



The Solari Report

October 3, 2019

**3rd Quarter Wrap Up –
News Trends & Stories Part I**
with
Dr. Joseph Farrell





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C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. This is Catherine Austin Fitts, and I am joined by the ‘infamous’ Dr. Joseph Farrell. We are ready to dive in to discuss the 3rd Quarter Wrap Up Top Stories for News Trends & Stories Part I: **Economy & Financial Markets and Geopolitics.**

Dr. Joseph Farrell, thank you for joining me on The Solari Report.

Dr. Joseph Farrell: Thank you for having me back.

Fitts: Earlier, we discussed the stories. One of the things that I said to you was that I want to spend more time on **Unanswered Questions and Take Action** than we usually do because we really are coming into a tipping point, and now is the time when we are going to have to make some very important decisions about what our values are and what we are willing to do to protect those values. This is a serious time.

Let’s start with **Economy & Financial Markets.**



Story #1: Secret Books, FASAB 56, Financial Coup Consolidation, US Securities Market Go Dark.

We have essentially had this as the top story for several quarters now, and we continue to see the repercussions of FASAB 56 reverberating all over the planet. It's incredible. It's like the bell rang, and now the whole planet is shifting and shaking. So dive in, tell us about it.

Farrell: Well, everybody is taking everything dark. It's like you earlier, corporations are going dark with their finances. Harvard went dark, Germany just announced that it is going to do the same thing, and we are going to discuss that later when we talk about some geopolitics and Brexit and so on.

Everybody is doing this.

Fitts: The US Federal Credit is the 800-pound gorilla. If they go dark, they are dramatically lowering their transaction cost. If you have to launder money through the Clinton Foundation and Epstein and all those types of operations, those are very expensive, very time-consuming, etc.

If you are a nation-state and the US can do whatever they want whenever they want privately under complete secrecy, you can't afford to take the time to do those kinds of things.

Farrell: You said earlier that FASAB 56 was the death warrant for Jeffrey Epstein, and I think that this is a crucial insight. If you look at the whole Epstein thing and connect all the dots, I think you are absolutely right.



What they are doing is rolling up these networks that they no longer need because they are high risk, and you have people like Epstein who are essentially narcissists who are ego-driven, and that introduces risk into your operation. The other thing is you have high overhead, and are actually having to run people and pay people and buy them off and blackmail them, etc.

I think that what is crucial here is something that has been brought up by various researchers, and that is that Epstein's connections with the Maxwells, particularly the two sisters who were involved since the late 1980s, with developing information technology.

Fitts: That is the PROMIS software story. Maxwell was the big distributor on PROMIS software.

Farrell: Exactly. I think that we are looking at PROMIS version 4.0. They have perfected the means of inventory control. I hate to use those words, but that is exactly what they have done.

You warned us about this a couple of years ago when we were talking about slavery in one of the quarterly reports. The problem was perfecting the capital. In other words, it is all about 'keeping your inventory', so to speak, on the 'plantation'. If you have RFID chips implanted in people and you have a software package that can track people through several different databases like PROMIS could, you don't need the Epsteins anymore, and you don't need these networks of the Clintons and so forth. You have now basically turned over this whole slavery/pedophilia network to the technocrats.



It's time to roll it up, and I think that is exactly what they are doing; they are rolling up all of these analog components.

Fitts: I said a couple of years ago, "The financial coup is over." Now they are going to consolidate and reengineer. All these players who think that they are important are getting swept aside.

The movie for this Solari Report is *Untouchable*. It's the story of Harvey Weinstein. You can tell that Weinstein didn't know what hit him. I see a direct line between Weinstein, then Epstein, and then Netanyahu. It's just like bowling pins that are knocking each other down.

Farrell: There is too much overhead in the way that they were running these networks, and there was too much risk involved with these people. I would even add the Podestas in there. You can see them rolling these networks up. It is very important for people to realize that the networks are still there; it's just that their manifestation has changed completely. You are no longer going to see figures like the Jeffrey Epstein's and so on. This is all going into the black FASAB box.

Fitts: It's very significant what is happening. What is interesting is that I think it is hard for most people to see it because they look like separate events. They don't look like a continuum.

Farrell: It's important that people compare stories and start connecting the dots. In other words, trust your mind when you read about these things because I think that these things are interconnected. As we are going to discuss later, FASAB has opened the floodgates.



Everybody around the world is doing this, and it is going to have huge economic and geopolitical implications. We are going to get into that later.

It is very important for people to understand this. They are rolling out the technocracy.

Fitts: This is technocracy. We talked last quarter about the reengineering on the New York Fed Team Plunge Protection Team because we saw a very dramatic few days when the chief accountant at the SEC went, and Mnuchin had an emergency meeting. What do we see this quarter? We see the head of IT at Goldman Sachs leave.

At Goldman, they are downsizing partners. Twelve partners have been shed, and a partnership at Goldman Sachs is still a very big deal. When you bring somebody in as a partner, that is rarely done because they very much breed up.

They brought an Amazon IT in person as a partner to run IT in anticipation of the JEDI Contract, which means that you are talking about a Plunge Protection Team that are not people trading the markets at the New York Fed or JP Morgan Chase; you are talking about doing this with AI and algorithms.

They may even try to cut the New York Fed staff out. So, it's Goldman and JP Morgan, but we see DOJ now prosecuting the people who, for the Plunge Protection Team, suppressed the gold price at JP Morgan. So, one might think that they are attacking their own Plunge Protection Team, but they are not; they are clearing them out and making things look good because they are going to do everything with AI and software.



Here we go!

Farrell: Back to the idea of ‘inventory control’ and Epstein, the other thing that people have to remember is I strongly suggest that given Epstein’s now known interest in things like science and transhumanism, it is very important for people to understand that these human trafficking networks are literally supplying them with human test subjects for their experiments and so on. I think that this is where all this impetus is coming from.

It’s even more important, since they are talking openly about integrating man and machine, is the other thing that this move is signaling. They are now going to start rolling this and pushing it out big-time in a way that we haven’t seen up until now. They have been experimenting with these people.

Fitts: I know that I mentioned this to you earlier this quarter. We know that Epstein was pouring money into brain research at MIT. Interestingly enough, if you go back and look at the Madoff money, Madoff had approximately \$60 billion in a money management firm. From the mid 1990’s on, according to Helen Chaitman (and the interview is in The Solari Report archives) the investment advisory only had one bank account, and that was at JP Morgan Chase.

When I interviewed Helen I said, “Helen, who was the securities custodian?”

She said, “There was none because there were never any securities.”



If you only have a bank account and you never buy any securities, your bank knows the whole time. I said to her on the interview, “Helen, JP Morgan Chase was the senior partner. Madoff worked for them. They were in control.”

There was a ‘pregnant pause’ there. Of course, there were lawsuits against JP Morgan for their role. The southern district of New York protected them completely, but one of the big receivers of the money was a man named Picower, or maybe he was the trustee. He poured a large amount of money into MIT brain research.

So, you had all these covert financial arrangements pouring money into MIT, and I’m sure that there were other universities, too, but MIT was an important one. They were pouring money into this brain research.

Farrell: You had Obama’s Brain Research Initiative, and I believe the Clintons have been involved with it. So, what they are doing is taking the high-risk public figures out of the loop because this is about ready to be rolled out.

They are eliminating their risk, they are eliminating their overhead, they are keeping control of their human test subject supply, and now they are tracking it. I suspect that this is all prelude. If you thought that Ray Kurzweil and singularity and all this transhumanist push that we’ve seen in recent years was big, you ‘ain’t’ seen nothing yet!

Fitts: Right, and we are going to be talking about it later. I am going to be using the word ‘thanks’ to Thomas Meyer. He said, “I’m not going to call it transhumanism That makes it sound like it’s —



— an evolution or an improvement. I’m going to call it ‘subhumanism’.” So I am joining him, and I am going to call it subhumanism.

Farrell: It is, and we discussed it earlier. It is really a form of nihilism when you get right down to it. There is nothing humanist about it; it is a form of nihilism, and is the annihilation of everything human. That is what they are really about.

Fitts: I would say that it is the ‘harvesting’ of humans because there is something they want.

I also want to talk about the connection between the Epstein saga and Brexit because from the time the money started disappearing from the US government, the offshore havens exploded in terms of the amount of money. So, we know that is one place where the money went through or got stockpiled. So, we see the queen protecting the city and the commonwealth and those havens by doing Brexit. But at the same time, she is protecting the money from the Germans and all those hungry hands, and we see them getting rid of the people who moved it into the havens.

The people who delivered it to the havens are getting expunged, and the regulatory pathway by which the other people could get to that money are getting cut. FASAB, of course, cuts the other transparency.

Anybody in the world – whether US citizens, global players, or the people who were involved – are being shed and stopped with these different moves. All these moves are basically ———



— amputating all the access to anybody who might try to get their hands on that money.

Farrell: What they are doing is restructuring. I think that this restructuring is also a prelude to some of these other things that we have been talking about – resetting the financial system and restructuring that. But the Brexit, since you mentioned the Queen doing this, I think it is important for us to stress to people that in our reading of the situation, we are not buying the public narrative that Prime Minister Johnson or ‘BoJo’ went to the Queen to ask her to prorogue the Parliament.

In our reading of the situation, we think that the Palace took the initiative. She did this, and a public narrative was created. I think that sounds strange, but that is our reading of the situation.

Fitts: That is exactly what I would do. We will talk about it when we get to Brexit. She has to either go with Europe or the Commonwealth and the Anglo-American Alliance, and she has chosen the Anglo-American Alliance.

Farrell: I think there are definitely signs that is the decision she has made.

Fitts: And she finally has Trump where she wants him.

Story #2: Central Banks Flail Around.

Central bankers like to be steady.



Farrell: I wanted you to get to this.

Fitts: Central bankers want to be predictable; they want to be boring. I have never seen the kind of pivots that I'm seeing now. They take your breath away.

Farrell: This isn't pivoting; this is ballet.

Fitts: John Lennon said, "Life is what happens when you are making other plans."

So the Fed had a plan, and their plan was that they were going to steadily bring up interest rates to more of an intelligent, reasonable cost of capital. There are savers all over the world who are dying on the vine, including insurance companies and pension funds. You are massively shifting subsidy out of savers into governments who are then pumping the money out in all the ways we know and love.

So they have this plan: They are bringing up interest rates, and they are going to clean up their balance sheets. The bonds that they bought are maturing, and they are not buying new ones. So Powell starts, and he has this plan. You can see that he has this plan in his head, and basically within a very short period of time, the plan is killed.

Farrell: They are oversubscribing these bond issues.

Fitts: Right, and they are pivoting.

We just saw Germany sell a little more than three-quarters of \$1 billion of negative interest rate long; I forget if they were 30 years or 50 years. I was thinking, "Is this possible?"



Farrell: It's 'nuts'!

Fitts: So what happens? First Draghi comes out and has reannounced his QE. So he is on his way out, and Lagarde is in the process of getting vetted to come in as head of the ECB. Essentially, Draghi has kicked up ECBQE, and Powell, who had already pivoted and was bringing down interest rates, – and he and Trump were screaming about it, which was very entertaining – said he wants to clean up his balance sheet. Last week he went into the market four times to save the repo market. So, you had banks offering up to 10% in the repo market, but nobody would give them money; they were going to the Fed instead for less than 2%.

So, you have this extraordinary inability of the central banks to do anything other than print massive amounts of money.

We just did a Solari Report with Rob Kirby on inflation because, of course, the danger is that with what is happening in the debt markets, you are in danger of a debt spiral up. If you could engineer the financing so that debt pays zero interest rates, you are basically talking about a situation where the central banks are going to own everything.

Farrell: We are going to talk about Carney later, I assume, but I read this article about the oversubscription and repo. The article was complaining about \$5 billion worth of oversubscription.

The first thing that popped into my mind was *The Producers*. For the people who aren't familiar with it, *The Producers* is a musical that Mel Brooks wrote about these two Broadway producers oversubscribing and selling interest in a play.



They sold an 80% stake here and a 70% stake there, and they gathered in all this money. Everything was oversubscribed. What they were banking on was that it would fail, but it turned out to be a huge success.

I was reading this article and was looking at \$5 billion, and thinking, “There was no oversubscription with the derivatives market, there was no oversubscription with the credit default swaps, and there was no oversubscription with the robo-signing and the mortgage fraud. What are we talking about? It’s *The Producers* all over again.

What is really interesting is the Carney article that you mentioned; I read it, and he was saying that we’ve tried everything. We have tried quantitative easing, tinkering with the interest rates, negative interest rates, and nothing is working. People are not spending money; they are not consuming. We need them to do that, and we have tried everything.

We are going to get into this later, but I think the problem here is that you are dealing with a group of financial technocrats who haven’t realized that what they are dealing with now is a cultural phenomenon, not a financial one.

Fitts: It is a complete breakdown of trust.

Farrell: Bingo! Exactly!

Fitts: People don’t trust technocracy. They want to get as far away as possible.



Farrell: People are not buying things; they are making things. They are turning away from the iPhones and spending more time with family. That sounds like a ‘kooky’ analysis, but I thought about that article for a long time, and that is what I came up with.

Why are none of these tricks that used to work all the time working? Well, they are not working because people have lost trust in those institutions. As a result of losing trust, they are trying to find different ways to spend their temporal capital and their time, and they are doing it in ways that are not consuming things.

Fitts: If you look at the regulatory burden, we have corporate calendars. I have two companies, and we have corporate calendars. If you look at our regulatory burden and the intelligence and systems we need to make sure that we are in compliant, it is unbelievable. We are uniquely set up to know how to do it, but for a young person to grow up in America and start a company and figure it out and be able to do this, forget it!

If I think that I am dealing with it; I used to have a client who was a healthcare administrator. If you look at what they are dealing with, it is unbelievable. Of course, they have required all this healthcare software, and the software doesn't work and the software systems aren't reliable. The healthcare software industry is full of unreliable players.

So, if you are a doctor and are trying to struggle with this, it is unbelievable. There are so many stories.



Farrell: I can believe it. We have talked much about the difference between finance capital and equity capital. What I think that you are seeing now is the emergence of what we have been talking about and predicting. You are seeing the emergence of very small, very local shifts in attitude towards investment of time towards making things, and spending time investing your human capital in family and friends and so on. But when you add all that up on a global scale, what it means is that people are not spending money. They are not doing the consuming that the bankers want them to do. This is why none of their tricks are working.

I think that it is only going to increase, and, again, it's like *The Producers*. You are going to see the bankers flailing around trying to come up with solutions, and none of them are going to work because they cannot diagnose the problem.

Fitts: Remember that you are double-binding because you have a climate change op that is one of the different ways that you are trying to cause demand destruction. So when you debase the currency, you can hyperinflate the price of goods, or you can try to come up with different things that do demand destruction – of which the classic one is war. You just kill numerous people, take their things, blow up a lot of things, and the tapeworm gets a new injection.

If you look at the climate change op, one of the things they are clearly trying to do is use that to justify radical reengineering of demand for different things – food being a perfect example. We are going to talk about Beyond Burgers when we get to food.



On one hand they are telling people, “We want you to go shop,” and on the other hand they are saying, “If you shop, you destroy the planet.”

There is a multiple personality disorder thing coming from the establishment.

Farrell: It’s coming out of the fact that they are worried about two things at the same time. It’s an unprecedented thing. They are worried about inflation on the one hand, and they are worried about deflation on the other. It’s a schizophrenic attitude, and they don’t know how to deal with it.

Fitts: Here is the interesting thing: The deflation for most people is happening on their income. Say their income is falling or rising up to two percent, and their expenses are rising in the United States at 8-14% - depending on where you are in the world. It runs from about 5% to 100% or more if you are in Venezuela. So, you are dealing with much more significant price inflation on household goods than you are getting in your asset valuations and income unless you have major positions in stock market or in tech.

If you are playing the game in the stock market and tech, part of the problem is you are wandering around thinking, “Everything is great.” You have this whole layer of people in ‘the country club’ who really believe that things are great.

Farrell: It’s the financial technocracy, and they are divorced from reality; it’s *The Producers*. They are producing a show, and they can’t figure out why the show isn’t taking off in the real world. The reason goes back to this breakdown of trust.



I really want to stress this: A genuine shift in the attitude of the average consumer is not consuming. They are finding other ways to invest their time and their money. They are not buying things; they are making things. It's not something that is on the radar as far as I can tell.

Fitts: Here is how it is on the radar: What they will tell you is that for a dollar of monetary easing, they are getting zero increase in the GNP.

Several years ago, I did a big Wrap Up on productivity, and I said that productivity growth is not accelerating. Given the amount of technology that you are pouring in, that is extraordinary.

What I have predicted is that for this very reason, productivity was going to turn down. That is the way that they will describe it. For a dollar of monetary easing, you are getting no increase in the GNP and productivity is going down.

Farrell: The kind of productivity that they are measuring is going down, but I think that goes back to my point. I don't think they are looking at these very small ways that people are producing things because it's not on their radar. They are looking at the macro picture, but what they don't realize is that there is a micro picture. If it is not being done by a significant segment of the population, it is not going to show up.

Fitts: Here is how I said it in the productivity Wrap Up in the technocratic language: They are measuring productivity on financial capital, and they are measuring productivity on corporate labor, but they are not measuring productivity on total living equity and people's time.



So, the productivity of your telecommunications provider goes up by destroying your productivity, but they don't measure that. So what people are saying is, "Your system has no integrity. We walk away," and there is nothing that you can do. It's over. You are seeing that across the board.

We saw Denmark's third largest bank issue a mortgage at negative interest rates.

Farrell: Sign me up for that!

Fitts: As these interest rates drop, it is very important to the extent that it makes economic sense to refinance down with it. If you have a mortgage and the rates are dropping, you need to grab this. Anything that you can do to bring down your cost of capital is important.

Farrell: We will talk about actions later. That is a big one.

Fitts: It's so humorous because you will see these commentators get up and say, "This is happening because of the demographics. People are getting old, so they are not spending." They are holding onto their shackles.

We see \$15 trillion plus trading at a negative interest rate, which is extraordinary. The US is one of the few countries that isn't. So, that is bringing more money into the dollar. The US is in a debt spiral up. Last year the debt went up 6%. This year it is expected to go up 8%. We just saw the US deficit top \$1 trillion the first eleven months of the year. So, we are in a debt spiral up, which we always knew was coming, but it is here. That is one of the reasons Carney said what he said.



So, we have JP Morgan Chase and we have Carney, Governor of the Bank of England, saying that the dollar will not remain the reserve currency forever. I contend that the dollar is still dominant and dangerous.

Somebody went to The Solari Report recently and said, “How long do we have?”

I said, “It’s a military question. It could be one day; it could be forever. There is no way to know.”

There is no doubt that around the world we see people working hard to make provisions.

I said to you earlier, “Imagine a lot of water in a huge bowl, and there are a lot of little bowls around. You can’t move all the water in the big bowl into the little bowls because they won’t hold it. So, we see lots of effort by the euro, by the Chinese, by the different payment systems to make those bowls get bigger so they can take more water”.

Somebody once asked, “How do you lose reserve currency status very slowly and then suddenly, overnight?”

Everybody is trying to build out their bowls, and we are losing market share. As we lose market share, what happens? The price of goods goes up. It’s more currency debasement.

When I said that Trump wanted to attract the dollars home, somebody said, “He had better be careful what he wishes for.”



Where does this debt spiral lead?

Farrell: We will talk about this when we get to Brexit and some of the things happening there, but I don't see that there is any alternative right now or for the foreseeable future to the dollar. That could change, depending on what happens as a result of the Brexit. It could change significantly in terms of what Britain plans to do vis-à-vis the Commonwealth.

You have the financial center with the city, and then you have the ancillary financial centers in the Commonwealth – Toronto and Sydney and so on. So, I think you could see either a strengthening of the dollar, depending on what the Brit's do, or you could see the pound returning to some sort of major status within the financial markets. I don't know, but plenty depends on that. Much depends on what the Europeans are going to do, specifically the Germans.

Right now, I don't see a challenge to the dollar. I really don't. Those countries that want to do a challenge to the dollar – China and so on – are facing some major, major problems, and nobody trusts them either.

Pick your poison. Do you mistrust the Chinese more than the Americans? That is basically what it is coming down to. I don't see that they are set up, and most of the people who I talk to in the Pacific really don't trust the Chinese.

For the moment, it's the dollar.

Fitts: I can't imagine the world trusting the Chinese to run a reserve currency in the foreseeable future.



Farrell: I can't either. With the euro, it's a bit different, but that situation is complicated. For the moment, even with all the complexity and analysis of the geopolitical situation, I don't see any challenges right around the corner.

Fitts: I can see the leaders who did FASAB 56 running around the world and telling investors, "This is what we need to be competitive in a multipolar world. This is going to make things much more cost-efficient. You can trust us."

With many big investors, it is going to work. What they will say is, "You can't trust the people. You can't trust the hoi polloi. We have to get the hoi polloi out."

Part of the reserve currency pains is whatever they are doing with the Plunge Protection Team, they have decided to clean out. So, we have the Department of Justice going after several precious metals traders at Bank of America and three former JP Morgan Chase traders. It's not clear to me what is going on, but one of the things that could be happening is that they are going to make sure that all those people shut up.

It's like when they came after us. They are going to attack them for what they ordered them to do. It was official US government policy to suppress the gold price. It was done from the top. So, they are going to attack these people for doing what they were ordered to do. It is going to chill and shut up everybody, and in the meantime, they are going to reengineer the whole Plunge Protection Team into the IT/AI software. I don't see how it is going to work with the JEDI Contract, but it is certainly going to work with JEDI.



Farrell: Absolutely. The way that I look at it increasingly, and this is just a hunch, I think that JEDI is being set up as the central AI control of all the AI-driven trading in the commodities markets and the equities markets and so on. They need some system that is going to be able to track our currently independently run AI systems. Every brokerage house has its own AI and its own algorithms.

Think of this as the financial equivalent of PROMIS. This will give them the ability to track all this AI trading in real time.

Fitts: Here is what is interesting: It can ‘suck out’ the margin on 100% of the economy with one exception, and that is that you have millions of customers who don’t trust the corporate systems. So, they are going to turn to small business to help them deal with the corporate systems. That is going to be the only business for small business.

Business formations drop below business shutdowns. So, we are now shrinking the number of businesses. That is a clear measure of anti-innovation. As you watch technocracy being rolled out around the world, innovation is dying. The number one most innovative city in the world has been Hong Kong for years. It always gets the number one ranking.

Well, what are the youths protesting? They know what is coming is going to destroy all that.

Farrell: It’s the Isaac Asimov scenario.



Fitts: I want to go back to Carney’s speech. As a financial person, when I was on Wall Street and was at Goldman Sachs for the summer, or I was at Dillon Read for eleven years, the Governor of the Bank of England was the most prestigious physician. That is where you put your wisest, most capable person. That was even a higher status than the Chairman of the Federal Reserve.

What is interesting is the last Governor before Carney wrote a book which is remarkably well-written and very understandable. A nonfinancial person could pick it up and read it, and in it he demonstrates an extraordinary understanding of the financial system.

So here is a man, Mervyn King, who clearly understands the financial system and can communicate brilliantly. It takes a certain brilliance to get that coherent and clear, and make things simple. So, it makes things very accessible and understandable.

Carney gave this speech, and I almost fell off my chair when I heard it. He basically said, “The dollar is toast, and we should go to a system of cryptocurrencies put out by the central banks.”

But the way that he said it was somewhat like he was throwing it out there. We were as if, “We need to go into the invention room and invent a global system of cryptocurrencies.”

Central bankers don’t just invite the planet to invent something. Do you know what I mean? That is what people in Silicon Valley do. That is vaporware, and you don’t do vaporware when you are running central banks.



I thought, “What is this?” This is the most prestigious, stable point of the Western financial system acting like he is a Steve Jobs wannabe.

This is how ‘poodles’ behave. I call them poodles because they don’t have real power. This is not Lavrov; this is a poodle.

I thought, “I have to get this speech and read it and post it.” So, I acquired it and read the whole thing. It was incoherent. You have to have my kind of background and experience to translate it into English. I’m sure that you could understand it, but there was so much ‘pretzel’ talk that you really have to understand the whole financial system, and then you have to understand technocratic language, and then you have to understand how to read ‘BS’.

You and I probably have a PhD in reading BS, but this was incoherent BS.

Farrell: I remember it and read it.

Fitts: I was stunned that the Bank of England would publish such a thing. I thought, “What is going on in the world that the Bank of England would put this out?”

I saw a commentator make a comment on his speech. He is not someone I admire, but he said something that I thought was interesting. Somebody asked him what he thought of the speech, and he said, “I don’t think it’s relevant. Carney just wants a big paycheck job at one of the crypto firms.”



I thought, “That’s a very logical explanation for that speech.” But I thought, “The Governor of the Bank of England would publish an incoherent mess inviting all sorts of chaos in the global currency markets so he could get a job? Have we really come to this? It was a long way down.”

Farrell: It goes back to that scenario of when I read it. It not only struck me as an incoherent mess, but it struck me that they are trying to deal with several balls they have put into play with several memes – inflation, deflation, and all this – and they don’t know what to do. It’s a technocrat who is a rootless cosmopolitan, if I can borrow the phrase, who is not tracking this cultural change. Hence, they are coming up with an incoherent mess.

They don’t realize that their institutions have lost the trust of a vast amount of people. I said earlier when we were talking about this, “I squeeze my pennies so hard that they bleed lemonade.” That is what is going on. They don’t realize that none of their tricks are going to work because of that shift in the culture. That is fundamental.

We have a number of technocrats who are used to shuffling paper and making things work in the economy, and it’s not working.

Fitts: Here is the thing: If you have the multiple layers of staff supporting you that Carney has, you would think that the systems work because they work for you.

It’s like the people whose portfolios are going up who are sitting at the country club. They think that the system works because it’s working for them, but they are protected.



It's extraordinary because you have 7 billion people on the planet, and the vast majority of those people are not protected. So here is the thing: We know that the digital systems have no integrity, and we know that the integrity problems are getting worse, not better.

Farrell: Look at it this way: What Carney's speech does is something that we have talked about over and over again. We are watching markets that are trading in such volumes, and trading at such speeds due to the fact that AI algorithm trading is the fundamental way that the trades are being done now. We have said over and over again that this means that this market activity is no longer reflective of genuine human activity; it is being done by machines.

The technocrats think that everything is working perfectly, but then when their bells and whistles don't work anymore, or when *The Producers* succeeds after they have been expecting it to fail, and the over subscriptions come due, they wonder why it's not working.

The fact of the matter is that it's not working because they divorced the entire system from human activity.

Fitts: Let's talk about another big place that has gone dark. We just saw index funds in the United States surpass the amount of money being managed relative to actively managed funds. Vanguard, the leaders who really created and led the growth of index funds, basically said when they did it, "We are free-riding the whole research infrastructure that is doing due diligence and making sure that things are 'kosher'."

Now the index funds are driving the research infrastructure out of business. So, the only thing that they are free-riding is ——



— the deep state. The deep state is now controlling in the Western world much more about where capital goes than the market. So, you combine index funds with algorithm and trading, and there is no policing of capital.

Here is what is interesting: One of the most fun things that I do is run an investment screen in my other company. I run around the world looking for great companies. What is amazing is that there are many great companies, but they are hidden. People don't know about them, they don't see them, they don't find them, and the number of great companies that I have found that are exploding in Asia are exploding because there is still a focus on what is real.

Whether it's by the single-party system or however they are doing it, there is a focus on getting real productivity. So, there are in the global economy things that are going on that are very real, but in the West, you don't see them. What you are seeing is on the private side.

FASAB 56 in the United States is the government side, but the index funds and the AI and the whole Amazon cloud move are essentially total deep state lockdown control.

We've heard stories, and we've heard rumors of the PRC firing Jack Ma and making him turn his stock over to the top five people in the PRC. That is a rumor. I don't know if it is true or not, but I think that similar kinds of things are happening around the planet. This technocracy central control thing is, in many different places, 'killing the goose that laid the golden egg'. And they think that they can get away with it.



Farrell: To put what you just said close to home and to bring it down to a personal level, I recently made the decision to self-publish on Lulu.com. The reasons I did that are because: Number one, I get far more return per book sold than going through a traditional publisher. Number two, I retain control of the text. I will not put any book in e-book form ever again. I have told my publishers, “Quit with the e-books,” for precisely this reason. I lose control over what I’ve produced.

In other words, what I am saying is that I have made the deliberate decision to withdraw my productivity and my creativity from the digital world because it has no integrity.

If you magnify that several times over with individuals making similar decisions about their own productivity, it is not going to show up on the radar of the Carney’s of the world. Carney is probably an appropriate surname in this case because you read that speech, and it’s like you are listening to a carnival barker. It is totally divorced from reality. You can tell this.

It’s a mess, it’s a real mess. This man hasn’t really got a clue as to what is going on. There are all these good companies, and I will bet that the reason people don’t know about them is because they have made the decision at some point that they are not going to participate in the technocratic push because they realize that is going to kill their productivity and kill their creativity.

This thing is bifurcating the financial culture in a way that I don’t think anybody anticipated other than the fact that we were talking about this years ago with this AI-driven system.



Fitts: I am a great admirer of Jack Ma who started Alibaba, and later we will talk about Jack Ma's latest most amazing conversation with Elon Musk. But Jack Ma was an English teacher who started this in his living room, and he is totally focused. For many years, he never made money because he was totally focused on, "How can I help Chinese small business get online and make enough living so they can feed their kids?" It wasn't about making money; it wasn't about building a great company. It was helping these people affect successful transactions through the internet so they could feed their children.

He thinks in terms of pennies. When you listen to him talk about the economy, whether he is talking about the most detailed micro-level to the top of the macro, there is not a penny of waste because he is thinking pennies. He is thinking about 7 billion people's pennies.

When he talks to an American entrepreneur political leader, they are so overwhelmed with government subsidy, they can't think like that. They can't fathom the way that he thinks.

He is looking at them like, "What kind of 'la-la land' do you people live in?"

Farrell: It's as you said before: He is concerned with the cost of capital. He is a businessman, and he knows about the cost of capital.

Fitts: But he is operating in a world where economics rule. They are operating in a world where subsidy rules.



Farrell: That is my point. If you have a subsidized economy, you are not concerned about the cost of capital.

Fitts: Right, but you are not concerned about productivity and economics. You are concerned about what makes you money.

Farrell: You are concerned about what gives you the subsidy.

Fitts: Right, and what makes you money is what I call a mess.

Why do I bring that up? There was one great conversation between Bill Clinton and the woman who ran Theranos at the time, Elizabeth Holmes. Jack Ma was looking at them as though they were ‘nuts’.

He is a very polite, gracious guy. So he was very polite. But you could tell that it was scaring him because he was thinking, “These people are crazy, and they don’t understand the economy.”

You can just see it. As the market share of the dollar gets eaten away and the debt growth model ends, that subsidy is going to go away. So if you look at Jack Ma, his skills are totally appropriate. He has no problem. But all of these subsidized people are not going to be able to make the transition; just like Harvey Weinstein was not able to make the transition; Epstein was not able to make the transition; Netanyahu was not able to make the transition.

We can laugh at them, but it’s all of us. We are going to have to make that transition.



Do you want to learn what Jack Ma knows, or do you want to be Epstein?

One other thing that I would like to say about Carney's speech is there is a part of his speech which is very good and worth reading, and that is what he is saying about if the dollar is going to be used as a political weapon and sanctions are going to be used to control people globally, it is going to throw out all GNP. We need a currency that can grow and facilitate trade that is not a political football. He said that we can't use the Chinese currency because they will just be a different political football.

On one hand, he may be teeing up the euro to be the solution because we see Ursula von der Leyen saying that Europe will be the rule-based alternative. We will talk later about what they are doing with defense and other things to make the euro the alternative. But he was saying that the only way you can do it is to put it in a global basket, and he uses cryptocurrencies. You don't need a cryptocurrency to do a global basket, but we know that the technocrats want digital control.

I think he is pointing out that the dollar has destroyed its utility as a unitive trade because it's gone to these highly political sanctions of, "We control the world."

Hold that thought for a moment. Two weeks later or a month later we see Macron come out with a speech saying that Western hegemony is over.

If you talk about ringing a bell, we now essentially have Carney and Macron saying saying that we had a unipolar model, we tried it, —



and we f**** up, and now Western civilization has failed.

I lack the words to communicate to people how big this is. You have the Governor of the Bank of the England and the President of France declaring the end of Western hegemony and predicting the failure of the dollar as reserve currency. Talk about a reverberation! That is a reverberation.

How many years does it take for that to reverberate?

Farrell: Much of that is dependent on what happens with Brexit, how it happens, and what Europe's response is. There are some things that we need to mention once we get to that. I am not seeing a coherent enough picture in Europe, particularly in France (Macron is one to talk), to suggest that the euro could move into a reserve currency status any time soon.

The biggest problem with the dollar as the reserve currency is that it has been politicized and weaponized. You can't have a reserve currency status work when it's being weaponized like it has been, but there is no replacement. So, it is reserve by default.

That has to change in terms of America's strategic thinking. It can't play the same sanctions game if it wants to keep the reserve currency status. That is the big 'if' there, but I am not seeing any alternative.

Much of it depends on the Brexit strategy. The only alternative on the world stage right now that does appear as a challenge to the dollar would be the euro, precisely because no one trusts the Chinese.



But Europe is such a mess because of the Brexit business and numerous other things. We will go back to that because I think there are things in the works in Europe that people need to be aware of before they jump on the euro bandwagon.

Fitts: I agree. Here is the strange thing: I was so stunned by Carney's speech. It was almost like he didn't understand financial systems. In other words, no currency can work without trust.

Farrell: It's *The Producers*.

Fitts: A financial system is a subsection of a governance system, and if no one trusts the governance system, there is no currency system that can work. We are out and about saying, "Cyber security is going off the charts. These systems aren't safe. They don't work. This is being hacked. That is being hacked. We have ransomware here and ransomware there, but you want us to move our entire global currency system onto these systems."

We have an invisible governance system which we don't understand, and given what is happening, we don't trust it.

Farrell: And they are going to compound it by going to crypto.

Fitts: We have digital systems which we don't trust. Can you run an entire global currency system by force and mind control? I can't envision a way that that could work.

Farrell: I can't either. That is the problem that they are facing.



I think that Europe is coming up with an interesting solution. We should talk about it now.

The Brexit business, as far as I can tell, and the little signs that I have been picking up on prior to the Brexit, is that there was going to be some move by Britain to revive the Commonwealth, which would put them back into a global position that they did not have when they went into the euro. That has hurt them at home and abroad.

I suspect that the Brexit is going to go through. The ‘fly in the ointment’ is this business of a common European military. I did a News & Views a few weeks ago about Lord Blackheath and what he said on the House of Lords floor about Britain’s military being integrated into a common European military.

I did some digging into that, and everybody knows what that ultimately means is the Germans are going to be in control of a common European military. In fact, they have been moving quietly to integrate Czech and Dutch and Danish forces into the German command structure in recent years.

Fitts: They just created a European Union Defense Ministry, so that is now created, and we see the German defense there.

Farrell: Yes and Ursula von der Leyen is in charge of that. Wow – big surprise! But what really intrigued me about what they said in terms of the sphere of influence, is they were trying to create this military to target Africa as the resources, and you have all those colonial interests.



Fitts: Right, but they are also going to make sure that the immigrants stay in Africa.

Farrell: Precisely. If you are looking to the euro as being a reserve currency, that translates into is they are going to try make the euro a reserve currency in Africa and then leverage that into the rest of the world, and it is all dependent on what they decide to do regarding this European common military. This is where Brexit is important.

If Britain leaves, and I suspect that eventually one way or another they are going to leave, it was very interesting to see Britain at the Paris aerospace show this year approach Australia and the Australian space agency. I believe that is a huge signal that Britain is intending to launch itself into space using the resources of the entire Commonwealth to do it instead of playing along with the European space agency. That was a signal that somehow there is a long-term goal that Britain has in order to get itself back into the global player stage.

I think that much is dependent on Brexit here and what this common European military translates into pertaining to opposing the euro as a leveraged regional reserve currency and then leveraging that outwards.

Fitts: I think the Brit's know and the Queen knows that you either go with the Europeans or you go with the Americans and the Commonwealth. You can't do both. You are at a fork in the road, and I think that they knew this years ago.

What is interesting about the Lord Blackheath's speech is that I believe it was disinformation, but it was disinformation that was marketing a great truth. In other words, if you want to make sure that the ——



British nuclear arsenal doesn't get turned over to the EU, you have to turn the aircraft carrier now.

What Blackheath did was basically promote an idea of what would be true eventually, but he made it a 'now' kind of thing to bring it home for the population.

It was like disinformation that was true, if you can imagine that.

Farrell: The way that I read his speech – because this is the second time that Blackheath has mentioned something wildly out of the box – is that he is a traditional enough peer in the House of Lords that, to my mind, what he is really speaking for is that segment of British society that is looking at the prospects of turning the British military over to the Germans with absolute horror. There have been two world wars against that country, so you can't blame them.

I am agreeing with you. He has let the 'truth out of the bag', but he has done it in such a way that you need to make up your mind now. If you don't, this is where it is going to go, and we lose all national sovereignty, and we will be kowtowed to Ursula von der Leyen and all those interests in Berlin. I don't see it either.

The other thing I don't see, since we are talking about the nuclear deterrent, is France. I don't see the French going along with it either.

Fitts: That is the question; you have to have Northern Europe and France.



Farrell: You do. The other part of this equation, since we are talking about the mess in Europe, is the German economy is stagnant. You have all that heavy industry, and their share of global trade has fallen for various reasons. What that translates into in my thinking is that simply to maintain and sustain their position as a major economy, they will have to rearm. They will have to put all that industry to some sort of use, and they will do it under the guise of upping their defense costs to NATO and the common European military, but this will primarily be done as an economic measure to keep all that heavy industry in the country and keep it at work.

Fitts: So what Carney, Blackheath, and Macron are all warning us is that a huge paradigm shift is coming. What that means to most people reading this is that paradigm shift means that subsidy goes away. Whether you are depending on government checks or not, the whole economy is subsidized. The prices are subsidized, and it means radical shifts in pricing of everything.

There are more big paradigm shifts coming. We are getting clear signs that as people gain power in the multipolar world, they have notions of conquest. So, I want to touch on the US bear trap because one of the things that I have warned about for years, is everybody says that the dollar is weak. I have always said that since 2008, we have entrapped the world in massive amounts of dollar debt – China being a very big example. And now we are making it harder and harder for them to earn dollars, and they are in a bear trap.

Look at the dollar. It's not up strong this year – it's up 2-3% - but it is up. Why is that?



We have the world needing and wanting dollars. We have them ‘over a barrel’, and if you look at our banks, we took the banks out of all the fraudulent papers, so the banks are relatively strong. I don’t care what is happening in the repo market. They are growing globally and doing very, very well building market share at the expense of the European banks.

On one hand, you can look at the dollar globally and say, “We are flourishing.”

Story #4: High Strangeness in the Bond Market.

We’ve now printed paper, printed paper, and printed paper. I will use the US Treasury as an example of sovereign bonds.

We have issued \$22+ trillion on balance sheets. I believe that we have issued trillions more off balance sheets secretly. Whatever the number is, when we have \$200+ trillion liabilities for retirement and healthcare and all these other things, with that money we have financed some of the most powerful technologies in the world, and we have a large number of assets.

You know all of the problems in the Federal accounts and you know about FASAB 56. I want you to make a wild guess: Of the \$22 trillion in assets that we have financed – or let’s just use the number \$20 trillion – how many assets do you think have been secretly moved out through the back door into corporate or private balance sheets?



Farrell: A huge amount. To put it in percentage terms, I would go as high as 70-90%. The reason I think that is because what FASAB essentially allows people to do, and I think you hit the nail absolutely on the head with your big book analysis, is that this allows the privatization of covert operations and military operations.

In other words, what FASAB has fundamentally done is it has given the stamp of approval to non-state extraterritorial actors.

Fitts: It is amusing because the *FT* just came out with an article saying that the world leaders wouldn't talk to Netanyahu and that we are treating him disrespectfully after he lost. I said to somebody, "After FASAB 56 we can use mercenaries; we don't need the Mossad."

More importantly, it's amazing how world leaders treat you when you lose your license to kill.

Farrell: This is exactly what has happened. Since I started writing those Nazi books and came to the conclusion that there was some sort of extraterritorial fascist actor on the world stage, FASAB somewhat put the stamp of approval on that whole notion that we have extraterritorial actors. These can be corporations or international mafias that have access now to some rather sophisticated technology. That essentially is what I think is going on here. They have taken all that money, and they have moved it into all those assets and privatized it.

That means that if you think that the geopolitical problems right now almost defy analysis, just wait.



Fitts: They defy analysis because you can't analyze them in the official reality.

Farrell: People are thinking in classic terms still of nation-state actors which will continue to be true, but what they are not thinking in terms of actors on the geopolitical stage are non-state actors.

Fitts: That gets me to an article on Tom DeLonge's efforts, and the Navy saying, "Yes, that videotape was a UFO." The article pointed out that the US military doesn't control its own airspace.

Pertaining to reserve currency, that is a big problem.

Farrell: That is a huge problem.

Fitts: The person who decides the global currency system is the person who has the biggest gun on a planet run by force. I saw that as a direct 'whack' on the reserve currency status. That is a very big brand issue.

Farrell: It's a big brand issue. Let's speculate a bit. If we have given the stamp of approval to extraterritorial actors, which is exactly what I think has happened, I think that there has been this actor on the stage at least since the end of World War II.

Fitts: I agree with that.

Farrell: 9/11 is another case in point. I think certain aspects of that are not due to rogue elements within this element, but rather someone who penetrated that whole operation and revealed their presence.



I think that what it also means in terms of reserve currency, is that you could eventually see some non-state actor stepping into the limelight and saying, “We have the solution for your reserve currency needs. Here is our plan.”

With the capabilities of exotic technology and AI and all that, I think that is a likely event because what is happening as we have said, is we are looking at three main contenders for reserve currency status right now – the Chinese, the American dollar, and the euro – and they all have problems.

Fitts: And the SDR.

Farrell: They all have problems in that nobody trusts them. So, if you can step onto the stage and establish some trust, and you have a truly global presence or platform, and you have a lot of operating capital (think of the missing trillions) you could quite literally step in and say, “Here is our offer,” and they make a tender. People will either accept it or they won’t. But I can see that playing out because if you look at all the problems associated with those four contenders for reserve currency status, no one trusts them.

Fitts: So if you are the Masonic networks, in theory you have the Masons or Nazi International, and we don’t know what the relationship is between the two. That’s who you have. Whoever the breakaway is, they can’t be divorced from the Masonic networks.

Farrell: No, they can’t, and this is the other problem. You mentioned the Masonic network, and that sounds to many ——



— people like it's conspiracy theory mongering, but I would advise people to study the history of the involved parties.

Fitts: It is not conspiracy mongering coming from me; I'm a witness.

Farrell: I know that. What I'm saying to most people is that sounds crazy, but I want to advise people that if you do not know the history of the deep involvement of Masonic-associated societies and lodges in the revolutionary activities in the world in the past 200 years, get James Billington's book called *Fires in the Minds of Men*. He is a former librarian of Congress, and this is a scholarly study of precisely that kind of secret society activity.

Fitts: I always use the video clip from *The Good Shepherd*. Actually, I'm going to use it in the 1st Quarter Wrap Up again. It's the clip where Matt Damon is playing the person who is Skull and Bones, and he is at the CIA. He does covert ops, and he is meeting with Joe Pesci in Miami. Pesci is the mob side of the action.

They are having a beer, and Pesci looks at him and says, "You know, us Italians, we have our family. The Irish, they have their traditions. Even the black people have their music. What do you people have?"

Matt Damon looks at him and says, "We have the United States of America. The rest of you are just visiting."

Farrell: These networks are very real.



Fitts: The Secretary of the Treasury is a member of Skull and Bones. Can we be clear here? While Goldman Sachs is reengineering the Plunge Protection Team with an Amazon IT person, I would like to point out that Mnuchin is Goldman Sachs royalty. His dad built the equity floor at Goldman Sachs.

Farrell: Let's not forget that G.H.W. Bush was asked about his association with Skull and Bones by Dan Rather, and he got up and left. Do you remember that? This is very real. People have to start thinking in these terms if they want to understand what is going on.

Fitts: Story #5: Trade & Control Wars.

We don't need to talk a great deal about this. We knew that the trade had to be rebalanced between the US and China, and that is a painful process because China really financed a false prosperity during the bubble years. If you want to know more, read Stephen Roach's book *Unbalanced*. It is a fabulous book.

There is a Chinese side to this story, and we need to understand it. That is a group of people that worked very, very hard for decades and took on a lot of environmental pollution to finance our false prosperity.

One of the things that I would like to bring up in this section was that I had warned that I thought they were going to pump and dump bitcoin and get control files on thousands of people. It was one of the reasons I had our attorneys write a piece on taxation and regulatory compliance for bitcoin and pushed our subscribers very, very hard to, "please be perfect".



If you did trades, including swaps because on the swaps you were realizing a taxable gain, and when you swap it when bitcoin is at 19,000, you have to sell enough to put money aside for taxes. I said that if you don't, and bitcoin runs up to 19,000, you affect a trade at 19,000 and bitcoin falls to 5,000, your taxable gain is more than 100% of your position and you have to pay taxes on that.

I kept warning people because I could see it coming. Sure enough, it ran up to 19,000, and everybody is encouraged to swap, create taxable trades, bitcoin falls to 5,000, and now they don't have enough money to pay their taxes.

So what do we see? The IRS is sending warning letters to more than 10,000 cryptocurrency holders. Do you have any idea how many people they are going to have a leash on?

That is what you need if you are going to launch central bank cryptocurrencies. You need all those people on a leash.

Please, if you are trading cryptocurrencies, please be very careful. There is no privacy. This idea that there is privacy on cryptocurrencies is a fallacy.

Farrell: That was their hook; that was their bait and switch.

Fitts: The last thing that I want to briefly mention is, what I am going to call, 'Slowbalization'.

Story #3: Slowbalization.



The reason we are in the bear trap is because things are slowing down. We recently saw Ford drop to a junk rating. That is very big. That is \$84 billion of bonds that suddenly you have to sell because they are no longer investment grade, so you can't hold them in your portfolio.

I agree with you. I think that the number one driver of slowness is culture. We never got the culture thing sorted out.

That is it for **Economy**. Are you ready to turn to **Geopolitics**?

Farrell: Definitely.

Fitts: It's bizarre because there are no markets; there are just interventions. So, everything is **Geopolitics**.

Story #6: Technocracy Data Beast Presses across the Globe.

What amazes me is around the world, everybody calls it something different, and they don't understand that it is one thing and they are all fighting it.

Patrick Wood calls it technocracy. I think that is a great term. It is essentially replacing markets and democratic process with central control done by AI, algorithms, and IT.

One of the reasons the unipolar model failed was because they were trying to do central control through food control and other intellectual capital and patents. If you look at their central control systems, it just hit a brick wall, particularly on the food side. It hit a force field.



It was one of the reasons the unipolar model failed, and I think that now they are coming back around saying, “We can’t do it through the legal system, so let’s just do it through the digital systems.” That, of course, is why you have a huge fight between China and the United States on Huawei because the Chinese can play that game, too.

Farrell: That is the other reason it is breaking down. We are at a fork in the road here – culturally speaking. You have one group of people that is doubling down technocracy and doing everything digitally, and you have more and more people – ‘little’ people like me – who are attempting to remove ourselves to the extent that we can from financial entanglement from that kind of system.

It’s largely a cultural phenomenon that I see happening here, and this is the crucial point: It is only going to increase. You are only going to see this divergence continue widening to the point that one or the other is going to be so divorced from reality. I think that the divorce is clearly on the side of technocracy and digital systems. It’s only going to increase.

The other reason I think it is going to increase is because two people can play the game. Once the Europeans wake up and realize this, then it is really going to start taking off. That is when the brick wall is going to become a fortification.

Fitts: One of the things that is so interesting when you are in Europe is, when you are in Vienna, you walk down the street and pass hundreds of cafes as you walk around, and no one has a smartphone out. Nobody is looking at a screen. They are all talking to each other.



I think that Vienna just got rated the number one most livable city, and you don't have this addiction.

In the United States, I keep saying to people, "Take that, and put it in the car. I don't want to have lunch with you if you are going to stick a surveillance microphone in my face." For some reason, it is not getting through.

Farrell: I don't know what the reason is other than people haven't personally experienced the weight of the surveillance culture. At some point, something happens – just as you mentioned that friend of yours – and it all changes.

Fitts: I had a friend who I was trying to persuade, "Just get a faraday bag, put it in the faraday bag, and leave it in the car. You don't need it around you."

My biggest concern is mind control. It's not only the surveillance capitalism.

I was staying at her house, and the next morning she was describing something that I had said on Money & Markets the night before, and her phone was sitting there turned on, and suddenly it interrupted her. It was the Siri app, and the Siri app said to her, "I didn't quite get that. Could you repeat that?"

She hadn't turned Siri on; Siri had somehow miraculously turned on. When I came out – I got up late because I had been up late the night before doing Money & Markets – she and the person she was having breakfast with were horrified. Then it struck home and they understood.



Farrell: Until something like that happens to wake people up, they don't realize exactly what it is. I think that is going to increase and wake more people up. I don't have a cell phone for precisely that reason – and many others – and I refuse to get one.

Europe, I can understand, because in Europe you are dealing with people who are surrounded by visual reminders of their culture – just the architecture alone. When you are in Europe, you sense the history because you are looking at all these old buildings that people have been living in for hundreds of years.

Fitts: I feel a lot less hatred between the general population and the elites in Europe. I feel that there is much more of a connection and much more intimacy, and the general population is much more supportive of the arts and culture. There is much more tie-in to the traditional art and music there.

Farrell: It's because they are surrounded by it. There are constant visual reminders that they are all part of a common culture. We don't have that here. It's a cultural phenomenon, and that is one reason I think you see such a division within America between the so-called 'elite class', or the technocratic class or the political class – whatever you want to call it – and the hoi polloi; us 'deplorables' out here. We are the ones living in day-to-day reality, and they are the ones living in this make-believe world.

Fitts: They are so protected from real economics.



When I wrote the *Productivity Backlash* about the election in 2016, one of the things that I said was, “A 150 IQ person in Silicon Valley swimming in cheap government capital and subsidy who doesn’t even know it, is more stupid than a 103 IQ person in Hickory Valley who has had to sell it for more than the cost of them to make it for the last 20 years.”

In other words, they have been living in an environment that makes them very intelligent on a shared basis. I have watched people who I am sure have genius level IQs from Silicon Valley, and they have not a clue how their money works or the economics of their industry works or how it fits in, and they are the stupidest people I have ever seen. It takes my breath away.

Sometimes when I’ve been near them or with them, they will say things, and you realize that they are so clueless about how the world works that you can’t even talk to them. There is no point in even trying because they are so arrogant, and that is purposeful.

Farrell: The old Marxist term ‘rootless cosmopolitans’ describes these people to a T because they are so divorced from any connection to the cultural tradition. That goes way beyond economics. They don’t have anything that roots them in the values of society at large. In Europe, as I said, you have a very different picture. Quite literally, you are immersed in it whether you want to be or not. You see the buildings, you feel it in the air, and it creates a kind of matrix for unity of vision between the political leadership class and the rest of the people. We don’t have that here.



Fitts: When you go to the Rijksmuseum in Amsterdam, an effort was made by the Dutch to renovate the Rijksmuseum completely, and it is really one of the great museums of the world. When you go into the Rijksmuseum, first of all, the place is packed. Everybody loves it, and it is filled with teachers bringing their classes. They have this whole program, where you get a special person who leads you through the museum. So, when you are in the Rijksmuseum, you see hundreds – if not thousands – of children soaking it all up. What you can see is that they may be thinking, “Wow! This great Dutchman did this, and this great Dutchman did that. I’m a Dutchman; I can be great. How can I be great?”

You can just see them being excited about being a part of this greatness, and they have had plenty of answers on how to do it, and they can do it, too. You can see it lifting their minds.

Farrell: And what are they looking at? They are looking at Rembrandts and van Dycks and so on. What are we looking at in this country? We are looking at Jackson Pollocks and listening to the political class talking about toxic white masculinity privilege and all this ‘junk’.

Fitts: If I had stolen everyone’s retirement savings, and I had stolen \$50 trillion, and I am getting rid of the entire distribution network, and I am getting rid of Weinstein and Epstein and Netanyahu, and I am doing Brexit, and I am doing all of this to protect this money; so when I say, “You are in the Chicago pension fund. I am cutting your pension fund in half,” the last thing that you want them saying is, “Well, where is the \$21 trillion?”



So before they start with the, “Where is the \$21 trillion?” you want to start with, “You are a white Nazi.” It’s projective identification. You attack them for what you are doing.

The reality is that you have to attack everyone. I call it ‘the war on everyone’ now. First it was the war on men, then it was the war on women, and then the war on children, but now it’s the war on everybody because you don’t want them saying to you, “Where is my \$21 trillion?” So, that is the ‘war on everyone’.

For technocracy, I am now calling it the ‘technocracy data beast’. I am very worried about what happens. You had the Amazon cloud procure the 17 intelligence agencies a couple of years ago, and in the process *The Washington Post*, so they can give direction to *The Washington Post* directly through the cloud.

I published a *Deep State Tactics, Part 5* with my attorney. For the next two days, the top 20 users of my website were from the the place in Virginia where the Amazon Virginia cloud is. They soaked up the whole website again.

The JEDI Contract was supposed to be let earlier this year, and it hasn’t. It has turned into a huge political football. Microsoft screamed, Oracle sued, and it looked like it was only going to be Amazon so that the DOD and the 17 intelligence agencies could be together. Now Microsoft is a co-finalist, so there are two in the final round. The question is: Will they use one firm or two?



The rumors are that the Israelis have direct access through Microsoft, and this was a way for the Israelis to get into the full US intelligence DOD cloud. It's not only, "Do you consolidate all that data into one cloud that makes integration and piratization much easier?" but it's also, "Who has access?"

Farrell: To put it 'country simple', Forrestal was right.

Fitts: Let me mention that. I did a great interview with David Martin about his book on the Forrestal assassination. It was interesting because I have seen the shriek-o-meter go to great lengths to destroy many different people, but I have never seen the shriek-o-meter treat anyone as badly as Forrestal. It is unbelievable.

Dave Martin has spent decades getting all the data and really turning it around. It's rather amazing. There is no doubt that it was an assassination. The smear they did to try to make it look like a suicide was extraordinary. But what you saw in 1947 and 1949 was a coalition of the Dulles brothers working for Dillon and the Rockefellers on one side, and on the other side the Irgun Networks So, it was the Zionist organized crime network, including the IRGUN, and they wanted their own country. That network had the City, but they wanted their own country.

You saw this coalition come together, and if you look at the Forrestal assassination, the McCarthy assassination, the Kennedy assassination, it is that coalition all the way up to 9/11, with the possibility of this third actor, and they have basically been pushing and growing the unipolar model this entire time. They have been doing it by ——



— growing secrecy this whole time. So the question is: As we see Epstein, Weinstein, and Netanyahu fall, are the old-line WASPs and the Masons finally reasserting jurisdiction? Or is this just a cleanout of the expendables?

Farrell: I think that it is a bit of both. On the one hand, you don't need these big networks with these big egos which increases the risk to your operation, and you don't need the overhead that they represent.

It took a large amount of money to pay for Hillary Clinton's trip to Venice. So, cleaning out that mess where you don't have to deal with crazy people just makes sense. On the other hand, that can easily serve the purpose of people trying to reassert control.

What has happened as a result of all this is you have seen this problem of dual citizenship in a tiny little country with the 'tail wagging the dog'. If you are any rational person, that situation cannot keep going. You have to reassert your position and influence in some form or fashion. I think that is part of it, too.

Fitts: The old-line Masonic networks were really good at governance. They were very good at governance, being invisible, and secret; they were very good at discretion. If you watch what has been going on with the Zionists networks, the visible part of it has been the opposite; it's narcissism and psychopathy. It's one of the reasons I love the *Zero Days* documentary about the Stuxnet virus. The NSA is trying to run everything, and the Israelis are like cowboys; they don't keep their agreements, and they make a mess.



That coalition is the coalition that blew the unipolar model. If you look at who I believe was behind engineering FASAB 56, they are smart enough to know that it is blown, and they are smart enough to batten down the hatches and make sure that the network and the money makes it through the transition. They are not stupid; they are smart.

What I don't understand is: Why did they blow the unipolar model?

Make no mistake about it, the reason I didn't settle in 1998 was because I took one look at what they were doing and said, "This is going to fail."

I'm a very intuitive person. If you had asked me to write a PhD dissertation on why it was going to fail, I wouldn't have done a very good job, but I was willing to risk my life and bet my life on the fact that it was going to fail, so I couldn't be a part of it; I didn't want to be a part of it.

It was obvious to me that it was going to fail, but what I don't understand is why they blew it. Or maybe they didn't blow it, and this is where they wanted to be and I just don't see it.

Farrell: I don't know, and that is a very good question. I would suspect that they have been operating off of a plan, and in my opinion, the plan is constructed in such a way that bumps in the road or things of that nature, don't really derail the plan. I think one of the major obstacles that derailed them was that they had a plan for Russia.

Fitts: Right, and they have been surprised there.



Farrell: They were surprised there because they hit major pushback from the Russian intelligence services of which Putin is merely the symbol. People have to understand this: Putin is not Russia. If it was not Putin, there would have been someone else who was put into power by those intelligence agencies that would have done exactly the same thing.

Fitts: You had a core of Russian patriots who weren't going to let the country go down.

Farrell: Exactly. It is very important to understand that this was a long-term analysis that was done during the final days of the Soviet Union. If Russia was going to survive as a nation and as a culture, it would have to return to its traditional roots, which is exactly what you see happening under Putin.

The other thing that they did was an extensive analysis of the power structure of the West, in terms of the families running it, the central banking system, and all of the things that you and I have discussed on these quarterly reports. Basically, they concluded that this globalization plan was not going to work.

Russia was the major stumbling block that derailed the plan. If you go back and look at what happened in Russia from the Yeltsin era through Putin, and then Medvedev and then back to Putin, you see the ripple effects spreading out from Russia to the rest of the world that this globalization unipolar model is not working, particularly if you look at Putin's speeches. It is almost point by point.

Fitts: He has really been a 'stinker'.



Farrell: He has really been a stinker because he has challenged each of the dogmas of ‘Mr. Globaloney’. What is surprising to Mr. Globaloney was that what he was saying was gaining traction in the West. Essentially, what Putin was doing, in my opinion, was positioning himself and Russia to speak for and to those people in the West who also saw the same thing.

Fitts: Right, but he has been getting a great deal of covert help from the West.

Farrell: He has been getting covert help from the West, and he has been getting covert help from countries like India and China and Japan, as well as their financial geopolitical interests in the region. That is an alliance.

Fitts: It is one thing to do something that would threaten my power. It is another thing to do something that would threaten the power that leaves me in an inhuman system. The inhumanity of the unipolar proposal brought much more backlash. That gets you back into what is occurring in the black budget because part of the inhumanity is a group of people who are exhausted with always having to produce a dividend every year no matter what.

One of the things that I want to bring up is that we see 50 AG’s create a joint investigation of Google under the auspices of the Texas AG. That is minus two because it didn’t include Alabama and California; it’s part of the Bush faction.



I believe that is what will bring technocracy place-based. The Masons have traditionally controlled every one of the 3,100 counties. So now they are going to bring Google under their jurisdiction. Now they can do the place-based data thing, but under their control as opposed to communities doing their own transparency and holding the Masonic networks accountable.

An example of the technocracy is the big fight in Hong Kong. The Hong Kong leader, Carrie Lam, stood down on the extradition bill. We heard rumors that once China finishes doing whatever they are going to do in Hong Kong, they are planning on invading Taiwan. I don't know if that is true or not, but I think it is indicative as the multipolar world evolves, and these different countries build power, and the Bretton Woods goes away and you don't have a global cop, I think there are many people who think that all of these people are going to be responsible and nice. No! In a world of 'peak everything' if they want Kashmir's Water, they are just going to make 11 million people stateless and take it.

The next example of the technocracy is Assange's slow kill. The United States is dictating outside of the law that Assange be destroyed. Why is that?

Farrell: I haven't studied the Assange phenomenon much, but my guess is that rather than them trying to kill him, they are trying to pressure him to reveal whatever dead man switches that he has, and where, ultimately, all the information that he gathered was coming from.



In other words, to use the classic terms, there is a mole somewhere in the system that was feeding him a ‘hell of a lot’ of information, and they want to find out where and how that was set up.

Fitts: If you say ‘they’ then it is the CIA; it’s Pompeo and the CIA.

Farrell: It could be the CIA, but it could be anywhere within the intelligence military complex.

Fitts: I was assuming that military intelligence was feeding him as a matter of improved policy.

Farrell: If you look at it that way, that makes a good deal of sense. The way that I have looked at the American intelligence ‘community’ is that there are some deep, deep factional fissures in it between military and the NSA on the one hand, and the group at Langley on the other. So, I think there may be something to that, and this was all an op of some sort.

It could be that they are trying to roll that up by keeping him in prison, and trying to find out how that network was set up, but I don’t know.

He is the symbol of what I think has been going on for quite some time within the intelligence community, and that is this factional warfare that I have been talking about. I think there were clear signs of it during 9/11. As Webster Tarpley called it, you had that ‘committee of public safety in waiting’ gathering at Omaha’s Offutt Air Force base. You had Warren Buffett and Brent Scowcroft and people like this.



The younger Bush, or ‘Bush the Stupid’ as I like to call him, flew to Barksdale. He had originally announced that he was going to fly directly back to Washington, but he flew to Barksdale Air Force Base in Louisiana. I thought, “Gee, that’s weird.” Then from there he jettisoned the press, and then he went to Offutt.

What was clear with those two bases where they were the command structure for America’s nuclear forces and the backup command structure at Barksdale. So, he was reasserting personal Presidential control. That’s scary because that means that somewhere they lost it.

I think that ties in with Assange because that is a clear indicator there are some deep, deep fissures within the American security community. Those fissures, if Assange is in prison, means that they are continuing, and they are trying to figure out how to roll it up.

Fitts: I always call Building 7 ‘Buffett’s building’ because Warren Buffett of Berkshire Hathaway sold Salomon Brothers in 1999 or in the late 90’s.

When I was at Dillon Read, Nick Brady (Secretary of the Treasury under Bush H.W.) had reason to be really irritated with John Gutfreund. He became Secretary of the Treasury, and they caught Salomon of Salomon Brothers doing something on an auction. I think it’s not necessarily something that was a new thing. They basically got Gutfreund out and ‘stuffed’ Buffett in. So, Buffett somehow got control of the number one major bond house.



He had that from the early 1990's until he sold it to Citibank or Travelers at the end of the decade. So the question is: What were Buffett and Salomon doing in the Treasury market during that period?

Farrell: You look at Buffett and he is this 'sphinx' squatting in the middle of all of this.

Fitts: There is a subscriber-only post at Solari. I finally went in and did a deep dive on Buffett and his whole operation. What is interesting is that so much of his operation is dark.

Farrell: Go back to the Franklin scandal. His wife is connected with Larry King running that savings and loan.

Fitts: It's bigger than that because he bought a paper in Buffalo that did a big disclosure/hit on how Boys Town was running their endowment. My bet is that gave them the ability to get control of Boys Town, and the rest is history.

If you look at his above market returns all along when he is doing major things in the US mortgage and Treasury markets, I think that Buffett is 'up to his eyeballs'. Whatever has been going on in the Federal credit, he has been a major inventory.

Farrell: We will talk about Buffett and railroads and steam engines later.

You made the comment a few years ago during one of our Wrap Up recordings that you couldn't figure out why Buffett was buying all these railroad stocks. Do you remember that.



Fitts: I think they want to do a major amount by rail, and they want to keep it secret.

Farrell: Not only that, but I think that we have a key as to why we have all these railroads restoring steam engines all of a sudden. Burlington Northern is doing it; Union Pacific is doing it; they are doing it in Great Britain; they are doing it in Australia.

Fitts: Right, they are not ‘fools’ whatsoever.

So if you are interested in Buffett, take a look at him.

Farrell: He is huge. He is squatting there during 9/11 at Offutt Air Force Base.

Fitts: Having invited all his friends who work in the building so that they are not in the building when it comes down.

Farrell: No one to my knowledge has really probed what was going on with that. The only one that I know of who raised suspicions about that whole thing that was going on during 9/11 with Buffett, was Webster Tarpley, and, of course, they took him out of it.

Fitts: My read on Buffett is I think that he is very smart, I think he is very hardworking, and I think Buffett took the position early on. His dad was a Congressman, so he was *The Washington Post's* paper boy. I think that early on he said, “I want to succeed financially in the world as it is. I make no judgements about right or wrong here.”



He is a hyper materialist, and he has really studied how to be good at it. When it comes to real productivity and economics, he is one of the few people on that team – and this is the thing about the old-line Masons – that really understands economics. They are, to some extent, like Jack Ma, and he is one of them. He probably told them to do FASAB 56.

Farrell: He represents to me what you have been calling the ‘old-line WASPs’.

Fitts: Absolutely, and they like to lay low, not waste money, and they don’t live high. They don’t like people who live high because that is just trouble and stupid.

Story #7: New Leadership in the EU Faces the Brexit Blues.

We have discussed much of this already, and we don’t need to repeat. I do want to ask you what you think of Cameron outing the Queen. I think that the fight is getting really dirty.

Farrell: It is. I will be very blunt about what I think Cameron is actually signaling there. I think that what Cameron was doing is trying to point the finger at the Crown as being far more active in all of this than the public narrative has it.

Fitts: I think that he was also trying to get the Scottish worked up so that they could stop Brexit.



Farrell: That is precisely what I mean. By pointing the finger at the Queen and the whole Scotland thing, what he is really saying is that she has been exerting royal prerogative behind the scenes to steer the policy of the nation. As I previously said, my reading – and it may upset some Brits who hear this, and I’ve had people writing me ever since I came out publicly with this idea – is that the Crown is active. It was not Boris Johnson who went to the Queen; it was the Queen who went to Boris Johnson and said, “This is what we are going to do.”

I strongly suspect that this is what is occurring. It makes sense because what she represents in Britain and what she sits on – and people have to understand this power structure – is a constitutional system where there are reserved powers of the Crown, and she has been using them to steer the policy for Brexit. I think, in that sense, she is sitting on top of that power structure that goes to the City of London and goes to the peerage and the British oligarchy that is looking at this whole EU mess.

Thatcher warned about this. If you go way back to Margaret Thatcher, she was absolutely right. The Queen represents that wing of British society and power politics that was not happy with the whole EU thing and wants to get out of it. I think she is protecting those tax statements, and she is also trying to position Britain back as the leadership of the Commonwealth and position the Commonwealth so that it can reemerge as a major factor on the world stage. I’ve been arguing this point again and again for the last ten years.

The key to this is culture; it’s the cultural aspect that she is concerned with.



I go back to the meeting she had with the deputy Prime Minister under David Cameron when she invited him to Buckingham Palace for tea. When the Queen invites you, you go. It's like a General inviting you to dinner if you are a captain; you go.

The dinner conversation, according to the British press was, "Can you name three good things about the EU?"

That is quite a subject of conversation to have with the deputy Prime Minister of a government that is intent upon expanding the role of the EU, and we know what happened.

Fitts: But there is another way to look at this: If the unipolar model fails, then the euro and the dollar are going to pull apart. There is going to be a pulling apart, and you have to choose sides. You can't straddle.

It's like being on two horses and they are diverging. You can be split apart and die, or you can pick one horse.

Farrell: The way that I see it is Britain is returning to its classical geopolitical role of playing 'balance of power politics' vis-à-vis the continent. If you are the British and have fought two world wars with the Germans, and see this contraption called the European Union, which is a disguise for Germany running the show, and are looking at this structure and are a traditionally-minded Brit, you have to realize that you must reassert the traditional role. The only way to do that is to: 1) Get out, and 2) Revilify the Commonwealth.

Fitts: One of the things that slowed that process down was they were expecting Hillary Clinton to win. If you look at the Steele dossier, —



— they did a great deal to make sure that she won. They probably got defeated by the US military, and the Israelis were in there.

That took two years to sort out. We see Trump, and Trump's mother is Scottish. Trump went to see the Queen, and he has made his deal with the Bushies at George H.W.'s funeral. Now he has made his deal with the Queen. Suddenly, New York policemen started dropping like flies, and I think that it has something to do with Weiner and Epstein, but that deal is made.

Now you have the special relationship back together. We just saw the Australian Prime Minister; Australia is very important in all of this mess. They are in Asia, but they are the 'guy' who can get everybody in the room.

Farrell: The other thing about Australia being in this mix is the approach of the British to the Australian space ministry. I believe that is a huge signal that Britain is thinking long-term about, "What do we do to position ourselves in space?" because they have to.

Fitts: Right, and Brexit forces that. What is interesting is, if you look at a TV show called *Pine Gap* about the Pine Gap installation in Australia, -it's not a very good TV show- it shows the tensions between the Australians and the Americans as the Australians have to get along with the Chinese, and all these issues about the Commonwealth get sorted out. It's ridiculous, and you see the politics of it all.

Farrell: If you are Australian, do you trust the Chinese? No.



Fitts: No, but you don't trust the Americans either.

Farrell: So, who do you turn to with enough clout that can counterbalance all of that? The Queen.

Fitts: The money.

Farrell: They money and the nukes. She has those, too.

Fitts: What is interesting is that they are all choosing culture.

Farrell: This is why Merkel is in trouble; she has been clobbered.

Fitts: She shot a gun right into the center of culture.

Farrell: She did, and if you are German, do you want to go along? No, of course not.

Fitts: If you watched von der Leyen's first speech as the president of the ECB, it was a pitch to young people about our shared culture. She was very much about culture. She did the climate change op, and I don't agree with that, but that was basically throwing a trillion dollars at buying up all the young people and keeping them excited about the future.

She played the culture card big. When they put Christine Lagarde in for ECB president, you now have two women who are masters of playing the culture card. Between the European defense ministry and Lagarde and von der Leyen playing the culture card, and the way that they are pushing forward, they are playing to win on the euro.



Farrell: Let's put it in different terms with Lagarde regarding the culture issue. Can you imagine Christine Lagarde ever coming out and saying what Macron said when he said, "There is no such thing as French culture"?

Fitts: Impossible, she would never do that. If she had to do that, she would lay out a new vision of Western leadership. She would never do what Macron did.

I just thought, "Why would you do that?"

Farrell: He is a rootless cosmopolitan. For him, there is no such thing as French culture.

Fitts: It's like doing everything that you can to destroy your brand. Why would you do that? Maybe the Russians were shorting some position. There has to be a logical explanation.

Story #8: "Out of Control".

I call this story 'Out of Control' because we are watching a new technology rolling out and operating and being prototyped beyond regulation, but also as all these countries discover 'the cop can't stop us', everybody's inner bully is coming out. You had Trump and Netanyahu walking around and talking inner bully. So now the inner bully around the planet is blossoming just as new technology is out of control.

So, we are seeing all these different things happening which are truly and completely out of control. My concern for the next ———



— five years is that it is going to get much more out of control.

Let's talk about **'Out of Control'**. What do you see as being out of control?

Farrell: My fundamental concern right now is the domestic culture of politics in this country. We have a radical element that is very vocal and is very violent and not afraid to be violent and is promoting violence. That is totally out of control.

I think it is very important for Americans and people overseas to understand the power dynamics of the last 100 years and this history. What you are really seeing, in my opinion, is that culture clash come home. You have the political left that does not want to surrender power, and they are under severe threat that is what they are going to lose. So how did that come about?

I go back to Franklin Roosevelt. You had a Presidency under four Administrations that was able for a very prolonged period of time, to pack the Federal bureaucracy with people of that ideology. This is precisely what I think you find behind this gale of opposition of President Trump. This is coming from that entrenched bureaucracy that goes back to FDR.

What is very intriguing to me in watching this dynamic is that you saw the signs of the pushback against that entrenched bureaucracy with Forrester, with McCarthy, with the Kennedy's, and you saw that pushback against that entrenched bureaucracy. Interestingly enough, Trump appears to be aligned with that pushback insofar as he was aligned, at one period of his life, with the original swamp creature, —



Roy Cohn, who, of course, was McCarthy's Chief Counsel and later was the mafia fixer in New York City. Interestingly enough, I think that he was an individual who was very much a part of setting up aspects of these pedophilia trafficking networks.

You have him aligned with President Trump, aligned with the faction that was trying to push back going all the way back to the fallout from the FDR years with Forrestal and McCarthy and people like that. So, this is a long dynamic that we are in, and we are watching the tail end of that story being played out. It is very important for people in this country and abroad to understand that aspect. As a result of that, what you are dealing with right now is a weak Presidency on the world stage. Even though Trump has been resisting these pushes to war – and even Obama did to a certain extent in Iran and Syria, fighting back against the pressure to go to war – because of this weakness you are seeing the inner bully come out. You are seeing Modi in India and the Chinese with Taiwan and so forth.

The other play that nobody talks about is Japan and what Japan has been doing under Shinzo Abe very quietly.

Fitts: They have been very quiet and very discreet.

Farrell: I suspect that as a result of the tensions in Asia, you are going to see Russia and Japan in the next 10-20 years draw much closer together. If China starts playing the inner bully card, Russia is going to pull away. I absolutely think that. As a result, they are going to patch things up even more so than they have been with Japan.



The inner bully is coming out as a result of this dynamic that has been going on in this country for a very, very long time. We are at the end of an arc in history in this country, from the end of FDR all the way up to 9/11, and it is very important that people understand that we are at the end of a very long arc of development. Now it's transitioning.

As a result of that, you are seeing all the inner bullies come out.

Fitts: When we get to technology, we will talk about that.

I am very concerned with what is happening with farmland. When I was in Michigan earlier this year, there was a cover article in the newspaper that three Wisconsin dairy farms were shutting down daily. So, 90 Wisconsin dairy farms closed down in the month of April. If you look at what is happening with weather manipulation and control, it is driving massive numbers of the small farmers out of business.

They are doing with weather manipulation what Volcker and the team did with financial manipulation and legal manipulation against the small farmers in the late 1970's and early 1980's period. You had a real move to hit on the farmers then, and they are doing the same thing now. Of course, everybody thinks that it is climate change, but it's not; it's weather warfare.

Dr. Skidmore has put together a large bibliography on weather management and manipulation. We will put it up in the Subscriber links.



I was talking to somebody who had just been attacked on the internet for saying something about weather manipulation. An engineer attacked him, and they wanted to know what they should do. I said, “Why don’t you send them a link to the Beijing weather modification office?”

The Chinese are so blunt and open about it. They don’t make any pretense.

She said, “There is a Beijing weather modification office?”

I said, “Yes, the Chinese have an official weather modification office.”

Farrell: They are planning on turning all of Tibet into a weather modification device, and that is a vast area. Why people can’t wrap their heads around this I don’t understand. This has been an objective of the US military since the 1950’s, and they have been very clear about it.

Fitts: There is a great video of Lyndon Johnson talking about how you can control the world by controlling the weather, and she is clearly intimating that we are close to being able to do that.

One of the things that I find most ‘out of control’ about American life right now is that we have a series of municipalities that are being shaken down by ransomware efforts. The whole attitude seems to be that we, the United States enforcement and military, are not responsible to enforce digital space safety within the United States.



So, there seems to be this implication that foreign or criminal actors can essentially shake a municipality down, destroy its operations, and steal millions of dollars and blackmail them, and it's not the problem of US enforcement or military.

There is a complete abdication of responsibility for the law within the United States borders. What is that about?

Farrell: That is a good question.

Fitts: Are you so busy running the black budget that you don't have time for basic safety?

Farrell: I think that is part of it. It is part of this attitude that, "We are the technocrats. You deplorables out there really don't count."

I think that is part of it.

Fitts: But what they are saying is, "We are the Sheriff of Nottingham. We use government powers to shake you down. We are not responsible to make sure that there is any law in this jurisdiction. So other criminals are allowed to freely come in and out and do whatever they want because we are only here to shake you down."

The problem is that if you let criminals operate and shake everybody down, then how are you going to shake them down? There won't be any money.



It gets back to this trust issue that you are bringing up. You are abdicating your responsibility for the most basic governmental functions, but you are still collecting taxes.

Farrell: What is going to happen as a result is they are just pushing things back on the states. So eventually, I think that you are going to see the states start their own cyber protection units.

This morning when I woke up, I saw an email that someone had sent me. It was an article about a hospital in Gillette, Wyoming that had been shaken down with a ransomware attack to the extent that they had to reschedule surgeries and move patients around and so on. If the Federal government is not going to do anything, then you can ‘bet your bottom dollar’ that eventually the states are going to step in.

Fitts: Medicare is saying that you have to get onto all these healthcare systems, and you have to become dependent on all of this software. So, they are radically increasing your dependency at the same time that they are saying, “Oh, the systems aren’t secure. Too bad it’s your problem. Tough luck.”

Farrell: If that is their attitude, then you are going to see the states step in. As a result, you might even see regional alliances of states trying to track cybercrime.

You already have several states in the Midwest with their own bureaus of investigation, and those will probably be expanded to cover issues like this.



Fitts: Here is why this is important: Let's call cybersecurity, not only making sure that I'm secure, but the cost of dealing with service attacks and the cost of dealing with dysfunctional telecommunications and the cost of dealing with all these different spam problems. If you just look at my expenses in business in dealing with criminality in cyberspace, that is much more money than I pay Tennessee in taxes. I would prefer that money goes to Tennessee rather than to cybercriminals.

If you look at the economics of what I as a business can afford in terms of governmental services, my message to Tennessee is, "Please start something that will stop this, and I will pay you the money."

Farrell: Exactly. This is what I am predicting. You are going to see states step in to do this, and the states that will thrive and flourish economically are going to be those states that have set up efficient units to deal with this.

It's a failure of the Federal government to do what it is supposed to do. As a result of that, we are seeing the pushback of states already. California is an example with their emissions business, and Missouri with its nullification on the 2nd Amendment that they just passed. You are seeing more and more of this, and it is only going to increase.

Fitts: One of the things that was out of control was that we saw Netanyahu leading the way for everybody's global systems to run through Israel and for Israel to be the leader in IT, particularly cybersecurity. It's the old W.C. Fields 'snake and snake potion'.



Netanyahu was clearly leaning that way in building global cyber insecurity. That is part of the fight with 5G and Huawei and the Chinese.

I think this is the Midianite thing because if none of this is secure, and if this is only to control, then why use it?

Farrell: Exactly. Would you sign up for cybersecurity with an Israeli company?

Fitts: Never.

Farrell: I wouldn't either. In fact, my computer systems have a Russian company. I trust them much more than I would trust the Israelis.

Fitts: I do, too.

So, Modi targets the Muslims in Kashmir and to the east of Bangladesh. What is happening in India is absolutely shocking, and yet it's almost as though it's not happening in most of the world.

Farrell: It's not even being covered.

Fitts: There was an ex-JP Morgan Chase banker who has now become an MP in India. She is young and she gave a great speech on the seven signs of fascism. She was screaming, "You can't do this! You can't just take the citizenship away from 11 million people and steal their homes and drive them out. That is genocide."



You had an Indian minister come out recently saying, “Not only are we going to do this in the India-controlled Kashmir, but we are going to annex the Pakistan Kashmir.”

I tweeted out a message, “Who just gave Modi permission to start a nuclear war?” because that will start a nuclear war. I’m thinking, “What is this?”

Netanyahu has been advising Modi on how to do all of this. He has been out there helping. As soon as Netanyahu lost, they announced that Modi was coming to a Trump rally. So, everything that Modi is doing is with the clear permission and support of the Western world.

Imagine if Trump said, “You know something? I’m pulling the citizenship from everybody in South Dakota, and we are going to invade South Dakota and take all their land and throw them out of their houses.” That is what Modi is doing.

If Modi can do it to the people of Kashmir, it can be done to the people here. Why is it that there is no concern?

Farrell: I don’t know why there is no concern other than I suspect that the real motivation here is not only water, but by one means or another to get rid of the only Muslim nuclear power, and that is Pakistan. That, in turn, puts some pressure on Iran.

The other thing that I suspect is behind this is that it may not necessarily just be Western backing. If you are the Chinese, and you are investing all this talent and money and energy into the Silk Road project, what you cannot have is any destabilizing factor in the region.



Over the long term, that means Iran and Pakistan.

I suspect that there may be some quiet pressure. This is merely a suspicion and nothing more, but there may be some quiet pressure coming from that part of the world against some of these powers. You have to remember that China in its western provinces has a very significant Muslim population which they treat abominably. For the Chinese, that is a potential destabilization factor. They are looking at an absolutely ‘nutty’ regime in Tehran and thinking, “How do we make the Silk Road project work if we are dealing with such instability and the region can’t be done?”

Fitts: So, is part of this concern that the Muslims are aligned with Nazi International?

Farrell: I suspect so. That is historically very clear. There was Nazi backing in the Muslim Brotherhood, and there was Nazi backing in Iran. Earlier I talked with you about the fact that within Iran, prior to World War I, you did have a group of scholars in that country who were trying to reform the religion, and all of that was put on hold and stopped cold during the war.

You had Nazi involvement with the Ba’athist regime in the early period of the war in Iraq. You had definite ties between the Nazis and the Ba’athists in Saudi Arabia at a certain point. During the Ottoman Empire period of World War I, you had all that pressure from Baron von Oppenheim on the Sultans to weaponized Islam. So, I think that is definitely a concern that has been in play for a very long time. And let’s not forget the overthrow of King Farouk. The Nazis were involved with that ‘up to their earlobes’.



I think that is a very definite possibility that this is part of their concern. From the Chinese point of view, it never made sense to me why they were trying to ally with Iran when that regime is a major factor in international terrorism and a destabilizing one.

Fitts: If you look at the world population, 24% are Muslims. If you look at the Zionist group working out of the City of London, right now one of the primary tools that they use to control America is that Americans pay 17-40% on interest rates, and the banks pay 0-2%. If you look at the impact of that arbitrage cost of capital, it is unbelievable. It is such a powerful tool, and yet it's invisible. The Muslims aren't going to stand for that.

Farrell: Of course not, it's not part of their religious tradition.

Fitts: Right, but you can't run the world without running that arbitrage everywhere. So, they are a big impediment.

Farrell: Look at what they did to Gaddafi.

Fitts: Bush you mean. God bless Trump when in response to the Bolton criticism after Bolton left he said, "You know, the problem with Bolton is that he wanted to do Libya everywhere." That's the typical New Yorker. You can't make money if you are destroying everything.

Farrell: A friend of mine called Bolton 'Yosemite Sam'. It's true. That man didn't meet a war that he didn't like.



Fitts: I would love to sit down and have lunch with Bolton because my mind can't get around a person who thinks that it's a plan to attack Iran when you don't have the money to wage a war, you are guaranteed to lose the war, and you have 18% of the American people who will support you in that war. Are you out of your mind?

Farrell: Yes!

Fitts: Can anybody be that stupid?

Speaking of 'out of control', the climate control op is not only out of control, but it gets so out of control every day that it is as though we are going to try to deal with all the problems from the asset side of the balance sheet. This is how you stop hyperinflation, and this is how you get total control. This is how you get the youths to help you destroy their family wealth.

My favorite part about climate change – and we don't have to dwell on this – is the Obama's new mansion.

Farrell: Let's hear it.

Fitts: The Obama's bought a new mansion in Martha's Vineyard that defies explanation if you really believe in climate change because the Obama Administration model shows the island will be underwater soon.

Farrell: The whole climate change thing is very interesting to me because we had tropical storm Loretta, and then tropical storm Ramon that meteorologists were worried might turn into hurricanes and —



— might make landfall for the first time in American history in Southern California.

Stop and think about that. Hurricanes making landfall between San Diego and Los Angeles for the first time in American history. The reason this is a possibility is because the average temperature of the waters off the California coast, which are normally cold, are up about six degrees. So, there is a lot of energy that can feed into those storms.

They have no explanation as to why the waters are so warm. There is no explanation for it; they don't know.

My suspicion is that it might be volcanism that has been triggered somehow and manipulated.

Fitts: That is definitely a possibility.

Farrell: I genuinely suspect it. So, I go back to Elena Freeland. She put it so wonderfully in an interview I did with her recently when she said, "There is no more such thing as 'natural' weather."

Fitts: Absolutely, and she has done great research on this.

Farrell: The fact of the matter is that if you do have the technology to manipulate weather – and I said 'manipulate', not 'control' because these are open systems and they cannot predict with 100% accuracy what the outcome will be- you are going to have unintended consequences. But if we are to follow the climate change kooks who want to blame global warming and all this on cattle flatulence, then are we to explain the sudden heating of the waters of the Pacific Ocean off the American coast to whale flatulence? Come on!



Fitts: Story #9: Washington Faces Off with a Multipolar World.

Even if the reverberation of the unipolar model failing has just begun and we are just starting into it, and this is going to be a long, complex process, we heard Trump saying that he wanted to meet with Iran. The next thing we know, there is a drone strike. I'm still trying to figure out if it was arranged by a hedge fund or not because with FASAB 56, it could be.

Mattis wrote a big hit on Trump in the *Wall Street Journal*, basically saying that if we are going to switch to a multipolar world, we need allies, and we need somebody who makes allies and not destroys allies. Then Tillerson came out after Netanyahu's loss, and Harvard published him saying, "Netanyahu lied and tripped Trump all the time," which I absolutely believe is true.

Then I told you that Bolton came out with his nasty comments at the Gatestone Institute. Now we see more sanctions on Iran. After Netanyahu is clearly losing in the polls, Trump announced Robert O'Brien as National Security Advisor – obviously not chosen in Beverly Hills.

It's the same thing with Coats and Gordon. They were replaced by somebody not chosen by the Israelis.

Every time I turn around, another Bushie is getting in place. The switch is very fluid and very uncomfortable.

Farrell: First of all, the Mattis piece was a bit mystifying to me because, if you are going to take that view that we need allies, ——



— this process of the deterioration didn't begin with our allies and it didn't begin with Donald Trump.

Fitts: Absolutely, and he says that.

Farrell: It began with 'Bush the Stupid'. So, I made a joke a few years ago that at this rate – and this was before Trump was in office – America is going to end up with Monaco and Andorra as our allies. Playing the bully in the world has distanced all the major players from us, and we need them.

Look at Japan. Japan is on this independent diplomatic course right now. I think that it is largely because Tokyo has looked at what we have been doing and has said, "This is nuts. We can't rely on these people."

Fitts: It's amusing, the world is dividing into adults and people who are not yet adults.

Farrell: Right, and we are not adults.

Fitts: Story #10: Geopolitical Disney World.

This is related to the shift to the multipolar. The reason I call it 'Disney World' is because we are trying to explain the world in an official reality that is diverging faster and faster with reality. So, reality is moving faster and faster away from official reality, and official reality is becoming a combination of nonsense and what was true. It is yesteryear reality plus nonsense.



This divergence is happening. So, everybody is with Minnie and Mickey in Disneyland, and reality is moving very quickly away.

Farrell: The other part of this geopolitical Disneyland is that I think, we are looking at some sort of very, very weird covert war taking place. I don't know how else to describe it.

This year we had two Russian ammunition dumps explode, we had a Russian biotech facility in Novosibirsk explode, a Russian rocket explode, a Russian submarine sunk, and a Turkish ammunition dump explode. A few years ago, we had the Chinese chemical plants explode, and we have weird seismic waves happening in Oklahoma that are centered around an ammunition plant. Something is going on here.

Fitts: Let me also mention that the Brexit fight is off the charts. We have the British tax haven, which is number one in terms of the number of accounts and size, experience a hurricane that moves into the Bahamas, stops, operates, and eviscerates certain parts of the Bahamas for days, and when it's over, you have certain islands where there is nothing left; all the infrastructure is gone, and tens of thousands of people have to evacuate.

Bloomberg has an article that says, "New Providence Island and Paradise Island," north of Nassau where all the resort hotels and casinos are, "were untouched. The airports were untouched. Keep on coming down. We are open for business."

Farrell: Nothing suspicious about that.



Fitts: My question is: Is everybody in England looking to get a place?

Farrell: I don't know, but I do think the hurricanes are part of this covert operation's warfare that is going on. The problem is that we cannot take the view that this is all being orchestrated from one group because there are many people who could be involved; the Chinese have this capability.

Quite honestly, I think that you are looking at a hot war that is occurring, and people need to wake up and realize that it is happening.

Fitts: There was a really funny video that is in our Top Videos for the quarter. George Friedman decided to scream at the snowflakes, and he gave a speech called, 'Is There a Global War Coming?'

George Friedman can be very cranky, but you could understand why he is cranky; he is cranky for a good reason. It's as if everybody is living in a bubble and doesn't understand how the world really works, so he decided that he was going to teach them. It's about the dangers of war. He doesn't get too blunt about this, but that is what he is talking about.

What I don't know is, if you have this hot war accelerating, and you have this effort to pretend that it's not, with 5G coming in with stronger and stronger entrainment, what do you do to keep people from recognizing the hot war?

Farrell: The problem that people have recognizing that all this that we have been talking about is a hot war, is that most people don't even know that the technology exists.



If they suspect or voice their opinion, then they are shouted down, “That is impossible!” You get the official narrative being pushed once again.

People need to wake up; these technologies exist; they are real.

Fitts: One of the things that I talked plenty about for the quarter is the effort to use a weaponized drug population to drive the middle class out of San Francisco, Seattle, and Los Angeles. All these people have Obamacare. You know the Obamaphones? It’s not funny. If you look at the burning out of entire communities in California with the fires, and the weaponization of the drug-addicted populations, we are talking about some very serious inhuman things.

The hardest thing for me is that many, many people require me to pretend that it’s not happening, and many of them live in California.

Farrell: As far as I am concerned, they are beta testing what the plan is for the rest of the country. The bad news is that most of the rest of the country is not going to go along with it.

Fitts: In the heartland, people see it and understand it. The heartland is much more concrete. Our world is much more concrete.

I told you what just happened to me in Hickory Valley with the walking path. Here we go!

So, are you ready for the Trump Report Card?



I brought a copy of the Wrap Up we did right after the election, and the cover is *The Clash of Civilization*. You have a dove with an olive branch overlooking the shadow of a picture of a bomb. It says, “Can a new Administration preserve a prosperous economy without more debt, crime, and war?”

What is your answer?

Farrell: Well, they haven’t done too well on the debt. I would say ‘so-so’ on the crime. So far, he has managed to keep us out of some nasty situations war-wise. So, I would give him an A on war, an F on debt, and a C on crime.

Fitts: I would give him a B on crime because he has tried hard.

Farrell: He has. Okay, I will bump it up to a B.

Fitts: Although FASAB 56 takes it the other way.

The Trump Report Card.

Let’s start with **‘Vision’**. Last quarter I gave him a C- and you gave a C-. What is your current grade?

Farrell: I am bumping him up to a B.

Fitts: I will bump him up to a B- because he is getting better about the vision thing.



Farrell: In my opinion, getting rid of ‘Yosemite Same Bolton’ was a huge step.

Fitts: **‘Recruiting a Team’.** Because of the firings and the way he replaced Coats and Gordon, I will move him up to a C-.

Farrell: I’ll bump him up to a B-.

Fitts: You really are happy about Bolton getting fired?

Farrell: I’m happy about Bolton getting fired, and I am happy about the replacement. That indicates some understanding taking place.

Fitts: This is why Don Cox said, “The Presidency of the United States is done on an entry level position.

‘Building a Team’. We were both at an F last quarter. I just don’t think he is good at building a team. I am going to stay at an F.

Farrell: I’m going to bump him up to a C. The reason is because, in retrospect, I think I’ve been too hard on him. He has faced an absolute gale of opposition and has managed to fight back. That is what annoys people about him: He fights back; he doesn’t just roll over and die.

Fitts: Right, and he has done a great job at it. He really has and I give him enormous credit.

‘Accomplishments to Date’. I’ll move him up to a B for that reason.

Farrell: I think I will, too.



Fitts: ‘Effort’. I had him at a B+ and I’m going to move him to an A. I think this man gets an ‘A for effort’.

Farrell: I’m going to stay A-.

Fitts: ‘Communication’. I don’t know what to say. He can be so great, but he can also be so unpresidential, and I think that gets very dangerous. I think that he gives it away on being unpresidential.

Farrell: I’m going to bump him up to a B-. I am increasingly liking the fact that he is fighting back.

Fitts: I will go B-, too.

‘War Games’. I’m going to give him an A. He has learned how to play.

Farrell: I’ll say A-.

Fitts: ‘Building Bottom-Up Support’. I was a C- and you were a C. I’ll remove the minus off the C, but I think that there is a lot more that he could do to build bottom-up support. Coming into the election now, I think that he will.

Farrell: I do, too. I am going to bump him up to a B-.

Fitts: ‘Introducing Important Change’. I would raise him higher except for FASAB 56, so I’m going to stick with a C.

Farrell: I will stick with my C-.



Fitts: ‘Building Bridges Internationally’. I’m going to stick with where I was at a C.

Farrell: I’m going to bump him up to a B-. Again, getting rid of Bolton is a big plus that I think sends a lot of good messages around the world that this whole Yosemite Sam cartoon approach is out.

Fitts: ‘Building Bridges Domestically’. I’m going to raise him to a C from a C-. You had him at a C.

Farrell: I will go B-.

Fitts: ‘Managing the Executive Branch Bureaucracy’. I’m still very concerned about parts of the civil service which are absolutely necessary to run a government that are important and critical, and those are being managed in a very destructive way – all anticipating huge privatization which I think is exceptionally dangerous and stupid. So, I am going to stay at an F.

Farrell: I’m going to go C-. Again, because of Bolton.

Fitts: ‘Grand Strategy for America and Our Role in the World’. I was at a D. I’m going to bump him up to a C+.

Farrell: I’ll go C+ too.

Fitts: ‘Managing the Federal Budget and Contracting Budget’. I had him at an F because of FASAB 56 and the debt. You had him at an F-, and then you made it a G. Do you want stay at a G? I gave an F- and you gave a G.



Farrell: I'll stay at a G.

Fitts: I'll stay at an F-.

'Staying Physically and Emotionally Healthy'. We have both been at a B.

Farrell: I'm keeping him there.

Fitts: Me too.

'Growing in the Job'. I am going to go back to a B-.

Farrell: I'm going to say a B because 'I'm tickled pink' that he got rid of Yosemite Sam. I'm serious.

Fitts: I have a theory that he appointed Bolton because Sheldon Adelson really wanted him to. I would love to hear the conversation between Trump and Sheldon Adelson after he fired Bolton.

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Fitts: That takes us through the Top Ten stories for **Economy & Financial Markets, Geopolitics, and the Trump Report Card**. That closes Part I. Before we close, let's review the big picture. Let me read back through the stories for you:



Economy & Financial Markets:

Story #1: Secret Books, FASAB 56 & Financial Coup

Consolidation: U.S. Securities Markets Go Dark.

Story #2: Central Banks Flail Around. That included the US debt spiral, reserve currency pains, Powell Switch Hit: Carney Declares the Multi-polar World Official.

Story #3: Slowbalization.

Story #4: High Strangeness in the Bond Market.

Story #5: Trade & Control Wars.

Geopolitics:

Story #6: Technocracy Database Presses across the Globe.

Story #7: New Leadership in the EU Faces the Brexit Blues.

Story #8: “Out of Control”.

Story #9: Washington Faces Off with a Multipolar World.

Story #10: Geopolitical Disney World.

All of these are on the web presentation with many headlines underneath them that point this out. Then, of course, is the Trump Report Card.

So in summary form, In **Economy & Financial Markets and Geopolitics**, what did the 3rd Quarter say to you?

Farrell: A Mess.

Fitts: I would say that we are going off the S-curve of change. Put on your ‘big boy pants’ because reality is diverging faster and faster from official reality, and you don’t have time to worry about the official reality and all the people stuck there.



You need to adapt, and you need to adapt quickly. We will talk about that in **Take Action**.

With that, Dr. Joseph Farrell, thank you so much.

Farrell: You are welcome and thanks for having me.

Fitts: Have a great day.

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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