



The Solari Report

June 21, 2018

2nd Quarter Wrap up News Trends & Stories Part I with Dr. Joseph Farrell



Catherine Austin Fitts



Dr. Joseph P Farrell



2nd Quarter Wrap Up – News Trends & Stories Part I

With
Dr. Joseph Farrell

June 21, 2018

C. Austin Fitts: Welcome to The Solari Report. This is News Trends & Stories Part I. Next week will be Part II. Normally for News Trends & Stories, I wait until the end of the month, so we're taking a big risk here because it's not the end of the month. We were on the phone with Europe, and we have a report about Merkel. It appears that her government is going to collapse.

So, we are in a very dynamic period, and things are happening. I'm taking a big risk by doing this before the end of the quarter, but there is so much happening that I really wanted to do this now. I appreciate your taking the time at the end of the quarter to make it happen.

Today we are going to be talking about the Top Ten Stories in Economy, and Financial Markets, and Geopolitics. Then in the following week, we will do the other sections: Culture, Science, and Technology and Space, the Unanswered Questions and all the other sections.

If you go to the web presentation, all the top stories for both Part I and Part II are up with the different stories that inspired us to define and choose the top 20 stories. You can find all of the links and also Top News Videos.



We are going to do a report card for Trump today as part of the Geopolitical section. So, there are lots of materials at www.AsianConsumer.Solari.com. Our theme for the 2nd Quarter Wrap Up is ‘The Rise of the Asian Consumers’ and I will be talking about that more – both now and when we do that segment.

So, we are all ready to go.

Before I start, I want to say thank you again for doing this. The News Trends & Stories Part I and Part II right now are the most popular items on our website. As Ed Sullivan would say, “This is really, really big.”

Do you have anything before we dive into Story One?

Dr. Joseph Farrell: Let’s wait until the Geopolitics section because I do want to comment on the Merkel situation.

Fitts: Needless to say, our money says that Merkel won’t last the week.

For Story #1 I’m going to do something a little different in this News Trends & Stories, and that is I want to spend a bit more time on Story #1 than we ever spend on a story because I think that it is so important.

This is not going to be the only time that we talk about this story. It’s going to be something that is ongoing at The Solari Report –



both working together as an intelligence network to figure out how we succeed at managing this dynamic, and I'm calling **Story #1 'The AI Invasion: The Giant Sucking Sound'**. I'm also working on a very detailed treatment for later Solari Reports called **'The AI Invasion: Friction Warfare and the For-Profit Weaponization of Everybody and Everything – the Nuts and Bolts of the Control and Concentration of Cash Flow.'**

So, we see in the 2nd Quarter, and it's up in the Top News videos, Elon Musk again put out a very insightful warning about AI. Musk is someone who has warned about it before and is warning about it now, and one of the things that he stresses is that it is moving much faster.

Farrell: I think it's already here and we've discussed this before. Already we have virtual AI control of all the markets – equities markets, commodities markets – and it's being driven by trading algorithms. I've commented before that this represents an artificiality that is not reflective of actual human trading conditions; this is a market driven by big money, not medium and small investors. Therefore, it can't be reflective of actual human on-the-ground conditions. So that is concern number one.

Fitts: Its goal is calculations, and its applications are non-market. So, you are looking at a political control system driven by machine intelligence and machine learning that has goals other than human goals.

Farrell: Right, and we discussed this before. I think that what you are going to see – and it's already underway in a certain sense because we've heard these stories about Facebook, YouTube, etc. censoring different sites that disagree with their narrative.



I think that what they are trying to do is put into place a Chinese ‘social credit’ mechanism. We’ve heard stories out of China where they are denying travel applications and so on from people who are not toing the line of the party narrative. I think that what they are trying to do is put a corporate version of this Chinese social credit system here in this country, and that will be driven by AI.

“If you are good little boys and girls and follow the corporate narratives, you will get your rewards”.

Fitts: I call them ‘pet treats’.

Before we dive into the particulars of the AI Invasion, one thing I want to do is quickly run through the different specifics of what this means to you and me.

One of the challenges that I dealt with was increasingly an AI or algorithm harassment during the litigation, and ever since then. For the last year or so, I’ve been trying to understanding the work of a group of, what is called, a ‘targeted individual’. Targeted individuals are people who are really under very serious electronic surveillance and harassment.

I’ve realized based on what I’ve learned in the litigations, the dirty tricks we’ve dealt with since and what the targeted individuals are dealing with, and remember that I’m looking at this as an investment person. I’m always looking at, “Okay, how does the money work?”



It's one way of me mapping the reality. If I can look at the mathematics of the time and money on anything, I can begin to see what is really happening.

So, I said to one of the targeted individuals recently, "Look, there are 325 million targeted individuals in America that is divided into two groups, those who know that they are targeted, and those who don't."

What we are talking about is systems and the biggest part of the system. It's not one system. The biggest part, which is very much a monolith, is what I call the 'data beast'. The data beast is the infrastructure that has been built by the private government contractors who the government finances to build the data beast.

The data beast is taking new steps up. We see all the 17 intelligence agencies and the DOD in the Amazon cloud together. So, we watch the data beast, and the data beast has been sucking up all the data from every government agency for the last 50 years. It's really interesting because, if you look at what happens in securities and what happened at Hamilton, it was basically a war with the data beast.

I know what the data beast did after it acquired all Hamilton's information because I know what I was trying to do, and I understood where the value was if you made place-based data transparent. The data beast understood the control that could happen if you kept it as a one-way mirror and used it as a one-way mirror. So, the data beast is very, very significant.



I went through the litigation and I documented all the harassment. There were 18 audits and investigations. We had a smear campaign, we had electronic harassment, we had physical harassment, and on and on.

I had a very intelligent team, and we worked to document it. We were able to show people what was happening, but it was still very hard for most Americans to fathom that this was really going on in America.

It was odd because you and I both have an affection for California. I would go to California, and would try to talk to them about what was happening in terms of their electronic surveillance and manipulation, particularly their financial and electronic manipulation, and suddenly, they would all start talking about how terrible it is what we are doing to people in third world countries. It was almost as though that was a distraction and a denial.

It's very important to our sense of social prestige that this is not being done to us. We would much rather cry about what is happening to people in third world countries, which is arguably terrible, than to look at the fact that our house is being turned into the *Truman Show* and we are subject to a 21st century whipping machine as slaves.

Farrell: You have two additional technological developments that have just come out as stories on the internet that concern me. One is that there is now a move to use DNA itself to store data. The other move, of course, is quantum computing, and Google is investing in this very, very heavily.



Just to put this in a nutshell, current computers run on a binary system that is ones and zeros. So, for every node in the computer's circuit, you have, basically, two things that it can store data on. If we go to quantum computing and use the seven positions of an electron instead of two possible data points per node, this would be a dramatic increase in computing power.

You couple these technological advancements with this corporate mining of data, and then you couple that with a social credits program, and this is what I think they are trying to put into place. They are trying to lock everything down and harass people who do not conform to the corporate narrative or the globalist narrative. They will harass people with shadow work.

I've noticed that when I post political stories, my website is set up so that every post on the website is supposed to go automatically to Facebook and to Twitter and so on, but when I post a political story, it will not post automatically on Facebook and I have to post it manually.

They are doing this as a way to control the narrative, and this is what is coming down the pike.

Fitts: It's here and I spend \$100,000 a year telling the truth. That is the cost of dealing with all this shadow work related to telling the truth.

There are two points that I want to make. God love Franklin Sanders. He once said to me, "Look, what you are saying doesn't make any sense. The highest number of people they could do surveillance on is 24,000." He is thinking of the Stasi system. He's thinking that it takes a team of people and a great deal of money to do surveillance on a family.



I said, “Franklin, there are 325 million people under surveillance in America who are being manipulated electronically because they are doing it all with AI and software and systems. This is relational database marketing.”

He looked at me and said, “What are you talking about?”

It’s interesting. When I first moved to Hickory Valley, somebody would get laid off, and, literally, within 24 hours they had an offer for a subprime mortgage or home equity line, an offer for a 30% interest credit card, and the drug dealers are at the door.

The relational database marketing was integrated covert and overt, and that was in 2000 and now it’s 18 years later.

I recently had tea in California, and I was talking about how I can say something on the phone or something can happen, such as having a headache, and suddenly, I’m getting offers of headache remedies by email within 30 seconds to a minute. People tell me that this is what happens on their Facebook account.

I think that if we could make a mental consciousness breakthrough that says, “Oh, everybody. This is me, and I’m going to give up on this notion of pretending that it’s not going to happen to me”, is somehow going to make me safe.

Farrell: People have to grasp on to this idea. You have to make it as your daily operational attitude that everything that you are doing is being monitored.



Part of this narrative control with AI is, of course, they are controlling search engine algorithms and everything else. So, everything is being monitored.

My advice is to limit what you can the data that you are sharing with these people. You are here with me, and I have an offline computer, which is where I do most of my work. We have to start thinking in these terms because they are going for broke.

Fitts: One of the reasons I shut down the client advisory business is because, when we got the current audit, they had an enormous number of questions on cyber security. So, I talked with one of the people who was helping me, and I went through all the cyber security questions. I was just reading them aloud. They had an AT&T phone with them, and I had forgotten to tell them to leave it in the car.

Within a couple of minutes, as soon as I turned on my email, I had all sorts of proposals from Silicon Valley firms offering cyber security specializing in investment advisors. What a surprise!

So, I went to the firms and looked at the software. I said, “This software is designed to provide invasive access to my clients’ private data – the data that you don’t get through the banking and security system.” That is when I said, “We’re closing the business down right now.”

So, I’m working on finalizing a new cyber security policy for the investment advisory, and we are taking everything offline. All client data is going to be taken offline and accessed by machines that never go online.



Farrell: What they are doing is, in a way, forcing people to return to analog systems – quite literally.

Fitts: What do you mean?

Farrell: Take things offline.

Fitts: I ordered a typewriter from Romania, and I'm still waiting for it.

Farrell: I'm the same way. If push comes to shove, that is the way I will do it. What they are doing is using their corporate power effectively to spy on people. Sooner or later that has to be called out.

Fitts: I don't think that they are thinking of it as 'spying'. I think they are thinking of it as 'optimizing'.

So, the goal is not to watch you and terrorize you and control you. This is a for-profit model. The goal is to harvest you. It's a whipping machine. This is the whipping machine of the olden days.

Farrell: It is spying because, if you couple this with the idea of a social credit type of system, they are going gaga over what China has done, and they are trying to implement it here. It's another control mechanism.

Fitts: Right, but remember that the marketing technique they are using has been so successful that, if you play ball and you're good, you can have a nice life. That is a lie because they are going to keep on harvesting you.



They are harvesting you now, they are going to keep on harvesting you, and if you try to play ball that way, don't think that it is going to be better for you. It won't be better for you.

Farrell: This is spying and is a social credit system. What they are really trying to do, I think, is lock down their control of the narrative with all this. That disturbs me greatly because there is no Bill of Rights in a perfect charter. Let's get back to basics. The Bill of Rights is a covenant with the government and the people. Corporate charters don't incorporate these things.

We have to figure out a way to push back on these developments. We've talked about this before and, if you think that a Constitutional Convention is going to solve this, think again.

Fitts: It's going to tear up your last rights.

Farrell: It's going to tear up your last rights, and they are going to keep doing this with a vengeance. If you think it's bad now, just wait until they get the corporate social credit systems in place. Then it will be much worse.

Fitts: What is hard for many of the people who can't fathom the way that the system is going is what AI can do, which is act cross-sector and cross-place. So, you have all sorts of processes coming at you from different directions that seems that it's just a coincidence.

It could be a coincidence, but more often than not, it's not a coincidence.

Farrell: No, it's not.



Fitts: So, we are talking about someone who can do place-based optimization and sector optimization in a variety of different ways. It's not only one machine. Yes, there is the data beast, but you have the telco's and all these different industries that have their own, so you are up against multiple systems.

Farrell: You are up against multiple systems that are also plugged into the media. This is the other side of the coin. You are getting hit with soft social engineering through this corporate social credit system, and you are getting hit with social engineering through the media. It's everywhere you turn.

The only way to do this is for people to be conscious of the fact that this is happening, and to limit the amount of data that they actually share.

Fitts: Let me tell you why it's remarkably easy for me to see the system and understand it. The reason is because I'm trained as a portfolio strategist, but I also did a great deal of portfolio strategy work with the Federal budget/Federal credit government data. Although I haven't had the analytical team and backup that I once had, I am able to intuit a great deal. I have to work by estimate intuitively, which is not ideal, but I'm missing the \$20 million a year analytic infrastructure.

It all makes sense when you understand the economics involved. When you don't understand the economics, it's pretty bizarre. When you understand the economics, let's assume that this machinery of the data beast is playing a game on me in Hickory Valley, I understand the economics of optimizing the country.



They are trying to harvest as much money out of the county as possible. So, I understand household, county, state, Federal, and then globe. So, I can look at it from a place-based basis.

They tried to run these mortgage fraud raps on my mortgage. They kept transferring the mortgage every couple of months, and would try to default me. We had a whole checklist, and it was like war games to make sure that they couldn't do it. My suspicion from the servicers that I was dealing with was that they would get a commission if they could default me. They were smart and well trained; it was like dealing against some very clever people trained by some very smart lawyers.

Anyway, you could tell that they were trying to optimize the profits in the mortgage industry. That was a sector of the optimization; it was not place-based.

Whenever I deal with this and I'm unpacking the economics, there is an intelligence and a rationale to what is happening that helps me stay coherent. The hard part in communicating with my subscribers is how to give them that because I have an encyclopedia – sort of a neural network – of thousands and thousands of rules and this and that. How do you communicate that to your subscribers other than to just encourage everyone to say, “Look, there is an economic rationale to a lot of this”?

What feels evil – and may be evil – is driven by the algorithms that say, “How can we make the most money out of this person as possible?”



I try to get everybody to read Cathy O’Neil’s book, *Weapons of Math Destruction*, because she lays out many examples of how the algorithms are designed just to harvest you. They couldn’t care less about ethics or laws or anything else.

So, let’s run through some of the examples. I would also say that we have plenty of materials that can help people understand this: Our interview with Bill Binney, a book review on Cathy O’Neil’s book, *Weapons of Math Destruction*. We did a great book review on Tim Wu’s book, *The Master Switch*, about the history of information technology. You have this wonderful period of innovation where everybody thinks that it’s going to increase freedom, and then – wham! – suddenly it closes. You keep doing this for the last 200 years, and it’s a very good description.

I also describe the targeting of Hamilton Securities at the Dillon Read & Company. Of course, in the 3rd Quarter last year, I wrote *Control 101*. I was going crazy about bitcoin and kept saying, “This is the ultimate control mechanism. Are you out of your mind?” while everybody else was saying, “We’re going to be free!”

Farrell: We have an ‘I told you so’ story.

Fitts: Yes, you get to say, “I told you so!”

Farrell: The University of Texas just did a study where they concluded that bitcoin prices were being manipulated. Surprise, surprise! I thought, “This says it all right here.”



I'm kind of speechless because what does it take to convince people that this is one big money-laundering scheme?

Fitts: You get to say, "I told you so," twice because you said in either the Annual Wrap Up or the 3rd Quarter Wrap Up, "This is Hitler's 'wet dream' – private money to finance private armies." You're on the record saying that, and we know that the head of the top Russian cyber security firm, Kaspersky, said that the bitcoin was a project of the US intelligence agencies so that they could finance activists and soft revolutions throughout the world.

Farrell: There have been stories now that have come out about the NSA's involvement with it. I remember a story two to three years ago that the Bank of England was experimenting with this. So, what does that tell you? It tells me that the solution is not to be the emperor running around the central banks in systems of finance.

Fitts: I also wanted to mention that we have a book review of Mark Rich. Mark Rich was someone who was targeted and wrote the definitive encyclopedia of all of the different techniques. That is another one that you can see. So, we have a lot of great material, and we will put up the links in the Subscriber area.

One of our smartest subscribers recommended that we do a detailed breakdown of the different kinds of AI from algorithms to machine learning and all these different things. I'm not going to do that in the 2nd Quarter Wrap Up, but at some point I want to do something on artificial intelligence and how it works.



I want to go through different areas where AI is either invading or being applied in a way that really impacts our day to day life. I have about 20 areas that I will run through. The first is environmental warfare. Harry Blazer and Elana Freeland just did a great Solari Report on the ionization of the atmosphere, and that includes many things from global spraying to HAARP and EMF radiation. But the reality is that when you ionize the atmosphere, and all the particles fall onto and into living things, you are essentially making all creation accessible to artificial intelligence and its management.

Farrell: Yes, they can plant nanopods and so on inside the human body using that, and they can basically transform you into a receiver.

Fitts: We have ingested a huge amount of these nanoparticles, and they have turned us into receivers. That makes us much more susceptible to entrainment.

If you look at all the different things that have weakened our immune system or made us toxic; we have fluoride, we have vaccines, we have pharmaceuticals, we have GMOs and sugar and the debasement of the food system, we have lower oxygen in the atmosphere, and we have a deterioration in the electromagnetic field. Actually, if you look at what we are dealing with from a physical standpoint, I think that everybody listening to this deserves a huge gold star for carrying on.

In regards to environmental warfare, my favorite during the last three months that I have to bring up is utility warfare. I'm becoming a black belt in utility warfare. This falls into the categories of:

Electricity access, internet access, phone access.



I was once doing a fabulous interview, 'The Matrix Revealed' with Jon Rappoport, which is in the archives. I was in a corporate hotel room. I had three phone systems and two electrical systems. During the interview, I actually had to use every one. They kept turning off the phones. I would move to another phone, and then they turned off the electricity in the room. It was amazing. But I had a backup power source, so I was able to keep the whole interview going without interruption.

What they didn't do was spike our bridge line. This last week when I was interviewing Rob Kirby on the missing money, they spiked our bridge line three times, and we had to go to another bridge line. Now it's going to cost me double to fix the audio because the audio is nowhere near as easy to fix. It's more shadow work.

We were lucky because Rob held on and was kind enough to give us another hour to get everything set up.

Next is electricity access: They turn the electricity on and off with smart meters. Will they be able to turn individual appliances on and off? I would think so. They can do it for short or long periods.

For example, if they turn my electricity off, I get in the car and rent a motel room. Maybe it takes an hour. When they turn it off and on and spike it, you don't get in the car and you don't leave, so you have all sorts of games that can really mess with your operations.



Farrell: Consider that in California they just passed this ‘nutty’ bill that you can’t shower and wash clothes on the same day. How do you monitor that? With smart meters.

California is the test bed for something that they are going to try to pull off on the rest of the country – as California always is.

Utility management and utility games, you toe the line and agree with the narrative, and you will have your water and you will be able to shower and wash clothes on the same day.

Fitts: You create all these rules, but you don’t have to enforce them on your friends. So be nice to the people who enforce them.

Internet access is not just on and off, but there are different speeds. If I don’t like what you say, then you go slow.

For phone access, you have the entrainment, subliminal, mind control, on and off, noise on the line. For many years what they would do to us is clicks and noise on the line, all designed to get people afraid to do business with you or to deal with you.

To a certain extent, it was a blessing because we finally emerged a whole network of people who realized, “Oh, there are 325 million targeted individuals, and I’m not going to be better off by allowing myself to be controlled.”



After utility warfare, the next is **home invasion**. We do live in the *Truman Show*. The reality is that if you look at the intimacy of how they are trying to build the one-way mirror inside your home, it's amazing.

You know that when you sign the terms and conditions for these smart TVs, they can record and film you. There are 'Alexa devices'.

It is scary. I was talking to a group of subscribers, and they kept trying to call Alexa 'she'. I said, "Don't you call that a 'she', it's an 'it'. You can call it a 'she' in your own time, but not in mine. You can call it an 'it' because it's not a she."

There was an attorney who told me that she had filed a restraining order on someone's husband. They were getting a divorce. Apparently he had become violent, so she filed a restraining order. He had an app on his phone to manipulate the temperatures in the house, and was turning off the air conditioning and turning the heat up, and they were all roasting in the house. Can you imagine?

During the litigation, I would get online and network with people who were dealing with all these different kinds of games. One of the things that you discover is: Can the deep state do it to you? Yes, but you can also have crazy neighbors. Some of them are mind controlled working for the deep state. You can have crazy neighbors, and you can have good old organized crime.



What we found with the electromagnetic weaponry is many landlords could make large sums of money if they took a person on Section 8 housing who was over a certain age and got them into a weakened state. Then they could move them to assisted housing and make \$2,000 a month instead of \$800. So, they were using electromagnetic weaponry on these people to deteriorate them physically, and then their doctors would certify that they were crazy or whatever, and – bam! – they would start making much more money on them.

People couldn't fathom that was happening to them. It was very hard for them to figure it out.

Farrell: People need to realize that the economic culture right now is nothing but a racket. It's racketeering and that's all it is. They are not producing anything, and sooner or later they are killing the host.

Fitts: I'm going to interrupt here and bring up a topic that we previously discussed. This is part of it, and it's part of the whipping machine.

For those of you who don't know the reference, if you read my book review, there is a marvelous book called *The Half Has Never Been Told* by a Cornell professor. It's an excellent book that focuses on how the economics worked in the slave trade. The thing that made it so uniquely profitable was that the systematic application of whipping would bring forth such amazing increases in productivity. You would create a highly productive work force that would get 2.5 to 3% gains in productivity just by systematically torturing them.



If you look at how the system works, it's exactly what they are doing. It's a harvesting system, and no one is exempt. That's why when you think, "Oh, if I play ball and I'm really good, I'll be okay," is wrong. The harvesting is going to be subtler, but it's still going to be there.

Basically, what is happening is, instead of you building family or personal wealth, they are going to build wealth at your expense. This is as if it's negotiation between customer and the corporation, or the taxpayer and the government. So, it's the little guy and the big guy, and they are harvesting more and more and more by fundamentally running a one-way mirror on you.

Back to home invasion, I had fantasized for many years that when the price of a robot that could clean your floors would hit \$150, I would get one. Then we would never have to vacuum the floors, and the robot would clean it.

I was reading an article about the robots, and it turns out that they map out your house. I don't need that; I'm going to be cleaning my floors forever.

The ultimate home invasion is not just smart; it's the firebombing in Santa Rosa. From what we've seen in the last ten years, the notion that they would respect your property rights is gone.

They don't want 100% of the crowd to realize that we are threatened at the same time. They are trying not to 'spook the herd', so they are going to keep getting subtle.



Cyber warfare is a major topic. We all know the story at Solari of Solari's email being blocked by AT&T. I published the story and the documentation. So, literally, a subscriber with an AT&T email address can subscribe to The Solari Report, requesting that we send them an email, and AT&T can block their email and not tell them, and this is perfectly legal thanks to the repeal of the rules the FTC promulgated to implement on net neutrality. Browsers were getting repeated emails from customer service about Chrome. You can't log into The Solari Report on Google Chrome.

We spent a lot of time communicating with all these organizations, "Why are you blocking us? There is no basis for blocking us," and we spent plenty of time communicating. Sometimes they would take it off and sometimes not, but it was a major expense. Ultimately, the subscribers are paying for that, and that's not right.

In the entire cyber security realm, one of the things that I've seen is that every time the telecommunications infrastructure takes a big step up, many bad things happen. The Telecommunications Act of 1996 is authorized, and suddenly we bubble. The economy with fraudulent security sucked a huge amount of money out, and financial coup starts. The cell tower networks are up in August of 2001, and it's rush, rush, rush and, suddenly, it's all done. I said, "Oh, something bad is going to happen." Boom! – 9/11, the Patriot Act, control and concentration of cash flow.



The denial of service attacks, you can't believe. We think corporate media is irritated because we're taking away market share, and suddenly, we get denial of service attacks, but it's coming from all over the world. They have teams of hackers from around the world and it's coming from 30 to 40 different countries.

Farrell: An important thing to remember in this respect is that there have been studies where they had actual teams doing these denial of service attacks, obfuscation of data, planting false stories, and this is happening all the time.

Fitts: You won't believe what happened. I have not been able to prove this yet, so take this with 'a grain of salt', but I am having subscribers report that they are seeing stories and ads on our website that we are not posting.

In other words, they are coming in and looking at our website, and are seeing something that is not on our website; it's being overlaid, and it is designed to turn them off.

You just couldn't make this up.

Farrell: That's right, and these people are lawless.

Fitts: I will say this: It gets back to the artificial intelligence. They are just harvesting.

Let me bring this up. One of the books that I read – and I will probably write a review about this – is on artificial intelligence.



It posits that our intelligence is just software, and we've gone through a period where we can now make it fluid and change it in all sorts of ways. Clearly the author has a fundamental misunderstanding of how intelligence works, but he sees it as though it's a machine and it's software and it gets worse.

Now he's saying, "The great thing about what has happened with biotech and all these other technologies, changes, and material science, and the ability to integrate machines at the nanoparticle level with humans is that we can make the hardware fluid and evolve and change that, too."

This is transhumanism, and you've written a book about transhumanism, so you know all about this. Basically, it reflects no understanding of spiritual streams of reality, of how intelligence works and is shared. It's as if he's missing a piece.

It's a person who has been brought up without any profound knowledge about reality and doesn't understand reality at the deepest level, but it's frightening. He thinks that this is all just, "Okay, you become a girl and I'll become a boy, and we'll change our DNA and edit our DNA. It's all good."

Certainly, the artificial intelligence and the algorithms don't understand reality, but you have a large number of people promoting and engineering this at the nuts and bolts level who are also clueless about reality. Call it mind control or just lost.



Let's turn to the next one: **Regulatory warfare**. Our entire economy has been turned into a giant white-collar speed trap.

You and I were discussing about one of the subscribers who wrote in and said that he is guilty of three felonies a day and doesn't even know it. We have an enormous complexity of rules and regulations. At Solari, we always try to document and systematize our regulatory compliance. If you look at the complexity, several years ago I said, "I do not understand our sales tax compliance, it's too complicated. I'm going to write a memo that describes our sales tax compliance and give it to the accountant, and have them read it and bless it because it's too complicated even for me."

So, I wrote this long memo trying to figure out what we are supposed to do and how we are supposed to do it to make sure that we are in compliance. It's ironic because we have a great CPA and always had great CPAs. When it comes to good attorneys and CPAs, we work hard to find people of integrity. We never question their fees. We always say, "Let's get the best and be excellent at this", but it's overwhelming!

Farrell: You showed me the Tennessee requirements where you had 40 pages of 29 items that you had ten days to respond to. Who can do business in that climate?

Fitts: They can't. Right now at Solari Advisors, if you take the SEC schedule, the SEC will write these comments about how much it will cost to comply with this and that. So, if you look at the latest, in 2016 the SEC proposed a rule on requiring SEC advisors to do 'business continuity plans': For example, "What happens if you have a hurricane and you have to keep the business going?"



So, according to their schedule of prices from 2013, we have now spent on this audit more than 100% of our gross revenues for the year.

Farrell: That's obscene.

Fitts: In my next letter back, I'm going to request that we have a meeting. I'm very sensitive to regulators having the right to ask and being responsive. So, I want to be completely open and responsive with government regulators. At the same time, we can't spend more than 100% of our annual revenues just to be compliant because we need a funding mechanism to do so.

So, if we are going to create five full-time positions responding to audits, we need the government to tell us how we are going to fund it. They can require us to pay taxes, but we can't require them to pay taxes.

So, they have white collar speed traps and parking tickets, increased rules and regulations, audits, investigations, civil money penalties, and asset forfeiture procedures.

One of the things that they were doing— and I don't know if they are still doing it — with the asset forfeitures, is seize it in Alaska, and then tell you that you need to go to court in Washington if you want to get your money back.

Government data collection is very time-consuming and expensive. They use government regulation to force people to buy different products and software services.



Farrell: And Obamacare.

Fitts: Obamacare is the perfect example. They were forcing you to buy something that you didn't want.

One of the complaints that I'm getting now from attorneys around the country is that for state and local filings, people are filing online and not keeping copies of what they file, and not understanding that those files are available to all the Federal regulators who will use them for enforcement.

It's the same thing. People are filing things or getting statements electronically and not making sure that they have digital copies offline or paper copies, so they have no record.

I had one attorney tell me, "My hardest problem is getting my clients to be able to document that what they say is true because they didn't keep a copy, and now the company won't give them the records." They keep copies for six months or three years or whatever and so, they are living in a paperless world without the ability to prove anything.

I will tell you that he who archives writes history.

Let's say that there is a hurricane such as Katrina or any of these things. The people who are not hurt are the people who have their documentation and can produce the information. I won the litigation because I documented, documented, documented, documented and could pull up the documentation. That documentation was accessible, and you couldn't say that I hadn't been the Assistant Secretary of Housing because I had too much documentation to prove it.



You need your own copy of offline digital records or paper.

Farrell: I would say both.

Fitts: And not in one place; you need it in multiple locations.

Healthcare warfare is next. I'm getting an increasing number of complaints, and I've seen this happen more than once of people telling me that doctors have written things down in their file that they never said and aren't true.

Farrell: I can believe that.

Fitts: I said to one subscriber who I met when I was in California, "Look, when somebody asks me who my doctor is, I write down 'NA' or 'none'."

When you say, "Dr. Seuss is my doctor," you give Dr. Seuss the power to do and say all sorts of things about you – both in the court of popular opinion and in real courts. You don't want to do that. You don't want to give anybody that power.

The other thing this person said is that they asked to see their file, and the doctor had written something about them and their family that wasn't true. So, they asked to have it corrected, and they were smart enough to later go back and ask to see it again, and they hadn't corrected it.



So here are my comments on this. The thing they had said was they were suffering from depression, and they weren't.

I went to California and went to see a doctor, and who was supposed to be a hormone expert. I felt really tired and sluggish. It was related to the thyroid, but I intuitively believed that it was hormones.

I did a lot of reference checking on this doctor, and was told that they were excellent. I went to see him, and it was one of the strangest experiences of my life. They were so unusual.

First of all, I've never met a more uptight person; they seemed scared. Maybe there was interference and that is all I can figure. They tried eight times within the first 15 minutes to get me to say that I was depressed.

Finally, I said to the doctor, "Look, are you depressed? Is that why you keep asking me? I'm not depressed, I'm never going to say that I'm depressed, but I'm beginning to wonder if you're depressed because you feel a little depressed."

Then they got really wild. At that point I should have walked out. There was something very, very wrong, and I got the feeling that, basically, their survival as a doctor depended on getting me or all their patients to say that they are depressed.

Something is up and I hear this from too many places at this point.

Farrell: I've seen it happen. The bottom line is that we have a kickback system.



Fitts: Well, we know that there is a kickback system with vaccines.

Farrell: It's not only vaccines, but it's also big pharma and these anti-depression meds.

Fitts: I'm also wondering if it's a way to get the ability to take away your guns.

Farrell: That, too. It's very coordinated, it's very sophisticated, and it's very well thought out.

Fitts: But you could also smear somebody. If you want to suicide someone, and their doctor has in their file that they are depressed, so there is the proof. So maybe I saved my life by not saying that I was depressed.

Farrell: You may have because the story has come out that Anthony Bourdain made certain comments about a certain political family that ran for President in 2016, and she managed to lose a rigged election. Now it's coming out, of course, that he was depressed and so on.

Fitts: Our subscribers are so smart. One posted on the website that she has never heard of a French five-star hotel that would have a shower curtain. Apparently he hung himself from a shower curtain and she never heard of a French five-star hotel that has a shower curtain.



I have to admit that I travel a lot, mostly in the French part of Switzerland, but I also am in France, and I'm certainly in Belgium. I don't remember ever seeing a five-star hotel with a shower curtain. I would never have thought of that, but my subscribers are so smart.

Be very careful about who you associate with for your experts, but certainly your doctor. There is real danger here, and of course, one of the dangers we are all going to be dealing with is mandated vaccines. Everybody in California is really struggling with that one.

Tax warfare is the next one: Increase the number of taxes and the complexity of taxes. I use the story from the Hamilton Securities history. When I first got the settlement in 2006, I called my CPA and said, "I don't want to wait to pay my taxes. I want to pay my taxes right away. I just want this figured out."

She called me back that week and said, "You're not going to believe this. All of your files have disappeared."

It took me months to collect and get the files back together. They were in northern Virginia, which is not that far from Langley. It was a miracle but it took months of hard work and hundreds of hours. I was able to reassemble all the records.

She called me back the week that I shipped all the boxes, and said, "You're not going to believe this. I've got the most fantastic offer to go to another firm, but I can't bring you with me. I'm calling to introduce you to your new account," and it turned out to be real trouble. They made a big mistake on the state filing.



The net result of these little interferences was that Hamilton Securities filed its taxes, and it took four years. We owed zero dollars in state, local, and Federal taxes. However, my legal and CPA costs were \$150,000. So, I spent \$150,000 to comply with tax fines where I owed no taxes.

If you look across the country, and if you are guilty of three felonies a day, it is likely to be some little slip-up on the taxes. When we were going through the audit, we realized that we had two barters and we hadn't included them in our income. We needed to refile the taxes and then send in new financials. The net sum result is that I'm going to pay more in CPA expenses to do the refilings, and I think they owe me money. The cost is incredible.

Next is **control file creation and entrapment**. We've done a lot of this on The Solari Report. We talked much about this in terms of bitcoin. I can't tell you how many people I heard say, "I don't have to pay taxes. This is totally unregulated."

Now a whole generation of 'freedom fighters' have control files. If those people give you trouble, it's the Aaron Swartz thing. If they give you trouble, you just start auditing them and going against them.

Media and social media warfare we have talked about. One of my bugaboos, and you've heard me say this, is that people said during the housing bubble, "Why is no one doing anything?"

I said, "Don't say no one. I'm the former Assistant Secretary of Housing and the former Lead Financial Advisor to the Department of Housing and Urban Development. I'm doing a great deal about it and have been doing it globally all over the world."



Then they say, “Yes, but you’re not someone.”

I said, “I’m in Who’s Who in America. What do you mean I’m not someone?”

When you drill down, it turns out that ‘someone’ is someone who is on corporate media. So, if you’ve been thrown out of that realm, you are now nobody.

What we are talking about is a system where you are allowing the person who is trying to harvest and kill you to define you. So, you only admire people who are promoted by the people trying to kill you – by your enemy. This is nuts!

Farrell: It’s totally nuts.

Fitts: It’s as though, “The only people I will trust are people who Stalin appoints to tell me what to do.”

Farrell: Yes, and in the next version of the Soviet encyclopedia, you won’t be in the picture with Stalin.

Fitts: Which brings us to our next category, **mind control and field warfare**. This is one that I think is very important. I’ve tried to get everybody to watch the *Kingsman* movies and some movies that deal with this. Basically, you’re using invisible electronics, which you can deliver by phone or computer or TV.



Farrell: You can deliver it through the electrical circuitry in your house. You can modulate signals through electrical circuits.

Fitts: You can weaponized family, friends, and neighbors against a person. You can isolate them.

I'm sure you're probably not aware of this. Paul S. Levy, for many years, was the Chairman of the Board of Overseers at the University of Pennsylvania law school. He still is a Trustee or an emeritus Trustee. He recently resigned, complaining about the behavior of the dean with respect to reducing the teaching schedule of a professor who was debating policies towards minority students.

He resigned, and wrote an editorial in the *Wall Street Journal* that I read. Then I happened to come upon his letter on the internet, which was his letter of resignation. In his letter he mentions the prior dean, who was my brother, in very glowing terms.

My brother was someone who, in a very ugly, vicious way, helped the university suppress their financial information vis-à-vis me. I told the story last week in Money & Markets, but I excerpted it and put it up in a commentary on the website. It's there if anybody wants to listen.

So, I said, "We have two deans. One dean is keeping the performance of minority students confidential, and another dean is engaging in what is probably illegal 'reco' and threatening a former trustee with financial insecurity and loss of council to protect big donors of the university".



I think that if the truth came out, my brother may have broken many different laws. I say this with freedom because I absolutely believe from my own personal experience that my brother doesn't believe in the law. To him, the law is a set of rules that you use to suck up to the tapeworm – or at least that's my experience with him.

I said, "I have to say something." Whatever he is doing to the current dean and if he is going to do this publicly to the current dean, then I'm going to hold him accountable. Let's look at the two deans and who is worse. It's okay for this guy to engage in what is probably 'reco' to suppress university financial dealing involving securities fraud, etc. That is okay. We notice that he didn't resign over two decades of the university bankrupting students with student loans. He didn't resign over that.

So, you look at the hypocrisy in this, and think, "This is really worrisome because these folks don't understand. We're talking about a hubris that is dangerous. It's what we were talking about with the Clinton campaign. They've forgotten what reality is.

Farrell: The narcissism and psychopathy are so bad. It's out of touch with reality, and you can't run a culture of civilization on lack of culture. You can't run it on lack of virtue, and they think they can.

Fitts: We're talking about weaponizing, and in that case, my brother was weaponized. Andrew Vachss has a great line in one of his books, "Your family are the folks who don't turn you in."



That's the question that we all have to ask: Who are the people they cannot weaponized against you? The reality is that you need not bring people close unless they are sophisticated enough to understand that these things happen and to not fall prey to it. So, it's the story of Gideon; you need people who are both faithful and competent.

Of course, the danger is that all of us – more or less – have been through some kind of mind control, but there is no doubt about it that we have a society with Manchurian candidates.

That was mind control and what I call 'field warfare' or financial warfare. We have predatory lending, credit cards, student loans, subprime mortgage loans, and revenue harvesting. This is important because the 'Rape of Russia' is not going to happen in America like the 'Rape of Russia'.

In the 'Rape of Russia', they went after a business. In the 'Rape of America', they're going dollar by dollar.

In other words, if I can invade your accounting and IT systems, and telephone systems, if I have complete 24/7 surrounding of you to harvest you, then I can go after the clients one by one.

Farrell: They're going after the individual.

Fitts: I can go after the products and sales one by one. I can stick expenses to you one by once and force you to buy from the company store] one by one. So, this is going to happen at the molecular level or the atomic particle level, and it's going to be trench warfare for every penny.



If you're in small business, you need to understand this. The reality is that when they go after that money, they're going to use mind control to do it. Mind control and field warfare is going to team up with utility warfare, which is going to team up with financial warfare, and it's coming at you.

Farrell: It's coming at you from all directions.

Fitts: Today is Saturday. On Monday I had instant teleseminar go down three times when I was trying to record Kirby. I had various problems with phone and other things which I solved because I'm using a wonderful new application from Switzerland to do many of my things.

Wednesday my electricity was off because the local electric company was changing the electrical wire pull and didn't tell me. It's not a problem because I have a generator. My internet is down, but I have redundant backups. So, I am prepared, but if I hadn't been, I would have been down.

The key is that when things like that happen, you stay in a state of coherency. So, I rejuggle my schedule. Friday I was supposed to do a recording with Greg Hunter, and Skype wouldn't come up because he uses Skype. Suddenly, when I finally got Skype up after an hour, the video was gone because they had killed the video. I had to log in and create a new account with Microsoft and load new software.

My problem now is: What kind of invasive items were on it? So anyway, those are just three or four things that have happened this week. I would say that was four out of about 20 things that happened, but I won't bore you with all the details.



The reality is that it utilized approximately 50 hours of time for my team and me. Fifty hours is a fair amount of time. Our number one expense is payroll. Luckily I don't take a salary, but if I did, we would really be bankrupt.

This is designed to bury you in shadow work. Then there is acid harvest of intellectual capital. We get harvested intellectually and it's just unbelievable.

Farrell: Tell me about it!

Fitts: I always use as an example the speech that I wrote for George W. Bush. Do you remember that story?

Farrell: Yes I do.

Fitts: I'll just say it for those who haven't heard it. I was in my office in 1998, and the CIA was helping George W. Bush who was then Governor of Texas running for President. An acquaintance of mine at the CIA sent me a speech that he had written on education. They said, "What do you think?"

I said, "Oh, this is terrible."

They got really offended. Looking back at it, I think they probably hadn't read it. They said, "What's wrong with it?" Then they said, "If you wanted him to be the education President, what would you write?"



So, I wrote back and said that I would say ‘this, this, this, and this’. About two weeks later, there is a big article in the *Wall Street Journal* with a copy of part of the speech in it, and my attorney said, “This is really strange. You need to look at this.”

They had lifted an entire paragraph from my email.

Farrell: Without attribution?

Fitts: Yes. I turned to my attorney and asked, “Did I get paid for this?”

In the meantime, if you look at who was swatting me, I think it was probably the same team from the CIA. So, they are getting me to work for them at the same time. And this happens to you all the time, and it happens to me all the time. It’s the one-way mirror. The blessing, of course, is that is one of the reasons we are still alive.

Farrell: That may be.

Fitts: On the different kinds of assets, this is a long discussion. Whether it’s your securities accounts, real estate, there are an abundance of capital controls designed to send your assets back into the Military-Industrial Complex to finance them and not somebody else.

Electronic and physical harassment is next. We’ve talked about electronic targeting, and harassment, and entrainment, and mind control, but there is also suicide, and poisoning, and local drugs, or other gangs.



I'll never forget when I had a home invasion in Hickory Valley, and I had brought a web developer to work with me. I had rented a house for him, and the home invasion hit his home. It also hit the home of a woman who was on Highway 18 next to a property that I owned.

I could never figure out why they hit that house. Then I looked up my home on Google maps, and it didn't show my house, but from the highway my house is in town. You'd have to turn and go into town but it showed this other house. What I realized is that the Google car just went down Highway 18; it didn't go into town, but it took a snapshot. If you had burnt that house down, you would have seen a picture of my house, but the other house was in the way. They just didn't bother to turn into town.

I said, "I wonder if that drug gang went to Google maps and was too stupid to figure out that was where it was."

Then we have false flags, of course. Next is legal warfare, and this is something which you are very good on. We had a great movie about Stasi, *The Lives of Others*, which was the top movie of the year a couple of years ago. It really shows you what happens when you allow whistleblowers, snitches, and other people who make money from ratting you out and setting you up and trapping you. I think that the scary thing about the whistleblowers and snitches is that they make things up.

We had Howard Root on The Solari Report last year, and he was dealing with a whistleblower lawsuit where people had just made up things. It cost him \$25 million and five years to prove that he was innocent.



It was the same thing with me. When I came into the final trial, they had to put forward a case. They had poisoned me on multiple occasions so that they wouldn't have to go to the final trial. I just refused and said, "You're going to have to come to court."

They came to court, and my attorney turned to me the first day and said, "Oh my God! They have nothing."

I said, "I've been telling you this for years and years that they have nothing."

He said, "Yes, but I couldn't believe it. I couldn't believe that they would go this far on a bluff. I just couldn't believe it."

I said, "Why do you think they keep poisoning me? They trying to get me to settle, and I won't settle."

He couldn't believe it, but it was all a bluff. Part of the bluff was a fishing expedition. "If we fish enough, we'll find a parking ticket or a speeding ticket or something."

The other thing that we are seeing increasingly – and this is my concern about copyright law – is we spend a considerable amount of time and money just responding to lawyers from private law firms. We had put up a post in 2008 or 2009, and it had been on the home page for maybe two days. It had a picture of a fish which had been done by an artist who wanted \$36,000 for a copyright violation.



I spent actually 100 hours learning copyright law, reading books on copyright law, and finding the best copyright attorneys in the country, and interviewing them and figuring out if they would represent me and this was very expensive.

The letters went back and forth and back and forth. They were designed to try to scare people and I haven't gotten a letter back. If you look at their case, my guess is that if we applied the copyright law, maybe I owe them \$250.

Farrell: This is an area that concerns me a great deal. I don't know quite how to put it, but one reason I am so adamant against modern standards of scholarship and citation is because I was taught a method. The Chicago Manual of Style is what it is known as in this country, but it is actually a system of citation that evolved in scholarly work over the centuries and was more or less standardized by the 19th century.

I was taught that if you are using someone else's idea or paraphrasing their words or quoting them, you footnote it and give credit. What I see happening is that it is twofold, and it is very deliberate and very insidious.

They have changed the standards of citation in this country in most academies so that they are using methods of citation – Modern Language Association citation method and the Associated Press method – and these things do not give you the exactitude of the older traditional method.



I think that what they are doing is that this is being done at the same time there is this push for copyright and protection. They are trying to shut down people like you and me from being able to comment or write about ideas that other people have put out there. I've seen this over and over and over again, and this is why I keep telling people that if you are going to write research, learn to footnote. If you are in doubt, footnote it. That protects you because you are ascribing credit to the individual that you are commenting on. or paraphrasing, or what have you. Even footnote the pictures.

Fitts: I don't know if you know this, but the European Union is moving forward with a new proposal to require ISPs to screen uploads for copyright violation.

Farrell: I did know that. The problem that I am getting at is that these copyright issues are being written by lawyers, not scholars. In other words, you have people who are totally unfamiliar with academic methods of research and citation who are writing these laws. I think that the result of it is going to be a shutdown or an attempt to shut down researchers like me or you. This is what is coming down the pike.

I always say to people, "Footnote." You're ascribing credit right there to whoever it is.

Fitts: The one thing that I think most people can do is, if you run a small business, you need to read a good book on copyright law. You need to understand copyright law. I hate to say this, but we are all in the systems business now. We are all in the intellectual property business whether you think you are or not. I don't care if you run a hog forum or whatever.



If you have a website or if you communicate electronically, you have to know, and you have to get familiar with copyright law.

I just want to bring up spiritual warfare. We've done several Solari Reports on spiritual warfare. I always say, "Go get the *Screwtape Letters* by CS Lewis."

There are two things about spiritual warfare in this environment that I want to stress with the AI invasion. Even Elon Musk has said, "My concern about AI is that it is going to allow interdimensional forces to control."

Farrell: Oh yes, that is my concern as well and I'll tell you why. I did a little paper in the members' area of my website about Lucifer. There is a description of Lucifer in the book of Ezekiel, and there is a phrase that really leapt out at me. The phrase is, "Like tabrets and pipes were made perfect in me."

What are tabrets? That is a very archaic English word for membrane. Then they use the word 'pipes'. So, you are looking at either a description of an organism or a machine. I think that if you look at it from the standpoint of what is ascribed to Lucifer traditionally – a cold, cosmically-sized narcissistic ego and ultimately an irrationality that is very anti – I think that the danger with AI is precisely that.

I think that Musk was onto something. I think that it is very, very possible because, after all, what is Lucifer? Lucifer is the 'light bearer'. What is light? It's electromagnetic energy that is in most of our technology.



So, it's almost as if we have opened the gate, if you have a belief in spiritual beings like that, to have something come in.

I think that Musk is onto something. He may sound like he is being idiotic, but I think that there is every possibility that that could happen.

Fitts: The other thing is that if you have worked with an energetic healer or people who are very capable of reading energetics and understanding energetics and looking at the world with its invisible realms and spiritual realms energetically, what you know is that our ability to create energy and create intention is very powerful and others to do the same to us.

I've been told, and I believe it based on what happened to me during the litigation, is that you have teams of people who are paid to engage in psychic warfare and to energetically harm or destroy people.

We know about occult putting on spells and everything, but there is an abundance of incidents in that area.

Farrell: If you read sufficiently and deeply into the remote viewing program, there was an aspect of it called remote influencing, which is precisely what you are talking about. So, I think you have the possibility of that occurring.

The other problem that we have – and I'm going to put this in such a way that I hope it makes sense to people who might be agnostic or atheist because there is such a thing as the moral atheist, and this is their honest opinion that they have come to examining all the data.



I think that what you have in a society that makes these types of operations and social engineering and mind control so effective is that the people engaging in it are people who do have some belief in the priority of the noetic, or the conscious, or the mind, or whatever you wish to call it over the material world. In society at large, most people have been brought up in an education system and a culture which is strictly materialistic and that basically views humans in this manner and keeps you stupid about all of this.

I keep going back to this because it is so very important. One of the key areas that manifests this change in basic cosmology is the arts. We need to remind people that the CIA was very heavily invested and involved in promoting modernism in all the arts – music, painting, you name it. It was for a purpose because there was an ideology behind those movements that comes through in the artistic product that they produced. I say ‘produced’ rather than ‘created’.

We have essentially a materialistic culture where all this has been hidden from you. What I’m trying to get at here is I believe very definitely in the priority of the noetic over the material, whether you’re theistic, atheistic, or somewhere in between those two things, that people need to be made aware of. It is there and it is real.

Dr. Tiller, has documented this influence

Fitts: Right, and he documented it as a very prominent scientist.



Farrell: Yes, exactly. His thing was, “Can you use the word yourself – intentionality?” That is what his experiments proved. If you have a specific intentionality that you are directing towards a material world, that intentionality can have an effect.

Fitts: I’ve been walking us through the different areas where this kind of AI invasion is applied and used. It doesn’t happen that way; it doesn’t just happen as phone or electricity warfare. What happens is it’s full-spectrum dominance. If you look at what I deal with week to week; the phone problems, but I am dealing with predatory lending and all these things, and I’m talking with various people – subscribers or clients – who are also dealing with all these things.

It hits you at a 360-degree level, and it’s coming in at the same time. Some of it is coordinated but it’s not all coordinated because there are multiple systems, but it is somewhat coordinated. Of course, its impact is shadow work, but here is the big influence. Here is the game: If you want to understand this game and play to win, the goal of the game is, if we are going to build and attract a powerful future, then we have to have a high consciousness, we have to be in a high mind, and we have to have a focused intention and be creating our reality.

This is designed to bury you in shadow work and make you incoherent so you lose your power.

Farrell: You lose your ability to frame and intention this.



Fitts: In one of my favorite sermons they said, “When you lose your love, you lose your power.”

It’s designed to make you angry and pull you into a lower mind, to make you incoherent, and soak up your time. So, between your lower consciousness, and your anger, and the soaking up of your time, you lose your power to create the future you choose.

Farrell: Let’s use the old terms. What really is being done is trying to throw people into the life of vice.

Fitts: Right, and make money. So, for all these things, this is for-profit warfare. This is the financial harvesting. If you’re playing ball, they are financially harvesting you; it’s just a different pathway of harvesting. You’re getting harvested either way.

Farrell: Right, and the way to combat it is good old-fashioned virtue and focused intention. There is no doubt in my mind about this and I keep harping on this, but the arts are crucial.

Fitts: Art is your pathway back to a higher consciousness.

Farrell: Go back to Plato. Art is fundamentally an expression of cosmology. It is fundamentally an expression of the organization of culture. So, if you are producing ugliness, what is that? If you are sponsoring ugliness, what does that say about the culture that you are producing? You are producing something ugly and inhuman. It’s anti-human and this is crucial and I cannot emphasize this enough.



Fitts: You knew this story during the litigation. Whenever they would do something really horrible and I couldn't get back into a higher mind no matter what, what would I do? I would listen to Bach. I would listen to the Goldberg Variations.

It wasn't until I met you that I heard the Goldberg Variations on the correct instruments, and the Goldberg Variations on organ are celestial and sublime and unreal.

Farrell: Bach was an organist and all good composers are.

Fitts: I do have to mention that the other thing that would bring me back to coherence is I would talk to my cousin's cows.

Farrell: They would say, "You think you have it hard?"

Fitts: They would say, "You need to get a life."

Farrell: After you eat grass all day.

Fitts: Going forward, *The Economist* gave a warning – that is how bad this is – about driverless cars, which is the killer app in the satellites. It's going to start blocking people from being able to access certain places – not to mention during the litigation I was run off the road. So, I'm not getting into a driverless car.

Farrell: I'm not either, but they will push this. They will give you all sorts of credits and tax breaks and things.



Fitts: In all fairness, with many of these things there is a legitimate reason for doing it. If you look at the rise of the aging middle class, if everybody drives a car, then the planet is toast. You're talking about excessive amounts of metal.

Whenever I go to the airport and see thousands and thousands of cars just sitting there, I think, "What a waste."

So, there is a real compelling reason to do driverless cars. But in a system where you can't trust the governance and the management, forget it. Transportation warfare is upon us.

I want to close with **shadow work**. Of course, all this comes down to a brutal use of your time and a harvesting of your financial revenues, sticking financial expenses to you, and a harvesting of your financial assets. So, this is really a financial and economic war written large across many, many, many different sectors.

Farrell: It's full-spectrum dominance.

Fitts: It is full-spectrum dominance, and it's highly complex. You need a PhD in systems engineering to understand and deal with it. I will do a Solari Report going into these things in depth. You must only allow into your life people with integrity and only allow people into your life with virtue.

The cost of one bad dog is enormous.



Farrell: We live in a society where a century ago even an agnostic or an atheist would know what the seven cardinal virtues are and what the seven cardinal vices are. Now you say those things to people, and they have no clue what you are talking about. People are talking about ‘values’ and ‘ethics’ rather than morality and principle. That is the problem. The language itself is showing us that we have been degraded in our ability to talk about things that would have made perfect sense to a Plato or an Aquinas or someone like that. We are utterly cut off from our own cultural and moral tradition.

Fitts: We’re on our own stream, our own field.

Before the litigation I would never talk about morphogenic fields because people didn’t understand it; it was too unusual. Much of what I learned about these things I learned by reverse engineering what they were doing, and I realized, “Oh my God! They believe in the field!”

They were trying to cut me off from the field and isolate me in the field, and the game became being able to regenerate my field as fast as they could destroy it. They couldn’t kill it.

What was ironic is that over a period of time, the quality of my field got better and better and better. What they were able to kill off were the weak parts. It was like they were weeding my garden for me.

So, we’ve gone through the different nuts and bolts of how the AI invasion is really coming in and working.



Story #1 in the 1st Quarter was ‘The Rape of Russia coming to America’. I changed the title to ‘The AI Invasion’ because I think the ‘Rape of Russia’ is coming – I think it’s here now – but it’s not coming the way it worked in Russia. It’s not coming in the obvious, shocking way; it’s coming, not for the business, but for the dollar. It’s coming for the hour, and it’s coming bottom-up. It’s literally a full-spectrum dominance invasion of everything in your life.

That’s a long time on just one story. We won’t spend as much time on Story #2. But before we close the first story, is there anything else that you want to say about what this means to a radical change in our society? I think that it is going to hit America first. I was struck by how happy people are in Australia and New Zealand relative to America, or how much happier people are in Europe. But I think this is a global phenomenon. It’s going to hit us first, but it’s going to roll out everywhere.

Farrell: It is rolling out everywhere right now. We’re going to get back to this in some of these other stories, but what I think that you are witnessing is a lot of political movements in opposition to Mr. Global. What is missing thus far from many of these movements – with certain exceptions in Europe – is the idea that this is cultural; this is not political. By cultural I mean specifically it is something spiritual. It is something intangible. It is something having to do with virtues, vices, the arts, and so on.



The sooner that people wake up in this country to that, the better. There are more signs of it being part of the perception in Europe than there are here. You made the comment that compared to your experience in Australia that Americans are living in fear and unhappy. I sense that, too. It's because there is no sense of culture in this country and it's so degraded. We have a 'McKulcher' but we don't have any high culture precisely because we are trying to substitute all of these linguistic techniques for culture. We are talking about values, not virtues or vices. We are talking about ethics, not morality or principle. So, we have to watch our language.

If there is anything that I would urge people to do, it would be to start monitoring your language and quit using the language of Mr. Global.

Fitts: It's pretzel talk.

Farrell: No more pretzel talk. Be it gender pronouns or values rather than virtues and so on, just do that and see the change that it will make in your life. It will make a change in your life.

Fitts: I know that when I left Washington, it took me about two years to learn English.

Farrell: Precisely.

Fitts: Let's move on to the next topic. Story #1, 'The AI Invasion' is really big, and **Story #2: Interest Rates Rise** is really big, too, because it's so deep and it's such a big change. If you were born after 1970, then you have lived in a world where interest rates are falling. You have no idea what it means to live in a world where interest rates are rising.



Here is what is amazing: What is important to understand about interest rates rising is that it is happening at the same time that AI is invading. Remember, if you stole \$50 trillion and are sitting on piles of cash, your ability to extract value as you raise interest rates as if you had the AI invasion working for you is doubled and quadrupled. You raise energy prices at the same time or change energy technology, and the extraction just goes to exponential levels.

Farrell: It's a harvesting multiplier.

Fitts: See? There is another 'Farrellism'. There is a new word, a 'harvesting multiplier'. I have to write that down. It really is; it's a harvesting multiplier.

I will tell you that rising interest rates is also good for pension funds, insurance companies, and anybody who has been devastated by, essentially, governments and large corporations subsidizing themselves with lower interest rates.

This is significant now. What is interesting is the history of the stock market is that if you hold raises to 150 basis points or a year, the market can digest it. Sure enough, if you look at the last year, the ten-year treasury is up 100 basis points and the long treasury – the 30-year – is only up about 25 basis points.

You will hear all this fear porn in the markets saying, "Interest rates are going to rise, interest rates are going to rise". I was watching one person say, "They could spike at any moment to 10%, and then the whole world is going to be in financial crisis." I think the chances of that happening are very small because this is a harvesting system.



Farrell: It is, but I think that we have mentioned before that the policies here are mutually contradictory. They are trying to harvest at the same time that they are trying to reshore, and what they are doing is killing the host again.

I don't see this being talked about. This is the problem. I don't even know if anybody is focused on the fact that it is self-contradictory. I don't know of anybody. Do you know what I'm saying?

Fitts: You have the people who have traditionally run the fixed income markets and made enormous amounts of money on debt, which is – to a certain extent – a little more on the Democratic side. The Clinton networks are very much the purveyors of the debt model. Everybody is deep in it. I don't mean to suggest that it's not bipartisan.

During the Bush Administration, the Secretary of the Treasury tried to come out with a push to get off the debt model and change the tax laws and other laws and regulation to stop favoring debt, and that hasn't been done yet.

Farrell: That is what I mean. They are trying to move away from a debt model, but at the same time they are introducing this harvesting multiplier. So how can you have an equity model when you're doing the 'Rape of Russia' scenario at a molecular basis? It won't work. It's mutually contradictory.

Fitts: It's liquidation. You are liquidating the middle class in the G7 nations as you're bringing up the middle class in Asia.



Farrell: Yes, but that is still not going to work. If the goal is to reshore and to fortress America, you are still killing the host.

Fitts: You're killing a large percentage of them, but if you can do everything in robotics and automation, and if you look at the labor that you need, it's a much smaller group.

Farrell: True. You can use robotics for some things. But I don't think that you can get rid of the human component altogether. This is the problem. Certainly, it's not going to work at a local level or a regional level; it's only going to work for the people at the very top who need the robotics.

You can't run an economy, as far as I'm concerned, without a middle class. This is what I don't understand. These policies are self-contradictory. I don't know that anybody I'm aware of is focused on that.

Fitts: I've met people in the investment world who believe they can.

Farrell: So, you're doing it on faith!

Fitts: If you go to Silicon Valley-I was just out there for eight days- I would say that driving on Highway 101, the number of Asian faces has increased 10-15%. So, as they are bringing the money back and they are bringing operations back, I think they are bringing personnel back.

Farrell: Maybe, but if they are importing the personnel, then they are abandoning the host.



Fitts: I think they are replenishing the host. In other words, here is the problem. You have a group of middle class people who are relatively spoiled respective to the emerging markets, and as they age, they are going to want their retirement benefits.

You can bring in new people. So, if you liquidate that group, you get to keep the retirement savings. So, you have already taken it with the financial coup, but then you bring in a whole new group who are just starting to save.

Farrell: Maybe.

Fitts: You know the story of me talking to a venture capitalist who said, “Look, we can replace every employee in America with robotics and software.”

What I assume you are thinking is that without a certain kind of human component making sure the thing works, you’re going to get a huge clustering ‘you-know-what’.

Farrell: That is exactly what I’m thinking. Do we want robots building our bridges? To a certain extent, they already use robotics in construction, but I’m not seeing how this is going to replace everybody. I just don’t.

If you replace the human component that is driving capital, how does robotics replace that? Unless the European solution is, “We are going to make robots ‘persons-in-law’.”

Fitts: That is what Saudi Arabia ‘Sophia’ was for.



Farrell: Maybe that is what they are thinking here; I don't know. But if that is the case, then it's going to be a huge cluster 'you-know-what'.

Fitts: Here is what I see. The price of energy is going up, although renewable price is dropping dramatically. But for a short run, energy prices are going up. Interest rates are going up, which means that you and every person you know and every business you deal with is experiencing rising costs and higher costs of capital.

Certainly, if you only look at real inflation-I keep coming back to the Chapwood Index-real inflation in this country for a household is 8-13.5% a year.

So, you are dealing with rising expenses, the AI invasion sucking away assets and revenues, or sticking more expenses to you, and at the same time your interest costs are going up. Ditto for everybody else, and your energy costs are going up.

So, you are talking about a triple whammy here.

Farrell: This is the whammy that is not making sense to me. If they are reshoring everything and want to jumpstart the economy, I don't see robotics as the solution. I know that they do, but I'm not seeing it.

I've talked before about the necessity of reinventing the human capital part of this, and no one is talking about this.

Fitts: I think that you put people in a triple whammy and then offer relief to the people who play ball.



Farrell: That is the social credit scenario that we were discussing earlier. I can see that happening easily.

Fitts: I just think that we've been in a long-term bull market since the 1980's and now we are watching the turn. If you weren't around before 1970, you need to understand that this is going to take us back to a world-especially if they go forward with any kind of sound money proposals- of accountability that we have not lived in for a long, long time.

If it wasn't for the AI invasion, I would say that some of this could be very positive.

Farrell: We really haven't lived in the world of accountability since Nixon took us off Bretton Woods. It's really been a long time.

Fitts: One indication that we are coming into the reset is that we will see more and more people talking about sound money as though it's becoming fashionable, which means, "After I steal \$50 trillion, of course I want sound money because I get to keep it."

Farrell: Exactly.

Fitts: Story #3: Building Fortress America. When the President ran, he called his campaign 'Make America Great Again', but in fact what we are seeing is 'Fortress America'. Tell us a little about what that means.



Farrell: I said years ago with GeorgeAnn Hughes that Mr. Global had overplayed their hand moving all the manufacturing out of this country. It is going to be absolutely necessary for them to sustain their powerbase, which is in North America. They have to reshore somehow, someway, and I think that is exactly what we are seeing.

What I think we are seeing – we’ve discussed Trump being a deep state candidate before – is that faction within Mr. Globaloney that is backing Trump has broken with the Rockefeller/Rothschild globalists who were shipping all the industry overseas. I think that is what we are seeing. It is a fortress mentality.

Fitts: I think that one of the United States’ greatest geographic benefits is that it has a secure border to the north. I appreciate we are irritating our Canadian allies a little right now, but we have a secure border to the north, a secure border to the West, a secure border to the East, and when Trump screams and yells about the wall, what he is saying is that ‘Fortress America’ only has one area of exposure, and that is its southern border.

Farrell: And now it is crucial to know that Mexico has a candidate who is similar to Trump running for President. That is going to be interesting to see if that works.

Fitts: NAFTA is up for renegotiation.

Farrell: And the Mexican candidate, Obrador, wants to renegotiate the whole thing as well. So, everything is up for grabs now.



Fitts: I think there are many, many people who have assumed that ‘Make America Great Again’ was going to be all hunky-dory and wonderful, and I think that the fires in California certainly removed that.

You warned us, and one thing that you said was they were going to bring everything back to the East and West coasts because that is where the labor is, but then they are going to spread it throughout the heartland.

I only see California. Making room for Silicon Valley North or L.A. Defense Contractor North is only step one. Then it’s into the heartland.

I said to somebody, “How many years is it going to be until they are fire-bombing Tennessee?”

They said, “Oh, I give it about four years.”

So here is the problem. You have major military, major defense, major corporations that are moving fast, they need to get a lot done, they are repatriating significant capital and operations, and they need to go really fast. This is a big switch, and they don’t have a lot of time to make it, and they can’t tell people. So, they can’t come to the mirror and say, “Look, we need this land and we will settle it...” They need to keep it secret.

That cannot feel very nice.



Farrell: One of the stories that I think justifies that position in Washington State is the story where the Department of Defense – through the Navy, I believe – has had the state of Washington redo their eminent domain laws so that the military has a veto power over the state’s eminent domain. I think that you are going to see that spread through the heartland.

My reasoning here is not financial; my reasoning is military. I think that what they are going to attempt to do is disperse the manufacturing base much like Speer did in Nazi Germany. So, that means they are facing some sort of threat or perceived threat that they feel necessary to do that – to disperse the potential targets.

Fitts: Absolutely. That is what I would do, and that is what you would do.

Farrell: That is exactly what I would do.

Fitts: What this means is that space becomes ever more important because you have to protect your power through satellites and through global surveillance. You have invested money around the world. You have to enforce that money now that globalization is done. That means space weaponry.

What I keep telling everybody is that the value of the US dollar depends on the success of space. Without success in space, the US dollar is toast.



Farrell: This is why you see Europe scrambling now for space-the UK since Brexit-and I think we have that story later.

Fitts: There is a big fight there over their GPS.

Farrell: Exactly, and Britain is now reaching out to Australia to try to build their own system out. I see Europe doing the same thing. The Chinese, Japanese, Indians, Russians, and everybody is making the scramble for space. It's because of this globalization.

Fitts: The company that wins in space debris clean-up is going to be one of the wealthiest companies.

Story #4: The US Dollar Index Holds the Line at 92. You also saw it here because every time the fear porn says that the dollar is about to crash, it doesn't happen.

The Economist had a great article a couple of years ago which I keep quoting called, 'The Dollar: Dangerous and Dominant'. If you look at the obstacles to anything replacing the dollar, they are formidable.

There is no doubt that the market share is shrinking and Russia and China are doing a great job of trying to build liquidity around the dollar. So, I don't mean to say that the dollar is strong, but since the bailouts, we have lent trillions of dollars over the world – particularly into the emerging markets. Now they need dollars, and with a trade and tariff war, we are cutting off the dollars. They need to pay that debt, so we have them in a trap.



Farrell: That is exactly what it is about.

Fitts: It's a bear trap. But the dollar, for now, is holding the line. Certainly, the rise in interest rates is helping. It's attracting money back into the dollar.

All the different efforts to implode the EU are helping because the euro is not an alternative.

Farrell: It isn't but we'll get to that!

Fitts: The dollar is very, very strong, and now with the repatriation of all this capital, it's making it even stronger.

If you look at the equity markets, what you are seeing is the US markets are flying and everybody else is shrinking. So once again the US is asserting its dominance in a very clear way.

People who are putting money in the US stock market and people who are putting money in the dollar are making money, and other people are losing money. As long as when you put it in the dollar you stay in the short end, it's fine. The long end is struggling with rising interest rates.

We saw with the Iran deal big squabbles about whether we're going to pay for oil with euros versus dollars and on and on, but I think it's fair to say that the US continues to be stronger in terms of forceful dominance than many, many of the people in independent media expected.



I would argue that the repatriation of corporate capital is, in part, air cover for bringing the financial coup proceeds. In fact, the amount of money that they are bringing out to reinvest in the economy is much bigger than just the corporate cash that is sitting around the world. That is part of the reason you feel and see so much inflation.

I want to underscore something that I've said for many years, which is, "Don't tell me that the system is weak. They stole all that money to make sure that it was strong."

The Military-Industrial Complex has never been more powerful despite the challenges they have at maintaining a unipolar model from fortress America.

Farrell: I would definitely agree with that. That's a faction that I think is behind Trump. It's very, very clear.

Fitts: Right, but what they are trying to do is not easy.

Farrell: No, it isn't.

Fitts: If you look at the advantages that they had ten years ago, they were the only GPS satellite system in the world. Now the Europeans have brought Galileo online, the Chinese are working fast and furious, and the Russians have theirs. They got theirs up 2010.

Farrell: And India.

Fitts: The reality is that the Chinese and the Indians can launch satellites at 20% of the cost of what we can do it for.



Farrell: And they can launch more.

Fitts: So, this competition is on and I have to give you credit. “You heard it here first.” It’s on at the same time David Rockefeller is dead. So, there is a fluidity in the leadership that we have not seen since the end of Kennedy.

Farrell: We haven’t even really seen this kind of fluidity because even the Rothschild camp is showing signs of that fluidity. You’re bringing in a whole new generation, and they don’t have the same built-in restraint mechanisms that the old guard had. Plus, you add to that fact that they are in a hurry. For some reason, they are in a hurry. You add that factor in, and they are not going to worry about regulation or law. They are going to start burning out homes in Tennessee and wherever else they need to.

Fitts: What I’m seeing at the top of the financial system is tremendous celebration of their victory. Financial coups are over, they have the money, and nobody has figured it out. We have figured it out, and a lot of other people have figured it out, but they’ve been able to keep a lid on it and keep people distracted.

Farrell: In a way, they are celebrating the entire cryptocurrency. The complete cryptocurrency phenomenon has been very successful, but it has also been a public rollout of what I’ve been calling ‘the hidden system of finance’.

Fitts: The hubris is significant, and I think that what that means to all of us is that we want to be careful. When the tsunami comes rolling through your tent, don’t pick a fight. It’s a good time to duck.



Story #5: Planet Equity – As Strong As Ever. How long have I done this? It's been since 2013 when I ran the Planet Equity story. We've been fighting this wave of, "Oh, the stock market is about to crash."

The stock market is way overdue for a correction. We got a bit of one in February. But it's clear that we are moving away from a debt model to an equity model. There are many good things about that, but combine it with the AI invasion, and it can be very painful.

Farrell: It's going to be very painful. There is another phenomenon that strikes me that might be coming down the pike. This is just a 'wild, wild hair'. I don't know how else to describe it, but we are seeing states in this country like Texas officially open its bullion depository this month.

Fitts: That's part of the move to sound money.

Farrell: It is part of the move to sound money, but it is also potentially a move to regional equities and commodities markets. If you are going to have some money, it can't be centralized.

Fitts: You need a relational optimization. You have to optimize equity by place, as well as by sector, as well as globally. So much more equity vehicles and circulation make a tremendous amount of sense, and when I tried to do it in the 1990's, I think they felt a threat in the model.

Now if you have invasive digital systems in AI, it's not a threat.



Farrell: We saw Canada two years ago open up an exchange in Vancouver that will also be trading in Chinese bonds. So, I think the move is on to some sort of regional type of situation which is long in coming now that they can control it.

Fitts: Digital currencies in the AI invasion in local stock markets feel a lot different.

Fitts: They are going to try to change the Popsicle Index to whatever their academic expert tells you it is. That's where that all breaks down. The idea of the Popsicle Index was to create an index where your subjective assessment – your intuitive assessment – was real and controlled, not the bank's academic experts.

That's it for the **Economy & Financial Markets:**

Story #1: The AI Invasion: 'The Rape of Russia' comes to America as the AI Invasion

Story #2: Interest Rates Rise

Story #3: Building Fortress America

Story #4: The US Dollar Index Holds the Line

Story #5: Planet Equity

What all these stories say to me is that the people who engineered the financial coup are stronger than ever.

Farrell: I have to agree – reluctantly.

Fitts: JP Morgan Chase announced that they are hiring 1,000 new wealth advisors, and I just saw a survey that said that wealth managers had a 17% increase in assets under management.



Part of the AI invasion is just that; it's a giant sucking sound of money moving to companies that can lever it in the different markets – whether it's the equity markets or the derivative markets and can use government to engineer it. The software is what the data beast is. The data beast is a giant taxpayer-financed operation to suck up concentrations of capital and cash flow in a way which is not good for the economy, but it's great for the people at the top.

Geopolitics: Story #6: Tearing Up Net Neutrality & the AI Invasion. Our first story in Geopolitics relates to that government financing and taxpayer financing of the data beast, and that is the tearing up of the rules the FTC promulgated to implement the concept of net neutrality – this was Tim Wu's wonderful concept – and the AI invasion.

We saw the FTC take the first step with tearing it up, and then there was a serious effort led by many good groups. One group is the Electronic Freedom Foundation to get the net neutrality overturned at the state level, as well as getting the Senate to pass and overturn it. They couldn't get it through the House before the repeal went through on June 11th.

This has been a fascinating debate and what you see is many people in the independent media arguing for the repeal. Why is that?

Farrell: I don't know. I've looked at this net neutrality thing and I'm as confused as ever. I really don't understand it.

Fitts: Oh, I do.



Farrell: Enlighten me.

Fitts: At the root, net neutrality says that all data is equal. So, if you send an email or post something at [Giza](#) Death Star, it should have the same speed and treatment as if CNN had posted something on their website or sent an email. All data is equal.

What repealing these rules says is that the telecommunication companies that engineer access can manipulate. They can create a slow lane or a fast lane. What this does is gives them the ability to rent 'seek' so that they can start increasing prices, and they can harvest much more out of the internet system.

So, you can corporatize and privatize the internet through speed, but it's an economic thing. So here the taxpayers essentially financed this whole matter, and now you're giving private companies freedom to extract value all day long. It's very amazing.

But what I don't think that many people realize is that the speedup and the slowdown is going to happen at the molecular level. So, if you are bad, rather than slow you down when you get on Giza Death Star and say, "AT&T is slowing me down," they will just slow that one email down, or they will just slow that part from 16 minutes to 18 minutes on your video, and everybody gets frustrated and hangs up.

Farrell: I've already had complaints like that.

Fitts: So, they are going to sensor you at the molecular level and manipulate you at the molecular level, and there is nothing that you can do.



You have no recourse, and it's going to be almost impossible to prove because that is the beauty of doing it at the molecular level.

If I just slow down your website, ultimately you can document and prove that if you have the right systems team. But if I'm playing these other games, it's going to be almost impossible for me to prove that you are really doing it.

Why are the commentators arguing for this? What they say is, "If a company does that, they will just leave that company and go into the market and get somebody else."

That's a 'bunch of hogwash'. You've created a few enormous telecommunication and gateway companies who have large government resources and powers because they are operating as contractors to the government. They are running the data beast.

So, they have access to the data beast, they have access to enormous taxpayers' resources and authorities in power, and they function above the law because their money gives them the ability to argue and protect and fight and lobby, and there is no market. If somebody tries to come in to start a company to compete with them, it's war games.

The idea that there is a market here is insane.

Farrell: I agree and I have been enlightened.

Fitts: So, what you are saying is that a couple of basically 'oligopolists', can do whatever they want in whatever lawless way they want to do it, and they can do it with a taxpayer-funded resource. It's completely unreal.



You combine it with the AI invasion, and what you are talking about is financially highly profitable for them to manipulate in a way that takes very little labor costs because they are using AI to do it.

Go back to the market. You have a few oligopolists who can afford AI up against a market of small players who can't afford AI. How is that a market?

Farrell: It's not.

Fitts: I think that this combination of tearing up net neutrality rules with the AI invasion with 5G puts your ability to deliver mind control and entrainment on steroids.

Geopolitically what does this mean – the combination?

Farrell: Geopolitically I think it's all tailor-made for space. Whoever is able to extend this whole system into space, the broadest and the deepest comes out the winner.

Germany made the announcement that they are putting a 4G network on the moon.

Fitts: Vodafone is part of the network.

Farrell: On the moon! What is that for?



We can't really speak of geopolitics anymore; we have to speak of space politics because that is what this is boiling down to. If you look at the major powers, virtually every one of them has some huge investment in building out AI networks – Russia particularly. The chase is on.

The fun is that AI can be hacked and AI is going to hack each other. We might be looking at a situation where it gets so bad that everybody demands that the complete system be entirely re-engineered. Who knows? I don't know.

Right now, there are no international safeguards on it – none whatsoever. That is the next big cyber warfare ground.

Fitts: I think it's relatively easy to get to a place where it's too late.

You literally have to destroy 'all digital everything'.

Farrell: That may be true, too.

Fitts: One EMF expert who I talked to very recently said that when they first tried rolling out 5G in their area, the EMF radiation problems and sickness was so bad that they pulled back to reconsider, and they decided to do it by satellite because, if it comes top-down, it's less sickening than if you have all these little towers everywhere.

What that means is that if everybody throws up satellites, you are watching a process where people are going to be tendering for each other's population with mind control.



I think that has been happening anyway. If you look at the soft revolutions around the world, it wasn't just mind control; you're bringing money and you're doing all sorts of things. There is competition for the hearts and minds of the humans while they are still functioning. With the AI invasion there is competition.

Farrell: That is the next big battleground besides space. They are both connected.

Fitts: If we try to brainwash the Russian population, they have no choice but to brainwash us. Ditto the Chinese.

Farrell: Ditto everybody.

Fitts: It means that we are sitting in our house, just trying to get through the day, and in the meantime we have three nations trying to brainwash us.

Farrell: Those nations have already invested heavily in soft mind manipulation with their networks. So that's not going to stop them.

I keep telling people, "Covert operations is a game that two can play, not just the United States."

I'm very suspicious of those attacks that occurred recently in California in the past few years with internet connections being severed with people who knew exactly where to go and disrupt things.



In other words, we can also be dealing with covert operations of the good old-fashioned kind, and I absolutely think that is going to increase. While you are building out your AI, you want to make sure that the enemy isn't building out theirs. It can get very interesting very fast.

Fitts: I ran into this many times during the last ten years: If a big company is trading – and I have no idea what Amazon is trading at now – a tech company 100 times earnings, that means that for every ten dollars that you pay them, they make a \$10 profit. For every \$10, their stock goes up \$100. It's hard for you to imagine the leverage in the banks and these companies with the stock market continuing to rise.

There is a giant sucking sound competing for one guy.

Farrell: The game is afoot.

Fitts: That's it. The game is afoot.

Story #7: Trade Wars. Trump is taking a demolition derby approach to pulling apart the Bretton Woods. Tell us what is happening.

Farrell: This is so complex. I don't know where to begin.

I had this idea with Asian hot spots and so on and this is a pure guess and the best that I can come up with. I think that he is deliberately blowing up things and then coming back with the deal – case in point North Korea.



I genuinely believe that when Trump went over to China and met inside the Forbidden City, that was a huge step. I think that he met with Kim Jong-un secretly while he was there, and the difficulty here is China.

China does not, in my opinion, really want a trade war with us. I don't think that they can afford it.

Fitts: Their number one concern politically is employment, and they have enough trouble without looking.

Farrell: Exactly, I think that Xi told Kim Jong-un, "Play ball," and this is sheer speculation.

Fitts: This is you going out beyond the twig.

Farrell: Yes. You have walked off the cliff, and are looking down like Wiley Coyote and discovering that there is nothing beneath you.

I honestly think that what they are trying to do is set up Korea as a bridge economy into Asia. It's a replay of Nixon going to China. They are playing the Korea card, and the offer off the table is probably, "Look what we can do to build out your economy."

I think that is what they are up to. Trump is showing that business, "Look at how you can develop your real estate," and 'this, that, and the other'. I think that the real deal there is, "Get rid of your nukes and you can stay with the Chicom's all you want, and we will help you build out your economy."



Everybody has an interest in doing that: China avoids a trade war, they get an influx of American capital to help their silk road, Japan is happy because they have another way into Asia, particularly into Russia. So, I think that everybody is happy.

Fitts: They need a way into Russia.

Farrell: They do need a way. You've seen Abe and Putin table the dispute over the Kuril Islands in order to get Japanese funding for the buildout of Siberia. Everybody is happy with this.

This is what I think, and I think that the real deal has to do with trade and using Korea as a trade zone – playing the neutral card straddling the East and West.

Fitts: Part of our strategy has been to stitch together the Philippines, Japan, South Korea, Indonesia, Vietnam, and checkmate, China and stay the hegemon in the South China Sea and in Asia. One of the ways that China always kept that from triumphing completely was to play North Korea.

If North Korea comes back and détente with South Korea, let alone get together, isn't that going to argue for the hegemon role for the US?

Farrell: No. I think the deal is to make the entire peninsula a neutral zone, a trade bridge.

Fitts: So, it's the step to share hegemony.



Farrell: That is exactly what I think is going on.

Fitts: So how do they reconcile the control of the South China Sea?

Farrell: I think that is off the table for the simple reason that Trump did something very interesting in cancelling the joint military exercises with South Korea. I think that was a deliberate signal to the Chinese.

In other words, I think this was part of the unwritten deal. “We’ll call those exercises off, and in turn, you get him to denuclearize. We build out a neutral trading zone between the two, and everybody is happy.”

You get all that trade from Japan westward. You get all that trade flowing from China eastward and make Korea the hub for it.

Fitts: I don’t know if they really care about the nuclear weapons. I think what they care about is whether or not North Korea is in the BIS system.

Farrell: That could be, too.

Fitts: It was interesting to watch the Singapore Summit because this is the first time we really saw summit engineered by a reality TV show host. Not to say that Reagan didn’t have a TV show, but Trump is a reality TV show host, and it was the first exercise of Trump doing it his way. All we know is that Larry Kudlow had a heart attack.

Farrell: We’ll see. If I’m right about this guess, we might see a few moves of protest from North Korea and we might see a few tweets from Trump.



Over the long term, if we are starting to see some real economic development in North Korea with everybody happy – and by ‘everybody’ I mean chiefly China, the United States, Japan, and Russia – then it would seem that my guess is probably on target.

Fitts: You notice that we haven’t seen any Navy ships around recently.

The tariff war started in response to the ramming of the Navy ships. I don’t know if that is the Chinese.

Farrell: It may have been. I’ve had Navy people tell me, “No, it was just incompetent crews.”

Fitts: So maybe one or two was that, but not all of them.

Farrell: That is the problem that I have with it, too. There is no doubt in my mind that there was some sort of electronic warfare.

Fitts: So, the Navy is dealing with the AI invasion, too.

Farrell: The story came out recently that the Chinese have hacked into the US Navy’s programs.

Fitts: One of the things that scares me the most about the AI invasion is, if you look at the number of Indian and Chinese engineers that they can produce, we have 325 million people, and they have 3 billion. If you look at the health of their kids going to engineering school there, it’s not only many, many more, but they are really good.



Farrell: And they don't have Common Core.

Fitts: One of the top stories so far this year – and I'm sure that it is going to be one of the top stories in the Annual Wrap Up – is General Neller testifying about recruiting for the Marines and saying that 70% of the US's young people at that age are not eligible for the Marines for emotional, physical, or mental reasons.

Farrell: Education is a national security issue in this country. We can't avoid it anymore. 'Quackademia' has to be fixed.

Fitts: It's not just 'quackademia'; it's, basically, a food supply and a water supply which is turning these children's brains into mush.

Farrell: Plus the drugs that they put them on.

Fitts: Plus, the EMF radiation, and the phone, and the mind control.

This is what you pointed out earlier, which is that you have this huge press to turn the entire population dysfunctional, and you have the Marines and the corporations showing up that need functional people.

Farrell: It's contradictory policy.

Fitts: How is this supposed to work?

Farrell: It cannot.

Fitts: And how are all of those people supposed to be useful if they have no virtue?



Farrell: They cannot.

Fitts: The war is at the sub-molecular level everywhere.

Farrell: The war is cultural. Education is a cultural issue, not a political one. When we have a dysfunctional system that no longer is designed to hand down the traditions of our culture, it's a national security issue.

Fitts: We've seen trade wars before be very harmful for the global economy and very harmful, ultimately leading to war. Where does this trade war go?

Farrell: I don't think it goes to war. I think that what you are seeing – and I think that this is really behind China's One Road initiative and behind Putin's attempts to build out the infrastructure in Siberia and so on – is a race for autarchy. But given the technologies that we have available today, that can actually work. Previous attempts haven't worked.

'Fortress America' really doesn't need the rest of the world in a certain sense. Neither does 'Fortress Russia' if you get right down to it. Nations like Japan and China do need the rest of the world, and that is largely due to the fact that their energy resources are not very large. The same thing holds true of Europe. They are in the same conundrum.



I think you are seeing a race for autarchy. If there is a war, people are so afraid of nuclear war and I just don't see that. They have so many other weapons.

Fitts: Why would we have a nuclear war when we have much more powerful weapons – especially weapons that can be kept secret?

Farrell: They are kept secret, and there is no price or cost to the user using them. This is the conundrum that we face now.

If there is a war, I don't think that a nuclear war is in the cards.

Fitts: Right, but we could have something much worse.

Farrell: We could have something much worse, in terms of the destruction in that sense, but you're not dealing with fallout and issues like that. That is the crucial difference.

Fitts: Let's pretend for a second that you are Xi Jinping, and you are responsible to keep people employed. So, let's look at some of your problems.

The US has \$25 trillion in pension fund money and you have \$1 trillion. The US has a social security system, imperfect though it is, and you don't have much of anything. You are teaching all of your youths to only care about money as opposed to taking care of their family. So, you have an aging problem, and you still have about 30-35% of your people working in agriculture, but you are industrializing agriculture and it is going to take it down. The US is at less than 1%.



I would think that if we brought it back to 5% it would create plenty of jobs and we would all stop getting sick, but put that aside for a second.

India is still at 40-45%. If you take them down and if you keep industrializing India and China's agriculture down to 5% or 1%, then what are all of those people going to do if you are rolling out robotics? How is this supposed to work?

Farrell: It can't.

Fitts: Talk about two opposing tsunamis coming at each other at high speed! One is the industrialization of agriculture, and then the other is robotics and automation.

Farrell: The only thing that Xi Jinping can do – and the Chinese have done this in the past – is to militarize all the excess. That is going to require a lot of money and that is the other big problem with that solution.

I think that there may be signs that Mr. Xi has made the decision that, "We've got to increase human creativity and consumption." You look at the studies that communist China has done in recent years of religion, and it's almost as if they are trying to pick the future ideology that is going to keep the country knit together. That is very, very significant. I think those studies are very significant because that is a clue that they know this system can't keep going forever; they're going to have to change it in some fundamental way.



Fitts: Consumption is not a philosophy that can hold a culture together.

Farrell: No. Consumption isn't, but human creativity is.

Fitts: I agree.

Farrell: I've been arguing for a long time that this sounds 'nutty', but cultural activity of that sort may be the solution to much of these real-world problems, and it's something that the Chinese in particular have as part of their culture. It's deeply engrained.

It's 'six of one; half dozen of the other' and that is my best guess.

Fitts: It's fascinating. We chose as the theme for the 2nd Quarter Wrap Up 'The Rise of the Asian Consumer' and I'll be talking about that when I do the theme section of this Wrap Up. News Trends & Stories always comes first.

I chose it because I think it's going to have such a profound impact on investment, but the last couple of Wrap Ups we've done are on these really deep topics that involve really dark things – the Space-Based Economy or Pension Funds or Control 101. So, I thought, "Great! Something lighthearted!"

Then I started to study this and I realized, "Holy cow! This is so much deeper and bigger than I ever imagined."



For about a year I've been collecting anecdotal stories about this. One of the things that you see throughout Asia, Europe, Australia, New Zealand, and throughout the country is a significant number of wealthy Asians moving in in a way that is causing tremendous stress and tension culturally and geopolitically in many different ways, and no one is talking about it.

They are talking about transgender bathrooms and LGBT, but this thing is much bigger and much more important and much more powerful, and nobody is talking about it.

Farrell: If I can use the term we do not understand in this country, 'cultural politics'. Putin is a master of it; an absolute master of it. The Chinese understand it and the Japanese understand it. You want a country with rigorous immigration laws, and it's Japan. They do not have an immigrant problem because they understand the value of their culture.

I ran into this, and it just 'blew me away', but it is a fact that I think is so odd and so peculiar that it is a signal of something major culturally and politically that is happening in China, and I can't figure out what it is. Do you know what country in the world that is building the most pipe organs? It's China.

This is not even an instrument that is part of their culture. Why are they doing this? It's not simply so that they can listen to Bach. I don't think that. It's a weird phenomenon, and what it is telling me – along with the studies of religion that the communist parties in China have undertaken in the past few years – is that they are making some long-term plans for some sort of major cultural shift that will probably be of a scale of Mao's revolution in 1967 – the Red Brigades and so on.



The other signal that something is up in China is Xi putting through the last party congress no term limits on his leadership and consolidating what used to be an oligarchical shared power leadership phenomenon that began with Xi Jinping into his own hands. That indicates that there is something major going on, and it's either the party is trying to stop it, or the party is getting behind it and getting all of their ducks in a row. It's one of the two.

I think that something major is going to take place in China over the long term culturally and politically.

Fitts: We are going to get to this later. One of the challenges is, if China wants to build out global financial liquidity; I was really impressed when I was in Hong Kong last year. In so many different conversations you heard the same theme again and again and that was that no one trusted the Chinese to obey their own laws.

China, if it wants the kind of role that I think it wants, has to grapple with how to have a culture and a philosophy that people can trust. You're not trustworthy and nobody trusts you. To get to a point where you are trustworthy, that is an enormous change.

Farrell: It's cultural.

Fitts: It's cultural and it's legal; it's both.

Farrell: It has to be legal, but law – as far as I'm concerned – begins to break down when it's no longer reflective of the culture. That goes back to Virgil, "A just society is not a society that has lots of laws on the books." (Listen to that, USA.)



Fitts: The Anglo-American Alliance is in serious trouble over this.

Farrell: It is because no one trusts us either on account of the lawlessness of the ruling class. China is faced with the same situation for the same reason.

I suspect that, too, may be part of the problem these studies that the communist party have sponsored of religion. Why that? Why are they studying religions – specifically Christianity? I think it's because they know that they cannot build out their 'One Belt, One Road' initiative without a factor of trust involved. That has to be cultural. They cannot be seen as a cultural threat to Russia, or Iran, or Japan, or whoever.

Fitts: Back to culture, one of the biggest questions before us is if you have 1.4 billion Chinese, 1.3 billion Indians, what language are we all going to speak in 20 years? Is it going to be Mandarin, or is it going to be English? That's a big one.

Farrell: That is a big one, and culturally China is at a disadvantage because the written Chinese language is not amenable to digital means, and as far as I understand it, it can be interpreted in so many ways. It doesn't have the precision that English, or Russian, or western languages have. That is the other problem that they are facing.

There was a movement in Japan prior to World War II, and this was a movement that was quietly backed by the Imperial family to get rid of kanji, the Japanese characters, and go to a Roman alphabet style of language. I think that took some foresight.



Of course, the movement failed. World War II intervened, but I think that you are looking at those cultures there and they are seeing the same thing. They know they have to make some sort of fundamental change, and that is a big one and is a huge change.

Fitts: Story #8: Italy, Brexit, and the EU Puzzle. Is Merkel's life expectancy seven days, five days, 24 seconds?

Farrell: The German elections happened, and the alternative for the Deutschland Party won 90 plus seats in the Bundestag. Then it took Merkel months to cobble together a coalition. I said, "This government is not going to last. Her days are numbered."

Recently the story came out that her interior minister is of the Bavarian CSU party. You have to know a little about German history and politics. When Bavaria joined the German Empire in 1871, it maintained a semi-autonomous status within the German Empire. They retained their king, they retained their military. The Kaiser was also simply the head of the Bavarian military.

So, Bavaria has always had this semi-independent status within Germany, and the CSU party in Bavaria has always been a party that has been traditionally aligned with the CDU (Christian Democrats), which is Mrs. Merkel's party.

Her interior minister from the CSU in Bavaria is a fellow by the name of Horst Seehofer. I began getting stories sent to me a while back about German troops moving up to the Brenner Pass to prevent immigrants crossing into Austria and Germany from Italy.



I thought, “Wait a minute. Is this ‘on to us 2.0?’” We can close Austria’s borders, but we can’t close our own.

I began to wonder what is going on here. Well, it turns out that Seehofer, the new Austrian Chancellor, Kurz, and the new Italian Minister of the Interior have formed somewhat of a coalition where they are coordinating their policy trying to keep the immigrants out.

This is huge because what it means is that Seehofer is going his own way as interior minister within Merkel’s government, and recently has caused such a rift between the CDU and the CSU that they suspended sessions of the Bundestag to sort this out.

While all of this is happening, Merkel has been saying, “No, we are keeping the borders open,” and Seehofer is saying, “No, we are shutting the borders.”

Some of the leadership of the CDU party has now gone so far as to say, “Well, you know, we need to do something to address this crisis, and if necessary, we will bring it to a vote of no confidence.”

So, what I think that the game is, and this is a first as far as I know in European parliamentary politics, you have ministers defying the leaders of their governments openly and coordinating policy internationally.

Fitts: We have certainly seen US military and intelligence coordinating with other military intelligence around the world in complete defiance.

Farrell: This is a minister running an entire department of government.



What I think is happening is they are going to challenge Merkel. I think they are going to challenge her leadership of the CDU and oust her. If they are successful in doing so, then they will bring in somebody else as chancellor, and they are going to redo the whole coalition and are going to redo the entire government so that it is more reflective of the actual last election results in the current coalition.

Fitts: If Merkel is proposing these policies, she is not proposing these policies because the population wants it; she is proposing it because Mr. Global has ordered her.

It could be because the US has an occupying army there, and it could be because Mr. Global has ordered it, but it is coming top-down. So, whatever the new coalition government runs into, they are going to run into the same top-down force.

Farrell: You raised the question of American bases. I have suspected for years that there is some sort of covert economic war going on between this country and Germany. I suspect the reason it's happening is because the US realizes that Germany is slipping away.

Whatever happens in Germany – regardless if they are facing the same top-down force or not – it's going to force Germany over the long term to bolt, in my estimation, from American control. Where Germany goes, Europe goes.

I think that Merkel herself is aware of this. She has been backing this idea of a Pan-European military for some time. The only reason that Germany wants to do that is because, first of all, they would be in charge. Secondly, this is a way of bypassing NATO and all that influence.



Fitts: But it makes tremendous sense. If I were the northern Europeans, if I were the Dutch, plus the Germans, plus the Belgian, plus the French, plus the Austrians, what I would want to do is ditch the south and come together in a northern coalition that absolutely integrates armies and all sorts of things. With the Silk Road building out, that gives you incredible power.

The reality is that the south needs its own currency. The south needs to be able to drop its currency, bring in money, and bring in tourists. It's a different economy and a different world. The two cultures don't work in one currency.

Farrell: No, they don't work in one currency, and we've seen telltale clues of what is really happening behind this EU umbrella. The Italian Agricultural Minister a few years ago, ran off to Russia on his own to try to figure out how to get around the Russian sanctions regime.

When you couple this with the American move to rebase its troops into Eastern Europe, – Poland, Romania, Estonia, which I think is going to be the test bed for the buildout of 5G and AI and all of that – we are moving into the old cordon sanitaire that they put into place in Eastern Europe after World War I. It is precisely for the purpose, in my opinion, of preventing any sort of Russo-German rapprochement. They don't want that, and Trump has threatened, “Drop the pipelines or it's a trade war.”

Fitts: They get 40% of their gas from Russia. How can they drop the pipelines?



Farrell: They can't. Trump is forcing Germany to make the choice, and I think that Germany will choose Russia, of course. That is going to pull Germany even further out of the orbit, and I think that it is going to pull the rest of Europe out of the orbit with it.

This is enormous. Merkel is in a fight for her coalition. Regardless, top-down influences or no, whatever new government is formed, the long-term strategic cultural interest of Germany and the rest of Europe I do not see aligning with the USA anymore.

Fitts: I would say that the sanctions were nowhere near as successful as they expected.

Farrell: They weren't at all. German businesses ignored them to begin with, and Merkel – in spite of her support for the sanctions regime – has continually gone on ahead with these pipeline deals with Russia anyway.

I don't see this ending well for the US-backed Mr. Global in Europe. I don't see this ending well for her government. She cannot change her policy. She has some sort of control file on her that I think goes back to her connections with some of the big chemical companies

Fitts: The Summit did not go well for US-European relations. So, let me ask you a question. How much of the US discomfort with Europe is reflecting discomfort with leadership who was in the 'pay to play' network with Clinton as opposed to those real countries?



Farrell: I think much of it. I think that what you are seeing in Europe with Kurz in Austria, and with Prime Minister Conte in Italy, and Prime Minister Orbán in Hungary, are those three countries are telling you that they've had it with the whole 'pay to play' network.

Fitts: I think on the Paris Treaty and the 'pay to play' network, people like Merkel had too many hands in the till.

Farrell: The whole problem of the EU began with the old exchange rate mechanism when France was allowed in because that put France firmly under the economic thumb of Germany. Macron, I think, is trying to get out of that. His moves look like, "Okay, we can't do this anymore, but we still need Germany somehow. So, let's try to dominate it." That hasn't worked out too well in the past.

The complete EU thing is crumbling, and the country that is in the catbird seat right now that really can direct things is Italy. They can throw a huge 'monkey wrench' into the whole thing. Italy has gone so far as to seriously suggest that, "It's not us that should leave the EU; it's Germany that should leave the EU."

Fitts: Every time I'm in Italy, the Italians say to me, "We vote for somebody, then they get into office, and suddenly they start doing what the last guy did."

This, of course, is because they are under orders from Mr. Global.

I'm always saying to people, "You think the Secret Service is protecting Trump, but, in fact, it's a group of people who work for Mr. Global and have guns pointed at Trump."



Farrell: Which is why he has his own security.

Fitts: I see the northern EU reconfiguring into a northern EU.

Farrell: Yes. I think you are going to see a fundamental restructuring of the EU, and on paper it may continue to exist, but in reality, I think what you are going to see is a basic return to the old exchange rate mechanism of Germany dominating the smaller countries – Austria, the Czech Republic, Holland, Denmark, the Scandinavian countries – in some sort of revival of that old exchange rate mechanism. Southern Europe will be going their own way.

The key there is going to be France. Which way will France go?

Fitts: The whole idea of the EU was to get France and Germany together, and then they won't kill each other and we won't have another war.

Farrell: Exactly.

Fitts: So, I think they need France in the northern union.

Farrell: I do, too. I wrote a blog recently that they give these Charlemagne Prizes to leaders of Europe who are most behind the idea of an EU, and my idea is that we need a Richelieu Prize for the European leader most willing to stand up to Germany.

Fitts: Before this discussion, I called our great associate, Robert Duper. He wasn't in the Netherlands; he was in Germany for a wedding.



He pointed out that apparently there has been rape and murder by a Muslim immigrant of a German citizen, a Jewish lady. It's quite the news in the populous press, and it sounds like this is it. Merkel is going to get her head handed to her.

The question is: Was it legitimate rape, or was it a false flag?

Farrell: I suspect that there is a segment of the German equivalent of the Military-Industrial Complex. I can tell you that the German defense industry is probably very unhappy with Mrs. Merkel because she has allowed the Bundeswehr to basically fall apart. Their major submarine customer right now is Israel. So, they are selling U-boats to Israel.

If you are the big German defense contractors; ThyssenKrupp or Rheinmetall, you're not terribly happy with Mrs. Merkel. So, I can see this being a false flag if you have the populist upset with the influx of the completely foreign culture that is not assimilating.

The typical German excuse has been, "Well, we need the workers. We just don't have the population base."

I say, "Get rid of your abortion laws, and let Germans have Germans. It's that simple".

Fitts: I was on a train going from Zurich to Amsterdam through Germany about three years ago in 2015 or 2016. I was in the first-class compartment, and two young Muslim men came in with leather jackets and nice phones, but you could tell that they recently arrived. They were there with some kind of military covert protection.



They had complete confidence to be where they were.

It turns out that they were supposed to be in the second-class compartment, not the first-class compartment. There was a group of young German businessmen sitting in the first-class compartment who were very posh and very well turned out. I'm sure that they were very wealthy and very successful, and were 'scared to death'.

I'm someone who has dealt with a lot of physical violence in my life. So, when two people like that show up, if they want to give me trouble, they are in for a fight. I'm trained and comfortable dealing with that situation and I don't get afraid.

These German businessmen were not used to having to do their own killing. They were afraid, and it shocked me because these are people who have real power. The fact that they were intimidated and felt powerless and didn't know what to do; they were just sitting there scared.

I said, "This is really dangerous." I'm amazed – given that moment – the fact that Merkel has held on despite that. When you get that level of society that angry and pushing back, watch out!

I have spoken to so many business people in Germany, and in Switzerland, and in the Netherlands who are furious at the destruction of productivity coming from the rules, and it's the same AI invasion.

It's peculiar because people who are not in business or don't deal with investments think that it is just what is being done to the common person.



They don't understand that this is destroying productivity for many business people, including corporate business people, and it's part of why Trump won. They are furious.

Farrell: I don't see this phenomenon going away in Europe. For one thing, it's putting a strain on the social programs there. We think that we have an immigration problem here. Well, imagine an economy that is not even half our size dealing with providing social programs – medical care, dental care, etc.– for people who are not assimilating into the culture and who are creating chaos. It can't be done.

I don't think that Merkel's government is long-lived at all. Sooner or later it is going to collapse. If it's not this crisis that does it, it will be something down the line. Any coalition government coming in – and I don't care how much top-down influence from Mr. Global there is – cannot ignore this problem any longer.

Fitts: Here is where we are: We are talking about Mr. Global and the general population having a squabble through the leadership, and the leadership has done a very good job of pretending that it's not happening.

Merkel has done a very good job of saying, "I'm under orders from Mr. Global, and I have to do whatever he says or the implant in my head will blow up like in the *Kingsman*." You must watch the *Kingsman*. If they don't do what they are told, it blows up and their head explodes.



The leadership – whether it’s Merkel or Clinton or any of these people – have done a masterful job of pretending like they really are in charge and that there is no Mr. Global doing this. So, they have provided tremendous cover. But Mr. Global is very frustrated with the inability of those people to get done what he wants done, and that is what the AI invasion is about.

The AI invasion allows Mr. Global to go into the most intimate parts of all your information flows, your financial flows, your legal flows, and everything and rig whatever Mr. Global wants. That is what we are dealing with here.

Farrell: Yes, but there has been pushback. Let’s go back to the NSA tapping Merkel’s phone. Almost immediately – and what people forget – is that after 9/11 Lufthansa took out all the Boeing remote control equipment. They know the game is occurring, and it’s better a German company in charge of our secret services than an American company.

I don’t see that they can ignore what the people are wanting in Europe, which is, basically, “Let us have our national cultures and quit this multiculturalism stuff.”

I don’t see that they can ignore it because otherwise Europe is going to fall apart. The productivity is going to be shot.

Fitts: One thing that you see in Europe is that the European banks are having more trouble than the American banks. The American banks look like they are great because during the bailouts, the Americans took the bank debt and securities fraud and stuck it to the taxpayer. They didn’t do that in Europe; they left much more on the banks.



When you go to Europe, the infrastructure is nicer, the quality of life is nicer, the transportation is nicer, and everything is nicer. One of the reasons for that is because they use the public balance sheet to do the public work.

I think that Europe has much more family security and family support. I believe Europe is a much more human place than the United States.

Farrell: If you are European, you want to keep it human. You are essentially dealing with an influx of a culture that by European standards is inhuman. I don't think that if you are a European Mr. Global franchise that you can keep the game together by following these same policies. And let's not forget that many of these policies in Europe are coming out, if not from America, at least from American-based people, Soros being one of them. Hungary has, basically, banned him.

Fitts: It certainly does look like this is a Zionist conspiracy.

Farrell: I think that much of it is.

Fitts: If you read the Zionist playbook; it is definitely out of the Zionist playbook.

Speaking of Zionist playbooks, let's turn to the Swamp Drama. **Story #9: The US Elections & Swamp Drama.**

I started to call all the politics in Washington the 'swamp drama' because you could spend a full-time job just following the swamp drama inasmuch that you have many different tracks of litigation.



Farrell: There was a poll recently that said about 70% of Americans are just fed up with the news; they are sick of it and are tired of it. It's the swamp drama that they are tired of.

Fitts: The polls were very clear after the election. Americans on all sides of the political spectrum wanted Democrats and Republicans to go back to work and make American great again. There was tremendous bipartisan support to make America great.

Everybody wants to be part of something that is excellent, and they are turned off by the debasement, and they are ready to go to work. It was a very positive pushback on the electorate, and it got absolutely no response except for maybe five people in Washington.

Farrell: You had the party leadership of both parties not getting the message.

Fitts: Part of it is this 'pay to play' issue because they are very, very exposed legally.

Farrell: As I said the last time that we talked about this in the last quarter, I think that something is going to come down the line. I read somewhere – and I don't know if this is true or not – that the amount of sealed indictments now is up to 35,000.

Fitts: Trump has announced that he is hiring 300 new US attorneys.

Farrell: What is that for? The prosecutions?



If they are going to convince people they are draining the swamp and getting something done, they are going to have to do it before the election.

What bothers me about that scenario is that, in a certain sense, it's all theatre deflecting from everything else that we've been talking about. That is the problem. People are so focused on this swamp drama and the unending Mueller investigation.

Fitts: Here is the important thing: \$50 trillion has been stolen. I'm picking that number 'out of a hat'. There is \$21 trillion missing from HUD and DOD. The last financial report from the HUD IG about the undocumented adjustments, every number is redacted. So now our public financial statements are all classified.

Here is the bottom line: Do you want the \$21 trillion back to fund pension funds, social security, and infrastructure, or do you want somebody put in jail?

Farrell: I personally would like to have both.

Fitts: Both is good, but the reality is that right now what is being done is they steal large sums of money. This is what they did at the end of the last housing bubble. It's as if, "Let's give you some people to kill, and you go kill those people, and then we all sit around and say, 'This is some work,' while the bad guys get away with the money."

We've had a bank robbery, and I have no problem putting the bank robbers in jail, but I want the money back. I really don't care about putting people in jail; I care about where my money is. Where is my money?



Farrell: The executive order that the President signed last December giving the ability to the Federal government to seize assets of pedophiles and what have you. That might be a signal that something like that is coming.

My problem with it is: “Okay, so you do the asset forfeiture thing. Who gets the assets, and where are they going to go? Is it all going to be rolled back into one fund?”

Fitts: There is a new disinformation going on that says, “Trump has gotten \$16 trillion back.” Have you heard that? “But this is really good news because they are going to bring the money back, and you all are going to get hired and do jobs.”

Great! You steal my money, and now I have to earn it back? We call that slavery. Are you out of your minds?

Farrell: It’s totally ‘nuts’! This is why I think the swamp drama is precisely that. It’s a distraction in a certain sense because it’s keeping people from dealing with these real issues of what they are planning to do.

Fitts: That is what they are doing now.

Farrell: There is not a doubt in my mind that if they do prosecute these people and seize their assets and turn their families out on the street, that most of that money – if not 98% of it – is going to go right back into the black budget, it’s going to go right back into covert operations and the corporations running it.



Fitts: And it's not going to be returned to the people who it was stolen from.

Meanwhile, if you look at all the financial penalties on the bailouts; if you go to Helen Chaitman's website you can look at all the different fines that JP Morgan Chase has paid, it's amazing. What you realize is, "That's a kickback."

So, all these things were engineered by a joint venture, and it was a public-private partnership between the banks and the government. It could never have gotten engineered.

The housing bubble was all engineered by the Federal government with the banks, but the Federal government controlled it. You had HUD; you had Treasury; and you had all these people. It was totally engineered top-down.

Concerning John Hawk at Treasury, I could do a whole Solari Report only on John Hawk and the Hawk family.

The nuts and bolts of this was engineered. It was very hard work and took a great deal of work. They changed many of the regulations to make it happen and there was a lot of administrative actions. The Federal government wanted their percent, and that is what they got. It was simply kicking back a percentage of the profits to their partner.

Farrell: That is exactly what happened. It's 'Making American Racketeering Great Again'.



Fitts: Right, and it's very clever because it's presented as enforcement instead of a kickback.

Farrell: It's presented as, "We are getting something done."

Fitts: Right, and the people who lost the money never get a dime.

Farrell: They never get it back, and there is no accountability of what they are recouping. It's 'three-card Monte', and they've taken the queen off of the table.

Fitts: First of all, I see tremendous hubris in the financial system because the leaders of the investment capital have been able to have the swamp drama just on Hillary Clinton. So, Hillary Clinton is protecting them all.

They are saying, "Look at these politicians. Kill the politicians," and the real leaders are over here counting their money and feeling fat and happy. A few Clinton allies like Weinstein get to go with them. But basically, if you look at the real top, they are scot-free. Nobody is talking about them or mentioning their names.

Farrell: This amount of media coverage of the swamp drama is deliberate, and it is a deliberate distraction. The interesting thing is that while we are talking about this – and both of us being amazed that no one is focusing on the accountability of all of the money – this has filtered into the alternative media, the swamp drama. Everybody is following the swamp drama. You have the QAnon cult and you have Alex Jones. They are all following the swamp drama, and no one is asking, "Okay, so we prosecute these people. What about the money?"



Fitts: Interestingly enough, did you see Lee Camp from *Redacted Tonight*? He did a video on the missing money that was hysterical. It was really funny.

Farrell: I did see that on *RT*.

Fitts: I love the line that he opens up with. He says, “At *Redacted Tonight* where American journalists covering American corruption for the American population are considered foreign agents.”

If you look at the disinformation about the missing money, including this latest one of Trump getting the \$16 trillion back, at least they are putting significant investment into it. We have reached the Corey Goode level of this information on the missing money.

Farrell: “It was all turned over to the blue chickens.”

Fitts: Sometime we should do a Solari Report only on disinformation through the years – the history of our ten favorite disinformation stories.

So, we are coming into the US elections. It seems that something has to drop before the elections.

Farrell: That is what I am saying. I think that you are going to see announcements of numerous indictments.

Fitts: Who are they going to indict? Is it bringing down MS-13?



Farrell: Who knows? They are going to throw out a multitude of people to show that, “Yes, we are draining the swamp.”

Fitts: If you look at the AI invasion, they have a file on 90% of the country. So, they can indict just about anybody.

Farrell: And that is what they are going to do. That is going to be the big pre-election topic. In a certain sense, the faction backing Trump has to do it because the CIA came out and had about 35 people running for Congress who were retired from the CIA and were starting to run for Congress.

You can't allow that faction to gain a congressional delegation. That is just 'in your face'. It's like putting Andropov in the Premiership of the Soviet Union. “Oh, that's KGB.”

They have to do something to head that off because I think that is a factional play to get more leverage on President Trump and the people backing him.

They have to do something before the election to keep everybody nicely distracted from all the financial shenanigans going on with all the 'recovered money'. I didn't see any check arriving in my mailbox from the \$16 trillion. In fact, I saw my tax bill go up this year.

Fitts: It's quite remarkable.

Farrell: If this is draining the swamp, then I want to buy some swampland.



Fitts: Michael Cohen's attorneys – Michael Cohen being Trump's first lawyer – dropped out this week. You wonder what that is about. Now one of his problems is that the entity that he used to pay off Stormy Daniels was collecting up to \$1 million from AT&T going into the repeal of the net neutrality rules.

It certainly looks like the swamp is alive and well.

Farrell: Same company, different CEO.

Fitts: When you look at both the swamp drama and some of the policies, I do think that the net neutrality repeal 'stinks to high heaven'. I wrote a piece in the 2nd Quarter called 'Why Marsha Blackburn will not be the Senator'. She is running for Senator from Tennessee. She was the chair of the committee overseeing this policy, and the second-largest donor in her political career is, of course, AT&T. In fact, I just got an announcement from her that Trump came to Nashville to campaign for her.

If you look at who she is up against, I really think that she is going to lose. I think that she is going to lose because the polls show that 83-86% of the people wanted those rules to not be repealed. So, this is one that is highly bipartisan. I am certainly going to vote for the Democrat because I think it was a terrible mistake.

Farrell: Is the Democratic candidate using that issue?

Fitts: Not yet that I can tell. In fact, I've emailed the campaign and said, "What is your position on net neutrality?"



The Democratic candidate's one negative is that he is up in two years, but he is the former Governor. He was a very good Governor, and was very respected – Phil Bredesen. I haven't looked at the polls, but it would certainly warm my heart to see Marsha Blackburn go down. We will see what happens.

I've always been a huge Marsha Blackburn fan and always voted for her and supported her. It's too bad because you see many good Republicans who have really fallen apart on that issue.

So, the swamp drama continues, but we are coming into a big moment before the election. I want to mention one last thing on that 'big moment' before the election. Because of what is happening with North Korea and Syria and coming into the BIS system and the recut of the global trade, we have the complete global model in flux.

When the entire global model is in flux – and remember, we are sitting on a large amount of money because the financial coup was successful – and the US model is changing. Everything is in flux. The financial and the investment people are sitting on a huge amount of cash. Everybody wants control because you get to rewrite all the new rules, and you get to control the rollout of the new models. That is one of the most profitable positions ever at the beginning of a new model.

So, the swamp drama is not just about the changing of a leadership to a new faction; it's about who gets to control the rollout of the new model in the United States and globally.



There is a reason the swamp drama is as intense as it is. The more we centralize, the more you are fighting for control of the ‘whole shebang’.

Story #10: The Pension Fund ‘Crisis’. This is something that I wrote a good deal about during the Annual Wrap Up, so I don’t think that there is more to say other than if you have not read ‘The State of Our Pension Funds’ in the Annual Wrap Up, you really, really need to do so. We still have hard copies, so you can go to the store and buy it.

I would absolutely get that because, if you study the flows on the pension fund and how they relate to the investment and the markets, you really understand the big picture. You really see what has been happening.

What I tried to do was to turn the discussion and say, ‘Stop saying that there is no money and that the pension funds are short.’ There is plenty of money but the money has been stolen.

Essentially, the pension funds have been buying treasuries, and that money goes into the government and disappears out the back door. In the meantime, the Treasury gives you back an IOU that the pension beneficiaries are liable for as the taxpayer. So, the US government is being used as a laundry device to steal money from the pension funds. When you pause and analyze the big picture, you see it. It’s so simple and so obvious.

Sometimes I feel as though people don’t understand what I’m saying. I’ve been amazed.



First of all, the day after I finished it, our website went down. That was a bit of an affirmation. But I've been reading comments over the internet of people referring to the pension fund study and saying, "Pension funds aren't underfunded," and they are getting it. The financial people are paying attention now, and they are getting it. They are not buying into the fear porn and hope porn; they are reading this.

They are reading you and they are reading me. They are reading Dolan and Rappoport. They are reading all of us, and are saying, "Wait a minute. I get this."

So, I see in the body politics some spark of intelligence happening here on the pension fund issue. So, my question for you is: What do we do to build the consciousness around this issue so that people see the real story in a clear, simple way?

Farrell: That is difficult because you have this ingrained attitude in this country from many people who just can't imagine that their government is nothing but a big laundering operation, that it no longer represents them – that it represents the financiers. That is the biggest part of the problem.

The only thing that I can say is to just keep shouting it and to keep telling people the story and pointing out all the missing money. Where has it gone? Then start to demand some accountability.

Do so particularly during elections of every single candidates.



Fitts: Everybody who goes to a town hall meeting during the election, raise that question. Don't let one government official tell you that there is no money. Don't get hired by the money that was stolen from you.

Story #11: Asian Hot Spots: The South China Sea and the Silk Road. The Silk Road is really simple. You have the wealthiest market in the world – Europe. It's bigger than the US. There are 500 million-plus people. You have a manufacturing juggernaut in Asia, and they are rising. It used to take 40 days to ship things to Europe. Now they can do it 11 days over land along the Silk Road, and Asia, Russia, and Europe are getting together without the United State. That presents a big problem.

So, tell us a little about the South China Sea and the Silk Road.

Farrell: I go back to what I said earlier. I think that China is trying to rethink its global-cultural role.

Russia has something that China doesn't. Russia has a connection to Western culture and civilization. If China is going to have that kind of connection – if they are going to be the trading partner that they want to be but nobody trusts them. But I think that it goes beyond law. It's the opacity of Chinese culture to Westerners. We don't know Chinese history, and they probably don't know much about ours. I can't speak for the average Chinese, but my impression is that if China wants to do this in a major way, they are going to have to make some long-term, very deep, strategic decisions about their culture. That is I think, what Xi is up to.



To a lesser extent, this is what Abe has been up to. That means that in the interim, they are going to have to play very, very delicately with this country and with Europe. They can exploit political things in Europe by pointing out, “Look, we don’t have this immigration problem that you do. You are committing cultural suicide.”

Putin has been emphasizing that. So, I think the cards are on the table that we can expect some big cultural shifts in the next 20-50 years in China – not by dint of simply trading with the rest of the world, but by dint of actual political strategic decisions that are taken by the government there. This is what I predict.

The South China Sea, as I said earlier with my speculation about Korea, is, I think, you are seeing something new being injected into that whole game there with Korea. I think that there is a chance for actual unification there if both Koreas can agree on a neutral position between East and West. And I don’t think that anybody would object to that, which would put them in a very interesting strategic situation vis-à-vis China, Japan, and Russia’s plans for developing Siberia.

I can see the Koreans getting in on that once they get their economic integration worked out. I can see that happening big time because the South Koreans are sitting on a mountain of money.

Fitts: One of the reasons the Obama Administration did the Iran deal was because they were trying to get out of the Middle East swamp and get to something positive.



One of the things that I like about Trump is that he is a builder, and he sees the opportunity.

I would say this: It's been an interesting 2nd Quarter, and it's not over yet!

Before we close Geopolitics, the global model is in flux. What do you think is going to happen in the 3rd Quarter with respect to the building out of an evolved global model away from Bretton Woods into something new?

Farrell: I don't know and that is a good question because there is so much happening and Europe is a mess. If you are going to build out a new global model, you are not going to be able to ignore the biggest market in the world, and that is the problem. It's such a mess and how do you predict what is going to happen there?

Fitts: If you look at the charts, you see the giant sucking sound of money moving out of the entire planet into the United States. That is what you see – a strong US stock market, a strong dollar. But it's like the water receding back behind the walls of fortress America, and it means that fish are flopping around the world as the water pulls back.

Farrell: That is the problem. How are those countries going to respond? I don't know.

In fact, let's put it differently. Do the political and financial advisors in those countries actually see the same picture that we are talking about? I don't know. I think that probably in certain cases, yes, they do. I think that Russia probably sees this clearly.



Fitts: Oh, Russia sees it very, very clearly. Russia has one of the best intelligence operations in the world and so does Germany and the Brits.

Farrell: Yes, Germany sees it, and I think that Japan sees it. Countries like Spain, Italy, and France; I don't get the impression that the French see this picture as clearly as the others do. So that is the problem. How do we assess their perceptions? I'm not getting a very clear picture as to what is going on in those countries. I think that there is so much political turmoil over cultural issues in many of those countries that they are not even focused on most of this.

I think that Germany is because of Trump's comments at the G7, but the rest of them, I don't know. Trudeau seems to me like he is off in 'la-la land'. I don't think that he has a clue. I somewhat get the same impression, to a certain extent, from Macron, so I don't know.

Fitts: They are both very young.

Farrell: Yes, they are both very young, and they don't strike me as being all that experienced in anything – Macron particularly. France has a tradition of bureaucratic political schools. That has been part of the French tradition, and he doesn't strike me as coming out of that.

Fitts: I think that both Trudeau and Macron were elected because they were blank slates. They needed somebody who was a blank.

Speaking of blank, our **Trump Report Card** for the 2nd Quarter is blank, but we are going to fill it in right now.



Okay, I'm going to march down the categories:

'Vision'. In 2017 I gave Trump a B-, and you gave him a B-. In the 1st Quarter I went to C and you went to C-. Where are you now?

Farrell: You go first.

Fitts: I'm going back to B-. I think the longer that Trump is in office, the more he gets a deep understanding of the cash flows and credit flows that drive some of these policies, and the more he deals with the real politics and the information that he didn't have before he went into the Oval Office. I think that the longer he is in there, the smarter he gets about what is really occurring and what to do about it.

There is no doubt that his style is very 'stir the pot' and it causes great offense in many quarters, but it also kicks up the learning metabolism. Of course, the boner of the year goes to John Bolton for saying that North Korea needed the 'Libya treatment'. That's up there with Clinton's 'deplorables' comment and is so stupid.

So, I'm back to a B- on 'Vision'.

Farrell: I'm going to bump him up to a C because part of vision is the ability to articulate it, and I'm not seeing much of that quite honestly.

Fitts: That is true. I listen to what he says, and then I translate that into what it means to the cash flows and money talk.



Somebody told me, “Can you imagine that Trump said at the North Korea Summit that maybe North Korea could build resorts?” They said, “Isn’t that offensive?”

I said, “No, it’s great. I think it’s much better to build resorts together than to build bombs.” If you don’t build bombs what are you going to build? You’re going to build buildings and schools and structures like that. That’s what I love about Trump – he’s a builder. I think that the Singapore summit was Trump trying to display his talent as the ‘Vision’ person.

Farrell: I go back to my scenario. I think that Kim showing him that video and talking to him about development was an actual part of the negotiations. “This will come if you do this.”

It wouldn’t surprise me if the behind the scenes part of that negotiation was, “Go ahead and reunify the country and work out however you are going to do your government leadership, just make that entire area neutral.” That is going to put the Koreans right in the center of all that development taking place in East Asia.

Fitts: Right, and that is going to make them an even greater player in space.

‘Recruiting a Team’. The 2017 grade was a B- for me and a C for you, and in the 1st Quarter I dropped him to a D+ and you dropped him to a D+. I’m going to reaffirm my D+.



Farrell: I'm going to say D-. I'm dropping him because of the Bolton appointment and this revolving door of personnel. There's not much team building going on that I can see.

Fitts: That was 'Recruiting a Team'. For '**Building a Team**' we were both D-, and I think I will go to a D. Are you going to stay at a D-?

Farrell: Yes. I'm going to stay at a D-.

'Accomplishments To Date'. I was a B+ in 2017, and you were a B. In Q1 I gave him a B+ and you gave him an A-. So 'Accomplishments To Date' I will say a B+.

Farrell: I'm going to stick with an A-. In spite of the opposition that he has been facing, I think that he has gotten some things done – Federal judiciary and things like that.

Fitts: He killed the Paris Agreement and I am so grateful for that.

'Effort'. Last quarter both of us gave him an A for 'Effort'. You know something? I'm going to keep my A.

Farrell: I am going to do the same.

Fitts: This is a brutal, brutal job, and he certainly causes much more backlash because he's not well-mannered. Trump is a bully and I don't like bullies.



At the same time, if you look at the flow that he is dealing with, there are merits at this point. The ‘pay for play’ network and the Clinton network were bullies. They had a silver tongue, but then they assassinated you and your family.

I prefer people who assassinate with their tongue as opposed to guns and bullets. So, if you look at what he is bullying against, I think that America has decided, “Okay, he is our bully.”

‘Communication’. Last year and last quarter I gave him a C+. You gave him a C+ last year, and then a B-. I’m going to stick with my C+. I think that there is plenty of opportunity for him to improve his communication. He makes a lot of sense to me because I’m looking at the cash flows and the money. He doesn’t feel free to describe the cash flows or the money, so there is a missing link that makes it hard for people who are not looking at the money to understand him.

Farrell: I’m going to keep him at a B-.

Fitts: The next was **‘War Games (Mapping the Swamp)’**. Last quarter you and I both gave him a B. He is doing better at ‘War Games’, so I will stick with a B.

Farrell: I’m going to raise him to a B+. I think that the mapping is going very well. We’ll see what happens before the election, but so far I think that it is going well.

Fitts: The ‘War Games’ are amazing. Next is **‘Building Bottom-Up Support’**. I gave him a C+ last quarter, and I’m going to stick with that.



Farrell: I'm going to stick with a C because I still think that he can do better. He needs to start communicating some real data, and that will help build up his support.

Fitts: 'Introducing Important Change'. I gave him a B last year and a B- in the 1st Quarter. You gave him a C last year and a C in the 1st Quarter.

I'm going to stick with my B-.

Farrell: I think I'm going to stick with my C.

Fitts: 'Building Bridges Internationally'. I gave him a C- last quarter, and I'm going to stick with my C-.

You gave him a C-. What are you going to do?

Farrell: I'm going to bump him up to a B-.

Fitts: Why is that?

Farrell: Korea.

Fitts: That is true. Next is **'Building Bridges Domestically'**. I gave him a D- last quarter and an F last year. You gave him a D last year and a D for the 1st Quarter. I'm going to bump him to a C-. Somebody is doing a masterful job of winning the African American population over.

Farrell: I'm going to do a C there, too.



Fitts: It's really odd to see the African American community and some of the celebrities break with the Democratic Party. What is happening there? What do you think that is?

Farrell: I think they are tired of being on the plantation. There has been some sort of awakening there, and I think that part of it is the wickedness they see at the top level of the party leadership.

Fitts: **'Managing the Executive Branch Bureaucracy'**. I gave him a C- for 2017 and a C- for 1st Quarter 2018. I think he is getting a little better there, but I think that he has a long way to go. I will change it up to a C. You were at C and C-.

Farrell: I don't know enough about that, so I will go with a C.

Fitts: **'Grand Strategy for America and Our Role in the World'**. I absolutely feel that America has always lacked the formal plans and vision to really take us into a new world, and Mike Mullen and his group from the military had this idea of building something equivalent to what the Chinese do. The Chinese are fantastic at this, and all their plans are public. You can read them, and they make perfect sense. They go through quite a complicated process, and I think that it is essential in this kind of world to do that type of planning.

The problem is that everything in America is secret, including our public financial statements now. So, I don't know whether to say 'It's too early to grade' because I think it's too early, given what this Administration was doing and the way that they were going to do this at some time.



They had better start to do something. I don't know what to do. I'm going to say, 'Too early to grade,' but they really need to get going on this.

You were a B- in the 1st Quarter.

Farrell: I'm going to drop it to a C+ because if there is a grand strategy vision, I'm not seeing it.

Fitts: The next is '**Managing the Federal Budget**' and I've been an F all along and I'm going to reaffirm my F.

Farrell: I will do the same.

Fitts: Redacting an Inspector General public statement on \$6.5 trillion of undocumentable funds is unforgivable.

The '**Contracting Budget**' was part of the '**Federal Budget**' and I have to say that the outsourcing of the data beast is one of the most dangerous compromises of internal financial control and is what keeps the secrecy going.

We did a great interview with Amy Benjamin, a professor in Auckland. We published it about two weeks ago, and it is called 'The Many Faces of Secrecy'. Tremendous amounts of this secrecy have been engineered by outsourcing everything to private contractors. And Trump is making it worse; he's not making it better. He is looking to do more of it.



‘Staying Physically and Emotionally Healthy’ I was a B- before, and I continue to give him a B-. I think that he has done quite a good job.

Farrell: I will give him a B there.

Fitts: ‘Growing in the Job’ I’ve been B- previously, and I’m going to bump that to a B. You’ve been B-.

Farrell: I’ll bump him to a B, also.

Fitts: I think that this is a person who works very hard and keeps trying. If you look at what he is up against, I think that he has managed to accomplish much more than I ever dreamed that he could.

Farrell: Under tremendous opposition.

Fitts: Right, and you wonder why he’s doing it.

Farrell: That is that ‘Vision’ and ‘Grand Strategy’ part again.

Fitts: It’s interesting because we’ve seen several times when his family was in the helicopter, and suddenly a motor went out. You wonder what kind of stress they are dealing with.

The one thing I would say is that I would ask for prayers for everyone involved here. I think if you look at the tension and the stress, that is the problem with centralized systems.



You push more and more non-alignments and stress up to the central point, and it's very, very dangerous. It's very dangerous for the people there.

John Bolton was a bad decision.

Let me just ask you before we close about the Trump Report Card. In the 3rd Quarter, you have a team of people who are really reinventing the global model. They are inventing the model for America by pulling all the money back and creating 'Fortress America', but then they are projecting power through space and are rebuilding the complete global trade model. I would say that they are not doing it as the 'Vision' issue; they are doing it as demolition derby.

One way or another, is it going to burst?

Farrell: They are in a hurry for some reason, and I can't figure out why.

Fitts: I think the hurry is that if you don't get a global financial system, if you don't reset the global currency and the global cash flows, if you don't reset the global financial model, you could get all sorts of unintended consequences.

Farrell: Possibly. I don't know.

Fitts: Here is the other question: Is there a geophysical change that is coming that they need everything squared away by that time?



Farrell: That could be.

Fitts: So, oxygen content is falling on the planet, the electromagnetic field is diminishing, and we have all sorts of natural or unnatural physical things happening. Do they have a deadline?

Farrell: I think that they do, and we will talk about that in the next part.

Fitts: Right. We will talk about that in **‘Unanswered Questions’**. So that is it for Part I: Economy & Financial Markets, Geopolitics, and Trump Report Card.

Joseph, thank you so much for a great Part I.

Farrell: Thank you.



MODIFICATION

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

DISCLAIMER

Nothing on The Solari Report should be taken as individual investment advice. Anyone seeking investment advice for his or her personal financial situation is advised to seek out a qualified advisor or advisors and provide as much information as possible to the advisor in order that such advisor can take into account all relevant circumstances, objectives, and risks before rendering an opinion as to the appropriate investment strategy.