know where our assets are and we've lost control of some of them. This is a bad situation, and if you are an intelligence analyst in the Kremlin or Beijing and you are looking at all of this, you are going to be coming to the same conclusion.

Fitts: So when Skidmore, having gone through all of the documents, identified the \$21 trillion, brought it up from \$12 trillion to \$21 trillion, and had it published, do you think that was new news to DOD and the new leadership?

Farrell: I think it's possible that it could be new news to at least some of it.

Look at what you have right now in the Administration: You have the Army, the Air Force, and the Marines that appear to be the ones who are – so to speak – backing Trump, or rather backing this agenda that we are laying out.

Fitts: They are supporting the reshoring.

Farrell: It's the Navy, on the other hand, that appears to be more aligned with the old guard and running all of these ops. Think, for example, of the marketing ops that we have talked about.



You have Goode and all of those people and DeLong and all of these people. In his case, all of these people were part of that Global 2.0 crowd moving into his marketing op.

Fitts: The Bushes were always Navy.

What is interesting is that now you have the Chief of Staff, the head of DOD, and the Head of the Joint Chiefs who are all Marine generals. The Secretary of the Navy is a former Marine, and the Marines are part of the Navy. It's almost as if the Marines have taken over the Navy and DOD.

Farrell: If you are the Marines, you are the forward deployment troops to project American power. If you are watching a process of the decay of return on the military dollar for weapon systems that increasingly are not working and are too expensive and training, then you and the seals are going to get killed. So, you have a vested interest in turning the situation around, and that is the way it appears to me.

The training aspect of the military actually started to be gutted under Rumsfeld and George Walker Bush, and then it continued under Obama. Now we're seeing the result.

Fitts: It is interesting because, to a certain extent, what you are talking about is an absolutely significant vote of no confidence by the professional military in the civilian political leadership, and it's long overdue.



Farrell: In a way, this is a soft military coup. It's almost the exact opposite in the sense of what we saw happen under Kennedy. You had Lemnitzer and all those people in bed with the CIA, and Kennedy cleaned house and sent Lemnitzer overseas.

You have the reverse now because the situation has turned. Back then, they were optimizing the military dollar.

Fitts: One of the books I had recommended for 2017 in the Global Harvest Wrap Up, was a book by a group that came out of the military. They wanted to do a new long-term strategic plan for the military. They said, "We have to organize this around the long-term strategic plan for the country."

So, they went out to find the long-term strategic plan for the country, and discovered that there wasn't one. Actually, there is one, but it's in a secret society or multiple secret societies with competing plans.

China is a country that does remarkable things by planning. They have a very open source and open strategic planning process within the government and involving the private industry. It's all quite open, and it's very impressive.

Farrell: We're seeing the same thing happen in Russia.

Fitts: Right, and if you look at their plans, they are plans to essentially replace us as the global dominant power. They are all very sensible, and everything that I've read is quite impressive.



This group, after they left the military, went into universities and think tanks and said, “Let’s keep this going. Let’s keep developing a grand strategy.”

You discover that the most open-sourced, strategic thinking on the grand strategy for us is coming out of the military because they need a country strategy to do their work.

Farrell: If you are going to sustain a modern military with any sort of operational capability, that means that you have to have the logistical support, the infrastructure support, the manufacturing base, and a technically competent population. In other words, military planning is inevitably going to spill over into areas that we would not think of as being a concern of the military. So, yes, they have to do this and there are no two ways about it.

The scenario that we are outlining has to be done, and it will be done with or without Donald Trump.

Fitts: Last year, I heard the most freighting thing. I was interviewing Lawrence Wilkerson before the election. He pointed out that he was working on a commission for the military because they were going to have to re-engineer all of the ports because of changes in sea levels, and this was going to cost fantastic amounts of money, and no one in the political class had any interest whatsoever.

What I said to him was, “Without the US Navy patrolling the sea lanes, there will be no US dollar as a reserve currency.”



You are talking about one of the most important things lifting and holding up all of their power, and they couldn't care less about it. So it's frightening.

With that, let's turn to Venezuela. Let's come up through South America and do Venezuela.

Farrell: Let's do Venezuela because I think that this is very important that Putin is pledging Russian assistance in Venezuela. I'm doing this as a test case because my view of Putin and of Russia is very, very different. I'll be very honest and put my cards on the table. I don't view Russia as an enemy. I don't necessarily view Russia as a friend, but certainly not as an enemy.

We've recently seen this monstrous socialist experiment failing miserably in Venezuela.

Fitts: Did it fail because it was socialism, or did it fail because the CIA made sure that it would fail?

Farrell: I think it's both. I think that what you have in Venezuela is actually a case of looting.

Fitts: And lower oil prices.

Farrell: If our read of Putin is correct, I think that what you are going to see him do – and this is a prediction – is him doing certain things in Venezuela.



The thing we have to watch very carefully is if he is going to go in there and clean out the Venezuelan oligarchs and the hidden, behind-the-scenes CIA connections. My guess is that he is going to do precisely that. If he doesn't, then he is playing a very different game than we have been thinking that he has been playing.

I think that Venezuela is a test case on how he is going to handle himself. My guess is that he is going to clean it up, put the country back on its feet, and, in return, is going to demand and get an expansion of the Russian naval presence there.

Remember that he sent war ships to Venezuela when Chavez was in power. So, I think that you are going to see this turn into an expanded Russian presence in the Caribbean basin in return for a clean-up in the country and putting it back on its feet.

Part of that is going to take the form of negotiating credits – not only with Russia, but with China. I think that this is the big BRICS move into South America.

Fitts: So, here is the Russian navy protecting Brazil without Brazil giving them a base. That's what it is.

Farrell: Yes. We saw Dilma Rousseff trying to move Brazil even more tightly into the BRICS bloc, and she is the one who brought Brazil in to begin with.

We had that ridiculous – and to me, it had CIA fingerprints all over it – impeachment thing against her in the Brazilian Senate.



Cristina Fernandez de Kirchner in Argentina was in the UN reading the riot act. That was put to a stop, and they brought in an America-friendly guy. Obama went down to San Carlos de Bariloche and paid tribute to all of the wonderful Nazi friends that we have down there.

I think that this is the response strategy, so I think that this is a very big story.

Fitts: I believe that one of the most important things that we need to look for in 2018 and 2019 is how this turns out. To this day, Putin has received an abundance of support from the West and North America. So, we're not looking at a sovereign game; we are looking at different lines and factions around the world. To this day, it's not clear to me who Putin really is.

Farrell: I genuinely think that Putin is coming out of that part of the Russian intelligence deep state that recognized that communism, as a cultural system, was not working. This is why you see him emphasizing the church and this is why you see him emphasizing culture and at the same time talking about the disenfranchised, disenchanted elements of the West. He is talking directly to those elements.

I think that to read him in any other way is totally not getting the man.

Fitts: Here is what I mean: In analyzing Putin, one of the most interesting things I did this year was sit down and cleared the decks and watched Stone's interviews with Putin. It was very fascinating, and it helped me understand more about him.



What I couldn't understand was how Russia came back so fast. Something remarkable is happening, and what I realized is that Putin is basically – and it comes back to this group who is punching back – a mandarin. He is a master bureaucrat, and is intelligent. He is like a Bill Binney, is an attorney, and is a different stripe.

You're talking about the mandarins, and the interesting thing about mandarins is that they take the time to master intellectually the complexity of the nuts and bolts of the operations and of the law and regulations. They are large consumers and masters of complex command and control systems and information, whereas, the fraudsters were like attorneys, but they were too busy for the details. They didn't do details; they just plowed on through.

What Putin has done is used an attention to law and regulation to build an enormous covenant among various groups in Russia where they can operationalize at high speed and have high trust because they have a commitment to a system, and they can depend on it.

Farrell: Remember that he was secretly baptized, which is monumental, but there is something else about Putin that is very important.

If you listen to him, he has been giving immense clues into the nature of the Russian strategic analysis of the situation. Most of the clues that he has been giving are cultural.



I'm stressing this because what I'm really suggesting, is that with Russia and Putin we are dealing with a very similar type of situation that we are dealing with in this country with Trump.

If Putin goes, the situation and the analysis will not change. Whoever replaces him will continue playing that same game. In other words, what I'm saying is that a winning strategy has been laid out for him to articulate, and that is what he is doing. What I am proposing is that any suggestion in the West that, "If we could just get rid of Putin, things will change," is not the case at all. He is representing a faction of the Russian deep state that took power and was put into power by the man who was playing ball with the Rape of Russia until he had had enough, and that was Yeltsin.

This is something that I don't think is going to change even if the West should be successful in getting rid of him.

Fitts: In a remarkable way, the deep state there is very similar to the deep state that is rearing their head here.

There is one other thing that I want to point out, and that is, whereas the United States has to go through very fractious campaigns in 2018 and 2020 and 2022, Putin is now going to be the President through 2024. You are talking about extraordinary continuity of leadership, vision, and government. And if you look at the speed at which Russia is going, Russia is going much faster than I thought they could. That reflects a depth of commitment to the vision.



If you look at the different efforts that have been made to sabotage Russia, they have not worked. So, Russia is off and running, and the United States is not going to be off and running. We'll talk a little more about that later, but it's a very sobering picture.

My theory as to Putin's support is I think that approximately six years ago, Mr. Global said, "The Americans are not going to be able to pull it off. If I want to run a one-world government and a one-world currency, I need to build out redundancy in the systems."

Part of the Snowden op was fundamentally getting Russia and China and the BRICS to start to build their independent train tracks.

Farrell: The problem for Mr. Global, ultimately, is that those countries are not going to be nearly so easy to manipulate and manage and control. They are playing with countries that are very well-aware of the game and how it is played.

I don't think that Mr. Global is going to be as successful as Mr. Global thinks with those countries; I really don't.

Fitts: Here is the issue: If part of where this money is going is an off-world dividend, then somebody who has the ultimate material power is going to show up.

Let me turn to story number five, which is "**The Trump Shock**". One of the things that happened in 2017 was the transition from the Obama Administration, which had lasted for eight years, to something very different.



In the article that I wrote about the election, I called it *The Productivity Backlash*. What I said is that you have two factions: One was Wall Street, Silicon Valley, Hollywood, and Washington – all people who deal with invisible assets. So, you were dealing with securities, which is paper, IT systems, which are digital, movies, which are fantasy, and Washington bureaucracy, which, to a certain extent, is also fantasy. None of them have to go out and dig a well or grow a cornfield or land in Iraq and kill a million people. They don't do the concrete things.

What I saw, whether it was in the heartland or the line military or all of the different people represented, was that the people who did the concrete things said, “Wait a minute. Our productivity is being destroyed, we are being drained, and you know something? The risk is off the charts because you folks don't have a clue what you are doing. You are running up there in la la land printing more money and getting rich.”

It's back to, “If I'm making money, I'm smart and I'm a genius,” and you haven't a clue that the rug is being pulled out from under us and we have no confidence in you. We're taking over.

I think that the concrete folks had lost so many times. They had won with Bush, but boy was that a disappointment! Then they lost with McCain and they've lost all along. This time they were looking at the S-curve of what the BRICS are up to, and they're saying, “We need a jump the curve plan, and we cannot afford to lose.”



I think that they took a wild bet with Trump, but they didn't see any other way to make sure that they won the general population or enough of them to make it stick.

As you know, I am absolutely convinced that somewhere along the way they made a deal with Goldman and Booz Allen and those people. I think what happened was that Giuliani, working with the New York FBI office, acquired the Anthony Weiner laptop and got the courts to agree that they could use it for a variety of different prosecutions. And then they had the entire 'pay to play' network by the you-know-what.

The way they won the election was telling them, "You either stand down, or this is all coming out." It was the nuclear option.

If you look at how Booz Allen and Goldman traded as of October 30th and October 31st, I think they won the election seven days before the election. That is when they got the Anthony Weiner laptop and that is when the market started to trade the win.

Farrell: That makes sense.

Fitts: Now Goldman and Booz Allen are at the heart of the Sullivan & Cromwell and CIA group, so things look murky. It was a big shock for this country to make that turn because so much of this country has been making their money in software and entertainment and fake news and rules and financial fraud. So, we have so many people making money with those things and talking themselves into a la la land with all of these 'divide and conquer' strategies.



Farrell: We've discussed this before. It's essentially a turn away from finance capitalism, to equity capitalism, to production capitalism.

Fitts: That's right. Everybody is screaming, "Performance! We need to get real performance!" We can't continue to print more money and the game is over.

If you look at the shock of that message, you have an entire culture of powerful, rich people – particularly in Washington – and they are so inside the bubble that they don't even see it. They have no perspective.

This is not this phase. I look at it and say, "This is the financial coup phase." They don't think of it as a phase; they think of this as reality, and a permanent one at that. And they think that they have rights to make \$5 billion a year even though they do nothing at all productive. They steal or they harvest other people. In other words, they don't know that they are obsolete.

When I left Washington, I made this effort to drive around the country. I was trying to understand what was happening in the real economy. One of the things that I decided to do was make a pro forma estimate of all of the different professions in the country to see who was economically productive.

What I realized was that I could chose a cleaning lady at Super 8 Motel, and she was generating much more value than she was taking. So, she was adding value to the economy. I was working with lawyers in Washington who were getting paid \$1 million a year and destroying hundreds of millions of dollars of value, but they didn't know it.



They thought of themselves as productive people and had no idea.

Farrell: None. I call it ‘crony capitalism’.

Fitts: It comes back to this trance. There is a trance of not understanding what is real and being able to finance it.

Farrell: It’s the trance of finance capitalism, and they don’t know any other way to operate. That is why the purges are happening.

Fitts: That is why the purges have to happen.

Farrell: You can’t run a functioning economy where people like that are earning millions producing nothing other than coming up with ways to choke the economy.

Fitts: It’s what I always say: “You use them to steal, but you don’t use them to reinvest because they’ll steal your money.” Now that it’s your money, they will steal it or waste it or destroy it.

Farrell: The other thing that has to happen long-term is you have to deal with this mountain of regulation and BS that they’ve created over the decades.

Fitts: So here is this world of people in Washington who are used to a 0% cost of capital, and Trump walks in and he is a reality TV star, a bully, and an attention getter. He’s talking like a man who has a 20% cost of capital. So, the 0% cost of capital culture meets the 20% cost of capital culture, and I’ve never seen a culture shock like that.



It was like two walls of money hitting each other or two tsunamis hitting each other – bang!

The second thing is, when you have a 0% cost of capital and basically criminal culture, one of the ways that you deal with that is everything is about style and process. In the private entrepreneurial world, everything is about performance. It doesn't matter what you look like, how you look, what kind of mess you make, you have to deliver performance, whereas, everyone in Washington is about style, fashion, and process. You can't say anything nasty about anybody because you're stabbing them in the back and having their children run over by a car behind their backs.

We meet this performance, impolite, in-your-face culture (New York, which is the most in-your-face culture) with this processed, style culture.

Farrell: The other part of the culture shock is that you are also dealing with somebody who is thinking in terms of optimizing return on the dollar. They're not used to this in DC at all.

Fitts: The optimization is not on their radar.

Farrell: They don't even know the concept of it.

Fitts: Here is what surprised me at first. Part of it is that people do not need to focus on Trump because this 20% cost of capital meeting 0% cost of capital has nothing to do with Trump.



It has to do with a group of people sitting and looking at that S-curve coming and saying, “We had better be able to deal with this and succeed. We have to succeed at this. If we don’t, we will be buried.”

Farrell: If we don’t, we will end up being like the Soviet Union at the end of the Brezhnev era; we are going to be a banana republic with nukes and no productivity in any other fashion and that is all we will be.

Fitts: Right, and the military is going to be blamed, and the Clintons will be offshore in the Turks & Caicos with their hundreds of millions of dollars.

So, this has to do with figuring out – now that you are behind the curve – how you jump the curve. That is what it’s about. What I saw that surprised me throughout the year was the 0% cost of capital crowd was not listening and they were not hearing; they were incapable of hearing the productivity backlash.

I went to great effort to write it all out and describe it, and they couldn’t hear it.

Farrell: They were, not only not hearing it, but their response was to deal with it in their familiar, ideological terms, “Oh, this was all just angry white men.”

No. It wasn’t angry white men; it was the middle class – white, black, purple polka-dotted, or what have you. That was the real backlash, and they completely misunderstood that.



I say ‘misunderstood’ and I mean it. I think that these people are so locked into their ideology that they cannot think in any other terms. So, you are not only dealing with 0% capital costs and not only dealing with people who can’t think in terms of optimization of the dollar that they are investing, but you are dealing with people trained to respond in a certain way. They don’t have a response. This is why the fake news mystifies people, but they keep trying this.

I made this point years ago to GeorgeAnn Hughes. When you get a group of crony capitalists together at your Bilderberg meetings or your Bohemian Grove meetings, what you are really doing is surrounding yourself with a bunch of ‘yes men’ who think exactly like you do and cannot confront a real situation when it arises.

In other words, the fake news isn’t some sort of a plot; it’s being driven by an inability among this crowd.

Fitts: The mind control that you use to manipulate the population has a reverberation that you have forgotten reality because you are so controlled by the success of their mind control. They are tricked by the success of their mind control.

Farrell: They are not able to respond in any other way. This is why this culture phenomenon is so very significant.

Fitts: One of the reasons I tried very hard in the 1990’s to get place-based economic transparency and optimization going was because most of these issues have to be solved at the local, individual level up, and they have to be solved with math.



I was on a list of a wonderful group called the Institute of Civic Values in Philadelphia. There was a community organizer in Ohio who was essentially a committed socialist, and I was a committed capitalist. When we discussed philosophical ideological issues, it was war; we disagreed on everything. Then we would have a discussion about what to do in a neighborhood, and we would agree on everything because everything was about optimizing time and money. We agreed down the line, and very rarely did we disagree locally.

That is why I always said that you have to bring this down to performance at the local level. That is how you solve it. That's why I am so grateful for the breakthrough in the missing money. Ultimately, that is going to take it down to the local level.

Farrell: Once people translate the missing money into county by county, what that \$21 trillion divided by 3,000+ counties adds up to.

Fitts: It's \$65,000 per person. That is a large amount of money.

So, we go into this shock, and then we have an enormous number of, what I consider to be, 'financial scams' to keep the unipolar game going – the Trans-Pacific Partnership, the Paris Climate Accord, which I actually sat down and read. I read the fund and the entire financial package and said "Oh my God!"

Then Trump canceled these things – bam, bam, bam! Then he threatened to reorganize NAFTA, and decided that we should enforce our immigration laws.

Farrell: Oh dear! Perish the thought!



Fitts: When he put out that first immigration order, which under the law he clearly had the authority to do, but of course the courts went crazy. Now the Supreme Court has affirmed that he can do it because, after all, it is the law.

In my opinion, it was one of the most remarkable conversations because you have a country that believes it's shocking that we should implement the law.

Farrell: I know. You have an entire segment of the country that is so culturally afloat and untethered and unmoored from anything rooted in the country. The problem here is, if you are going to reshore, immigrants are not going to be able to fill those jobs. They're not going to be able to, and you're not going to be able to fill all of those jobs with robots either.

Fitts: It is also going to come back to economics. If I can resettle a Syrian refugee in the Middle East for \$10,000, then spending \$150,000 to resettle them in the United States is not economic, and it takes them further from home, etc. But, of course, the Silicon Valley, I'm sure, had something to say about that.

We started the year with one of the biggest problems in America – including corporate problems – is that healthcare has gone from 7% of GNP to 17% and rising. It's ridiculous, and we are paying much more per capita than European countries that have much better health systems and are much healthier.



This gets us into the issue of: To get us back to 7% and healthy, you need to re-engineer many things, including agriculture, marketing, and on and on. But put that aside for a second, and the Republicans have been promising for years that they were going to re-engineer, repeal, and replace as soon as they were in control. They took control, and had control of the Senate, control of the House, and control of the White House, and what happened? Nothing.

I happen to think that you have so much of the population making money from healthcare, which is bad for our health, so the problem is not only in Washington; it's from sea to shining sea.

Farrell: This was not a healthcare plan; this was a big pharma/health insurance company plan.

Fitts: Right, but it was also that the American people don't face and take responsibility for their own health. They stopped doing that and are living an unhealthy lifestyle.

So, they ultimately didn't get it done, and turned to tax reform. We will probably have a tax reform bill by December 22nd. This tax reform is the basis of what they need to reshore.

What is interesting is, if you look at the debate on the tax reform, there is no popular understanding of why they are trying to do this.

Farrell: There isn't, and Congress has fallen down on the job of trying to explain why.



The strategic problem that the factions behind Trump have is that, even though they may pass a tax reform bill, they have to be looking down the line at what happens when Trump goes.

One scenario that I'm dreading is that the radical left in control of the Democratic Party comes roaring back and kills off what is remaining of the carcass. I am genuinely skeptical of that. That has to be the thinking behind any long-term plan here. To do this, they have to establish in some way the reshoring of those corporations and making sure that the tax rate is not going to get bumped up again.

If the thing passes, what I suspect we are going to have to look for is confirmation for a long-term scenario that is in play. We are going to have to start looking for news items that indicate that some sort of much more permanent deal has been offered to these corporations.

Fitts: The corporate drop is permanent; it is the individual that is not permanent.

Farrell: I didn't know that. That is interesting.

Fitts: They were going to take it to 20, but they bumped it to 21 to get it done. The corporate rate should be permanent, and the corporations have the political clout – I think – to stop that from changing again.



There is no doubt and they have already said they are going to start addressing welfare after tax reform is done. So, expect the social safety net to be reduced. That is going to be welfare, and I think that it is also going to include food stamps.

Farrell: I think it is going to include food stamps, and inevitably, they are going to have to deal with healthcare because it's imploding. It's simply imploding.

The simple solution would be to get all of that government money out of it, but that is not going to happen.

Fitts: One of the conversations that keeps occurring with my friends in Europe is how different the cultural wars are here than in Europe. In Part II we are going to talk about that.

If you look at our immigration, we have a great deal of immigration of exceptionally well-educated people. Many of them are coming to our schools. Primarily, the big cluster is Asia, and they are very, very productive. You have a wave from South America, which are mostly Christian and very big on family values.

If we get the cartels out, what you have is very family-oriented, Christian people who are very hard-working. If you look at our culture, they are very compatible with our culture.

If you look at what is happening in Europe, it is totally different. You are talking about an invading force that is highly destructive and cannot be integrated.



Farrell: Europe is under assault, and Merkel has paid the price. Ultimately, I think that she is going to pay the price. I don't see any government that she forms lasting the full term. If it does, I think that the next go-around, she is out of there.

Fitts: There is a wonderful TV series on Danish TV called *Borgen* that shows exactly this fact pattern of a woman Prime Minister struggling to put together coalitions which they can't hold.

Farrell: She is trying to make a coalition out of oil and clay right now, and it's not going to work.

Fitts: If you look at the big European corporations that were behind the creation and the EU and its policies, what in the world are they going to do? How do they hold this thing together?

Farrell: I think that Austria is a clue. You have a very young Chancellor in Austria. He is 32 years old and I look back at myself at 32 years, and to be running a country is incredible.

Fitts: How old is Macron?

Farrell: Macron is not that old either. In Austria, he was elected solely on the basis of the immigration problem. Austria has been bearing much of it, too.

Germany's problem is the same problem that Germany has always had. We're looking at Kaiser Wilhelm's Germany on steroids.



You have this tremendously productive economy, you have a large, heavy industry base, and a country with no natural resources to speak of. So, Germany's problem has always been this. It's got a huge industrial base and a large economy for a country of its size and it's number four in the world.

Germany's solution to populate the labor requirements that its industry needed after World War II was the invite of all these immigrants. At the same time, it was pursuing typical progressivist population policies of abortion and all of that.

Germany is either going to have to continue the current policies and bring in more and more immigrants – to the point that Germany is no longer going to be Germany – or they are going to have to take a look at those population policies, just like the Russians did. The same thing happened in Russia, and what you saw happen under Putin is that they are now giving tax credits for Russians to have babies. “Have more Russian babies because we don't want to import a foreign population.”

I think that the challenge for Germany is going to be: Can they face up and look at those policies and acknowledge that they are part of the reason behind what they are suffering right now? I don't know that they are going to be up to it, quite frankly.

If there is anything like that, it is going to be coming out of their right-wing parties. Now the interesting thing is that they might be up to that because Frauke Petry, who runs the Alternative for Deutschland party, picked up 90+ seats in the Bundestag, and that is fairly significant.



What that is telling me is that there are enough young people in Germany who are looking at this and saying, “What we are doing now isn’t working. We’re willing to take a chance on this lady and her party.”

I don’t think that phenomenon is going to go away in German politics.

Fitts: We now see Schäuble move over to run the Bundestag, and I received several comments on the 2nd Quarter Wrap Up, “How could you and Dr. Farrell say anything nice about that man?”

Farrell: Schäuble is the one who came up with the statement that the debt growth model is over.

Fitts: This is a man who has profound insight into reality.

Farrell: Here is the thing: You look at what happened to Merkel prior to this last election, and all of her good people fled like cockroaches out of her cabinet. Steinmeier left the Foreign Ministry, Schäuble left Finance. So, all you have left are the Atlanticists. You have Thomas de Maizière, you have Ursula von der Leyen as Defense Minister, and these people are all Atlanticists. In other words, they are part of the Mr. Globaloney crowd. This is all she has left.

I think that she is in a very, very weak position. Eventually, things are going to turn there and she is going to be out. The real question is whether the Germans are going to look at their domestic policies and conclude that if they are going to get a grip and a handle on labor production needs, they need to increase the number of Germans in Germany.



That is the bottom line: Have more Germans and make more German babies.

I don't see this being solved by importing more illiterate refugees from Africa. It's not going to work.

Fitts: To this day I don't understand what has happened with immigration, but I will say this: The only time that I've agreed with Tom Friedman was when he said, "The Libya invasion and the destruction of Libya, one of Africa's wealthiest countries, basically uncorked Africa. Now the refugees are pouring in."

Farrell: Yes. They are pouring into Italy, and they have the same problem there. They are sizeable economies in these countries, but they are not sizeable enough to sustain this.

Fitts: This is exactly what Goldsmith predicted. Goldsmith said that if we industrialize agriculture in this way, in these speeds, you are going to see millions of people immigrating in out of control ways that could destroy civilization. This is exactly what he predicted, and he was right. Part of this is what they are doing with agriculture in Africa.

They uncorked Africa with Libya, and that was Clinton.

When Donna Brazile's book was published, I said, "I want to know who published this. Who is behind this?"



Sure enough, you have the big French publisher. So, the French published the hit job on Hillary Clinton. What that tells me is: First of all, they spent a lot of money on ‘pay to play’ and now they’re not going to get a return on their money; they lost all of that money. And, in exchange for getting some of the Libyan gold, that was the most expensive gold trade in the history of gold. If you look at what their expenses are going to be on the uncorking of Libya, they will pay fantastic amounts per ounce for that gold. I think that they are furious at Hillary Clinton and she has absolutely destroyed them.

Farrell: If any country is going to reverse this nutty immigration policy in Europe, it will be France. I think that you could see the Germans do it if the French took the lead on it, and I think that is the reason they were so adamantly insistent to defeat Le Pen. Had she been in there and started to reverse the policy, you would have seen Merkel out.

I don’t think that Macron is capable of dealing with this and I don’t see him dealing with it. But eventually the French will deal with it.

Fitts: Here is the one thing that I will say. My impression is that if you look at the big European companies, I think that their approach to the Silk Road in Asia is now much more successful than the US companies.

Farrell: It is, but their problem is long-term with this immigration influx. They are flooding their countries with unskilled workers, and it is going to overwhelm the welfare system. So, this is becoming a national security issue for them.



I think that you could see the backlash spreading if the Germans stand up to this and say, “Enough is enough.” Ultimately, this policy is coming out of Berlin. Part of me has always entertained the scenario that the European Union lacks one crucial thing to make it work, and that is a European culture to identify it with.

In other words, you have French culture, Italian culture, Spanish, German, and what have you, but you have nothing identifiably ‘European’. So how do you create a European identity? You threaten it with an influx of a totally alien population with a whacked out medieval ideology to threaten it and make people rally around the banner of Europeanism.

I used to entertain that idea, but it’s not working. What it has done is fueled this nationalist backlash. Don’t get me wrong; I’m not saying that patriotism or anything like that is wrong. But what it has done is fueled Austrians. They are upset, and they want to maintain Austrian culture. You have Garrett Wilders in the Netherlands, and so on.

If those parties would change their tune – and Wilders, to his credit, attempts to do this – and talk more about European civilization and its roots and what they have in common and what they don’t share with these people, I think that you would see more of a success.

The Poles are doing this, and it’s very successful in Poland. They are just saying ‘no’ to Brussels.



Fitts: They never went into the euro and, you know, it worked. If you look at their economic performance, they have benefitted tremendously from not having gone into the euro. The message is very clear.

We also see a proposal to consolidate the military.

Farrell: This is already happening, and the German military is already integrating Dutch and Czech and Danish units into the Bundeswehr command structure.

Germany is going to do this with or without the rest of Europe.

The other thing that we need to remember is that the big German defense contractor, Rheinmetall, merged with the big French company a couple of years ago. I think it's called 'Nextera' or something. It's another big, French defense contractor, and they merged to create this huge armament conglomerate. I believe that is a standardization. If they are going to standardize equipment between the French and German militaries, that means everybody else.

I think that what this is, is Europe's way of doing an end-run around NATO, and ultimately, it's Germany's move to do an end-run around NATO.

What I suspect you are going to eventually see is that Germany, because they are looking at an increasingly unreliable United States, is going to increase their military over the next decade or so – and probably dramatically so.



You've already had Steinmeier, the former Foreign Minister, saying two years ago that Germany has to take a much more muscular role in foreign policy. He even used the term 'militaristic'.

Fitts: Everybody's solutions seem to be to buy more arms, and Trump's solution is to sell more. The defense contractor stocks are soaring.

Farrell: I think it's going to happen and I don't see any way around it.

The other reason the Europeans are being pushed to this is the ridiculous Russian sanction regime. It's hurting Germany, it's hurting Italy, it's hurting France, and the only way around this is to have some military muscle and to tell the United States to take a hike.

Fitts: So, does the American occupying force in Germany leave?

Farrell: I suspect that eventually we simply leave, or they kick us out. I suspect, ultimately, that we just leave. I think that we saw the handwriting on the wall years ago when we started moving our forward bases out of Western Europe and into the former Warsaw Pact. I think that was a preventative move against Molotov-Ribbentrop 2.0 – if I can put it that way. If you are the Poles, that is what you are afraid of.

Fitts: I try to spend a fair amount of time every year in Europe, and if you sit in the United States and listen to the news about Europe, you would think that Europe is falling apart. If you're in Europe, the infrastructure is fantastic, the transportation is fantastic, the culture is fantastic, and much of the United States now feels like a second or third world country. Europe is a first world continent.



Farrell: Their infrastructure is kept up.

Fitts: And if you look at the crime, there is much less crime there than here. It's much safer to travel around Europe than it is here, and yet the impression that you get here is, as my clients would say, "We have to get all of the money out of Europe; it's falling apart."

I respond, "Are you crazy?"

The spin here is very scary. The immigration problem is a serious problem, but on a comparative basis, Europe is a first world continent, and we're not.

Farrell: We are declining very, very badly.

Fitts: If you look at health, they are so much healthier than we are.

Farrell: I saw that even decades ago when I was living in the United Kingdom. Their infrastructure there just amazed me in that country. Then I came back to this country, and the roads were bumpy and it was a real eye-opener.

Fitts: It's an embarrassment.

Farrell: I agree, it is an embarrassment.

Fitts: It's embarrassing for me to be in Europe and realize what we are like.



The next story we are going to briefly talk about is the ‘**Pension Fund Crisis**’. Our theme for the Annual Wrap Up is ‘Does Your Pension Fund have a Deep State Drain?’

It turns out that it’s not the only money missing in the US Federal budget. But because that is our theme, we don’t need to handle it too thoroughly here. I will say this: This year, the chickens came home to roost on the pension funds, and the American taxpayer is starting to realize – whether it’s through the Federal government on the corporate pension funds or through their state and local taxes – that they are on the hook for all of the pension funds, too.

If you remove all the money in Global 2.0 through the financial coup d’état and you are on the hook for all of the pension funds, it’s your problem. It’s a bit like *Rosemary’s Baby* and this is really happening.

So, the last and final story when I thought of the ten top stories for Economy & Geopolitics of the year 2017 is, what I call, ‘**The Dawning Realization that This is All Real**’.

More or less, many people in America have been protected by the bubble. You and I and Jon Rappoport – the group of us – have been warning for many years about all of these things. But for some reason it kept falling for many people to the space of entertainment and not the space of reality.

Suddenly, what I’m seeing happen among many subscribers this year is this dawning realization of, “Oh, this is real.”



There was one article I republished from someone that went through all the examples of what 3.0 was going to look like with driverless cars and AI robotics. They gave many specific examples. Someone wrote to me and said, “You know, you’ve been warning us for years about the shift to Global 3.0 and how dramatic it is, but suddenly I realized that this is real.”

If you look at the implementation of these things, you have a full network of people who have been working on the implementation for decades, but now it’s all going to pop up. Suddenly in 2025, there are going to be driverless cars and trucks everywhere.

Farrell: And you will have to pay a higher rate if you drive yourself. That is how they are going to push it.

Fitts: So all of these things are now going to become very dramatic at a retail level quickly. As I’ve been saying, with David Rockefeller’s death, the Amazon-Whole Foods deal, the bell has rung. Now we’re going up the S-curve domestically and the insourcing is going to happen. In the meantime, whoever the leadership is, they are looking at this S-curve globally of what could happen in the shift to the multipolar world.

Of course, whatever the drive to become a multi-planetary civilization, that is going to accelerate now. We are going into space, and we are going at it very substantially.



The engineering and university programs are all being re-engineered around STEM and building the capacity that we need to get into space in a big way. This is going to roll out at a high speed now and it's happening.

Suddenly, within my audience, people are beginning to realize, "Oh, this is real." Part of that is the lawlessness that has affected some of us is now affecting everybody. We're going to talk much more about this in Culture, but there is this dawning realization. I'm seeing it, and I'm very curious to hear how you're experiencing it.

Farrell: I'm hearing the same thing. In fact, I think my website members are different in some respects than yours. Yours are focused on finances – investment and personal life and so on – and mine are coming from a different place in that they are trying to process a lot of different information like history, culture, philosophy, and so on. But one thing that is coming out increasingly, is that I can sense their angst. Let's put it that way. There is this deep sense of angst and personal safety and, "What do we do? It's coming, it's coming, and the government isn't my friend, and the corporations aren't my friend, and the media is not my friend, and the political parties aren't my friend."

This is why I keep saying that you must own the culture. You must have a personal grounding in what has made this culture only for your own sanity. That means taking responsibility across the board to the degree that you have time and resources and you are able to do so.



The other thing that I think people are increasingly wondering is: What do we do? They don't like what is coming, and they don't like what they see they think is going to be all bad. I don't necessarily think that it is going to be all bad, but plenty of it will be.

Fitts: Right, but everybody needs to take action now. This comes down to: Are we going to be a human culture, or not? Everybody needs to take action.

Do you know something? There are a tremendous number of actions that people can take, but they have to take them now. It's another reason to hang out.

One thing that you can do is simply support the people who are punching back. When I had lunch with Bill Binney and heard about the litigation that he was working on, I said, "Would it be useful to you if I created a website with all of the litigation documents and case summaries and your affidavits so that all of the reporters who you are dealing with could find this very quickly?"

He said, "Yes," so that was something that I could do to help Binney.

Just find the Bill Binneys of this world, and do something to help them. Pick up one thing and do it.

Farrell: Increasingly, I think people are going to have to realize that if you are going to maintain your humanity, then you are going to have to be the one to maintain your humanity. Whatever it is that reinforces your humanity, build on that.



I have many people telling me that they are turning off the television, they are turning off the cable, and they are not listening to it anymore. One thing about this net neutrality that may be good – I don't know, but time will tell – is that I am paying most of my internet and phone service fee for cable television that I don't even have plugged in. I resent the fact that I'm having to pay money to a corporation that is going to turn around and donate most of that money to political candidates and political parties that I don't even support. I think that needs to go.

I keep telling people to own the culture. This is going to be your lifeboat for saving your humanity and having a sense of belonging to something outside of yourself. I'm sensing that many people don't have that because all of the things that they used to put their personal faith and investment in with their field, their country, the party, the church, the family, or whatever – all of that is under attack and being torn down.

If you're going to maintain that, you have to be the one to maintain it. The people leading things right now are a new guard of elites. The David Rockefellers and people like that are over; they're gone; they're out.

You have a new guard now that has no culture.

Fitts: That is true on the tech side, but I wouldn't say that on the military side.



Farrell: That is what I mean. They have no culture, so they're not even concerned with it.

Fitts: Their culture is exceptionally adolescent.

Farrell: What little culture there is. Yes, you are going to have to create your little bubbles of culture for your own sanity. In doing so, that will attract people. This is the other thing. Culture attracts people, and it attracts people of a like mind who can look at something and see the same beauties or what have you and be attracted to it.

It's going to be enormously important.

Fitts: One thing that I want to stress is personal safety. When we did The Solari Report about gun ownership, one thing that I tried to stress is that for most of you, it's 45 minutes from the time the problem starts to the time that the sheriff gets there, and you are responsible for that 45 minutes. You will decide whether you live or die.

I am concerned about what is going to happen if you proceed to disassemble parts or all of the social safety net. After \$50+ trillion has been stolen by elites there is going to be an open war. Unfortunately, they are not going to shoot the Clintons; they are going to shoot you and me.

I think that from a personal safety standpoint, if we don't re-engineer locally, we could be in real trouble.



Farrell: I agree. Get into places that are relatively safer. You could not pay me enough money, given the upheavals that are coming and the attempts that I think that we have seen in this last year, to ignite something – to ignite violence in the streets.

Fitts: The Ziocons have done everything possible to start a race war, and it didn't work.

Farrell: They are going to try to pull something. You couldn't pay me enough money to live in a New York City or a Chicago or a Los Angeles. I would get out of those places faster than greased lightning.

Fitts: Here is the other reason, and we will talk about this in Part II: 5G is rolling out fast. So, the mind control in the dense places is going to be unbelievable.

The realization is that this is all actually happening, and we have a big part of the culture going to the light, and a big part going to the dark. The middle of the road is disappearing. So, each one of us needs to decide and start acting.

Farrell: It's time to choose up sides right now.

Fitts: Right. The middle of the road is eroding fast.

Farrell: There is no middle. That is reflected in our politics. The old idea of bipartisanship is gone and they have gutted it.



Fitts: I think that it is very important for people to clearly see that the lines are not between Republican and Democrat; the lines are between those who believe in a human future and those who believe in something else.

Farrell: We have many Bolsheviks in society who are promising a utopian future, and it will be anything but that if they get their way.

Fitts: One thing that most struck me – and I will have it up in the news video – was the presentation at the Aspen Institute by a young activist who says that he is running for President, financed by Bitcoin, which I don't know how you run for President on anonymous donations.

Basically, he proposed the Rape of Russia plan for the United States. You will hear this often from the young Bitcoin people. “There won't be a government in a year. There won't be central banks in a year. We are going to destroy it all.” They see this as being a very positive development, and they believe it.

Farrell: I know they believe it, but what they are talking about is corporate feudalism.

Fitts: They are essentially saying, “Let's take the remaining assets and sell them to the corporations for pennies on the dollar. Let's gift all of the remaining assets to corporations and destroy the entire social safety net and the entire retirement pension fund systems of the world.” This is fashionable.



Farrell: I don't see any easy way out of this. I'm hoping that there won't be, but on the other hand, I am suspecting that somebody is going to try to pull something to stop this scenario that we've laid out – reshoring and so on – from going forward. That group of people are a desperate, desperate group of people.

I will say this again: They have absolutely no moral constraints. They will slaughter unmercifully just to retain their power. So, choose up.

Fitts: This has been a very fascinating discussion, and we will pick up next week with Part II. We have much to talk about on Culture.

Do you have anything before we close? I would say that geopolitically – both in terms of economics, the financial markets, geopolitics – this has been an absolutely fascinating, dazzling year. It's one of the reasons I always say to people, “Embrace uncertainty.”

Farrell: Because there is going to be plenty of it.

Fitts: So coming into the 2016 election, could you have possibly predicted that we would end up where we are today?

Farrell: No. I am less surprised at the shenanigans that have occurred than most people because I expected that the reaction of the losing candidates and their backers was going to be to create chaos and upheaval. After all, you were dealing with a woman who read Saul Alinsky's *Rules for Radicals* and liked it.



Fitts: But I liked it.

Farrell: I didn't.

Fitts: I liked it because what he was proposing was that everybody vote their stock proxies and bring the corporations to heel in a way that I think would have been terrific.

Farrell: My problem with it was the dedication to Lucifer. I think that is what we were facing, and that has them very, very upset. But I expected it, so I'm not surprised by it. I've told individual people that certain power structures in the country are finally revealed for what they always were.

Fitts: I believe that what has been more than gratifying is I never believed in 0% capital. All that 0% capital does is liquidate real capital until it can't anymore. So, I never took it seriously, I never wanted anything to do with it, and I didn't want to make money in it.

Now, suddenly, I'm starting to see the world coming back, "Oh, capital isn't free."

That dawning realization brings the world closer to my point of view towards things.



Farrell: It brings it back to a more human reality. What the other people had been playing with is, fundamentally, inhuman and irrational, which is also inhuman.

Fitts: I see plenty of positive news that I wasn't expecting.

Farrell: I do, also. It's not as bleak as people are making it out to be, but it could get that way. If the losing power structure is going to go for broke, then it is going to get bumpy.

Fitts: For a long time, it's what Rappoport says, "Hopelessness is an op and it is planet-wide."

What I think that is not understood by the general population is that if each one of us does what we can – if we all take the actions that we can – then a mighty army arises. It's an enormous, mighty army, and that is why 2017 was 'The Year of Punching Back'. We need to double down on the punching back in 2018.

Farrell: Yes. It is Adam Smith's hidden hand.

Fitts: Thank you so much for joining us on News Trends & Stories. Now, onto Part II.



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