



The Solari Report

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The Missing Money - How Would You Write the Movie? with Rob Kirby



Catherine Austin Fitts



Rob Kirby



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C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. Our discussion today is: The Missing Money – How Would You Write the Movie?

Why are we doing this? I get many questions about how so much money could go missing: Are we sure it's not just accounting entries and computer mistakes as opposed to real money? Why do I believe that multiple trillions – significant amounts of money – have gone missing? How could that be possible? How could it be engineered? How could it not trigger hyperinflation?

When you go through the reasons that I believe that trillions of dollars have gone missing, you have to go through literally thousands and thousands of data points. In fact, most people don't have the time or the interest to do it. Harry Blazer, being one of the rare exceptions, who took thousands of hours to duplicate every story and every experience that I had that led me to the conclusions that I have.

It's extremely difficult unless you are a very knowledgeable and experienced financial professional. Our guest today is that. His name is Rob Kirby. He is the proprietor of Kirby Analytics.



You can follow him and subscribe at his website for Kirby Analytics and he is extremely sophisticated. He has a wealth of experience with major financial institutions in the financial markets with derivatives and interest rate swaps, and he knows a great deal about the suppression of the gold price. He has been one of the consultants to GATA.

He is very respected in that world, and as you can tell from his website and experience, he deals with precious metals as well. He is knowledgeable about the engineering of interest rates down with interest rate swaps. We've done two great Solari Reports with him – one on the Exchange Stabilization Fund, which is at the heart of managing the financial system, and another one on interest rate swaps critical to, basically, keeping the long-term bull market and bonds going.

This week, of course, we know the Fed is meeting, and interest rates go up again. We think that period is over.

I want to ask Rob to join me today for an exercise in imagination. Pretend momentarily that Rob and I were writing a movie about the missing money, and we had to choose a plot line of how it got engineered. The first thing that we would do as movie writers or script writers is review all the possibilities, and then after reviewing all the possibilities, we would pick one.

I want to do this as an imagination exercise to help you understand our thinking – not to try to present a case that could be proven in a court of law as to how the actual money went missing, but to help you understand why we are so confident that whatever is missing, it is in the trillions of dollars.



I appreciate that there are many things that need to be stepped through. If you walk through the financial ecosystem, there are very many different dots on the map. If you look at it conceptually, you can make it very, very simple. But to have integrity, you need to walk through the different dots on the map. The reality is that we are talking about trillions of dollars and many events for centuries, but certainly since the end of World War II and the creation of Eisenhower's National Security State or Military-Industrial Complex. So, this involves many people, and it's been going on for a very long time.

If you haven't listened to our interviews with Amy Benjamin on 'The Many Faces of Secrecy' and Richard Dolan's presentation in Uluru on 'The Cost of Secrecy', they are great background information, as well as the two Solari Reports that we did with Rob on the Exchange Stabilization Fund and the interest rate swaps.

So, without any further ado, Rob Kirby, welcome back to The Solari Report.

Rob Kirby: It's a pleasure to be with you again, Catherine.

Fitts: Let's begin with a chronology and will walk through some of the critical dates. We will start at the end of World War II.

We described in detail the creation of the 1947 and the 1949 Acts and two things that happened. One was the creation of a hidden system of finance with the monies that had been seized at the end of World War II from – among others – the Japanese and the Germans losing access. The other was the creation of the black budget.



We've gone through that in our discussion of the Exchange Stabilization Fund, but I thought that I would touch on it very quickly.

Any thoughts on describing what that hidden system of finance was and what the black budget was?

Kirby: Yes. At its core, it established a control grid where financial elites, or the people who were in control of these opaque slush funds of money, were allowed to exert enormous influence and power anywhere they wanted to be engaged. That is whether it was in the financial system, as in stock markets or bond markets. It gave them absolute control.

The extent to which they had control; few people really appreciate or recognize the degree of control. After all, why would people think that? We are taught from a very young age that we have free markets. The reality is that nothing is free.

Fitts: One thing that I want to mention is at the 2014 Secret Space Program conference, Dr. Joseph Farrell gave a very detailed history of the seizures of the access loop at the end of World War II, and a hidden system of finance.

Then I gave a very thorough description of the black budget. So, the hidden system of finance are funds from seizures, and the black budget is the engineering of the Federal budget to be able to pull money out of a variety of different agencies and budgets and send it to covert purposes. Some of the other things being leveraged are all sorts of narcotic trafficking, organized crime, and other things.



Those two presentations from the Secret Space Program go through in detail the history of both the hidden system of finance and the black budget, and we will put up those links. I think that you have made an incredibly important point that we reiterated in those presentations by putting the CIA and the intelligence agencies in charge of this hidden system of finance and having great power in the black budget. To be able to operate that domestically, what Eisenhower did was create a real flaw in the US governance structure.

In other words, you had a covert intelligence agency who became instantly the most powerful banker in the world.

Kirby: Yes, these people are off the reservation, no doubt.

Fitts: You're not the first to say that. Truman wrote an editorial in the *Wall Street Journal* after Kennedy was killed, and said the same thing.

It's important to understand that a serious flaw in the governance structure was created in 1947 and 1949, and it has been expanding ever since.

We had a great Solari Report called 'The Many Faces of Secrecy' describing how this kind of extraordinary secrecy is engineered.

The next date that I pick is 1981. Is there anything that you want to add before we go into 1981?

Kirby: No, I think that is a good, swift move up the chronology timeline.



Fitts: We talked about this in our discussion on the ESF, but in 1981 by executive order when Bush became Vice President, he was put in charge of the National Security Council. The National Security Council engineered an executive order that said that corporations could now do highly classified work as contractors for the government. What that did was combine the power of the stock market with this completely open-ended flow of government money.

Kirby: Yes. It was a move to gain the efficiencies that are offered by the private sector versus the government work, and there is a reason there are clichés that ‘anything the government does costs much more than what the private sector can do’. Intuitively, it makes sense that they would try to farm some of their dark operations out to gain efficiencies.

Fitts: I found the private sector to be less efficient than government. I found it engineered that way, but government has all sorts of reporting requirements, and government employees are not paid enough to break the law or engage in criminal activity with rare exception. So, if you want the flexibility and the secrecy, the way to do it is to move it to the private sector. But that also means that you can pump the stock market and create for your corporations the lowest cost of capital because you are subsidizing them with government money.

You are paying them to manage and invent technology, and then they own it.

Kirby: I look at it, also, from the standpoint that governments don’t make campaign contributions and corporations do.



Fitts: So, this has driven a cycle. That is what my Dillon Read book is about. It's driven a cycle where Congress engineers more profits into corporations, and the corporations kick back in political contributions.

Certainly, with all the financial fraud, we've seen kickbacks coming in the form of payments to different agencies. So, the Department of Justice is getting rich on the kickbacks from the various banks on the financial fraud that they have engineered together. It's quite amazing.

My next date would be 1987 and the creation of the Plunge Protection Team. Since the chairman of Dillon Read lead that effort, I remember it well.

Kirby: The Plunge Protection Team actually came in 1989, but it was in direct response to the stock market crash in 1987.

Fitts: They created the commission immediately in 1987, and that is what produced it. So, for the people who don't know what the Plunge Protection Team is, explain to us why that is so important.

Kirby: It was formerly called "The President's Working Group on Financial Markets" and is composed of key financial institutions and regulators. What they are charged with doing is preventing stock market crashes, which we basically saw in 2007 and 2008 despite the existence of the Plunge Protection Team. So, it would seem on the surface that despite their intentions of never having another stock market crash, the plan wasn't executed quite as well as they had hoped.



Fitts: Unless they wanted it.

Kirby: Exactly.

Fitts: Then we jump to the increase in seeds at the BIS. Tell us a little about what the Bank for International Settlements is and what happened in 1994.

Kirby: The Bank for International Settlements was created in 1929, and all the countries in the Western world had a seat on the BIS board. Two were allocated to the US, specifically the Federal Reserve, but they were never occupied until 1994. I think that in 1994, with the United States finally occupying their two seats on the BIS, represented a critical date when the globalist plan for the world finally started to bear fruit. That is when, at least in my view, the United States got committed to this plan of globalism.

By taking the two seats on the BIS, the United States became much more integrated in global financial affairs and a degree of cooperation amongst Western countries was more tightly integrated. From a globalist perspective, it became much more effective.

Fitts: That was the year that the Uruguay Round of GATT was passed, which created the WTO, which went into effect at the end of 1995. I always try to get everybody to watch the Sir James Goldsmith video that describes what is going to happen and why, if that occurs. It's one of the most prescient things I've ever seen and so, you proceed with globalization.



There is one other thing that I want to mention that normally financial people don't think about, and that was the implementation and the passage of the Telecommunications Act. The Telecommunications Act of 1996 was critical in terms of building out the control mechanisms necessary for the kind of surveillance and control that was instituted at that time. It's quite remarkable.

I'll never forget during the bailouts when I was shrieking about what was being engineered. I had one of my allies say to me, "But they could only possibly do surveillance of 24,000 people maximum," because I was saying that COINTELPRO and controlling Americans was the biggest job program.

I said, "Don't you understand that they have 325 million Americans under surveillance one person at a time? They are optimizing the economy one person at a time, and it's all done with AI and software. They don't need people to do it. It's engineered."

He couldn't fathom it. He couldn't fathom that the NSA and intelligence agency capacity and private capacity of the telco's had reached that level of control.

Kirby: It is amazing that they collect the volume of data they collect, and they refer to the data they collect as 'metadata' but they collect it and archive it. It is all time-stamped.

Fitts: They don't only collect it, but it's managed by private contractors.



Kirby: Absolutely, and they have the ability – because they collect it and inventory it – to go back and analyze retrospectively. They can go back and do analysis. It gives them a life story of everybody under their umbrella.

Fitts: Right, so they have more data on you than you have on yourself. It's very interesting. In the 1990's when I was watching this roll out I had a Bell South phone, and I would drive up Interstate 40. They were putting up these huge cell towers, and my phone wouldn't work.

I thought, “Whatever this is about, it's not only about communications.”

I did all the work with place-based data in the 1990's when I had Hamilton Securities. You were watching them do the same place-based data analysis and optimization. Think of it as relational database marketing.

I could tell that the data beast had all the tools that I was building and envisioning. They certainly had them because, among other things, they seized them and stole them from me. I'm sure they had taken it to a whole new level.

You would see someone in my community lose their job or people would report this to me, and the day after they lost their job, they would get an offer for a 30% credit card, they would get an offer for a predatory home loan, and the drug dealer would be at their door.

So, the covert and overt side was both accessing relational database and marketing information to ‘get this guy’.



Kirby: Oh, yes. The pieces fit together amazingly well.

Fitts: It's so ironic because I've had my bookkeeper very busy doing work on an audit that we are in the process of doing. It's becoming almost a full-time job.

I've been travelling and returned from Asia, and our credit card hit the limit. We hadn't realized it; we were busy with other things. I got a notice from Skype saying, "We can't charge your card; it's been declined."

I called the bookkeeper and asked her to take care of it, and within a minute I had a phone call offering me a business loan and an email offering me a business loan. This was within a minute and was amazing.

Of course, every time I get one, I tell them to delete me from the database, but they just keep coming.

Telecommunications and the Control Grid is put into place, and we talked a great deal about that in the Wrap Up about Control 101. There is no need to repeat it here. I am going to get into what is happening with the telecommunications law and regulation and get to the future.

Then we hit 1998 and 1999 and the huge Washington food fight that ends with repeal of Glass-Steagall. Maybe you could talk a little about that.

Kirby: Glass-Steagall was created in 1933, and the thrust of what Glass-Steagall was about was to separate traditional banking – as in people putting deposits with the big banks and the banks taking those deposits and lending them out on a leveraged basis.



They wanted to keep the activities of the banks separate from the activities of the investment banks, which were basically the underwriters and the risk takers who raised capital for new ventures.

The repeal of Glass-Steagall meant that the banks were now free to engage in much riskier lines of business and speculation. So, the banks really became casinos.

Fitts: They were able to finance their casinos with the Federal credit. So, they could raise money with Federal deposit insurance, low risk and very cheap.

Kirby: I would argue that the banks had really become casinos long before Glass-Steagall was repealed. The manner in which banks had become casinos before Glass-Steagall was repealed was that banks were engaged in derivatives trading and interest rate swaps for one. That all started to come about in the 1980's. The reason the banks were able to skirt the Glass-Steagall regulations with regards to derivatives earlier is that derivative trading was off balance sheets. So, the repeal of Glass – Steagall was really more of a formality than a major structural change.

Let's just say that the number of derivatives and the outstanding notional in derivatives absolutely mushroomed after the repeal of Glass-Steagall. So, it meant that the bridle came off, and banks literally went crazy with the derivatives trade, post-Glass-Steagall.

Fitts: In the 1980's we had a housing bubble, we had the derivatives starting, but it's fair to say that once they got the repeal of Glass-Steagall and these other various steps under the cover of —



-we proceeded to have a series of bubbles. Those bubbles we have talked about in our other Solari Reports.

We had a derivatives-engineered bubble, we had a housing bubble, and that gave the ability to suck a huge amount of capital out of the G7 nations and move it in a variety of places – who knows where. The housing bubble ending with a financial crisis in 2006 to 2009 or 2012 had enormous amounts of US debt being put back to the taxpayer. It wasn't as much in Europe; that stayed in the banks. That is part of what they are struggling with. That takes us to a whole new level in terms of money missing – whether through the bailouts or the undocumentable adjustments that started in 1998 (the same 1998 that you are talking about with the repeal) and has been occurring since.

Kirby: I think we could be even more specific because I don't believe it's a stretch to say that the repeal of Glass-Steagall specifically gave way to the creation of subprime debt and the packaging of subprime debt. Without the repeal of Glass-Steagall, I don't believe that we ever would have had a subprime mortgage crisis.

Fitts: I think we would have, and I will tell you why. I watched the engineering of the changes at HUD and Fannie and Freddie, and John Hawke at Treasury, and from everything that I can tell, it appeared he was the one under Rubin that led the effort to really change the nuts and bolts of mortgage finance and all the rules and regulations that were pertinent at FHA and at Fannie and Freddie.

I tell the story of how in 1994, I was working as the contractor on the FHA strategic plan, and they promulgated the Affordable Housing Regulations.



It was a combination of the Assistant Secretary at HUD and the Treasury. They were requiring Freddie and Fannie to dramatically increase their originations in low income communities at the same time FHA was proposing dramatic increases. At the same time, they were rolling out the private prisons.

I turned to the Controller of FHA and said, “Wait a minute. People are going to have to refinance their mortgage two and three times from prison every year to make these numbers.”

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

So, there was a tremendous amount of nuts and bolts happening. There had been decades, particularly after the 1980’s, where there was a tremendous effort, both in the mortgage rules and regulations, and in the Federal credit rules and regulations, and the requirement of audited financial statements, to make sure ‘it never happened again’.

If you look at everything that had to be ripped apart so that you could do the subprime mortgages, it was a great amount of work. It was complicated, it was hard work, and it took really smart people to do it. That’s why every time anybody says, “Oh, this was incompetence,” I just want to roll my eyes. You have no idea how hard it was to engineer this.

Kirby: And we both know that none of this occurs by happenstance. There are no coincidences in any of the macro events that have occurred in the world of finance.



Fitts: Let me give you some of the ‘coincidences’. If you look at what happened, part of engineering the subprime mortgage was getting all the bureaucrats to be ‘scared to death’ and do what they were told. One of the most effective things, I think, to do that was the targeting of Hamilton Securities Group and the government employees at HUD who were trying to run the housing program clean. That put the ‘fear of God’ in it because the physical harassment was so ‘enemy-of-the-state-like’ that it scared everybody to death. Guess who the lead lawyer was for the whistleblower? It was John Hawke. What a coincidence.

Kirby: You say ‘coincidence’. What Hamilton Securities representative was a threat to the larger globalist plan? In 1998 another very significant failure – and this is just to stay consistent with this theme of globalism that runs through this chronology – of Long-Term Capital Management. Long-Term Capital Management is one of the most infamous hedge funds in history, and it was a fund that was set up by a couple of American Nobel laureates and John Meriwether of Salomon Brothers, infamously of Salomon fame in the early 1990’s, and long-term capital had as one of its biggest investors the Bank of Italy.

The Bank of Italy, the Italian central bank, at the time had as its finance minister a chap by the name of Mario Draghi, who is now the chairman of the European Central Bank.

What Italy was faced with in 1998 was Italy’s sovereign finances were a mess, and Italy was trying to qualify for the euro under conditions laid down in the Maastricht Treaty in the early 1990’s. Italy at the time –



the Italian central bank in particular, unlike other central banks – markets-to-market its sovereign gold. The accounting of the Italian sovereign gold, because the price of gold was in a general decline in the late 1990's and the declining purchase of gold was making it tougher and tougher for Italy to financially qualify for inclusion in the euro.

As advisors to Italy, Goldman Sachs advised Mario Draghi to lease gold and invest the proceeds. When gold leaves the vault, it is sold into the market, and then the proceeds are used for capital projects. Well, Italy took the proceeds and then invested them with long-term capital markets. After all, how could they fail? They had two Nobel laureates guiding the firm.

What happened was long-term capital made a huge leverage bet on Russian bonds. Russia then defaulted on their bonds, and that left the Bank of Italy not having the gold and didn't have the proceeds from the leasing activity of their gold, and this is why the Long-Term Capital Management bailout had to be done behind a veil of secrecy. Nobody knows this better than Long-Term Capital Management's legal counsel at the time, who was, none other than, James Rickards, who served as the point man for the workout of Long-Term Capital Management.

The truth of the matter is that if long-term capital had a public workout of their demise, it would have been realized that the Bank of Italy had lost a sizable pile of money and their gold, and Italy very likely would have been disqualified from being in the euro, and the euro would have very likely not have happened.



I would contend that it would have been stillborn if Italy were taken out of the euro picture. The euro wouldn't have been a euro, and that was not going to be allowed to stand by globalists' interests.

The creation of the euro and the Eurozone was an absolute key piece to the spread of globalism and, at least in the globalists' minds, a march towards a one-world government.

So, in the aftermath of this failure, I believe that Draghi's silence was purchased by Goldman Sachs who had advised him, and he was made the Chairman of Goldman Sachs International prior to going on and becoming the Chairman of the European Central Bank.

Sorry to get off topic, but this was an important event.

Fitts: To do something as big as this – we're talking about a massive capital shift – and to engineer a capital shift that big, let alone with as much secrecy as they've done, you have to give them credit. It's quite clever and remarkable what has been achieved here, which is why the people who engineered the financial coup have been paid so much.

Kirby: It's also worthy of mentioning that when the secret of workout of Long-Term Capital was occurring, the workout, which James Rickards presided over with the company of Fed Chairman at the time, Alan Greenspan, there was one institution at the table that literally was kicking and screaming about taking Madison to affect this secretive bailout of Long-Term Capital. And the institution that didn't want to play ball with the rest of the players was none other than Bear Stearns.



I believe that is what marked Bear Stearns for death later on, a few years down the road. We all know that subprime real estate crisis when it began, it started with the failure of hedge funds at Bear Stearns – hedge funds that contained huge amounts of subprime debt, and subprime debt failed. That subprime debt was all rated AAA.

Anybody who believes that Bear Stearns was the only institution that had non-performing subprime debt on their books I think would be sadly mistaken because the likes of Morgan Stanley, Merrill Lynch, Goldman Sachs, and Lehman Brothers all had awesome amounts of the same data on their books. But Bear Stearns was signaled for elimination because they were marked years earlier when they didn't want to acquiesce.

Fitts: There were a couple of things that really made all of this go. Whether it was Hamilton Securities or Bear Stearns, it was penalizing people who were 'in the way of the model'. They weren't playing ball with the model, or what they were doing was in the way of the model.

I will tell you that the greatest internal financial control for government is disclosure of place-based financials.

Kirby: It was the software model that served as a big spotlight shined on cockroaches.

Fitts: It's more than just that. If you optimize government investment, and spending, and regulation by place, then you can create 100 times the wealth that you have now, but then it's impossible to control. It's a very difficult system to control.



Kirby: That's what the software model, Community Wizard, was showing.

Fitts: You would not have been able to suck trillions of dollars out of the economy. It would have made anything that was technically illegal much more difficult to do.

Kirby: You were bringing transparency to the process.

Fitts: But you were also making small business much more competitive vis-à-vis big business, and you can't suck all this capital and reduce your cost of capital with big companies down to zero if that is happening.

When you flip a model, there are thousands of problems because everybody in the model objects because they like the existing model. That was part of the problem.

One of the things was that. The other thing is that I cannot stress enough how important the suppression of the gold price and the manipulation of the gold price was to this whole process. Globally, everybody believes that gold is money. If the gold price is going up, then everybody thinks, "Oh, there is inflation," or, "There is a problem, and we cannot trust the government."

The ability to manage the gold price was really, I think, one of the final nails in the coffin of complete control of the financial markets.



So, from 1998 to 2015, we have seen, essentially, \$20 trillion of undocumented adjustments at the Department of Defense, and \$1 trillion at the Department of Housing and Urban Development.

I never worked at the Department of Defense, but I can tell you that the undocumented adjustments at HUD are impossible. If you look at the laws and authorities that we instituted with the HUD Reform Act of 1989 and then the different acts that were passed in 1991, and, further, on financial management, HUD had all the resources it needed and all the laws and authorities it needed to have perfect financials by 1995. This is true even if you assume that government is really slow and there were all these problems and it takes double the time, that is by 2000.

The idea that you would have massive undocumented adjustments in 2000 is impossible.

Kirby: You know we should also mention the fact that when we start talking about the reason the money was created, yes, it gives control, but we should also talk about the lifecycle of fiat money with compound interest regimes.

This concept is very well explained at Chris Martenson's website. Search the term 'crash course'. He explains the lifecycle of fiat money. Fiat money with compound money has a lifecycle curve where growth in the beginning is very, very slow and upward to the right, but it always reaches – regardless of what interest rates are – an inflection point where money growth must go vertical.



Overlay that with our discussion on the lifecycle of the American dollar, which is a fiat currency, we reach an inflection point where money must be created. Then the problem becomes: How do you keep this vertical growth in money from infecting the domestic economy and touching off a hyperinflation?

Fitts: I think we are in the vertical period now, but I don't think that we were in the vertical period when the undocumentable adjustments started in 1998. Would you agree with that?

Kirby: Yes, I would agree with that, but I think they knew it was coming. They probably planned and pre-positioned major pools of dark money to try to counteract what would have been the natural inclination of things like gold-to-gold up in price. Just try to understand that when you have a rapidly increasing price of precious metal, it serves as a failing grade on the report card of the financial elites.

Fitts: It's the burglar alarm or the smoke alarm.

Kirby: Exactly, and they will do everything in their power to prevent having a failing grade on their report card because a failing grade implies a loss of faith in the underlying currency.

Fitts: That's why they love bitcoin. When all the cryptocurrency people say, "The central banks hate bitcoin," I say, "Are you crazy? They love bitcoin."

They have sucked so much money out of gold, and this has given them a whole new lease on life in managing the gold price. They love bitcoin.



So, I think the first way that you can finance a sizable amount of missing money is with fraudulent government securities – both Treasuries and mortgage securities. I've talked an enormous amount about why I think there is massive more government and government guaranteed securities that have been issued that are on the Federal government balance sheet, but I'll tell one story.

I was part of a group of people in the Bush Administration who came up with the requirement that you had to produce audited financial statements. So, a process began in the mid 1990's where the agencies would try to say that they couldn't, and they had these undocumentable adjustments.

The first year that HUD came out with the requirement to produce financial statements, I had a woman working for me who had worked for D'Amato. She said, "Look, the Senator has this constituent who is hysterical. He has to meet with you. Please, please will you meet with him?"

I was really busy, and I said, "Okay."

So, this man came in and he has horn-rimmed glasses and somewhat talks like an engineer but with a Locust Valley lockjaw accent. He was clearly from Long Island. He said, "My family has been in the mortgage banking business for three generations, since the creation of FHA in 1934, and our core competency is we have a complete database on every FHA mortgage ever issued and the related securities. I brought you a copy of my database."



He pushed a pile of papers at me that was approximately 2,000 pages. I thought, “Get this thing away from me!”

He said, “There has been a terrible mistake. According to the FHA financial statements, there is only \$400 billion of mortgage insurance in force outstanding. I assure you that it is many multiples of that.”

I thought the man was literally crazy. What he was saying was that the Department of Justice, the Department of the Treasury, the New York Fed member banks – the New York Fed being the depository for the US government – were engaged in intentional and massive securities fraud. I thought he was ‘nuts’.

I said to him, “No, I’m very busy. You keep your database.”

Probably if I had taken the database and integrated it with my other database, I’m sure I would be dead today. He was talking about a level of securities fraud intentionally engineered centrally. Everybody would have to be in on it.

Actually, when you look at what has happened with Madoff and at what has happened with First American Bank, that is when I realized everybody is in on it.

Harry Albright was appointed by Morgenthau to be the trustee on First American, and he got me on the board. He had a Brinks truck from a Washington law firm. They sent out all the legal documents, which was about 20,000 pages and was unbelievable.



They stacked it at my house in McLean in my living room, and I read all the documents. This was the Clark Clifford and husband of Wonder Woman bank. I read all the documents and realized that you would have to have the intelligence agencies, the New York Fed, the White House, Treasury, Department of Justice, and everybody in on this and cooperating. I realized it's really this bad.

Kirby: What we're scratching the surface of here is turning over evidence or data points that say that the money was absolutely created. We know it was created.

Fitts: Right, but here is how it was created: Let's just make it simple by just using Treasury securities.

Somebody once sent me the documents for private placement they claimed was done with Meyer Lansky. The signatory was the Assistant Secretary of Housing. He was an old partner of mine who basically, one way or another, had real problems politically at Dillon Read because he had a reputation for being a liar. I could never figure out what his leverage was on Nick Brady. When I looked at those documents, I said, "Oh, that's what the leverage was."

These had been issued off balance sheet to Meyer Lansky, supposedly, and they were Treasury. So, you had Treasury securities issued that are soaking up illegal monies. It's essentially money laundering, but they are not on the books of the Treasury.



Kirby: They are off-book Treasuries, and they get redeemed through events like 9/11. In the aftermath of 9/11, the Fed relaxed all the normal procedures regarding validating government securities, and whether they were real or not real.

Much of that was suspended. The onerous regulatory procedures were suspended in the aftermath of 9/11, and do not forget that occupying the top five floors of the North Tower was Cantor Fitzgerald, the world's largest broker of US government securities. It is very questionable how much of their recording and their records of how many government bonds might have been redeemed or sold that day. We don't really know.

Fitts: You've written about some of the financial aspects of 9/11. Also, James Corbett put together a video on all the financial aspects, which I will post.

I remember once at a GATA conference, one of the big GATA sponsors stood up and screamed at me when I brought up the missing money. It was humorous because it made Bill Murphy very nervous.

It was about six months to a year later – and this was on our website at MissingMoney.Solari.com – the *Financial Times* came out with a report that said that there is a missing mass on the financial system. Non-Americans (the world minus America) say that America owes them \$2.2 trillion more than America says they owe. You can't reconcile the government accounts because the world thinks that they have \$2.2 trillion more of American paper than Americans confess.



Murphy put out something on the GATA wars, “Oh my God! Fitts is right! You have to apologize to her.”

Of course, the apology never came. I think the number that the *Financial Times* had was \$2.2 trillion, and I think the number was bigger at that point. Whatever the number was, it was clear that the numbers didn't suffice. The reality is reflected in a quarterly Wrap Up that we did a couple of years ago and the theme was ‘Planned Debt’.

I tried to get the statistics on who owns all the debt – who has sold the debt, and who owns it. You can't find it anywhere. I hired people and I went to many people and ‘tore my hair out’. It's completely secret.

Kirby: It's just as secret as who the beneficial owners of the Federal Reserve are. Try finding data as to who owns the Fed and what their percentage of ownership is. Good luck!

Fitts: I contacted all the public affairs offices at all the Fed banks, and there were about 2000. I said, “Which members own what percentage of stock, and who manages your data? What are the policies regarding members and access to the data?”

The reality is that in a digital age data is worth more than money.

They wrote back and said, “That is all confidential information; we are private banks. We can't help you.”

Kirby: It's unobtainable and you can't find this.



Fitts: The issuance of securities by the Federal government off balance sheets is a huge source. Now the issue is: At some point, you can soak up a large amount of money around the world, but at some point the Federal Reserve has to start buying once you go vertical. Of course, that is what ‘quantitative easing’ is.

Kirby: Exactly, and people should also recognize that the other things that have been occurring is what I’m going to call ‘money-burning parties’. “Money-burning parties” is war because war consumes vast amounts of money. If you look at the way that our world has evolved over the last 15-20 years, we are increasingly being engaged in a war model.

Wars are happening for reasons other than what is being stated. Wars are being engaged in and conducted because they burn money, and they burn money in foreign lands where it cannot affect or cause inflationary consequences in the domestic economy in America.

Fitts: In fact, moving the army is deflationary. Moving the army is deflationary because, although you’re spending vast amounts of money, you are doing something that is destroying huge amounts of assets and is also deflationary. So, in Syria, if 68% of the economy is gone as a result of the war, that is highly deflationary. Moving the army is deflationary to the American economy. So, you have two massive deflations engineered, even though you are spending a fortune.

Kirby: You see they are using the deflationary aspect of war or money burning to counteract the fact that money growth is vertical. We are experiencing real inflation.



To highlight this, I would only point out that in the last 10 years in America, median income has gone from \$50,000 to \$59,000. Ten years ago, \$50,000 bought 23,000 pounds of ground beef. Today, \$59,000 buys 16,000 pounds of ground beef. More money is buying less.

Fitts: I don't know if you've looked at the Chapwood Index.

Kirby: You've mentioned this to me before.

Fitts: The Chapwood Index is done by an investment advisor who has tried to identify the price increases in areas around the United States in basic household goods. I tweeted it out recently, and somebody criticized me and said, "This isn't statistically correct; he's asking his friends."

If you look at the numbers, they fit much more with the last 20 years of my experience than anything from the government. Certainly, they match what John Williams is saying at ShadowStats, who I have great respect for.

I think it's probably very good. What he says – and he has it for different areas – is that the inflation rate for the last eight years in America has ranged from 8-13% per year, depending on where you are.

One of the reasons I live here and not in San Jose is because San Jose is 13.5% or so, and where I live is 8.5%, and that is an enormous difference year after year after year.



Inflation has been much greater than people indicate, and 8-13% doesn't include the shrinkage in all the products. I always say the can of tuna fish is 25% more expensive. It shrunk in size 25%, and there is a 25% greater chance that you are going to get food poisoning.

Inflation shows up, not just in prices; it shows up in quality and it shows up in dysfunction and all sorts of shadow work and convenience that comes when things break down.

Kirby: Just to point this out: The money that has been spent warring in places like Afghanistan and Libya and elsewhere in the Middle East, people should realize – or at least I hope they realize – that if the wars hadn't occurred, the money still would have been created, and the money would have interacted with the American economy and our perceptions of inflation and our empirical measures of inflation would be much higher.

Fitts: One thing that I think is important to understand is the central banking system is a global system. You described the US seats in the Bank of International Settlement, and it's not just the Fed it has been buying; it has been buying central banks around the world.

One of my theories is that during the financial coup, they set the hedge funds up to, basically, be little pools of central banks by running the yen carry trade.

The bank of Japan makes loans available at 0%. Everybody borrows trillions of dollars of money, buys Treasury securities or mortgage-backed securities, and are only trading them around.



If you watch that great movie, *Margin Call*, they describe how they keep this paper game floating around. So, you're ballooning the balance sheet in essence, and you can do it because you're playing this game with all the central banks in the G7.

Kirby: We have the Bank of Japan engaged in quantitative easing, we have European Central Bank engaged in quantitative easing, and, what I find most hilarious, is when the Federal Reserve says they are not engaged in QE anymore. My comeback to that is, "Perhaps the Federal Reserve is not engaged in quantitative easing, but I do believe that the Exchange Stabilization Fund is."

Understand that the Fed can rightly say they are not engaged in quantitative easing, and at the same time, they might be very well aware that the Exchange Stabilization Fund, which is a branch of the US Treasury, is in fact monetizing or buying its own debt.

Fitts: So, we can envision that with securities issued off balance sheet and massive amounts of security fraud and collateral fraud. You can finance trillions of dollars of money that can be stolen through the US government, but let's talk about some legal ones.

In my Annual Wrap Up (which I believe I sent to you), the one with the cow on the front that says, "Does Your Pension Fund have a Deep State Drain?", I stated that the United States alone has \$25 trillion in pension fund assets. I will leave it to you to guess how much of that has gone into Treasury or government guaranteed or securities directly or indirectly through the banks. If you look at the entire Federal credit, I dare say that it is \$5-\$10 trillion over the last 20 years that the pension funds have bought. Let's just use that as a guess.



If I put \$5 trillion of real savings – cash – into pension funds, and then that money disappears out the back door of the Federal government, but what the pension funds get back is an IOU from the government that no longer has the money and that money is building technologies and they are transferring technologies that create all sorts of private wealth, then I, instead of having an asset called \$5 trillion cash, I have an IOU from myself. It's a pretty neat laundering trick.

What I will say is that I have the benefit. I probably own a large amount of stocks in equities and companies that are managing that and have the benefit of that \$5 trillion and the technology, so I'm getting some of the benefit back in terms of rise of the stock values.

Maybe I don't lose \$5 trillion net, but I'm certainly out something. Now as a taxpayer, I have a much bigger liability. So, I think that the pension funds have been a major, major source of money for this game.

Kirby: Absolutely. But it's not only the pension funds. The thing that I find amazing is, over the years when I've been questioned and asked about how I see this game ending, my consistent answer is that this experiment with the US dollar as the world's reserve currency that is a model of irredeemable fiat money with compound interest, with money growth as I understand it occurring at such a rapid rate, the only way that this can end is in a hyperinflation somewhere down the road.

People have said to me – and I find this humorous given what I know about the Exchange Stabilization Fund or what I believe to know about the Exchange Stabilization Fund – “Kirby, how can we have hyperinflation? Where is the money going to come from to cause the hyperinflation?”



I say to them, “The money already exists.” It’s siloed, and after this Exchange Stabilization Fund wipes offshore accounts that the Fed has created to assist in making US government bond auctions look like they are strong. This is a very interesting point to bring up when we are talking about the debt. I’ve worked in the bond market myself. I was a broker of both US government debt and Canadian government debt. I’m very attune to the fact that every country in the world that issues debt has at one time or another experienced a failed auction except for the United States of America.

The United States of America is the only debt-issuing, sovereign that has never had a failed auction.

Fitts: Right, but I would argue that the United State of America is the only one that has the edge in terms of invisible weaponry.

Kirby: Of course, they do, and they also have the edge in terms of the Exchange Stabilization Fund and these dark pools of liquidity that measure into the trillions.

Fitts: Right, so let me make this simple and I’m going to oversimplify just so you understand.

If I want to privatize government by the ‘just do it’ method, I have government issued \$20 trillion of off-balance sheet Treasuries, and I launder the process so it gives me the \$20 trillion, and I need to buy them. Then I end up basically owning and controlling the government because I bought all the government securities with the money that I stole from the government.



So, there is no problem financing the \$20 trillion of off-balance sheet Treasuries because I can just keep buying them with the money I've stolen, and around and around we go. It has nothing to do with ending up with \$20 trillion of assets; it has to do with ending up in control. It's a control game.

Kirby: And it goes further than this. We are told, and statistically we can show, that supposedly China is America's biggest creditor, followed closely by Japan.

Fitts: The US pension funds are America's biggest creditor, not China.

Kirby: Both China and Japan are number one and number two.

Fitts: They are the number one and number two offshore creditors.

Kirby: But their participation in US government bond auctions is counted on and is required for the United States to continue this game – or so you would believe. And yet we've had periods of time where China has reduced their holdings, and periods where they haven't bought, and rates have gone down. That raises the question: Who is buying the bonds?

If your biggest creditor isn't buying your bonds, you should be asking questions like: "Who is, and why isn't the ten-year bond yielding 4.5% today?" The real reason to that is there are mystery buyers and there are dark pools of money that are soaking up this debt, and I believe they are just 'memory-holing' them.



Fitts: Let me bring up something else before we go into hyperinflation. I want to talk about the other ways that you can get actual assets. You can buy through the central banks, you can have a whole variety of buyers buy fraudulent paper that has nothing behind it as long as the central banks stand to do liquidity and you have a government guarantee, so nobody looks under the carpet.

Let's move on to the wars. We've had wars in zones that are very rich in oil and fossil fuels, and there are all sorts of discussions of, "This authority is selling the oil," but the reality is that if you acquire those resources and start to sell them i.e., we keep looking for where the gold is from Libya. It disappeared.

In each one of these war zones, you grab a large number of assets. It's oil, it's gold, it's antiquities, it's human trafficking, and on and on. You're talking about trillions of dollars.

Kirby: Sure you are, but just remember this. When Iraq was invaded back in the early 2000's, JP Morgan took over the operations of the central bank of Iraq. You tell me what kind of a boondoggle might have occurred there.

Fitts: I don't know if you heard this one or not, but my favorite is from when we had Helen Chaitman on The Solari Report. She is a brilliant, brilliant financial institution attorney in New York. She had invested in Madoff, and then became one of the lead attorneys representing Madoff's victims. I had her on The Solari Report and she explained that Madoff had two businesses: one was brokerage, and the other was the investment advisory.



The investment advisory account from the mid 1990's on, only had one bank account, and that was at JP Morgan Chase.

I said to her, "Who was the securities custodian?"

She said, "There was none because they never bought any securities," which means that \$60 billion went into that account and it went out without ever once buying a security, and JP Morgan Chase knew.

Kirby: It always amazed me that in the aftermath of 9/11 we quickly ascertained who gave Mohammed Atta \$90,000 and who gave him money to buy a tuna fish sandwich, but somehow Madoff lost \$60 billion and we don't know where a nickel of it went.

Fitts: Actually, we do because it was all one account of JP Morgan, so it's very simple to know exactly where it went.

Kirby: But it has never been disclosed.

Fitts: I'm trying to remember but I think there was some disclosure to the attorneys in the litigation. They do know where the money went, but any attempt to hold JP Morgan Chase responsible under the bank secrecy act and know the customer rules has been thrown out by the judges.

Basically, what you see is a theft of \$60 billion protected by the entire Federal establishment.

Kirby: And, of course, isn't it amazing how they always wrap themselves in the flag and say that it's a matter of national security or it's in the national interest for you not to know this?



Fitts: Let me say one thing: One of the ways they get fresh cash that is much more efficient than I ever understood and I had to really dive in and research this for years to get the power of narcotics trafficking. I always assumed that financial fraud was a much bigger and a much richer source of money. What I didn't understand was that narcotics trafficking is so efficient in taking over a place. You can use narcotics to do a leveraged buyout of a place and buy the place with its own money. As you do, you get control of 3,100 counties and of the political mechanisms you need to control to leverage the Federal credit in Washington.

If you are going to have control of the Federal credit, you have to get political control of 3,100 counties, one county at a time. Narcotics trafficking has been unbelievably efficient, just like the Brits used it to get control of the Chinese. It's been amazing to get control of American neighborhoods, but it also produces a rich cash flow.

Kirby: What it does is gives people the power to enact things like civil asset forfeiture.

Fitts: One of my favorite books is by Christopher Simpson, *Blowback*, where he talks about the Dulles brothers at Sullivan & Cromwell using the money that has been seized and put it in the Exchange Stabilization Fund to rig the Italian elections at the request of the Vatican.

I remember saying to you at one point, "The history of America is a history of how we replenish the seizure money. We need to seize more – whether it's wars or asset forfeiture."



When you think about it, it's like a vacuum cleaner that is seeking money everywhere. I call it the giant sucking sound.

You have this giant sucking sound of needing more and more and more. So, asset forfeitures are a very logical next step because you're bringing drugs into the community. What better way to manage the community than to seize assets from the people you entrap?

Kirby: It reinforces the 'boot-on-neck' and all the aspects of the police state. That is really the condition that we are experiencing today. We live in a police state now.

Fitts: In my experience, we've lived in, maybe not a 'police state', but a 'fascist state' for decades now. I grew up in a fascist state.

I remember seven-year-old children getting shot in the back. I grew up in a poor neighborhood, and it's been that way for quite a while.

I wanted to bring up the consolidated financial reports. We've been talking about the pools of capital – both at the Federal level and created at the Federal level. There is a reporting system called the Comprehensive Annual Financial Reports (CAFRs) at the state and local level.

Those reports, which are great disclosure for people who are interested in understanding their state and local government and their resources, show that there is a tremendous buildup of pools of capital at state and local government – whether it's pension funds, debt service reserve funds, or public benefit corporations. It is many different operations and such, and is quite complex.



There are enormous pools of money, and those pools of money can be managed, levered, stuffed with fraudulent paper, and all sorts of games that could go on in theory if you don't have the citizens watching. There is one accountant, Walter Burien, who has talked for years about the potential games that could occur. Without getting into the details of it, the reality is that those are huge pools that can be leveraged in a variety of ways and can buy up great amounts of this paper and do it quietly.

Kirby: One thing that I will say with regard to the CAFR reporting system is, before the CAFRs were referred to as CAFR, there was a predecessor accounting system that goes by a different name. That entity was created exactly at the same time as the Exchange Stabilization Fund. I believe that there is a connection but the exact nature of the connection, I cannot say.

I don't know exactly how it is connected, but I do believe that the Exchange Stabilization Fund was created with a windfall in 1934 when seized gold was revalued upward. It created a \$3 billion windfall. That was the seed money for the Exchange Stabilization Fund. \$3 billion in 1934 made the Exchange Stabilization Fund the most powerful financial entity on the planet by a long measure.

At the exact same time, the predecessor for CAFR accounting was created.

Fitts: I want to underscore for everyone that the Exchange Stabilization Fund is managed by the New York Fed as the lead depository and agent for the Federal government.



So private banks control the Federal accounts, but it reports directly to the Secretary of the Treasury.

I don't know if you remember this, but I had GATA do a FOIA on the ESF, and they sent it in and something was returned. It was a trick letter. They used a name slightly different than the Exchange Stabilization Fund. They said, "We have no documents on the Exchange Stability Fund." (That is always one of their tricks.)

Bill called me and said, "There is nothing here."

I said, "Bill, they didn't say that they had nothing on the Exchange Stabilization Fund. They tricked you."

He couldn't believe that I was right, but I was. When he finally realized it, he said, "Oh my God!"

I said, "Go back and say that you weren't asking for the Exchange Stability Fund."

Part of the problem is that all the records are at the New York Fed; they are not at Treasury.

Kirby: Of course, Let's say they are siloed, as the funds are siloed in the Exchange Stabilization Fund.

The thing that I find amazing is that no politician, no Wall Street notable name, will dare speak about the Exchange Stabilization Fund. The Exchange Stabilization Fund is a tool, by its very definition when it was created, its mission statement is basically to protect the dollar —



and to perpetuate the dollar as the world's reserve currency or the hegemonic aspect of the dollar.

Fitts: I would say that the ESF has done a remarkable job of doing so.

Kirby: Yes, they have. As such, everything that the Exchange Stabilization Fund does is a matter of national security by definition, which is why nobody dares talk about it.

Fitts: I wouldn't say 'nobody' because there are you and me, and there have been some other people.

I want to mention one of the other reasons I am so deeply grateful to you personally, and that is for many, many years – ten plus years – particularly in the gold bug community, the chorus was that everything was going to crash shortly and gold was going to go to \$5,000. I would say, “First, it's not going to crash, and second, gold is not going to go to \$5,000. The reason is ‘blah, blah, blah’.”

I would be completely drowned out, ignored, laughed at, and no one except for you would listen. You said, “I'm going to listen, and I'm going to understand what she is saying, and I am going to think about it.”

You came back and essentially said, “We need to deal with this because there is a problem here. We need to dig deeper and see what is going on, and we need to discuss it and think about it.” Then you started to do that, and you were just about the only one.



Kirby: There is a reason things haven't collapsed, and the reason is that we have underestimated how resourceful and how diabolical these people really are and what lengths they will go to to cover their tracks, and to extend, and pretend, and perpetuate what they are doing.

Fitts: I want to mention one thing. When you look at the train tracks of the infrastructure, we are talking about a financial control governance and management system. If you look at the train tracks of how that system got built and engineered and go back and study the people who engineered it, I will pick Clarence Dillon who basically reinvented Walter Read as Dillon Read, but his son, Douglas, who was the Secretary of Treasury, governed it for some period of time. It was the Dillon trust that owned it.

If you talked to people like Douglas Dillon, what they would have said was, "Look, it was the best of some bad options. We needed massive amounts of secret money. We couldn't tell people why. We did what we had to do."

So, you had a number of people going along with this and doing this, not because they were greedy or corrupt, but because they thought they needed to keep it secret, and they really believed that. They believed that was the right thing to do.

I don't really understand, ultimately, what was going on and why they believed it. All I can tell you is that they were sincere, and these were strategic decisions made, not by people who were bad, but by people who were trying to govern well.



Kirby: I agree with you.

Fitts: So now we've ended with a system, and I believe a decision was made as a strategic governance matter to shift enormous amounts of money out of the existing system to seed a new system. The way I sometimes describe is: "Why pay for nursing homes when you can have new technology in a space program?"

A decision was made to shift massive capital out of where it was legally committed to things that were deemed to have a better 'return', according to the governance system. I'm not saying that was right or wrong, but there is a strategic governance going on behind the scenes. These are not only greedy partners from Goldman Sachs, and many of those people believe they are doing the right thing.

There is no doubt that to get tens of thousands of lawyers and investment bankers and investment people to go along with the financial coup d'état, you have to have a large amount of corruption and you have to have a lot of Clinton and Harvey Weinstein kind of behavior. But the reality is that is the face the crowd gets entertained by, but the big move is a strategic move, and it's not a move done out of greed alone; it's really a move about, "Where is our civilization going to go? How are we going to get there? And what do we have to do to make sure that we turn the aircraft carrier before we smash into the iceberg?"

Kirby: I agree with everything that you are saying. I would characterize it as; in the beginning this control structure had a very large degree of benevolence to it, but there is a statement, ———



and there is a reason we have clichés. Absolute power absolutely corrupts, and that is exactly what has occurred.

Fitts: . One of the most important conversations that you need to have when you contemplate the missing money is: How do we make sure that where a civilization goes from here is in a positive direction?

It's interesting. Shortly, we are going to get into a discussion of what we believe is the reset. If you look at many of the things that I was proposing in the 1990's, they are now implementing all of them. Someone has been listening.

Let me just finish on the financing of the missing money. One book that I want to mention is *Black Money* by Michael Thomas. The missing money phenomena could never have been engineered without digital technology and telecommunications. So, my attorneys asked me to record full audios of all my recollections working in the Bush Administration. It's called *The Kemp Tapes* and it's on the website where I put a link to it.

After I recorded it, I ended up over the next couple of years unpacking and learning all the different HUD frauds and HUD scams that I think were financing the black budget.

What I realized is that you can do these with very few people, as long as you have the New York Fed member banks with you and have a couple of the IT people. This is really engineered through the IT systems, and that is how it is possible for you to engineer this without a large number of people knowing.



If you look at the reasons I was booted out of HUD both times, it was coming up with disclosure items that would blow the secrecy or engineering through the IT; I was messing with the IT and digital systems too much.

When I was learning about the PROMIS software system, which I believe was very critical to the money going missing, I called Bill Hamilton – who had built the PROMIS software system – and as soon he picked up the phone, he said, “Have you read *Black Money* by Michael Thomas?”

I said, “No.”

He said, “Read it and call me back,” and he hung up on me.

Michael Thomas had been a partner at Lehman Brothers. I acquired a copy of *Black Money*. It’s almost like beach reading, but it’s a fictional account of how they used PROMIS software to take the money laundering and the financial fraud on steroids using the latest database integration technology. The PROMIS software story is a famous one which we are not going to go into here.

Part of appreciating this is appreciating how much can be done with surveillance, and money laundering, and influence, and control through the digital systems. The nuts and bolts of this train track was engineered in the 1980’s.

Do you have any thoughts on that or other things that you think are really good?



Kirby: No, I can't state it any better than what you just did, and I agree with you wholly and completely. The importance of databases is they are the full essence of what the security complex or the intelligence complex is doing today. They place such a high value on the surveillance and on the metadata of us collectively because it's understanding and the ability to analyze metadata that allows them to preprogram social media, the net, existing media, and it's these surveillance tools – all digital – that are invaluable to the people who are running the world.

It's very key and it's very important. You can't understate the importance of it.

Fitts: What is hard for most people to fathom is the extent to which artificial intelligence and software can do 99% of the surveillance and influence and manage manipulation. This is not a human-driven system.

I'm going to be talking in the 2nd Quarter Wrap Up with Joseph Farrell a great deal about, what I call, 'AI Invasion' because I think that the 'Rape of Russia' is not going to happen in America as it did in Russia; it's going to be a very bottom-up engineered phenomena using AI and software.

You're going to be able to rake off people's revenues, stick things into their expenses, do massive financial and regulatory compliance, and fiddle with their assets. It's just like what I allude to with the person who loses his job, and the next thing you know he has a credit card offer at 30% predatory fees, mortgage loans, or home equity loans, and the drug dealer is at the door.



Kirby: The reality is that using these AI programs through data collection, they know what you are going to do and how you are going to react to a set of circumstances before you have even considered it. Think about the power that gives anybody with that capability.

Fitts: I want to discuss 5G and net neutrality because I've been very adamant that tearing up the rules that the FCC promulgated to institute the concept of net neutrality is going to have a devastating effect. Our site went down under highly suspicious circumstances, in my opinion, on February 23rd, and from that moment on we were blocked by AT&T.

Because of the tear-up of the net neutrality rules, there was nothing that we could do. AT&T can block subscribers from receiving our emails and communication without informing the subscribers and without informing us, and there is nothing that we can do.

It's very interesting. We had an account rep at AT&T reach out to us and say, "We can fix your problem. We can bring up a new website, and then these things won't happen to you."

I said, "Really? Can you unblock us from the AT&T system?"

He came back to me with a screenshot of what is supposed to be their block/spam filter system, and said, "You're not blocked."

I said, "Apparently you guys have a super-secret block that you don't have access to."



We put up all the emails and the documentation in an article because we had to go out to all our subscribers with AT&T or any of the domains that they've acquired over the years and say, "You have to give us a different email address. We can't accept an AT&T one. If you try to subscribe to The Solari Report, you can't use an AT&T address or we won't be able to reach you."

What this means, of course, is net neutrality officially went into effect June 11th. This means that they can, not only speed up or slow down a website, but can speed up or slow down minute 16 to minute 18 on that YouTube video. I believe they can speed up and slow down everything around the internet, and they can do it without telling you in a way that can, essentially, control the economy.

Kirby: It's a form of censorship, and we have seen this creep of censorship – especially in social media. It's the entire net they are developing.

The internet as a free forum got ahead of itself, and the free flow of thoughts and ideas on the internet was absolutely a danger to the globalist agenda, and it's been highly expressed by the likes of Hillary Clinton over the years. She talks about the globalist agenda, and she actually refers to it – to take a word from Alex Jones – as the 'info war' and she says they were losing. That has made them redouble their efforts to come up with solutions to try to control the internet. They have come up with algorithms that they can employ to shadow-ban people on the internet, to eliminate, or control dissenting voices. This is an ongoing process.



Fitts: Let me bring up one other thing that I want to discuss before we go to reset, and that is the operational facilities that you need in order to do what we are describing. I think two things that have had a dramatic impact on making this possible – the financing of the missing money, and the financing of the bailouts.

A few of the things that has made it possible are extensive underground bases and transportation systems, as well as the global satellite infrastructure. Whether you are transmitting things back and forward globally and able to do surveillance globally, it's part of globalization. But also, there is an enormous amount of things that can go on in underground bases that no one can see. I think that has been very, very important to engineer this because you don't need to see the hyperinflation in the economy, and you need to see the operations that are not in the economy. The question is: How do you keep them separate? In fact, there absolutely are ways to do it that soak up a lot of money.

Kirby: Moving operations underground is a great way to keep it from public view.

Fitts: I don't know if you saw *Top Secret America* in the *Washington Post*. After 9/11, a man named William Arkin realized the explosion of facilities that resulted after they passed the Patriot Act, which I refer to as the 'Controlling Concentration of Cash Flow Act' and he made a database of every one of them. It was amazing and it's an amazing work.



When we did ‘The Many Faces of Secrecy’ with Amy Benjamin, we put a link to all that. What is very interesting is that when the European data restrictions went forward on May 25th, the Top-Secret America database went offline. One of our subscribers posted a comment saying that they had attributed it to the European data restrictions.

I couldn’t find that, so I haven’t been able to confirm that. Remarkably, it looks like it may be offline, which is unfortunate, but you are talking about unbelievable explosion in facilities that are secret.

Let’s go to one of your favorite topics, which is the reset.

What we’ve been doing is going through all the different ways – and there are many of them, which is what makes it complicated – that you could access capital and use that capital to finance trillions going missing from the Federal government and do it in a way that doesn’t trigger hyperinflation. At some point, you do go to vertical money creation, and I think that we are in that phase. That means that you are going to have to reset. The question is: What is that reset, and how is it going to happen?

One of the reasons we’ve always believed that we are coming into the reset was, when they announced they were going to war, it was all the countries that weren’t playing ball in the central banking system. One of the great holdouts was North Korea, who doesn’t have a central bank in the BIS system, and we recently saw an announcement coming out of Singapore that they are ready to de-nuclearize. So, it looks like they are ready to play ball.



There are many signs and symptoms that I want to go through that appears as though we are in the reset.

Kirby: Absolutely. I believe we are, too.

Fitts: Tell us a little about what the reset is and why you believe we are already in it.

Kirby: I look at the number of countries around the world that have already ‘de-dollarized’. Russia and China trade is now conducted in currency other than the dollar; China and India are now conducting trade in other than the dollar; China and Iran trade in other than the dollar. They are settling their international trade accounts in currencies other than the dollar. This also leads to a conundrum – or at least should in my mind be giving people reason to question what is going on – because as countries are removing themselves from the dollar system, and quite a number of them already have, we’ve seen the dollar getting stronger.

Intuitively that makes no sense to me. I believe that is the Exchange Stabilization Fund or entities like it at work.

Fitts: Can I interrupt and add one thing? There was a tremendous effort during the bailout period. The G7 had taken on a huge amount of debt, and then when we hit the bailouts, we took the US banking debt and stuck it to the taxpayer. Europe left a lot more on the banks and decided to manage it in the way that we’ve been watching through the austerity program.



Then what we did next was not have the emerging markets levered. We exploded them with dollar-denominated debt, so we created an enormous need for dollars and addiction to dollars. Now what we are doing is making it much harder to earn dollars because the economy is changing in a variety of ways, and the US middle class is shrinking.

It's much harder for China to earn dollars, but they are now loaded 'up to the gills' with dollar debt. I think part of that was designed to extend the life of the dollar.

Kirby: I wouldn't argue that for a minute. In the same vein, speaking of the reset happening around us and not necessarily paying close attention to it, I would cite the creation of the Asian infrastructure bank. It's as if China and the Shanghai cooperative group of countries are creating parallel entities to the IMF, to the World Bank, and to the whole dollar-centric structure and are being mimicked and recreating non-dollars. What we are seeing is the emergence of dual systems, except the newer system is not fully operational yet.

China has also created their own means to settle international accounts rather than SWIFT and CHIPS. China has developed their own inner-bank payment system, which I think it's CIPS (China Inner-bank Payment Systems).

This is all part of the process of reset.

Fitts: Let me bring up one more thing. You have a massive effort to build out internet and smartphone access to 100% adaptation. So, we have high speed efforts by Google, Facebook, and other people —



to put up satellites that can get wireless internet into everybody and everything and make cell service and mobile service possible everywhere.

The internet of things, if you look at the predictions of satellite usage, basically, is the killer app. That is what is driving the demand, the big one being driverless cars.

So, you are trying to build out the infrastructure that allows you to do, essentially, cryptocurrencies globally. I've always said that Mr. Global doesn't care if you call it dollars or rubles; he just wants to make sure that it's digital.

I think the bitcoin prototype and cryptocurrency prototype, while you're building out the internet of things infrastructure hardware globally, shows that you are coming much closer to being able to roll out global digital currencies.

Kirby: Quite possibly, but I do believe there is one issue that they haven't solved yet, and that is the notion when you speak of bitcoin and when you speak of many of the cryptocurrencies, they are decentralized and they operate in a peer-to-peer fashion. This is one aspect of the digital revolution or the crypto-revolution that the globalists still haven't managed to corral.

Yes, they want digital money, but they want digital money they control. When I speak of control, they want it centralized; not decentralized. The bitcoin infrastructure and the block chain infrastructure loses its appeal when you take it from a decentralized model. The minute that you centralize a block chain model, the block chain model loses its appeal.



I don't know anybody who would participate in a cryptocurrency that is centralized.

Fitts: Oh, I do. If the Russians came out with a gold-backed ruble from the Russian Central Bank, I think there would be many people who would participate.

Kirby: As long as there was an aspect to it and it was verifiable that you could convert it into a physical link because there has to be a physical link. Anybody who is going to come out with such a program, if the conversion from physical aspect is not trustworthy, I think it's a non-start.

Then it becomes the same thing as, "I'll take my chances buying a gold future on the COMEX."

Fitts: Right, but which would you rather have – GLD or a central bank obligation of a sovereign government that they say is backed by gold.

Kirby: As long as there is a convertibility feature in it where I can surrender my digital piece for real metal, then it becomes much better than the former. But it has to be wholly convertible into physical.

This is something that, for instance, I don't believe the American government would ever have anything to do with because I don't believe that the American government has any gold.

Fitts: We have deep storage gold, just look at the balance!



Kirby: Deep storage gold, in my view, is gold that has yet to be mined. If you are trying to back something by gold that has yet to be mined, you don't have a convertibility feature.

Fitts: Let me go to another aspect of the reset. We continually see reports that we have 35,000 indictments under seal that are pending. The Department of Justice, according to Trump, is hiring 300 new US attorneys. There are all sorts of covert gossip that the swamp is going to be drained.

What I've always said – because I think it's all 'hope porn' – is that after Mr. Global engineers the financial coup, they want to get rid of the financial coup team and bring in a team that they need for the next phase. Now that they have stolen all the money, they need to manage it properly. That is what the reset is.

So, you want interest rates to rise because now they want to earn a good yield on all the money that they've stolen.

Kirby: There is a problem with that, too. Servicing the national debt becomes quite a trick when and if interest rates are ever normalized.

You see, with interest rates essentially at zero, I believe that debt service is the number two line item on the US government's expense list. If interest rates were to be normalized, I consider 'normal' interest rates a 30-year bond at 6%, a ten-year bond at 4.5 or 5%, and Fed funds maybe at 3.5 to 4%.

If we were to do that, the requirements of debt services would squeeze out everything else. It would triple the cost of servicing the debt.



Fitts: Needless to say, the vertical money creation would speed up.

Kirby: Of course, it would have to speed up. All I'm saying is that even with the amount of debt that is reported to us, the accounting wouldn't work. That's why it won't happen. People have been telling me forever that rates are going up. I was told in 2008, in response to the financial crisis, that rates are going up. I said, "No, they're going down."

People thought that I was crazy when I said that.

Fitts: I didn't think you were crazy.

Kirby: People said that the world was becoming riskier, and when presented with more risk, rates will go up.

I said, "You're wrong. They have control of the industry mechanisms, and they can make the rates whatever they want."

We've had five rate rises, and the ten-year bond is still not above 3%.

Fitts: We have an aging population globally, and so the demographics also help.

Kirby: I know people who talk about the four-year bond at 4%. I don't believe it is ever going to happen.

Fitts: It was very curious. Martin Armstrong did an interview recently and said that rates could unexpectedly go to 10%, and I was thinking, "I don't think so."



Before you hit 4%, you are going to have war.

Kirby: I'm not saying that interest rates can't be 10% ever again, but we will have a collapse.

Fundamentally, capital should not be priced at or close to zero. Nobody works for free.

Fitts: But our culture is being destroyed by misallocation of capital, and our productivity is being destroyed by misallocation of capital. That is what the sound money people understand, but it's very hard for the general population to understand.

Kirby: At some point, interest rates will be at zero. It's given rise to the biggest balloon in the real estate market that the globe has ever seen, and this is all a reflection of 'free money'. Free money says that capital is free.

Fitts: But it's not free money for everybody; it's free money for some, and no money for others. Some of us are financing it through debasement.

I want to get to how we would write the movie. We are still going through all the different features of this. Two reasons I think we are in the reset is because, in addition to prototyping the digital currencies, we see more and more talk about sound money and more and more talk about ESG provisions. Do you know what I mean by ESG investment?

Kirby: No.



Fitts: ESG is Environmental Social Responsibility and Governance. It's the management of a company or an investment pool looking at non-return items. So, what is your impact on the world? If you look at the Solari model-the other thing that I invented other than place-based optimization in the 1990's was working with a group of pension fund managers on how to incorporate ESG analysis. Basically, what I said was that ESG should be a knowledge management tool.

Let's say that you're a pension fund, and you are buying prison stocks. If you look at what you are doing with the prison stocks, you are doing things that destroy the value of your homebuilders or Fannie and Freddie, etc. So, you have policies which, from a portfolio strategy, you are making money on something that is harming your position elsewhere.

What I said is that you shouldn't compromise the integrity of the return based on looking at what, I call, the 'total economic return' and what the impact of your investments on the economy are. What you should do is use that as a knowledge management tool to help you with risk and to help you with seeking opportunities and influencing policy.

If you look at the big sovereign wealth funds in Scandinavia, they did extensive strategic studies and realized that we need to not be financing things that are, basically, destroying the environment because that will really cause us to lose plenty of money in the end. We are too big not to be concerned with how the economy is managed.



If you look at the American pension funds, one of the things that I have to criticize is that I don't think they have been involved enough in monetary and fiscal policy because they are allowing the Federal government to be managed with massive negative return on investment criteria in a way that is going to harm the pension funds. It has harmed the pension funds, whether it's the dropping of interest rates or other things, and they haven't been vocal.

If I'm a pension fund trustee, why should I buy Treasury if that money is just being laundered out the back of the government?

Kirby: I take what you say as valid points, but what you just described with a very wide paintbrush would explain the actions and the likes of efforts undertaken by Al Gore. That well-intentioned model, unfortunately, has been used and abused.

Fitts: I'm not talking about what Gore did. If you look at most socially responsible investments, I would describe them as irrelevant.

I tell the story of how I went in and looked at one socially responsible investor. I was looking at their prospectus because a client of mine had one of their bond funds. They had a fund for women, and if you had said to me, "What are the ten companies that harm women the most in the world?" it would have been the ten largest holdings that they had in the women's fund. That is because their criteria for social responsibility was: What companies had affirmative action and hired many women from Harvard Business School as opposed to who was raping Libya.



So that whole area, as far as I'm concerned, has not been dealing with reality. Where I think there has been great success is where the Europeans have focused on the quality of governance. I think if you look at what the Europeans have done or what the Scandinavian wealth funds have done, that is very good.

If trustees are part of a whole economy and they allow that economy to be destroyed by corruption, they are going to be the losers. So, it's their business if you are big enough.

This is a totally different conversation. All I am saying is that if you are going to make corporations responsible to run what has traditionally been run by government, you have to make them look good. This is how you make them look good.

The extent to which the focus has turned to this says to me, "Oh, they are trying to do this for the reset."

In other words, I'm not telling you that this is a necessarily great development. What I'm telling you is this is a signal to me that the reset is on.

Kirby: I would agree with that.

Fitts: Now with artificial intelligence and software, as a knowledge management strategy, you can deal with incredible complexity in terms of trolling for opportunity or covering your 'tucus' on all your bad behavior and covert operations.



Anyway, that is a signal. Let's bring up one other thing, and then we will talk about how we would write the movie.

The reset means that you are going to have to start doing what, I would call, a large amount of controlled demolition. You're going to have to start pulling the plug on many people – legally and financially. You're going to have to come down hard to control.

Kirby: Which means that we are likely going to have plenty of false flags.

Fitts: We are likely going to have a false flag with 5G and net neutrality repealed. We're going to have a considerable amount of surveillance and control. We are going to have a lot of regulation compliance and enforcement.

These people have traditionally always attacked us first for what they are doing. I just think that we are in for a very dark effort here.

I was at a conference last year on cryptocurrency. One of the venture capitalists looked me 'dead in the eye' and said, "Look, we can replace every employee in America with software and AI and robotics, and that is exactly what we are going to do."

When they do that, what do you do with the people?

Kirby: You are going to have to eliminate them.



Fitts: Right, which is why I think there is such an effort for gun control and such a fight about it in the United States.

Kirby: That is Globalism 101. They want-and they have expressed in their own writing-they want the population of the world dramatically reduced.

Fitts: If you look at GMOs, and fluoride, and vaccines, and all these other things, in fact, you are making a population that is far more sterile and weaker. The life expectancy of some portion of the population is rising, but it appears that the life expectancy of the other population is falling.

This reset brings me back to the 35,000 pending indictments – or so they say. Are we going to arrest the people who engineered the financial coup so that we can go to the next phase, or are we going to arrest me?-I'll just put it very bluntly.

Kirby: The jury is still out on that and we don't know.

Fitts: We don't know which way this thing is going to fall, and we need to be absolutely clear that it could fall either way so we can keep our eye on it.

I'll tell you something, I've never seen this much fear in the general population as I see now.

Kirby: I feel it and I experience it almost on a daily basis with the people who I interact with.



Fitts: That's why I think we have to talk about it. I'm a Christian, so I believe that fear is a sin. If I had perfect faith, I would never feel fear.

I think that secrecy and fear has made this go much worse than it could go otherwise. That is why I think it is so invaluable to talk about it.

So, we are going to write the movie. You get to pick three ways that we financed the financial coup d'état. Of all the ways we have discussed, what do you think that the top three are?

Kirby: In my view, it all begins and ends with fraudulent creation of money as in the Federal Reserve and the Federal Reserve Bank of St. Louis that keeps track of the monetary aggregate data. My belief is that there is much more money in existence than is acknowledged or understood by the wider population.

Dollars have been created – off-book dollars – and an insane amount has been created that nobody is the wiser for-except I think people are now getting it. I think that foreigners are getting it, which is why foreigners are going non-dollar.

Foreigners realize that the dollar system is very polluted and very corrupt. I call it off-book money.

Fitts: The way that I would describe it is that it is Federal securities fraud and collateral fraud, number one, central banks standing to buy, number two, and the third way I would lump together as a combination of war, organized crime, and technology transfer. In fact, I think that if you look at the pictures of Trump at the G7 meeting, the power behind the dollar right now is the invisible technology ———



the space technology and the space weaponry.

If you look at how confident Trump looks and how much attention everybody else is paying to him, I think that if anything is giving him confidence, it's that.

Kirby: It is the US military. Trump knows that he has the US military in his pocket, and that's a very, very powerful influencer. But Trump also knows that there are severe shortcomings in the dollar system.

Fitts: That's why he is screaming to rebalance all the cash flows.

Basically, what he is doing is running around the world trying to renegotiate the cash flows with every country and every big trading partner because he is looking at the cash flows. It's amusing because I'm looking at so many people saying that Trump is bad, and Trump is evil, and Trump is mean and a bully, and what I want to say to them is that Trump is looking at cash flows.

Kirby: I wish Trump all the success that the world can give him, but what is going to bring the system down – or what is bringing the system down – has nothing to do with Trump. It's been the bad acting that has gone on for decades before Trump ever got there that dictates that the system is no good, and Trump trying to put Band-Aids on an axe wound isn't going to heal the axe wound.

Fitts: Right, but I don't think he is trying to put Band-Aids on them; I think he is trying to bring enough operations and capital back to North America so he can build fortress America and project power through space so that when the system collapses, America is okay.



Kirby: My belief is that too much money has been created for that to be effectively done or for that to be viable.

Fitts: Oh, I disagree.

Kirby: I think that we are going to find out in short order.

Fitts: Just like Nixon cut the connection to gold, if fortress America is operating, they can cut the cord to the dollar if they want.

Kirby: I think the rest of the world might have something to say about reconnecting gold to money, and that is where America will not be able to compete because America – in my view – doesn't have any gold.

Fitts: I keep saying that this comes back to weaponry. Who has what weaponry?

Kirby: I hope it doesn't come to that.

Fitts: We're still writing the movie. I think we agree that it's government and central bank shenanigans that could have financed it. The Federal accounts are meaningless, so the \$21 trillion figure doesn't say anything about cash – not just because it's not a cash item, but because the Federal accounts aren't reliable.

I think that the number is that big or bigger. Would you agree with that?

Kirby: I think that the number could be explosively bigger than \$21 trillion.



Fitts: Spoken like a true derivatives man!

We write the movie, and it's \$20 trillion plus in money laundered out of the US government. It's financed through a variety of Federal government and central bank shenanigans that are engineered globally, so it's a G7 phenomenon; it's not only the US.

How does the story end?

Kirby: In my view, the people who are in control of the dark money at some point will realize that that undocumented money will soon be worth nothing. When they get itchy trigger fingers, I think that is when we will have our hyperinflation.

The people who sit on that or nest on that money today, is what gives them their sense of privilege and power. If they feel they are going to lose their sense of privilege and power, I think they will try to convert that fiat money into tangible things. That will spark off a global hyperinflation, and I do believe that is in the cards.

Fitts: They've been doing that all along. I always use the statistic: If you look at the *Land Report*, which is the land ownership by the top 100 landowners in the US, since the bailouts they have doubled their holdings.

Kirby: I understand what you are saying, but there has been a sense of order to things. If you think about having 50 elephants in a gymnasium, and they leave, one saunters out, and then a little while longer another one saunters out, it works.



But if we get some sort of a flash event where five elephants try to get through the door at the same time, it doesn't work; people get trampled. That is when I think we will ultimately end up with hyperinflation because I do believe that that moment is coming, and I do believe that we will live to see it.

Fitts: Here is the question, and I don't know the answer: If you look at the control grid that is being put in place, they are putting in a control grid they hope is able to deal with that effectively. A combination of building fortress America and the appropriate control grid is a way of managing through the process. Will it work or not? I have no idea.

Kirby: I tend to agree with you in part, but I would suggest that what is likely coming would be the equivalent of somebody standing with a stop sign in front of a tsunami on a beach. That is the nature of what I believe is coming.

Fitts: It's global, and that is why it is so difficult to manage. That is why, if you look at the pictures of the conversations at G7, you see so much tension.

Kirby: I would suggest to people that maybe the best response to a coming tsunami is not necessarily to go down to the beach and stand with a stop sign, saying, "Turn around and go away." I think that what you need to do is find higher ground. I think in an economic or financial parlance, I do believe that means owning tangibles. Whether it's storable food or physical precious metals, get to higher ground.



Fitts: You're not going to be able to do it alone. No matter what you do, if you don't have a team or a community or a place, this is not something you are going to be able to do alone.

Let me just ask you. I keep returning to the movie: How do we want the movie to end? Do we want fortress America to succeed and we adjust to a multipolar world? Or do we want it to fail?

Kirby: Everybody likes happy endings, but not all stories have happy endings. My belief is that people should hope for the best, but prepare for the worst. In preparing for the worst, it might involve such activities as more community involvement, getting to know your neighbors better, hanging out with like-minded individuals, and, in doing that, you might even prevent the nastiest of the worst-case scenario.

Fitts: What you are saying is that the way to see what happens on the reset is to create your own response to the reset now.

In other words, who cares what happens with the reset? Let's make the reset work for us. That has to start at the intimate level.

At the end of the movie, we are going to roll in George Bailey, right? Where is Jimmy Stewart now that we need him?

It appears to me that if you look at what we would do if we were writing the movie, it's really pretty simple, and yet whenever I try to explain to people how simple it is, they just can't fathom it. They can't fathom \$21 trillion moving from the right to the left – invisibly and secretly without anybody doing or saying anything.



Kirby: Most people's relationship with money is they know they have to go to work every day and put in 40 hours a week or they don't get money. When you start talking to people about how \$21 trillion can be conjured up out of thin air, people have a lot of trouble with it.

People have a great deal of trouble realizing how big \$1 trillion is.

Fitts: When I first started to go public and talk about the importance of understanding how the money in your place works, I didn't say, "You need to understand the whole global economy." I said, "Just understand your neighborhood. Understand the state and local government. Understand the Federal money that rolls through."

The software that I was building would have made it much easier, but you don't need any software to learn it over a year or two. We have a great Solari Report called 'Mapping Your Local Financial Ecosystem' and anybody can do it.

I was at a meeting of people who said they were interested, and I brought a friend with me who was picking up all the documents and reading the comprehensive financial reports. He printed them out and brought these huge binders with everything in it. He went to the local meeting, and nobody wanted to read it or look at it.

He threw it on the floor, and said, "It's here. Start learning." It was like a force field. Somebody once said that it's like touching the third rail with the real power in it; they were scared to death.



There is a force field where I think it's one in 1,000 or one in 10,000 who can meet at a neighborhood and explain how the money and the economy in that place works. There is a force field. I don't understand it, but there is only one pathway through this which is not massive depopulation, and that is to re-engineer the local flows.

Certainly, you can let all the intelligence agencies put all the data into Amazon and re-engineer it centrally through Amazon. That is one way and the other way is for us to start talking to our neighbors.

Kirby: We are the solution, and we are the problem at the same time. At least in my view, there is power in knowledge. Understanding the situation, you are actually in is the only way that you are ever going to be able to engineer a solution.

Fitts: There is one last thing that I want to show you before we close today.

Go to MissingMoney.Solari.com, which is where we have all the documents on the \$21 trillion of undocumentable adjustments. In the navigation bar, click on 'DOD & HUD'. There is a new financial report just out from the Inspector General's office at DOD for the year 2017, 'Unspecified'. Click on 'See All Pages' to open it.

It says 'Financial Statement Compilation Adjustments and Information Technology Corrective Action Plan Validation Process' from December 21, 2017. This relates to dealing with the undocumentable adjustments.



Skim down the 31 pages, and what you will note is that every number in the document has been redacted.

Kirby: Yes, it's all blacked out.

Fitts: This is the first time in my entire life – and I've been dealing with government finances for 40 years – that I've seen a financial report from a government agency or an inspector general (a public government report) where all the numbers are redacted.

Kirby: Then what is the point of having the report?

Fitts: Exactly. It reminds me of the song that said, "Have we come to this, and have we come to this? And wasn't it a long way down?"

Kirby: Next time you do your taxes, just send in blank tax forms, and say, "Hey, look. I'm just reporting the same way that you do." See if that 'dog hunts'. This is ridiculous!

Fitts: One of the reasons we are definitely in the reset is because when you've reached the point where you redact the numbers in your public financial statements, that is definitely a signal that the current system can't be open.

Kirby: This is like something out of a Monty Python skit! The only thing that is missing is somebody saying, "Ni!"

Fitts: The only thing missing is the parrot.

Kirby: This is ridiculous – a financial report with no numbers!



Fitts: It's a way of ending on a positive note. I had to show you that because I knew that you would understand the 'juiciness' of it.

Kirby: It's utterly laughable.

Fitts: Actually, it's laughable until you realize how horrible it must have been. I know that I have a good deal of empathy with the career people.

Kirby: But this is from the Inspector General, and it has, "Integrity * Efficiency * Accountability * Excellence," and it's a financial report with no numbers!

Fitts: Somebody had integrity in the bureaucracy, otherwise they wouldn't have had to redact all the numbers. See what I mean?

Kirby: Was this written by John Cleese?

Fitts: We definitely are in need of a 'jump the curve' solution, and that is why we all need to start making new movies about how we are going to deal with this because even though many of us think, "The missing money is too big for me to worry about," which is now \$65,000 per person for every American. If you look at the underfunding of Social Security or the pension funds, essentially that is the money that was supposed to fund those things.

Kirby: It's mind blowing!



Fitts: It's coming full circle, and it's coming full circle in the way that you can take it down to an intimate level. Most of the time that I've been talking about this, people have felt like, "It's not my problem. It's not a 'this year' problem," but not it's a 'this year' problem.

The message of the movie here is that we are in a reset, and you don't get to choose whether or not you participate; your revenues, your expenses, and all your financial assets, and all your financial systems are participating as we speak.

Kirby: I will say that when I see this report, it only reinforces my opinion that this is not fixable.

Fitts: Unfortunately, I think the chances that the Federal government is not fixable is very high at this point, but I think the chances that the human race can find a way to a better place is possible. So, I have faith in the human race.

It comes down to this. Who is going to enforce the new system? Are we going to enforce with central control, or are we going to enforce on a market open cultural basis where everybody practices the golden rule?

Can seven billion people practice and implement the golden rule, or do we need central control? That is the question.

Kirby: That is a good question.



Fitts: That is for another movie at another time. Rob Kirby, you are absolutely fantastic. ‘Kirby Analytics’; tell people how to find your website and how to subscribe.

Kirby: You can catch me on the web at www.KirbyAnalytics.com. It’s very simple.

Fitts: Kirby, you’re the best.

Kirby: It’s always a pleasure talking with you, Catherine.

MODIFICATION

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

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