



The Solari Report

June 13, 2019

Opportunity Zones: Prototyping Community Technocracy with Patrick Wood



Catherine Austin Fitts



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C. Austin Fitts: Ladies and gentlemen, it's an absolute pleasure to welcome back to The Solari Report Patrick Wood, who recently joined us for an interview on technocracy. If you reviewed "The Best Books" for the last several years, you will see one of his books on technocracy. He is the editor and publisher of Technocracy News & Trends at www.Technocracy.news. I recommend it strongly to you. There is a great deal of information about technocracy.

If you haven't listened to our first interview, you absolutely have to do it. You have to check out his website and I strongly recommend his books on technocracy. I think that it will help you to see the way that AI software and systems are being used to micromanage and replace markets and democracy in a trend that we don't want to let continue.

Patrick, welcome to The Solari Report. We are here to talk about Opportunity Zones, something I very much have wanted to talk about on The Solari Report. When I found out that you were deep diving Opportunity Zones, I said, "This is fantastic!"



Patrick Wood: Thank you, Catherine, for that. I want to say how much I appreciate the area that you are coming from because my background – going back for 45 years – is economics and business. I wrote extensively about economic issues over the years. Quite frankly, for most people, it's a boring thing to write about. The economy – who needs it?

This has been my specialty since I started writing, even when we wrote *Trilaterals over Washington* back in the 1970's. That was primarily a book about the economic takeover of our country. So, today very few people recognize or give assent to the economic aspect of technocracy, but this is the only reason I am interested in the first place. It's about the economy. It's about trying to transform the economy out of free enterprise and capitalism into this new 'Green New Deal' type of economy that cannot possibly work; not in 10,000 years will it ever work.

Fitts: It's total control by micromanagement through AI and software. The thing that makes it go are the Federal regulations and the Federal credit to subsidize it, but it is phenomenally wasteful. It's unbelievably profitable for the top people.

Wood: It is. The very, very top will accumulate wealth and concentrate wealth like never before in history. It's already happening and has been happening for a long time.

Fitts: Yes, but there is much more to go and that is part of what you've nailed.



Wood: There are a few resources out there yet that they don't have control of, but they are going for them right now.

Fitts: It's hard for people to fathom the extent to which they think that they can harvest everything.

I was at the Aspen Institute two years ago, and sat on a panel. Ed Griffin was there, and it was wonderful. I dealt with a billionaire venture capitalist on the panel. I tried to engage with him afterward, and he looked at me with these stoned eyes. He was a software developer. He said, "Look, I can automate every job in America, and that is exactly what we are going to do, and there is nothing that you can do to stop us."

He had that look on his face as if, "I've been up in the UFO, honey, and I'm telling you how it is."

Basically, he was saying that we can insert ourselves with software and AI into every process in the country and harvest 100%.

Wood: That's right, and that is the technocrat mindset, by the way. You 'hit the nail on the head'. This is the technocrat mindset: Technology has a solution for every conceivable problem that mankind has.

Fitts: Right, and they can automate every conceivable thing.

Part of this is the transhumanism. They think that they can insert digital technology into humans and integrate digital systems with biological systems.



So, tell us about Opportunity Zones. I am anxious!

Wood: I probably would not have taken a second look at Opportunity Zones except that I ‘smelled a rat’. Don’t you just love Patrick Henry? He was the person who coined the phrase, “I smell a rat!” He’s my favorite founding father.

Fitts: This is a big rat – a big, stinking rat.

Wood: I started to look into it, and at first, as you look at the Tax Cuts and Job Act of 2017 – which was supposed to be the big windfall tax cut for Americans across the board, especially the middle class who desperately need it – I never really examined that act. I didn’t get it and read it because I’m not a tax person. Frankly, that thing drives me crazy. But when I saw that on December 12 of 2018, the President had executed an executive order called the Executive Order on Establishing the White House Opportunity and Revitalization Council, I thought, “What is that? What is this all about?”

I read the EO, and it’s all about Opportunity Zones. I thought, “That is strange. Congressed the Tax Act. Why do we need an executive order to support or somehow streamline that process?”

It wasn’t streamlining anything to do with you and me. I don’t know where you are in the socioeconomic status, but it certainly doesn’t address me. As I studied this, the President has pulled out all the Federal stops to allow these Opportunity Zones to flourish. What the tax law actually did – the Tax Cuts and Job Act –



– is create a system called Opportunity Zones where the Governors of each state would designate areas in their state-up to 25% of their low-income areas in the state-to qualify. It's all self-certified and there is no checking anywhere. They just send the zone designations to the Treasury, the Treasury rubber stamps them, and that is basically it.

Fitts: I'm going to mention that in the Subscriber links. You will find a link to the government website that will give you a list by census tract of the Opportunity Zones and will map them, so you can look at the map. I should point out that in my county in Tennessee, the biggest portion of our county seat is mapped as an Opportunity Zone.

Wood: The idea behind the Opportunity Zone is that somebody who has locked down capital gains, such as they bought an asset 30 years ago or they inherited something that has an extremely low-cost base, and they want to sell it. Many people are put off by selling assets like this because it plays horrible games with your income tax. If you have a really large capital gains, it can push you into the maximum tax bracket, and you will end up paying a large amount of money to unlock that asset that was in stocks or real estate.

Fitts: I would like to mention one thing? One of the problems with that tax is that when you dig in and look at a lot of their increase, it's really only inflation and currency debasement. So, if they are going to get a real return and stay ahead of inflation and beat inflation – which is part of staying in the top one percent – they need to come up with a return that beats inflation. That means avoiding the tax.



Wood: That is exactly right and, of course, they get it. They have the ability to lobby Congress to do things that you and I simply can't do. But when I discovered that this was a tax dodge and people with income that are worried about paying income tax on or have a huge capital gains tax staring them in the face, what better way to solve everybody's problem than to just simply sell their asset, take the proceeds, and invest it anywhere in these Opportunity Zones. The taxes that would normally be due are deferred at least for six years, and in some cases permanently. I thought that was a sweet little deal.

Then I started looking into where this idea came from. Somebody had to come up with it. Was it a Congressman? A Senator? Who was it?

It led me back on the trail to an organization called the Economic Innovation Group (EIG). That is a boring name – Economic Innovation Group. What's that?

I found out that this is the organization that originally came up with the whole idea. They readily admit it.

Fitts: I'm going to take it back longer because, if you read my online book, *Dillon Read and the Aristocracy of Stock Profits*, you can take it back to the person who came up with place-based development of this kind – at least defining the capital gains opportunity – and it was me.

I had a company, that was doing the financial advisory work for the Department of Housing and Urban Development. I identified, and did all the prototyping and took the numbers, and worked with OMB and the Brookings Institution to prove that the number one capital gains -



— opportunity in America was swinging in new technology into places and reengineering how the government reinvestment worked.

I didn't know about the ability to dramatically lower the energy price, but that is one thing that I want to talk with you about because I think that is part of it. I had built relational databases that allowed you to simulate what could be done economically, and the capital gains opportunity was the number one capital gains opportunity in America. It was particularly strong in the low-income areas.

It was basically new technology plus reengineering the government money, and I took it to the pension funds. They said to me, "Oh my God! We can save America and make the pension fund targets." That was the summer of 1997 at Safeguard Scientifics.

That year, the Department of Justice seized our offices, stole all our software tools that would allow us to look at Federal investment by county and congressional district and by place. It took me six years in court to get those databases back. When I finally got them, the most valuable pieces were gone forever.

So, they have been looking at the real estate capital gains opportunity in these neighborhoods for a long, long time. They have known it's there.

Wood: I actually talked to my CPA about the tax laws surrounding this, and the very first thing that she came up with – which is very common in the agricultural industry where I came from – is the exchange program where you can exchange assets without having capital gains being incurred.



It was very common when buying and selling farmland that you would seek to find an exchange rather than just selling property outright, and then buying another piece of property so that you could avoid paying capital gains tax.

You are absolutely right. This is something where the concept has been floating around for a long time.

Fitts: They know that all the farmers are hitting retirement age and need to liquefy their estates, so there is a big push to capture the farmland. One of my questions to you is going to be: To what extent are they placing these Opportunity Zones in places where they want to pick up big pieces of farmland?

Wood: That is a good point. There are a lot of rural areas that have been defined within the Opportunity Zone map, and you mentioned the interactive map that is on the Treasury website. That is a great place to find them. There are many of them out there.

Grilling down into it, we find a paper that was generated by this EIG Group back in 2015. It was called 'Unlocking Private Capital to Facilitate Economic Growth in Distressed Areas'. That says nothing in the title. Then when you read it, it doesn't really say much other than what we've been talking about already. But what happened as a result of this article is that two bills were introduced: One in the House, and one in the Senate. The ones that were introduced in the Senate were cosponsored by a Democrat and a Republican.



The first Democrat sponsor was Senator Cory Booker-Mr. Green New Deal. I thought, “That’s a warning sign. Why would he be interested in this?”

It was called The Investing and Opportunity Act, and it failed. It got stuck in committee, and it stayed there.

Then came the Tax Cuts and Jobs Act of 2017, and lo and behold, they were able to lift that text out and throw it right into the Tax Cuts and Jobs Act, and it survived. It found its way into law, and the President signed it.

If you go in and look at the legislation and what it actually says, it says very clearly what the intent is of Opportunity Zones. But here is the kicker: The people who founded EIG – and this always interests me – was none other than Sean Parker. People don’t recognize Sean Parker very quickly. That’s not Peter Parker of *Spiderman*. It’s not his father or anything like that either.

Sean Parker was the cofounder of Facebook.

Fitts: Sean Parker got famous because he said, “I’m going to live to be 145.” He essentially said, “I built something that was designed to addict your children, and I’m going to live to 145 because I’m a billionaire as a result.”

Many people connected it to what was going on in Silicon Valley about buying children’s blood. It was a very gruesome moment that put Sean Parker on the map.

Wood: I’ll say good luck to him on that account. I don’t think he’s going to live that long. In the meantime, just so people understand who Sean Parker is, this is the man who cofounded Napster before 2000.



I believe he was 18 years old at the time. Napster was that music-sharing service that ‘ripped off’ music from creators and simply gave it to people free over the internet.

It finally was shut down, and there was such a ‘big stink’ over Napster back then. I remember that there were people who were absolutely outraged, especially the artists who were creating music, hoping to sell records and things.

At age 25, Parker joined Mark Zuckerberg in 2004. Facebook was only five months old at the time, and he is credited as being the person who convinced Zuckerberg – if you can believe this – that Facebook was going to, “Amount to something really big someday.” You think? I guess Zuckerberg didn’t have as much confidence as Parker did.

So they went forward, and Sean Parker served as the first president of Facebook. The rest is history. He became ‘filthy, stinking’ rich. He is a multi-billionaire today, and he is involved in all sorts of things around the world.

Fitts: I would like to mention one thing? Going back to Opportunity Zones, when I was working on the place-based optimization and the capital gains opportunities, the question was: How do we swing in jobs?

We did a prototype with a data-servicing company. The government was watching absolutely exploding data servicing requirements. The question for them was: How could they pay for all this data servicing?



I put one of my best teams onto researching where the data servicing demands were coming from, corporate and government, and who has them, and why. They came back and said that the demand was exploding and the number one demand for data servicing was the government to maintain files on the US citizens.

I looked at it, and thought, “How in the world are we ever going to be able to justify hundreds of billions of dollars to collect and maintain files on all of us?”

In the meantime, my chief financial officer was lobbying me to get a personnel system in place, and I refused. I said, “I’m not spending any more money on corporate software.”

So, we came up with a compromise. We would create an HTML, and we would require all our employees to learn HTML. That year for the year-end bonus system, we would have them create their own file on the internet, and we would just stitch them together, and that would be our personnel file. But we would have them update and maintain and service the file.

When Facebook came out, I said, “Oh, this is simple. They are going to solve the problem the same way that I solved the problem. They are going to have everybody update and maintain their own database.”

During the time that Facebook was raising money privately, I would have investors come to me and say, “We have this from the highest level of insiders. This is a rigged deal. This will succeed. All we need to do is put money in, and we are guaranteed a double.”

Wood: Wow! That’s deep.



Fitts: Please continue.

Wood: The ‘Founders Circle’ webpage on EIG’s website lists all the cofounders. I take this to mean the founding members, not the cofounders, but the founding members of the group. In every case, and I think I’ve listed six cases other than Parker himself, every single one of them is ‘up to their eyeballs’ in venture capital in Silicon Valley; every single one. The founder of SV Angel, which is one of the most well-known venture capital groups in Silicon Valley, is in the Founders Circle. You have the person who was General Counsel of Facebook from 2008 to 2013 listed in here.

Every single one of them is a venture capitalist into the high-tech world. They don’t deal with anything other than the high-tech industry.

So the question comes up: What are these people up to? The fast-moving money where billions are made in a matter of months or years – what interest could they possibly have in low-income communities around America? There is no money there.

Fitts: First of all, they all have mammoth capital gains.

Wood: That is point number one. They are all locked into securities that they acquired for next to nothing and now are worth billions. These venture capitalists know where all that money is because they created it in the first place. So, they know where the money is locked up collectively.

Fitts: You are talking about money that has been technically earned legally. So, there is plenty more sitting offshore.



We had both the bailouts and \$21 trillion missing from the US government. So, there is \$50 trillion or more theoretically that is also available.

Wood: It could be; you are absolutely right. I don't remember specifying specifically where the capital gains needed to come from. Things that have not been recorded on somebody's income tax for the last five years could suddenly mysteriously appear and say, "I'm selling my asset."

Fitts: I have to remind you of the great words of Ricky Ross. Do you know who Ricky Ross was?

Wood: I don't remember that name.

Fitts: Ricky Ross was the lead African-American drug dealer in South Central LA who got to know Gary Webb when he wrote *Dark Alliance*. When Ricky Ross's business exploded, he was literally keeping piles and bundles of millions of dollars in cash under his bed. Finally, he said to his contact from one of the intelligence agencies, "I don't know what to do with all of this cash."

They looked at him, and said, "You don't know? Real estate."

Wood: So, now you have all these venture capitalists who are living in the fast lane where all the trillions of dollars are and where all the big chunks of money are sitting. All of a sudden, they are setting their crosshairs on the low-income communities across America.



The question that comes up in my mind is: What has happened in history whenever bucketfuls of money are poured into low income communities without any check or balance whatsoever? I have not yet seen a case where it ended up well for that community. You end up with dislocations that maybe were unintended, but nevertheless, you end up with dislocations that were not foreseen, and the people of the community end up getting ‘hosed’ out of their community or shoved out of their community. The way that things are going today, you see all the homeless population on the street in Los Angeles. It has turned into a banana republic it seems like.

You look at what is happening there, and say, “Where did these homeless people come from? Are they just breeding by themselves or something?” No.

Fitts: I’ve studied what is going on in Seattle, Los Angeles, and San Francisco. There is a wonderful video called *Seattle is Dying*.

Wood: Oh, yes. I’ve seen it.

Fitts: It explains that these are not homeless populations. I used to be on the board of the New York City Food Bank and worked a good deal with the homeless people in New York. I spent a lot of time trying to understand homelessness and doing something about it. But these are not homeless populations in the traditional definition; these populations are drug-addicted populations. They all have Obama-plan phones that are paid for by the government. They can call 911 for free. They have to watch advertising to text and phone, and if they do, they can do that, too.



They are being used as a weapon of gentrification. I don't understand the details, but the mayor of Santa Cruz suddenly had a huge population land there, like an invading army. They took up this whole area in the downtown area of Santa Cruz, and the Feds passed a law saying that the local government cannot remove them.

So, this is the new gentrification wave.

Wood: I agree, it is. We have quite a sizeable homeless population here in the Phoenix area. Maybe it's not as bad as Los Angeles, but it's rather severe. Many people who drop out for whatever reason get dropped out of society. It is unfortunate, but many of those people when they fall into the gutter, also fall into the drug culture. They find themselves addicted to various substances, and then their life really goes downhill from there.

Once you are trapped in that mode, it is almost impossible to get out.

Fitts: Here is what is interesting. If you look at how much money we are spending on municipal services to deal with that population, it would be cheaper to help that population than to continue to manage them. They are committing multiple felonies, but they are not being arrested or institutionalized – which is one of the reasons how I know that there is an agenda here.

This is not an economic issue as to why we are not helping those people. I think this is an engineered failure.

Wood: That is what it has resulted in.



As I looked at the entire issue of Opportunity Zones, it is opportunities for the uber-rich, not for the people who are in those zones. That is the bottom line.

In some cases, the governors of the states are defining areas that have nothing to do with poverty zones whatsoever. You would think they would just follow the guidelines that the Treasury puts out, but here in Arizona we have a huge development area close to where I live in Mesa. There is a regional airport here that is being converted into, what is known as, an 'inland port' where FedEx and UPS and Amazon Prime will fly out of to make one-day deliveries into Mexico and Central America. They will actually have customs stations in the airport here. It's going to be a large industrial complex when it's done, but the various countries will have their own inspectors and so on to certify that what is going south meets custom duties or responsibilities or whatever. This is going to be a huge venture.

For as long as I've been in Arizona, where this airport is built is bare ground. There is nobody living there. There are no houses, no housing developments, nothing; it's only tumbleweeds. In some cases, it is so dry that there are not even tumbleweeds.

Our governor in Arizona, who I believe is a Class A1 globalist, has declared this entire airport region as an Opportunity Zone, and it is just waiting for development. It is waiting for people to come out and start building warehouses and offices and infrastructure and whatever to build this area up to be a huge center for overnight distribution of goods from America to Central America and Mexico.



This has been a 'juicy plum' on Amazon's plate for a long time. They have wanted to be able to deliver into these other countries just like they deliver into the United States today, and now they are going to be able to do it. The people who are looking at this – the investors who would be coming into this Opportunity Zone – would not be investing at all in any low-income venture; they would be simply investing into the latest and greatest piece of the global supply chain that will make them 'filthy, stinking' rich, and even more so.

It hasn't even been genuine or true to the low-income communities, but still the cities themselves that contain these Opportunity Zones are not in control, nor are they in any kind of oversight mode on how this money would be used in their city.

Fitts: Really? Local zoning doesn't apply?

Wood: Other than the existing laws that they have, such as local zoning and building codes and things like that which still apply, there are no particular directions as to how spending will take place in their community.

Fitts: If you and I were to pick a place, and we were to say, "Okay, if we wanted to really improve the economy of that place," I daresay that most of the best investments that we would find would be helping the young people in that place be successful, including starting businesses.

We would want to get rid of the student loan, and we would want to make deals, "We will pay off your student loans if you stay here and start a business on Main Street."



We want to pick out the top 10% of the really go-getter young people and say, “We will finance you starting a business here,” including ones that apply new technology so that you don’t go off to the city or you don’t go off to the military.

I daresay that many of our investments would be based on taking the best small businesses that didn’t have the capital and were paying 25% on their credit card to finance their business. We would say, “We are going to put together a local pool of equity and help you lower your debt and build some long-term capital.”

I used to find all sorts of opportunities to collaborate and put together really sophisticated back offices to back the local small business or to do internship programs and venture capital for the children, etc. However, a much of it would organize around the best people and the talented people. We’re not talking about investing in the talented people locally; we are talking about buying up the real estate.

This is all about real estate and not about people.

Wood: Not at all.

Fitts: It’s not about helping people in low-income communities succeed.

Wood: An Opportunity Zone fund could come in and say, “We are going to build a 500-unit apartment house.” Of course, that is real estate, but they could say that. They could come in and say, “We are going to buy this land, and we are going to construct this big apartment complex,” and that would be fully within the ——



— intent of Opportunity Zone investment. They would get approved for it.

The question is: Does that community need a 500-unit apartment house that may well price half the people out of the market, and who would end up with it in the end? The city would end up with the problem in the end if it didn't work out.

Fitts: That used to happen at HUD a great deal. The question is: How much of the Federal mortgage insurance programs are going to be used to do some of this real estate development?

I've seen this all along until recently. You keep looking at government-insured or government-subsidized or government-financed deals happening in a neighborhood, and the investors are making above-market returns; 'very juicy', and all of it is being supported, financed, and paid for by taxpayers who make \$40,000 to \$60,000 a year on average and are helping the uber-rich. Or some of them are just nice middle-class people who make significantly above market returns, and it is all rigged politically. The reason they have access is politics.

It's like those Facebook deals. You are continually draining the bottom of the economy to prop up the people on the top, and you are using the Federal credit to do it. I think that is another danger here that is going to happen.

I believe the biggest danger – back to your work – is that this is to pay people to build out technocracy to absolutely lock down and control people. This is going to be the Chinese social credit drilled down into low-income communities everywhere in the country.



Wood: Let me give you one example that I have in my paper which I published this weekend on the first documented case study about Opportunity Zone investments. It happened to be in Erie, Pennsylvania. I've never been to Erie, Pennsylvania; I've only seen pictures.

Fitts: I grew up in Philadelphia and I've been to Erie, Pennsylvania.

Wood: So, you probably know what this is talking about. This article which I will read a couple of lines out of came from a blog about government technology. It says:

Eight Opportunity Zones throughout the city could soon see new smart city technology equipped with license plate reading cameras and facial recognition capabilities. Officials say that the goal is to boost safety and spur investment.

Additional security cameras, LED lighting and free public Wi-Fi were introduced to downtown Erie in 2018.

Mayor Joe Schember's administration and other local officials want to bring the same technology to local neighborhoods targeted for reinvestment under the federal Opportunity Zone program.

Schember, in an interview last week, said his administration — working with the Erie Innovation District and others — is working to bring “secure smart city” equipment and technology over the next 12 months to the eight Opportunity Zones in the Erie region that have been designated by Gov. Tom Wolf's office and certified by the U.S. Treasury Department.



Fitts: Here is what I perceive when I hear that, “We are prototyping the institution of police states and *The Truman Show* in places, and we have teamed up with Silicon Valley to bring in systems into your intimate space in all aspects of home and communities and prototype how we can completely own and control, but do it in a way that makes us big money on the real estate, particularly as we bring the energy price down.” That is what I hear; it’s *The Truman Show*.

Wood: The big tech people who have backed this are the people who are producing the technology that Schember is going to introduce into Erie, Pennsylvania.

Fitts: Exactly.

Wood: It’s not about low-income property; it’s about implementing the technology that they are famous for.

Fitts: This is how we prototype instituting technocracy and making money on the real estate as we do. When you are the leadership, you never want to go to Rome. The question is not: How do we institute technocracy? The question is: How do we make money instituting technocracy? Then we can get a whole world of people thinking that they are going to make money instituting technocracy, and we have to sell it as cool, innovative, wonderful, and, basically, we are building the information grid that we need to replace democracy in markets with technocracy.

Wood: That’s right, and the question certainly comes up. As this infrastructure is implanted into these various 8,700 areas across the country, it will undoubtedly spread into other surrounding localities as well.



But the question that comes up is: Who gets the data? If this is about money, “Follow the money, follow the power,” has changed; today we say, “Follow the data, follow the power.”

There is money in data. Some people have called it the new oil of the 21st century. There is an explosion of data collection activity across our country and across the world. In our country it’s happening ‘like crazy’ right now.

If this is an opportunity for the big tech players to tap into that unlimited data that you talked about earlier in this program—collecting information on every person for control in that community—then this will give them an incredible head start to get a significant piece of society under their thumb.

Some people have suggested, “How much are we talking about people?” Within the under-advantaged communities across America, some studies say that as much as 35% of the population of America already reside. That is a big part of America, and they’re going after it.

Fitts: Let me bring up a couple of things and go back to this point. If you asked me to come up with a list of everything the Federal government could do to help low-income communities, I would come up with a list of 20-100 items, and every one of them would be what they needed to stop doing.

Politicians always say, “What can we do?”



My list is: You can stop doing the 100 things you're doing that are destroying these people or harming these people so that they would be stopped. One of the things that you would stop doing is providing telecommunications and internet and other digital services that provide a one-way mirror and that are destroying privacy and insuring complete secrecy by the government.

The first thing that I would do would be to convert the one-way mirror to no mirror or a two-way system or no system. It would be something that brought the balance of power back on the digital technology.

I agree with you. Nicholas Negroponte once said at the Media Lab, "In a digital age, data about money is worth more than money."

We have all these invisible systems that are being used to compromise or harvest, and you have to get that balance of power right before you do anything else with systems.

The idea that you are going to help these neighborhoods by bringing in more systems doesn't work because, what you and I know, is those systems have a back door, and there are a variety of both intelligence agencies, private parties, and foreign intelligence agencies – I believe – which are going to have complete access to all that data.

That is why I say that you are talking about *The Truman Show*.



Wood: Collecting all this information on individuals was one of the original core principles and core requirements of technocracy back in 1934. They stated this very plainly that they needed to maintain an information file on every person, everything that they consumed, and everything that was produced 100%. They saw that need.

They didn't have the technology to do it back then, but they do today.

Fitts: One of the most frightening things in watching the trade war with China is that you have the US team making a 'big stink' about the theft of intellectual property, but we've built with a digital technology system in this country an infrastructure whereby the establishment is stealing 100% of small business, small proprietor, and intellectual capital. They're just stealing it – not to mention the games that they are playing with the patent system with national security.

We are running around the world accusing other people of doing what we have been doing, which is one of our core competencies, which is stealing.

One of the other things that I would like to mention is that I believe the leadership has the power to dramatically bring the energy price down. It's coming down on renewables, but they have fusion and other technologies. Lockheed Martin has said that they are not that far away from being able to apply fusion and other technologies.

The biggest way that you make money on the new energy technology is on the real estate. If you only look at the numbers of what can happen, if they take huge positions in real estate and then bring the energy price down, you're talking about incredible wealth.



Then you add the data and all the control of the data.

I'm always talking about a financial coup d'état where they stole \$50 trillion. They can steal so much more. The numbers are particularly glorious.

Wood: That's right, and I would add that energy has been the key to technocracy from day one. Energy is necessary for any conceivable economic activity to take place. It's a very direct relationship. The more energy that is available in an economic system, the more output there will be and the more available consumption there will be.

If you take away energy, you will cripple whatever economic activity is there to the extent that you take away the energy. Previously up until now, 'jacking' prices around has been the way that they have controlled energy.

There was an energy crisis in the early 1970's, where the same kind of coup attempted to take place to drive up the price of energy to cause a change in economic activity. It may have backfired back then. It only lasted for two or three years, but we see the same kind of manipulation of energy today.

There has been technology around for some time that could solve the energy problem for most of the world, but usually it gets 'deep-sixed' by the big players so that they can't take it to market.

Fitts: I always have fun when somebody tries to persuade me that climate change is real. I say, "Since we haven't needed fossil fuels for decades, explain to me how climate change is real."



What do we do?

Wood: I wish I had a better explanation of this. I'm somewhat non-plussed at the Tax Cut and Jobs Act of 2017. It didn't turn out nearly like what we were led to believe in the campaign of our President. It's interesting that the Congressional Research Service just released a report that gives an assessment of the Tax Act.

I don't know how reliable the Congressional Research Service is all the time because they're only people, but in that article they say that from 2017 to 2018, the estimated average corporate tax rate fell from 23.4% to 12.1%.

Fitts: Right, but if you look at the last 20 years, corporate tax contribution has been falling, falling, falling. This has been going on for some time.

Wood: In the meantime, individual income taxes as a percentage of personal income, fell from 9.6% to 9.2%. That is a very small drop in comparison.

Overall, it appears that the Tax Act is just more of the same, and it has helped the rich get richer and the rest of the world stays the same. This is not only under Trump. This has been going on at least through 1995. The middle class has been under a tremendous economic attack and has dwindled, not only in numbers, but also in influence in our country. The middle class is what we always used to talk about – how wonderful it was to have a strong and robust middle class in America.



At this point, it seems like the whole American dream is rather crumbling right under our nose.

Fitts: I think that was a plan. Bush used to talk about moving all the money to ‘tighter and righter’ hands. I think that this plan of centralization has been going on for quite a while. I think that part of it is, if you are the leadership and are looking at building out Asia and then having to compete, that is a difficult competition. They have the demographics and the growth rate on their side at some point.

There are different reasons. Centralization should make the little person more competitive, but government has been used to engineering the other way. My feeling is that technocracy will fail. I’m assuming that the leadership thinks they can get it to work because so far their ability to use mind control propaganda, entrainment, and all these technologies has been so successful.

But if you look at technocracy, it is so unbelievably wasteful regarding people’s time and money. I think it’s going to end up in a huge ‘cluster of you-know-what’.

Part of it is that I’m a Christian and I believe in divine intelligence. I’ve seen divine intelligence and markets work together or democratic process and divine intelligence work together, and it always takes my breath away. It’s like quantum productive because no one is as smart as all of us. I think technocracy makes people stupider and stupider and stupider. The theory is that the AI and software can make up for that. So far, it has taken massive amounts of Federal credit to subsidize it.



I think that we are looking at something which is basically psychopathic. It is not in alignment with nature; it is not in alignment with humans; it is not in alignment with life; it's death; it's a dead technology, and I don't think it will work. I really don't.

Wood: Much of what is happening in the recent elections with the Brexit campaign and so on indicate to me that people are fed up with the technocratic lording over everything mentality, and people may not understand it all yet, but they are starting to push back and say, “No, we're not doing that anymore, and we are tired of this whole thing. We've had it.”

Fitts: They haven't discovered the word yet, but they will. It is the pushback of the productive against technocracy that is driving them crazy.

I'll never forget being in Germany before the Brexit vote. I was talking to a very successful businessman – very intelligent and very calm. I said, “What do you think is going to happen?”

He said, “I hope they vote for Brexit. Those bastards in Brussels!” and he went off. What he was screaming about was technocracy.

His productivity and his business's productivity – and this is big business – was being destroyed by technocracy, and he was furious. It's everywhere; it's all over the world.



Wood: If there is going to be one failed experiment that precedes others, it very likely will be in Los Angeles. Los Angeles is such a train wreck as far as its social infrastructure is concerned, and yet the mayor of Los Angeles has decided to implement the Green New Deal there.

Fitts: Oh no!

Wood: They are putting in Draconian regulations, and buildings will be retrofitted. It's really like what AOC is all about.

Fitts: Green New Deal is the real estate theft act. It's all about giving the insiders the ability to get together and steal the rest of the real estate. That is all it's about; it's a land grab.

Wood: I would agree. Here you have a major city in America that has decided to be something like a Roman city-state where they just decide what they want to do and the heck with anybody else.

In my opinion, there is no way – with all the disgruntled California citizens already – that this thrown on top of all the problems that Los Angeles already has, I can see a Class A1 rebellion coming in Los Angeles to throw these bums out. They are going to get sick of it before they decide they can ever like it. If they get sick enough, they will end up like Europe and say, “You are out of here! You and your cronies and your buddies and all this green garbage – you're gone!”

I'm hoping for that.



Fitts: I think that one of the things that the establishment has done that is absolutely brilliant is keep the people who are objecting to technocracy divided-and-conquered into all sorts of complex political or social or cultural descriptions of what they are angry about instead of realizing, “Oh, we are all angry about the same thing.”

This is everybody. One of my favorite quotes from my pastor in Washington is, “If we can face it, God can fix it.”

I think that you have done a better job than anyone I know of helping people see, “Oh, we all have the same problem.”

I’m trying to do the same thing with the money because the money that I talk about is the money that is everybody’s because it’s the taxpayer. But you have done a better job of showing how they are trying to replace markets in democracy with this crazy rule system, and your work is absolutely brilliant. I know it’s taken decades to put it all together and figure out a way to communicate it that is simple, and I think it is really the kind of breakthrough intelligence that can help.

What I want to say to everyone listening to or reading this is to turn around and tell ten people about Patrick’s website, about his books and his work. Figure out how you are going to support it.

Can people donate to your website, or do they just buy books?



Wood: They certainly can and I have a Patreon account as well. It's [Patreon.com/technocracy](https://www.patreon.com/technocracy), and people can get involved with a monthly pledge. That is always appreciated and I don't care how much it is - \$1 or \$2 a month. It all helps.

Fitts: Absolutely. Of course, the people who would donate more money look at the people who just do what they can. If you have 1,000 people each giving \$1, that really counts to them. So never say that it's too little; it's not. Part of it is the number of people contributing.

During the litigation one of the things that I discovered is that black individuals are very good about giving small amounts of money, but white individuals somehow didn't get the culture. I would be at a black church, and somebody would walk up to me and put \$1 in my hand and say, "I'm praying for you," and what a difference it made. It was amazing. You get enough of those, and it really helps.

It reminds me of Roger Penske who said, "Speed costs money. How fast do you want to go?"

I think this is a real trim tab. If we can get people understanding that this is what we are dealing with and see it clearly and share that word 'technocracy', it can make an enormous difference.

Wood: It really can.

Let me say also that in the 1930's when technocracy was in its heyday – and it was huge in North America and in Canada as well –



– the American people finally rejected technocracy outright. They said, “Go home. Go away. We’re not going to have anything to do with you.” It was a flat-out rejection by the American people. If it were not for a general awareness of what it was, it could never have been rejected in the first place, but it was rejected.

That means that if the American people rejected technocracy once upon a time, they can do it again, but not if they don’t know what it is.

Fitts: You don’t need a majority of the people with this issue. Much of the time I say that you need an 80% majority to get something done in Washington. On this issue, it’s the 5-10% in any community or business that really are the productive people who get things done.

I go back to Edwards Deming. It’s always that 5-10%, and they are the people who make things productive. They are tired of being drained by the ‘slugs’, and they are tired of being drained by people manipulating the Federal credit to drain them and make money in the process.

You only need that 5-10% and this can shift in amazing ways. They are the ones who get up every morning and get the trains out on time, and they can shift it.

I would like to mention one thing before we close, and that is I have done a fair amount of work on money disappearing from the Federal government. But the latest thing that I’ve been writing about is —



— something called FASAB 56, which happened after the latest ‘brouhaha’ about all the missing money and the more attention paid to it. There was a real pushback by the people who run the Federal credit. The main part of the pushback that was supposed to be very secret was the passage of an accounting rule called FASAB 56. It’s a policy that was approved by leadership in both the House and Senate. It’s not a legislative process; it’s just an approval because it goes through the General Accountability Office and the OMD.

It was pushed through when Kavanaugh was right in the middle of the ‘sexcapades’ at Congress. So, you have the shriek-o-meter turned up loud, and this policy basically – by an obscure accounting policy – changes the governance system of America. It says that a secret group of people by a secret process without any audit or oversight or accountability can take whatever they want for all the government agencies and 150 related agencies and make them secret and create a secret group of books. That means that if you get the financial statements for the government from here on, they are totally meaningless; it doesn’t mean a thing.

Wood: Are we talking Enron expanded here?

Fitts: We are talking about JP Madoff expanded.

It gives you the ability to take all the land and real estate and anything that hasn’t been stolen yet and move it into private entities secretly. So, we can sell treasuries to the pension funds, put the money in the government, and then move that money or asset that the money buys – say we buy an asset with that money – and then move the asset into a private corporation, and no one will ever know.



You can turn the US government into a complete marketing shell for treasuries and tax collection. So, it sells treasuries and it collects taxes, but there are no assets; all of the assets are disappearing out the back door.

If you look at the undocumented adjustments from fiscal 1998 to 2015 at DOD and HUD, it's \$21 trillion. We have an abundance of information about it. I'm going to send you the Annual Wrap Up so you can see this.

Wood: Please do, this is something that I want to look at.

Fitts: I'm very focused on the fact that they want to take the remaining technology and real estate – and I think that real estate is an important piece of this, but that is a guess – and, because the Opportunity Zones and what you are watching involves real estate, you are talking about an infinite rate of return. This assumes that if part of what you are doing with these Opportunity Zones or other plays on the real estate like the farmland has to do with what you are also pulling out of the back of the US government.

Remember that Steve Mnuchin is the Secretary of Treasury, and people have filed lawsuits for his role as an investor. They are alleging that the investors walked off with all the good real estate by moving the real estate out of Sears before they bankrupted it.

The question is: Are they going to do the same thing with the US government? That is a big question.



Before we close, I can't thank you enough for doing this interview and for doing your work. Is there anything else that we can do to help you spread this message everywhere?

Wood: Technocracy.news has everything that I have to offer on this. I ceased all my other activities from the past. I used to edit *August Forecast & Review*, but that's gone. I'm not doing any market forecasting anymore and that's gone. I'm focusing exclusively on technocracy as far as what we are discussing here.

I also created a nonprofit last year to work on all the First Amendment issues that are surrounding our movement, and it's called Citizens for Free Speech, and it's at www.CitizensforFreeSpeech.org. People might find it to be of some interest. If they are concerned about censorship or the various rights that we have under the First Amendment, this is an organization that I am hoping to get some national traction with to set some of these things right – or at least to argue in favor of the things that we are supposed to have as basic rights in this country.

Fitts: This week we will donate and post it because this is obviously an issue very near and dear to my heart.

Before we close, I want to mention one thing – perhaps for a conversation the next time. One of my questions as you watch the information systems is: Is this part of the prototype to prototype the cryptocurrencies that they want to use to supplement or replace the current currency system?



Wood: I will flat out say that I do believe it is. The whole idea of block-chain technology goes way beyond just currency.

Fitts: They are going to block-chain all the time and human energy in a community and see if they can't harvest it through the block-chain.

Wood: It's a tremendous new disruptive technology, and we have barely seen the surface scratched. The cryptocurrencies right now have a great deal of anarchy involved with them – not only anarchists, but anarchy.

Fitts: We call that 'prototyping' where I come from.

Wood: It's a mess and there is a lot of confusion, but all of the central banks – including the Bank for International Settlements, as well as the IMF and the Bank of England – all are launching intellectual SWAT teams to understand how they can use block-chain currency technology to completely convert the world system.

Fitts: I will send you the link about a Solari Report on the story of Gideon, which is my favorite bible story. I don't know if you remember it, but in the story of Gideon, Gideon and his army succeed because the Midianites kill each other. That is one of my predictions for technocracy. If you look at all these people competing, when you get this many people with no empathy competing to do all this, you are going to get the Midianite thing.

Ladies and gentlemen, get ready to duck!



Wood: That's right! Get ready to duck!

I will also say that whoever invented the idea of the black swan economic event, theoretically if it's possible to have a black swan that will take everything down, then it is also possible to have a white swan event that would shock everybody into oblivion and set some of these things right again.

Fitts: Here is the thing: Assets have no value if there is no law.

Wood: That's right.

Fitts: So, if there is no law in law and there is no law in culture, guess what?

Patrick, I cannot recommend your work strongly enough. I think that everybody who listens or reads this, if you want free speech and if you want the economy to work, put some gas in Patrick's tank. I can't think of anything that has a higher return on investment in the market right now.

Wood: I really appreciate your support and confidence and I hope that we can stay in touch.

Fitts: Absolutely, we are in 'cahoots'! You let me know what we can do. Not only are we here to destroy technocracy, but we are here to have fun doing it.

Who knows? Maybe even we can make some money destroying it!



Wood: That would be a novel concept – making money.

Fitts: We're willing! The biggest capital gains opportunity in America is if you could return civilization.

Wood: Yes, that is exactly right.

Fitts: Patrick, you are great and have a wonderful day.

Wood: Thank you, Catherine, and I appreciate your time, too.

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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