



The Solari Report

May 7, 2020

1st Quarter Wrap Up Equity Overview & Rambus Chartology with Catherine Austin Fitts



Catherine Austin Fitts



Summary:

The long overdue major correction in global equity markets finally came in the 1st Quarter. Two of the best performing assets have been gold and Treasury securities. We are watching a reassertion of the long-term bull market in gold. The Rambus Chartology will focus on precious metals.

Treasury securities are more problematic. A lethal combination of bioweapons and the global "shriek-o-meter" appears to be supportive of a strong short-run performance—although given central bank and back-door buying, we can't be sure how real it is.

While the total return of long-term Treasuries has matched or outperformed gold, the credit quality continues to debase at astonishing speeds—a fact investment managers managing billions are ignoring as they look for liquid markets. Those are the markets that the leading central banks are willing to support as they expand their balance sheets by many multiples. The question in this game of musical chairs is who will get left holding the bag when the music stops. Unfortunately, it is likely to include our pension funds.

If you have not checked out the new *Stimulus Tracker* in the Solari Report *News Trends & Stories* section, I encourage you to do so. One likely result of this much stimulus is significant inflation for years to come. Other scenarios include those in which radical reengineering can produce off-setting deflation, including with war in its various forms—piratization, cyberwarfare, biowarfare, and depopulation.

In my opinion, leaders in the tech and financial communities are financing and promoting technologies that are designed to install the equivalent of an operating system in a human—a system that can monitor and mind control and be integrated with crypto digital transaction systems. This proposed direction would mark the end of privacy and sovereignty, whether at the individual or governmental levels. Bill Gates and Microsoft (now leading the JEDI contract for DOD) intend to extend their success in getting viruses and back doors into our computers to another level—inserting viruses and back doors in our bodies and mind. The good news is that their psychopathy is oozing out of the closet, enabling more people to recognize it for what it is.

This vision anticipates a very different future than simply a drop in GNP with a V-shape recovery within existing corporate and governmental systems.

Will the current framework hold? What endures depends on you and me. Consequently, you need to ask yourself what you wish to emerge with your intention, your time, and your investments and money before you simply play "follow the leader" to Mr. Global. What is the point of achieving a return on assets if your support is financing a future in which your assets are likely to be confiscated, or a future in which you do not control your own mind, let alone your wallet? Why finance psychopaths to build your own prison?

We still each want to know, "What should I do?" "Where do I deploy my assets on the chessboard?" I will address the short-term practical issues as well in this report.

Topics of Discussion: The main topics are highlighted throughout the report.

C. Austin Fitts: Hello and welcome to *The Solari Report*. Today is the *1st Quarter 2019 Wrap Up, Equity Overview and Rambus Chartology*. This is Catherine Austin Fitts, and I am delighted that you could join me.

At the web presentation for the *1st Quarter Wrap Up* you will find the charts for the 1st quarter. They end on March 31st, and a new *Rambus Chartology* – which is a fascinating and unique one given the shock doctrine in the 1st quarter. Rambus is rethinking everything deeply with a focus on precious metals. There is a very good section on gold and silver, but it also looks at commodities. He is thinking about the equity markets, and it's interesting. I come out at exactly the same place that he did. It's a more philosophical Rambus this quarter with less charts and more talk. It is very much worth a read.

The charts are as of the end of the 1st quarter, and the *Rambus Chartology* is recent, and the yields I am going to talk about are as of the May 6th close. So, we are going to extend, in that sense, into the 2nd quarter. The Rambus overview is precious metals, stocks, and commodities.

Remember, you can always get the charts every week on the *Money & Markets* commentary. There are weekly charts on *The Solari Report* as well.

My comments are in three sections: One is the **market review** with a discussion of many of the different issues that have come up in the 1st quarter. The second is an **overview of your individual situation and assets**.

I want to go through the asset categories and talk about what I want you to think about. Finally, the third is I will talk about something called **‘Don’t Lose Money’**. I want to go through the list of all the different ways that I have found that people tend to hurt their financial position.

There is an old saying, “The way to make money is to don’t lose money.” My third section is called **‘Don’t Lose Money’** and I am going to talk about some of the ways people lose money. With a little planning and thinking ahead, you can avoid that.

Let’s discuss the **market year to date**. Let’s look at the numbers as of the May 6th close. The all-star performer for the year, which if you had bet me \$1,000 I would have bet you that this could never happen, but here it is. TLT, the long Treasury ETF, total return for the year is 21.32%.

Let’s review **interest rates**. Interest rates on the long end have come down about 150 basis points since the beginning of 2019, and they’ve come down more on the front end. They are about 8 basis points in the 30-day market. So you wonder, “Can we go lower? I don’t think that in the United States you can get to negative interest rates – at least in the immediate future.

The long TLT total return is 34.5%. Can you imagine? Remember, this is an ETF that owns treasuries, which – as far as I will tell – is the sovereign credit that is dropping the most in credit quality, especially since FASAB 56. One of the things we are going to discuss is whether in two years there will be a US government as we know it. When you think about it, their long 30-year bond should be returning over the last 12 months 34.5% is just remarkable. So the worse your credit gets, the higher the return goes. It’s really a play on the debasement of the currency.

The gold ETF in the total return this year is 11.23%, and total return for the 12-month period is 31.57%. There is no doubt that the bull market in precious metals is reasserted. Silver is down, but it’s very clear; Rambus says it, and I say it. That is definitely a section worth taking a look at in the *Rambus Chartology*.

The next highest performer on my typical *Money & Markets* list is the intermediate Treasury, up 10.48% this year, and then up almost 17% for the last 12 months. The bond aggregate is up 4.47%, and the total return is 10.13%.

The municipal bond ETF is almost flat for the year, and then total return for the last 12 months of 2.98% - almost 3%.

The S&P is down 11.14% for the year-to-date. For the 12-month period, it is down almost 1%.

The large cap (China) is little behind that; down 12.67% for the year and down 10.38% for the 12-month period.

Germany is down 23% for the year-to-date and down 18.77% for the 12-month period.

Europe is close behind, down 23.32% for the year and 10.02% for the 12-month period.

Interestingly enough, the defense ETF is down 34.61% year-to-date and then 30% for the 12-month period. Of course, depending on which ETF or ETN you use is completely in the 'doghouse'. One of the most interesting parts of Rambus is the **overview of the commodities**. You should really review it.

So, you have been hearing me for many, many years say that we are way overdue for a **major correction**. We have been in a long-term bull market in equities. We were more than three years overdue for a 15-25% major correction; it was 10% - depending on how you calculate it. Maybe it was 15% earlier, but we really were overdue for a major correction, and we definitely got it.

If you look at the peak numbers, at the big drop in March from February 13th to March 23rd, a little over a month, we were down 35%. Of course, 35% is usually the number when you say, "We are no longer in major correction territory; we're in bear territory," but it bounced right back up. I don't think that is an accident. If you look at when the Fed started to intervene in a very major way, it's no accident.

It bounced back up, and now it's down 16% from the February high, and then down 11% for the year. So, we have our major correction. The question is: Is this a correction, or is a bear about to begin? I think that is very, very important because it's clear from the history of the S&P that if a bear has begun, you are better off out than in.

I think the really important thing to understand about the 1st quarter was that the financial meltdown began before the **plandemic**. If anything, the plandemic helped cover it up and helped justify major stimulus. One of my questions is: Did it happen so that they could engineer a major stimulus?

Clearly, the economic problems were before us, and if you look at some of the shenanigans going on in the equity markets, it does appear like the CEOs and members of Congress used January and part of February to engineer their own money out and leave the retail investor 'holding the bag'. That's a very, very ugly picture. We're not going to spend any time on it now.

What happened? The plandemic was really 'shock doctrine'. We are in the middle of a **transition between two systems**; one system is the dollar system, which is 'long in the tooth', and the new system is a quite ugly vision of a digital financial system as part of technocracy that uses crypto and block chain. Crypto is not a currency; it's really a control system.

So, they are looking for a radical change in the entire governmental and control structure, but you go from a dollar to something very radically different, and I'll talk about that more.

I'm going to do another audio for '*State of Our Currency*' when I finish publishing the PDF. So we will talk about it more then, but it is important to understand that you are in this transition and the dollar system is trying to extend itself and hold on, and the new system is having trouble being birthed. There is quite a debate. As you can imagine, there is enormous resistance. There are eight billion people on this planet, and I don't know anyone who wants Bill Gates' operating system inside of them so they can be hooked up to his cloud and make him even richer than he is. It's a very ugly picture. As you can imagine, there is plenty of market resistance.

The debates and the battles are going to go on for some time, and that is hard because it makes for a very incoherent environment and a lot of economic warfare. You can't make money together when you're busy fighting, and now we are busy fighting.

The old system gets complicated because it's trying to extend, and the new system is being prototyped and debated. So things can get very, very incoherent.

The other thing that is happening is governments continue to be levered up and the assets pulled out. It's part of the 'piratization' on the 'just do it' method. In the US, you see it in the extreme, but it is happening all around the world. We are watching a **power shift between governments and corporations**, which is why money continues to move out of the bond market and into the equity markets. If anything, the stimulus packages are designed to keep the asset values floating as that process continues. Remember, technology is phenomenally deflationary, as is the global demographics – particularly in the developed world and China because of the aging of the population. Central banks are printing into that when they do this extraordinary stimulus. Of course, we have not only extraordinary central banks' stimulus, but Treasury stimulus throughout the developed and undeveloped world.

Part of the challenge is that coming out of the financial crisis, the big lever-up was China. Of course, now that America and China are decoupling at high speed and not in a friendly way, suddenly that way of keeping the global economy going is no longer there. If anything, it is reversing.

We start with massive intervention. While the Feds began to intervene in the repo markets and started buying bonds in the 3rd quarter of last year, that has been continuing, but they have really ramped it up since March. So, what we are watching are markets combining this huge shock of shutting down the global economy coupled with massive stimulus. It's very good. You will read this in Rambus, too. It is very hard to predict where things might go because the possibilities are numerous where it could go, and it's certainly not something that lends itself to charting.

Let's look at a little at the **Fed stimulus**. First, the stimulus started with them intervening in the repo market beginning in September, which was actually a back door QE they're buying and rolling over, but then they bring interest rates down. One of the reasons you see this enormous performance in treasuries and bonds is this extraordinary effort to intervene into the fixed income markets with their balance sheet. We are watching their balance sheet explode many multiples of what it was before the financial crisis and many multiples of what they did with QE. So, we are really in 'rock-n-roll land'.

It's very important when you look at all the different Fed and central bank stimulus to remember that there is a difference between profits versus loans. If you have a bond that you bought at \$1,000 but is now worth \$100, and I, the Fed, buy it from you at \$1,000, then you get an enormous profit. If, however, I loan you money, that is money that has to be paid back. You have to turn around and go into the marketplace and earn that money.

When you look at all these different programs, it is very important to realize **who is getting profit and who is getting loans**. If you are in an economic environment where the combination of the central bank and the government are doing a series of things to destroy your ability to generate profits, then lending you money isn't helping you; it's entrapping you.

There is a difference between a loan and entrapment, and when the governance structure is destroying your business and turning around and loaning your money, that is not very helpful.

On the short end, we are down to almost 0%. On the long end, we've come down about 150 basis points to 1.4. On the short end, starting in 2019, we've come down about 230 basis points. So, we are down at about 8 basis points. As effective matter, it's 0%. But remember, the thing to understand is to always think winners and losers. There are many players who can go into the market and borrow at effectively 0%, but one of the things that went wrong in the world – and certainly in the United States – was **making usury legal**.

The good news for consumers is that the average credit card interest rate is now down to 15.99%. Two years ago, it was above 17%. So it's come down a little. But if you have Jeff Bezos and Bill Gates borrowing at 0% and you and I borrowing at 15.99%, guess who is going to end up owning everything?

If you look at the Chapwood Index, which is my favorite website for looking up what the real increases are in the cost of goods for a household, you will see that it has also come down. If interest rates for the average credit card rate have come down from a little more than 17%, to essentially 16% - down 100 basis points – in many areas it is coming down about 100 basis points.

San Jose has come down from 14% to 13% or 12%. What is interesting is if you look at the places hit the hardest by COVID-19, – New York and New Jersey – those are the ones that weren't going down; they were going up. What an amazing coincidence. That is my way of saying I don't think it is a coincidence.

Let's look a little at the Fed stimulus. If you look around the world at the central banks, the Fed is the 'mother' of all stimulus loads. I think they are the most interesting.

Part of the challenge that the Fed has is: Are they going to be responsive to the needs of the planet, or are they going to be responsive to the needs domestically? My bet is that they are trying to make it look like they are responsive domestically, but they are trying to be responsive globally, and they are trying to do it in a way that they don't destroy their reputation on Main Street, but they absolutely should have their reputation destroyed on Main Street. If you look at where this is going, you are basically watching – between the Treasury and the Fed and the pandemic – a broadsided attempt to **destroy small business**. There is much that is being done to protect the metrics of that, but when it is all said and done, be very clear there is no doubt that this is a war on small business.

They are expanding their balance sheet by many multiples. They are buying treasuries, they are buying mortgage-backed securities, and both directly and indirectly, they are buying bonds, including junk bonds. They are probably bonds that are worse than junk bonds and distressed debt. They are backstopping money markets, and both directly and indirectly, they are financing small and medium-sized business. They are buying municipal bonds, and they are buying them direct from state and local governments.

One person came out with a great headline saying, "Fed buys the whole market," and there have been times when, in fact, that has happened. A couple of people complained to me this quarter that the municipal market froze up. Well, the municipal market has always been a 'hunt and peck' market, but I think that it is one of the reasons they jumped in. I think that another reason they jumped in on the junk and distressed debt is that they don't want that debt signaling by its pricing to the market what bad shape the market is in.

Remember the backdrop on this: You have bonds going way, way up in price. If you look at the credit issues as well as the interest rate issues, there is no reason anybody should buy bonds. I think that the Fed is stepping in, and it's a way of turning into the bad bank of the entire fixed income market. I don't know how long that can happen; it can't go on forever.

I listened to an extremely interesting presentation by Larry Lindsey, who was Governor of the Federal Reserve and then National Economic Advisor under Bush II. He was always a person I had great respect for. He and Paul O'Neill got fired together. They were very stand-up people.

In 2003 they were debating going into the Iraq War, and then I think they went into the Iraq War in 2004. Right before they did, they were fighting about what it would cost, and Rumsfeld said that it would cost \$50 billion. Larry Lindsey and Paul O'Neill said that it would cost \$200 billion, and they were kicked out. Now, of course, I think that the number is up to \$6 trillion. So, there was a great deal of financial fraud that led to more missing money.

Larry Lindsey gave a great presentation about what was going on, and he explained that you can't do this forever. I think he said we are already doing **monetary market theory**. We are implementing it here by printing. He said that he expects the deficit to be up to \$5 trillion by the end of the year. That means a decade or more of serious inflation.

If you look at **new energy technology**, if it is implemented, it could be seriously deflating. I think that could be an offset. But I also think that **war or culling the population** or serious depopulation could also create that deflation. I think there are some very ugly ways of getting the deflation. Breakthrough energy does not have to be ugly. I think there are some high-tech ways of getting that deflation, and there are some very unpleasant ways of getting that deflation.

Lindsey basically said that you have to stop the spigot at some point, but the question is: How will they do it politically? I'm assuming that it can be done after the election.

If you look at a total tally, we are talking about the Fed injecting or having created authority to inject \$6 trillion into the economy, and Congress injecting \$2 trillion plus more allocated later for the small business. I think that by the end of the year, we are probably going to at least \$10 trillion. When you realize that **\$21 trillion was missing**, not only did we not get it back, but now we have authorized another \$10 trillion. I appreciate that some has gone to small business and some has gone to backing states up on their unemployment compensation facilities, but it's amazing how much more liability individual taxpayers have taken on for a tiny share of the pie.

If you look at our *poster for last week*, we have a picture of Mnuchin. On one side it says, “50 million on unemployment,” which is where the Fed projection of March says it is going to go. 50 million are unemployed, and we have essentially wiped out all the job gains since we came out of the financial crisis. So, 50 million unemployed, and in the first four weeks of the stimulus process, the US billionaires increased their net worth by 10%. Some of that, of course, was a result of the tax bill last year.

Let me give you a **sense of this chronology**. March 3rd, they drop interest rates 50 basis points. On March 15th, they drop it another percentage point. March 17th, they would start buying commercial paper and the short-term unsecured debt for business is relying on it for operational cash. So in the short term, funding markets. March 18th, they provide credit to keep the money markets functioning properly. March 19th, a new operation on currency swaps for foreign central banks.

There was a very interesting little factoid: Right when they negotiated one of these central bank swaps, one of them was the Danish central bank, and the Danish legislature during that period suddenly passed a bill mandating vaccines. It looked as though there was a ‘tit-for-tat’ there. It really did. I was focused on it because Denmark is a country where apparently the Danish government and the US Navy paid one of their tech firms to come up with an implant that would dovetail with Ripple. I think that is all part of coming up with the new ugly crypto control system.

March 20th, the Boston Fed started to buy municipal debt. Then on March 23rd, they expanded the original asset purchase, which they came up with earlier. They expanded that from \$700 billion to \$2 trillion. Then they added the credit program for businesses and consumers. So essentially at that point, between what they had the Boston Fed doing and what they New York Fed was doing, they had the ability to buy just about anything in the fixed income markets, as well as short-term loan facilities so they could pull those in for businesses and consumers.

Then they announced that they would provide support to the Treasury’s **Paycheck Protection Program** that they were doing for small business. They are trying to look friendly to Main Street.

April 8th, they agreed to modify their restrictions on Wells Fargo so it could participate in the business lending program. Then on April 9th, they added a \$2.3 trillion lending program that will extend credit to banks that issue the PPP loans and purchase up to \$600 billion in loans issued through the Main Street program to medium-sized firms. Then it goes on.

Of course, we come up with the **CARES Act** in March, and then more small business to follow. So, I think that we are going to go from about \$6 trillion to \$10 trillion in US central bank and stimulus, and it's quite extraordinary because, if you look at the economics of what the individual is liable for and what they are going to get, they are going to get many more controls and their profits.

It's very interesting to hear a small business complain, "Why is it okay for the big businesses to be open like Walmart and Costco and Target, but my little business can't be open?" That's because, if you are trying to dramatically cut the Chinese trade deficit, and you are trying to stop inflation from running away because of the way that you are debasing the dollar, you slam down on demand in certain sectors, but the insiders are not making money. So the insiders get richer, and you centralize the economy. You do it at the expense of small business.

The signs of a cut-and-run look bigger, greater, and better. If you look at much of the Fed's action, it's backstopped by the **Exchange Stabilization Fund**. So, where the Fed doesn't have authority to do something or do something beyond a certain size, by using the Exchange Stabilization Fund, essentially the taxpayer has taken liability for it.

If the deficit is expected to be \$5 trillion this year, it is going to drive up the debt. The debt is already up to \$25 trillion and headed north.

If you look at the **China trade deficit**, which has been a really big thorn in the President and the Administration's side, obviously, they've been trying to renegotiate it and it's been quite a struggle. If you looked two years ago in the 1st quarter of 2018 or 2019, you would see a monthly trade deficit of \$40 or \$50 billion. At one point it got that high; it peaked at over \$500 billion trade deficit in one year. In March, it was \$11 billion. So it's coming down, and it has dropped by 75% or so. It wouldn't surprise me in April and May if you see that number get down almost to zero.

We basically export approximately \$7 billion a month, and then we buy back significantly many more multiples. But it looks as if there is a covert war very much going on – among other things – between China and the US. It is a currency war and that is part of it.

It will be very interesting. You see the Administration come out and try to blame China for the pandemic, and I think part of that is doing everything they can to get the general population and general consumer support for not buying _____

—— from China and putting as much pressure as possible on all the American companies to bring their manufacturing either back to North America, including Mexico or the United States.

Europe and the ECB have continued also to provide stimulus, but there are serious tensions between Germany and the ECB over legal issues. You can check some of them out. We've been posting the stories regularly – both at *News Trends & Stories* and on my Twitter feed, which is also on the website. If you go down on the homepage, you can link to the Twitter feed. I always publish what I think is important.

I think that Germany is a major target in US economic warfare. If you looked at where we were at the end of the year before the pandemic started, every signal said, “Start to rebalance money out of the S&P and into Europe and the emerging markets.” There was no doubt that Germany was due to get a shift. If you look at how Germany and Northern Europe have been hammered, I think that Larry Fink and his friends are ‘licking their chops’ and looking to pick up plenty of assets in a disaster/shock scenario. Remember, the worse the shock, the more opportunity they get if they have a large amount of cash – which they do.

I keep talking about a **cut-and-run**. I think there is definitely a cut-and-run going on with the US government. If you look at this level of stimulus, they are taking the debt up as far as they can get it. Of course, the question is: When do investors walk away? If you are in the middle of the shock, everybody is going to race to where they can go, and they can **go to the dollar**. It's dangerous and dominant – as we've always said – but it provides the liquidity.

If you are in a deflationary period, you do want to have fixed income. Of course, somebody has made a large amount of money in treasuries as rates have come down and the shock has forced people into treasury. But at some point, that game is up because how are you going to make more money on bonds now? You're not. I think that is why the Fed is buying; they don't want the market imploding.

If we are watching a cut-and-run, what does that mean? It means that after the election, we either can have an implosion, or we can have a radical reengineering. That radical reengineering can come with inflation – even hyperinflation – or, if you go to the culling depopulation warfare to offset, many different things can be done to offset. The danger when you offset that way is that it can get out of hand, and you get your **inflationary deplosion**.

The problem with being in the position of a small investor in the middle of this is: How are you prepared to go both ways? You are talking about extreme scenarios in both deflationary and inflationary. Of course, the most dangerous one is not what happens to the economy; it's what happens to law and order and crime because your biggest danger in here is criminal behavior, whether it's by the global leadership, your state and local government, or your next-door neighbor. Lawlessness is definitely afoot, and it's a problem.

I am not going to talk about this now. I am going to do another interview later with Jon Rappoport that we will have up soon. It's *Part V* on our series on the pandemic. One of my concerns is that the coronavirus is something that can literally be turned off and on, including with wireless technology, and once they get the 5G all rolled out, we could see a bigger wave coming in the fall going into the election. This election will be very fiercely fought, so we are not 'out of the woods' yet. If you read Rambus, that is what he sees.

When I look at the charts, I think that we are still in a long-term bull market – in part because I believe that we are still in the middle of the **planet equity scenario**. If you see where the global leadership wants to go, they want to securitize all the global equity, and that process is far from over. So, I think the long-term bull market is on. The problem is that if you get into a continued shock, continued depression, and recession – which we are clearly going to have globally – and then serious bio-warfare, including with 5G, I think anything is possible.

We are in a long-term bull, but we have taken a bad shock. If we get a couple more, we could turn into a bear. We could turn into a bear that is beyond ugly. So you have to be careful.

I think there is a reasonable chance that an effort is underway to downsize the population, downsize economic activity, and downsize the corporate infrastructure. Yes, the corporations relative to governments are going to continue to get more powerful, but I think the global leadership is also frustrated with the corporations and believe the capacity is greater than we need, particularly in the developed markets or mainly in the United States.

Will the stock market exist? Yes, under almost all scenarios. Mr. Global intends to use the planet equity strategy. I haven't seen anything to indicate otherwise.

The danger is the war between the US and China will tear the internet and equity markets into two separate spaces. It would be unfortunate if that happens, but it might. There is no doubt that China is trying to do more in the Hong Kong and China markets and skip New York and London. So it could happen.

I want to go through a couple of issues that I think are worth pointing out in no particular order of importance. One is I want to look at some of the **predictions on the plandemic impact**. They are going to be quite extraordinary. We see JP Morgan saying the GDP is down 40% in the 2nd quarter for the US, and Goldman saying that the S&P earnings will go negative – not by a little, but by a lot. It's very difficult to tell where a market will go in that kind of circumstance. I expect 50 million unemployment in the US and several hundred million globally – at least.

If you look at the **projections for hunger or famine** from the UN, they were concerned. They are going to add another 100 to 200 million to the hungry and famine roles.

The **demand for local currencies and local food systems** will be extraordinary. We have seen since the Great Depression tremendous top-down controls stopping those kinds of systems from creating the local liquidity necessary.

One of the most telling indications, I think, in the market was Buffett selling all of his airline positions. **Tourism** makes up 10% of the global GDP, and tourism has gotten 'clocked'. Let's see what happens, but it is very possible that 5-8% of that 10% isn't coming back.

Interestingly enough, Buffett is sitting on 'boo-goo' piles of cash, and he is now buying. That tells you everything you need to know.

The **trade deficit with China** is down to \$11 billion. I bet that one of the goals of the plandemic is to get it down to 0%, and that is a big, big shock. We will have to see what happens after the campaign. Clearly, one of the strategies for the campaign is to start an infowar against China and blame China for the plandemic. There is no indication I see that they are to blame. They may be culpable, but I guess that if the problem came out of Wuhan, we moved it to Wuhan from North Carolina and it was us who financed it. I believe the latest headline is we just stopped financing that work on April 27th. I think that if you look at how much money the plandemic has lost you and lost your family or lost your community, you need to understand the cause of that loss was bio-warfare that we were financing. That is what it looks like.

As I said, shock doctrine is great for the vultures. It means that they can pick up many things cheap. Don't think they weren't ready and that they aren't enjoying this.

Many years ago, we had a great interview with Jamie Johnson of the Johnson & Johnson fortune, and he did two documentaries on the wealthy. He described how much they love depressions because all the 'hoi polloi' will stay home and won't cause a lot of traffic on the roads, etc. So they really enjoy the depressions.

No doubt that the pandemic sent money back into the S&P because it was looking like the perfect time to finally get out of the S&P and move into the Asian and European markets. That has been reversed.

There is an article that I usually post with my *Equity Overviews* from *Stock Guru* with stock valuations from around the world. There is no doubt that if you look at the relative PE's and potential expected returns on those PE's, there are some absolutely attractive areas around the world. If I won the lottery this week, I would be looking for excellent companies in those areas. I will put a link up to the article.

I continue to believe in an environment where what you are looking for is excellent companies. This is not an area where you want to go long Hong Kong and short New York; you want to be looking for really excellent companies. I do think that the areas have a relative impact.

We are in for **huge battles** – whether it's Gates and Mr. Global – wanting to use creepy technology to convert the global model, not only the economic model, but the legal model, to slavery. It's so gruesome. It's amazing that he is 'out of the closet' and running around talking about it openly.

Of course, the US Presidential campaign is going to be quite shocking. Then 5G, which is a control technology, rolls out. I guess that if you look at the birth/death model, which is whether the global population is growing or not, it's still positive. So, we are still getting more births than deaths. I think that one of their goals with 5G is to get that balanced down, just like they want to get the China trade balanced down to a very small number. They want to get the birth/death model down to flat or negative.

Index funds have grown and grown and grown, and if you go into any US company's proxy, invariably Vanguard and BlackRock, the big index fund ETF providers, are the two largest owners. We have never seen market concentration like that; it's ridiculous.

It still hasn't been proven that ETFs can endure through a really bad down market. We already saw the small-cap China ETF not survive this period.

I'm a believer that in this environment you want to know what you own and why you own it. I'm not a fan of many of those vehicles.

Taxes are so important. One of the things that really shifted the 1% versus the general population is the tax bill last year, and with that, combined with the pandemic, you get a very, very ugly picture. Then when you add the fact that in January and February you saw huge **insider trading** by CEOs retiring and getting their money out, or Congress getting briefings on the coming pandemic and getting their money out and not telling their constituents, it is a very ugly picture.

We have observed on the talk circuit for the last year or two, Vandana Shiva from India. She has a new book called *One vs. the 1%*. One of the things that she did in her various presentations is talk about how much documentation was in the book. I thought, "Okay, I'll get the book."

She has changed the title. At one point, it was *One Earth, One Humanity vs. the 1%*, and then in later editions, she changed it to *One vs. 1%*. I spent over an hour looking at scores of online bookstores and I could not get it, and I could not find it anywhere. All I can tell you is that the billionaires have done an incredible job of trying to censor that book. Thanks to one of my *Solari* colleagues, we were able to buy a PDF from an Australian website. So I finally have the book, and I look forward to seeing what 'juicy' little things I can find out on the billionaires.

You absolutely get the feeling that you are watching in the pandemic one of the greatest bank robberies of all time. The billionaires got together and said, "Let's just put the pedal to the metal, institute global high-tech slavery, and finish this off and take the rest."

It's really a combination of a science fiction nightmare with a tyranny of the aristocracy.

One of the other things Larry Lindsey said was he described how the **unemployment compensation** is working. Apparently in many states, particularly democratic states, the unemployment compensation is 30% higher than what people were making in their jobs. So they don't want to go back to work. _____

— You are seeing reports of companies indicating that former employees are saying, “No way. We refuse to go back to work. We want to stay unemployed.” Now you are seeing some governors having to force them back to work.

What Lindsey said is that the Democrats are planning on rolling this over in July, and then rolling it again in October with the Republicans having trouble saying no, giving that they are coming into the election. Then they want to turn around and convert that to a universal guaranteed income.

Remember, there are going to be extreme conditions on that universal guaranteed income, including the ability to chip you and put their operating system in you. It’s so gruesome; you can’t believe it.

We’ve been working on collecting a database called ‘*Creepy Technology*’ as it relates to the crypto technocracy system.

If you look at that unemployment compensation process plus universal guaranteed income, you are talking about something that is going to make it almost impossible for small business. If you work for a small business, if you are in a small business, you really need strategies to understand and ‘jump the curve’ on this kind of situation, and you need to think through all of your labor policies when you are dealing with this.

One of the things Lindsey said is that it is going to help encourage even more inflation, which is true.

What is interesting is if you look at all the people I know who have applied for unemployment insurance, none of them have received it. If you look at our team—we polled six people recently. Three had never gotten their \$1,200 ‘tax refund check’ and I don’t know if we ever will. You wonder what the relational database is on deciding who gets the money and who doesn’t.

I have not received my \$1,200. Needless to say, I did not file for unemployment insurance, and *Solari* didn’t apply for a Payroll Protection Plan either. For that, I should say, “Thank you, subscribers.”

The US has a **major strategic problem** if you look at the levels of chronic disease. Coming off of what I understood in talking with Joseph Farrell and Jon Rappoport, we call it ‘the great poisoning’, including vaccines. You have an epidemic of chronic disease among the young people and growing physical toxicity.

I think that 5G is going to make that much worse everywhere. Then you add the mind control and the entrainment, and then the corruption of education, and you are talking about a labor force which is not competitive.

If you can do everything with **AI and automation** and put everybody on some kind of guaranteed low income that will then be absolutely inflated away, I think the US population is no longer competitive with other areas of the world for reasons involving a very serious long-term systemic investment in making them not productive, particularly if you take a part of the portion and put them on unemployment compensation and universal guaranteed income for a few years. They are just not going to be people-appropriate to the workforce.

It will be very interesting to see if the plan is to simply centralize as much as they are doing.

Make no mistake about it, if they can put everybody globally on Zoom and online systems for the last two months, do you have any idea how much intelligence they are getting about business operations and flows and how to take their business?

Somebody said, “Can you imagine all the data they have gotten on all the German companies from this that they can now use to go in and take them over?”

It’s true; it’s a very, very dirty business. The **industrial piracy** that is occurring as a result of the plandemic is going to make a large amount of money for the people who are doing disaster capitalism.

The bottom line is that the S&P is down 11.4% from the beginning of the year. We have watched the plandemic return the dollar to dominant and dangerous status, delay the movement of money out of the S&P into Europe and Asia, and help accelerate the new technocracy system. So, we continue to be in a **transition time**.

I think that the equity markets are still in a long-term bull market in the planet equity scenario, but if you look at the shocks and the wars going on, anything is possible and we could end up both in an amazing nose dive if we have an election in the United States and come out the other side. We are in for either a radical reengineering or an implosion, and they could do the radical reengineering behind the scenes as they’ve been doing it all along and trying to keep it quiet. But the reality is that the chances of significant inflation after the election are very, very real, and the chances of radical reengineering are very real.

If you are dependent on a Federal government job, you just might want to make sure that you have a plan B.

Let's look at **asset classes**. First, I do not want to talk about particular asset classes, but I do want to talk about governance and management. Here these issues are where most of the risks get made. Number one, who is the governor of your money? The answer is: You are; you are the only person who can do it. You have to take responsibility, and you have to be the board of directors.

The second question is: Who is the custodian? It's not: Are you buying stocks or bonds or precious metals or real estate? It's: Who has the responsibility to hold and manage the asset? It's not the asset manager. Where is the building where the precious metal is sitting? What is the custodian that has the stock certificates? And on and on and on.

You have to be exceptionally careful about who your bank, your broker, and your depository is. Then you have to be careful about who your asset manager is. It can be you, or it can be someone else, but you need to make sure that they are somebody who understands the real world and what is really going on, and they are deeply conservative. This is a time for deep conservatism. Then you need to understand what the legal and custodial jurisdictions are. In other words, what law applies?

I think one of the most important things that anybody can do with their financial management is say, "How many jurisdictions do I want to be in?" You can afford to be in more than one if you have a large amount of money, and you can afford to be in many. So you spread it around; it's the ultimate diversification.

You can have money in Australia and money in Switzerland and money offshore in the Cayman Islands. You can have money where you live. So, what are the legal and custodial jurisdictions, and what are the laws there? What are the taxes?

In a world where it is very difficult to get a return, where interest rates are low, and there are a lot of risks in the equity markets, it's costly to pay taxes. You want to be looking for low tax jurisdictions.

One of the reasons I stayed where I am in Hickory Valley, Tennessee, is because I have three properties. My annual property taxes are approximately \$500 a year. So if they tripled, it would be \$1,500, and I could handle that. There are no income taxes in the state of Tennessee. That is very important. My company has income taxes, but not me personally.

Then, of course, who is your sheriff? Who is your sheriff? Who is your sheriff? I can't ask you that enough. There is a great interview in the library with Sheriff Mack about *Who's Your Sheriff?*

There is one more question that you have to ask yourself in this environment that is really a governance and management question, and it's a strategic question. It's one that is a source of great frustration to me: Do you want to invest in building your own prison? Do you want to buy and invest in Bill Gates' creepy technology company? Do you want to invest in Impossible Foods if it goes public? Do you really want to do that? Do you want to make money financing your own prison?

I've had more than a couple of arguments with people recently about this.

I was trained initially in finance by some of the very top people in the world at this, and they never financed their enemy. Business was war. Investments were organized around syndicates. You never bet against yourself, and you never financed your enemy.

When their attitude was, "The hoi polloi does that, but that's because they are idiots and we can get them to do it. We can get them to finance us rounding them up and killing them." So, I have a very different take on it. When I see people go along with financing their own demise, it is like chalk on a blackboard. It drives me crazy.

The second thing is: I am deeply committed to financing things that I see are productive. If you look at many of the different investments that fundamentally are building prisons, whether they are private prison companies or Bill Gates' creepy technology, many of these things are scams that work because of government rules and government money. It's the old New Jersey street saying, "Make a law. Make a business."

They depend on a scam feature instead of fundamental real market productivity, and I find plenty of danger in doing that. I have two *Wrap Ups* that I wrote. One was called *Productivity Prosperity and the Popsicle Index*. You can find these on the website. We have all the covers down on the left on the homepage, and you can read that one. Another one is on investment screening, *Can We Screen for Productive Companies?*

I talk more about these issues in the *ESG* one that we did *1st Quarter* last year. But I find that if you stick with fundamentally really productive companies, you don't get 'hammered'. In the *ESG Wrap Up*, I use the example of Monsanto and why Monsanto was supposed to be such a great company and such a great stock and a high flier.

Of course, people got absolutely ‘hammered’ because it was part of that creepy technology scam.

Historically, if you look back through investments, there are real risk issues of playing the momentum game on creepy technology. To a certain extent, it’s a momentum versus value issue.

So, number one, I don’t like to bet against myself; I was trained never to do that. Number two, I like sticking with value, and I like sticking with productivity; I don’t like betting on political scams. The problem is the whistle blows, the scam doesn’t work, the people get thrown out of office, and suddenly you are off sides. Then finally, this is an instance where if we bet against ourselves, it’s not only a matter of, “Okay, well, we bet against ourselves in the world’s worst, but we made money.” We are talking about financing a world where we will not be allowed to keep our gains, we may not have any property rights, and we may not have any human rights. We are talking about people who want to put an operating system inside your body and control you by wireless technology.

This is a very satanic kind of goal. It would be terrible to finance your own prison if, as a result of the success of the investment, you made a large amount of money that was then taken away from you because you were put in the prison that you just financed.

You need to think about that. Finally, there are spiritual consequences. I am a great believer that our universe organizes first and foremost, spiritually, and there are no secrets at the spiritual level. If you are in the business of financing that which is satanic, you run the risk of losing your spiritual protection.

The world is really dividing into two teams; the middle of the road is going away. What you have to ask yourself is: Do you really want to finance the African slave trade? Do you really want to finance the rail cars that ship people to the slave labor camps? Is that really what you want to do?

I think that many of us are busy. We are somewhat in a trance. We don’t have time to think about this. But if you are going to put your hard-earned money into something, you need to think about spiritually what the consequences are and politically what the consequences are and financially what the consequences are. You need to think of them in a very integrated way. That is one of the things that I try to do at *Solari*. I try to help us look at things in a much more integrated way.

The first and most important investment you need to make – and I know I say this every quarter, but I’m going to keep saying it – is to invest to shrink your expenses. In a world where inflation could grow and hyperinflation could burgeon, the more you can do for yourself, the better off you are. Remember, incomes are definitely going to deflate, expenses are going to inflate, and we will get caught in the squeeze.

Instead of going into work and struggling to make more money when it’s going down, down, down, – whether it’s yields or employment income or small business income – for ‘Heaven’s sakes’, any time you can take your money out of the stock market and use it to build a well that cuts your water bill down, it’s a no-brainer. Disintermediate, disintermediate, disintermediate, and increase your control.

Pay off your mortgage if that is a smart financial thing for you to do. The more you shrink your balance sheet, the less risk you have. The more you get parties you don’t know and trust out of your finances, out of your wallet, and out of your balance sheet, the better off you are. This is a good time to have no debt.

If you can do your utilities for yourself – whether it’s a well or independent energy – get that surveillance smart grid out, out, out. All these things take a great deal of time and they take a lot of work and they take a large amount of money. Everybody is different. For some people it’s great to get out and start doing your gardens and orchards and build a greenhouse and you can do it. Other people hate that and don’t like that, but they might feel like getting together with their neighbors and creating enough solar or other energy so they can just get off the grid.

Think practical; think food, think energy, think shelter, and think all the things that you need. If you can find other allies in your local area who are willing to ‘dig in’ – even if it’s only to start a little buying club where one person goes to the terminal market and buys quantities of organic food at wholesale. Start thinking about what you can do to shrink your expenses, but I don’t mean shrink your comfort and I don’t mean shrink your fun. But the nature of new technologies should help make the ‘little guy’ much more productive. We are going to have to be much more productive in terms of doing it for ourselves or doing it locally. Look for the opportunity there because it’s there.

That includes looking for young people around you that you can finance starting businesses to do all the various things you need.

Let's start with **Precious Metals**. Rambus is really focused on precious metals. He has a great write-up, and you definitely want to check that out. The long-term bull has reasserted. Gold has had a nice year so far; it is second only behind treasuries.

Silver is down for the year; the silver ETF is down 16.55% for the year, and that puts it essentially down 43 basis points or flat for the last 12-month period. Silver has industrial uses, so that demand is down. Then, of course, silver is the poor man's asset, and right now – if anything – you have central banks and billionaires buying gold. So gold is the safe haven asset, but I believe silver is attractive here. That doesn't mean it won't go down further because if we go into deflationary scenarios, you could see it drop not slightly more, but significantly more.

One of the articles I always recommend is called *What Percentage of My Assets Should I Hold in Precious Metals?* That will walk you through the different issues, including dividing precious metals assets into two core positions or investment positions. I think that gold and silver are very attractive core positions. If you don't have your core positions, you want to get your core positions.

I also think they are attractive now as an investment. That doesn't mean that this minute is the best time to buy. As we get into deflation, we can see things go down considerably. Remember, in your portfolio, you want things that perform well in a deflation, and you want things that perform well in inflation. What you don't want to do is to start trading them as they go up and down and say, "Well, that's not working now, so let's get rid of that."

No, it's there. We may be in inflation, and it's there for deflation. Just because we are in inflation now doesn't mean that a deflation couldn't start.

Think of this like war games. You are on the chessboard, and you have your players fielded to deal with different kinds of scenarios, and you have to be able to deal with both.

Look at *What Percentage of My Assets Should I Hold in Precious Metals?* if you are new to precious metals and want to think through what you want to do and how you want to do it.

We repackaged many great interviews that we did with Franklin Sanders on how to buy and store silver and gold. They are on the homepage if you do a search for '*precious metals*'. They are called '*Best of*' and we will put links in the commentary.

We did 1 thru 7, and then we have the original audio seminar on how to buy silver and gold. They are just great, and you can listen to them. They go through all the ‘nuts and bolts’. We also have a great *Solari Report* with Dan Perkins, president of Hidden Safes. If you are going to hold precious metals at home, how do you keep them secret and protected and safe?

The big issue on precious metals is that you have to decide if you are going to hold it at home or in a bank deposit box close by. If that is the case and you want to take delivery of it, the best prices I see are going to local pawn and coin shops where they develop relationships. The inventory is rather thin, but if they just regularly pick it up as they have it, they can buy it right.

The two dealers that I use by mail or recommend by mail are ‘Treasure Island in North Dakota, and the other is Volunteer Precious Metals, which are Franklin Sanders’ offspring, who are now running their own instead of running Money Changers. I think that he is now writing and referring people to them and not dealing himself.

What I generally like to do – and you will hear this when you listen to the interviews that I did with Franklin on this – is buy as close to melt value as I can. So, I usually like to get two quotes, and that is why I am giving you the names of ‘Treasure Island and Volunteer Precious Metals.

If you want to hold it in a depository, the two depositories I’ve worked with in the past in the United States are Delaware Depository in Delaware. They have a dealer, Fidelity Trade, associated with them. We have a precious metals article about storage. The question is: Do you want to hold it separately, or do you want to hold it in a pooled account?

Then there is CNT Depository, which is in New England. They work with the Sanders group, Volunteer Precious Metals. So, they will probably be comfortable shipping if you want to hold it in a depository.

I like to have hard assets around me available. That is why if you are going to keep them at home, you want to think very clearly about the issues of holding them there. That is why I think that the interview with Dan Perkins, as well as some of what Franklin talks about with storage, can be very, very helpful.

Another very high-quality depository in North America is BMG Bullion in Canada. In my experience, they are very expensive, but extremely high quality. Rob Kirby represents them. So, you can always talk to Rob about BMG Bullion. Of course, they have an abundance of information on their site.

If you can afford to start a Swiss investment account with a SEC registered advisor, they can always buy and park precious metals in a Swiss bank. You are going to need a minimum of about \$500,000 to \$1 million to do that.

Then there is a company called Das Safe in Vienna where you can get a safe with a number – not with a name. So, you have to fly there – which is getting much harder than it used to be – and buy your precious metals from a local dealer and then store it away in Das Safe.

There are many online systems, but I have not done due diligence on any of them lately. The last time that I looked, there wasn't one that I was a fan of. I think that precious metals are great for the worst case, but you want it nearby.

Also, for people who want to do it in their brokerage account, I am not a fan of the ETFs. We have another article called *Disclosure in the Precious Metals Puzzle Palace* where I tell you why I'm not a fan of GLD or SLV. I think that they are trading sardines. They are like a bank IOU priced in gold, and I don't think it's real gold. The exception to that is if you are trading on the Swiss market. The Swiss have the Zurich Cantonal Bank that has an ETF, which is the real deal.

Remember that where people lose money on precious metals is forgetting where they put it. They forget that it was in the basement when the plumber comes over. Or, this is the worst, and I could have told him never to do this. A wonderful ally of mine had their precious metals, instead of shipped to their house in Miami, had it shipped to a local law firm. I could have told them to never do that. Needless to say, it was gone within a week. I think that if they had been at their home when those people came to get it, they are lucky they're alive.

There are real dangers in keeping it at home. You have to be prepared to deal with that and manage the risk.

One of the reasons I like precious metals is that it doesn't depend on a government, and it can protect you in an inflationary environment. It can be very deflationary in war. Every time war comes out, bam! It drops down.

One of the things I like about precious metals is that I believe it will have liquidity in the worst case. However, I do want to emphasize during one interview with Dmitry Orlov, who was in Russia during the collapse, pointed out that when it came to the ability to pay and trade and have a liquid market in a collapsed situation, vodka was better than gold.

This is not Russia, so you may want to stockpile some bourbon, whiskey, and scotch for the worst case, in addition to your precious metals.

Next is **Stocks**. Two *Equity Overviews* ago, I made a little '*Just a Taste*' where I 'beat this drum', and I am going to beat it again. It's impossible to tell if we are in that long-term bull, or we get more shocks that could turn on the bear. Remember, the billionaires will keep printing money to keep their asset values floating – unless they want to pick assets up cheap. They will shock it down when they are ready to pick it up cheap. Generally, I've encouraged many investors during this bull run to have hedges. There has been a large amount of money given up on the upside by having those hedges. But I have to tell you that they are looking great in 2020.

If you look at the long-term bull versus bear question, now is not the time to take off your hedge. I'm with Buffett; I don't think that we are out of the woods by a mile. So, it's good to have a lot of cash around.

If you are in companies or if you are looking for companies, you want individual stocks. I don't want to be part of any of the ETFs right now. I think it's time to be deeply conservative. I want to know what I own, I want to know why I own it, I want companies that have good governance, enduring productivity, low debt, a clean balance sheet, and they have a deep bench of management talent and products that have enduring demand and an elastic demand. I think there are many of those companies around. Unfortunately, I think that many of them are going to get slammed, and we might see the 'bad guys' trying to 'scarf' them up.

I have a piece I did in 2016 on how to stash your cash. Other than the deterioration of the Federal credit – which we've talked about – it's still very relevant. Yes, I know that we could go into inflation after the election, but I think that you want cash, —————

— and I think that you want to be protected if we get into a deflationary environment. So, I would definitely keep cash on hand, and I would definitely keep it. You want to have an excellent bank, but you also want to have cash outside of the bank as well.

Local investment. I go back again to what the capacity is that you need: Food, water, shelter. How can you finance businesses locally or people locally to help you do that, and how can you do it in a way that gets your expenses down? It's much more important to get your cash expenses down as much as possible to protect yourself from inflation, but they also protect you in a deflation because you have them.

I received an email from a wonderful subscriber. I have two freezers in Hickory Valley, and they also have plenty of freezer capacity. They said, "I just heard from somebody that they tried to get a freezer, and they are not available." You need to acquire it before you need it.

Community-supported agriculture. If you don't know what that is, see if you can find it. We have another great post from a subscriber who said, "I signed up a month ago for a CSA." I think it was in response to one of my prods. Then he said, "I just found out it filled up and you can't get in." 'Under the wire'.

Local lending. For many generations, the local business people have made it a very attractive business to lend locally, and it is one way to get some decent yield or to lend within the family where the people are trustworthy.

I know some people who loan to their food co-op. Some areas have really good community loan funds or development banks. There are other local investments.

I have a wonderful audio seminar with Franklin Sanders called *Building Real Wealth* and he talks about investing in a chicken-backing plant. If you look at what is going on with **meat processing**, it could be a new business idea.

I think **real estate** will be a good place to be in general, whether it's in the liquid markets or you are buying direct, but I think that in this environment – until the shock has shocked through – you have to be very careful. Jurisdiction matters a great deal.

I recently received an announcement. Martin Armstrong wrote an article about the fact that Nashville increased its property taxes 32%. I almost 'fell through the floor'.

You need to understand and be able to do due diligence on the state and local financial implications. You can get severely surprised.

When I was an FHA commissioner, we had a nursing home that had defaulted on its mortgage, and we had foreclosed. We lost \$8 million on the mortgage, and by the time I had found it, we had lost \$20 million financing the operations. So if you're not careful, real estate is the 'gift that can keep on giving'. You have to ensure that you are not in a state with crazy politics and serious debt and pension fund liabilities. Be very, very careful on your due diligence.

Good farm land with good water is going to be a premium. If you look at all the hammering of the small farmers and small ranchers that is occurring, don't think that Mr. Global isn't out there scarfing up as much good farm land with good water as he possibly can.

Let me turn to the third area I want to talk about, which is **Don't Lose Money**. What are the risk issues that cause people to lose money? Much of good financial success in life is about avoiding the risk issues.

I want to start by reading a section from *The King Report*, which is a wonderful newsletter in the financial area. It's talking about the annual meeting for Berkshire Hathaway where Warren Buffett and the rest of them didn't have their big meeting for reasons of the plandemic, so Buffett did it online. The article says:

Warren Buffett, while mouthing upbeat platitudes about the US economy on Saturday, is sitting on his wallet. He stated on Saturday that the range of possibilities on the economic side are still extraordinarily wide.

This is important. It is a very intelligent comment by Buffett. Remember what I said about extreme inflation or deflation being possible.

The range of possibilities on the economic side are still extraordinarily wide. We do not know exactly what happens when you voluntarily shut down a substantial portion of your society, and I don't really know of any parallel.

Buffett has always been extremely disciplined about studying the history of investment and basing his actions on the patterns that occur in that fact pattern or framework. What he is saying is, "We don't have statistics on what happens when you do something like that."

That means his problem is that this is not a correction; this is a shock and a war. Let me continue:

In another breath, Warren said, ‘American magic has always prevailed and it will do so again.’

US entities are in their most authoritarian state since the Civil War. Does Buffett fret that the ‘ginormous’ amount of additional socialism in the US will be hard to rescind and Americans are becoming addicted to the increasing quantity of socialism and big government? The Bolshevik Revolution shook the world during World War I. After the war, communism and socialism spread throughout the Western world. The US had its first red scare in the 1920’s.

The US Great Depression of the 1930’s was unnerving and unusual because previous US depressions were violent but short-lived. The US could not get out of the Great Depression until World War II.

Another important phrase that Schumpeter coined, ‘technological unemployment’ is largely ignored by those that readily Band-Aid creative destruction when it suited their purposes and interests. This is due to the fact that creative destruction is only part of Schumpeter’s socioeconomic theory – the beneficial part.

Far fewer street pundits and analysts know that Schumpeter asserts innovation eventually becomes mechanized in large entities, thus capitalism becomes bureaucratic, which squeezes out entrepreneurs and renders innovation to the whims of centralized managers.

There has never been a time of greater dependency on government in US history. The financial markets, particularly the bond and credit markets, are effectively nationalized. An inordinate number of major US companies, particularly financial entities, have become addicted to Fed largess and crony capitalism over the years. Now a record number of firms need government support.

It will be excruciatingly onerous for individuals and companies to leave the government and central bank troughs. It will be even harder to roll back big government, including surveillance and other totalitarian measures.

What King is saying is that freedom is really good for the economy; totalitarianism is really bad, especially when everybody is voting each other rewards. So we have on one side, billionaires who are prepared to engineer everything into their ridiculously tight control and destroy freedom, but they are willing to buy everybody off with mind control and free checks – whether it's corporate CEOs or people who want a universal basic income.

It's a very ugly picture. It's the unproductive making deals with each other and shutting down the productive.

So let's turn to **'Don't Lose Money'**. This is in no order of importance, but in looking back, I've dealt and worked with hundreds and hundreds of individuals and families, and it is very interesting if you look at what really loses them money.

Number one, remember that **people are assets** and things are just things. Look around at your friends, your family, and the people you can count on. Those are the real assets, and you need to proactively manage and encourage and invest in them. It can be, if you do a good job of investing and building up the people around you, in this environment, the difference between life and death.

Nothing is worse than seeing somebody who has millions of dollars in their brokerage account, and the children and grandchildren and their family are doing without the proper education or investments because everybody thinks they need to keep their money in the national security state. Ultimately in the long run, it's the great people in your life that make the difference. Just remember that people are the assets.

Be your own doctor. It depends on where you are in the world, but if you are in the United States, you are in a healthcare system which is in a very tricky and dangerous place for all the reasons we've talked about the last five or ten years on *The Solari Report*. I don't need to mention it.

The more time you invest in learning about health, learning about how to take care of your health, encourage your health, and spend money and time on preventative health, it could save you a large amount of money because the healthcare system can't be trusted.

I'm sure during the eleven years that I was in the litigation, if I had gone to the doctor and asked them to test me for this and that, I would have ended up having surgery 20 times and chemotherapy 'God knows' how many times.

It saved my life that I couldn't afford to go to the doctor for political and financial reasons. We are going to have to take charge of our own health; it's the only way. If you look at families who know how to navigate both the natural healthcare as well as the traditional healthcare and they get the best of both worlds, fantastic results and very economic results. If they don't know, it's the number one cause of taking people who are financially secure and destroying their wealth.

Not knowing how to navigate and work with that system can really destroy you financially, no matter how much money you think you have.

There is no doubt that I have also seen when you get in trouble with the healthcare system, the 'spooky guys' are working you in a way that they make money. That is when the fraudsters come in.

One thing that really helped me before I was eligible for Medicare was being a member of Good Samaritan Ministries, which will only work if you are a Christian. But for Christians who want to be part of something that self-insures and keeps the insurance companies out of your business, it is a great way to go, and I would check it out.

The next thing is it is so important to have **high learning speeds**. We are in an environment where you cannot depend on the skills that you had yesterday; you have to constantly be adding and learning new skills. You never know where the demand for your services or your products is going to take you. So, keep learning. You need to be very, very disciplined about this because it's the high learners who 'jump the curve', particularly if you are in small business. You need to be trying things, you need to be prototyping, and you need to always be moving forward and learning new technology and new tools.

The next item is **archive, archive, archive**. History gets written by those who archive. If you don't have documentation and proof, then it doesn't exist. I have seen people not be able to get their insurance after a tornado or hurricane. I've seen people defrauded because they didn't have the documents. I've seen people having to go to court.

When we talked with Marie McDonnell on the mortgages, if you couldn't prove that you had paid, you could get tricked in court by a nasty servicer. It goes on and on, and you have to archive; you have to have the records.

It was very interesting. I tell this story in the *pension fund Solari Report* that we did in the *2017 Wrap Up*. I had an excellent pension fund from Dillon Read, and Dillon Read was sold to another company and then another company. So, three companies later now control my Dillon Read pension fund, and they tried very hard and very aggressively to deny that I had a pension fund.

Pension funds have to report to social security and the Department of Labor what the benefits are. So, the social security administration said to me, "Why are you not getting your pension fund?" I wasn't ready to start getting it anyway, but they sent me a document from the government with the Dillon Read pension fund reporting to the government. So now I had a government document proving that I had a pension fund available. They 'scrambled' quickly to reverse themselves. It was very, very strange. I thought, "Okay, that says a lot when one of the biggest Swiss banks in the world tries to defraud you from your pension fund."

I repeat that you have to archive; you have to document. You have to keep those records in a place where, if there is a disaster, you have a copy offsite and someplace else or you have all of your copies in a fireproof safe that can stand 2,000 degrees – not 1,200 degrees. We all bought safes thinking that we only needed to protect up to 1,200 degrees, but that's not the case.

Please make sure that you can prove that you own whatever assets you need to have. I can't tell you how important it is for you in this environment to have records.

Another way people lose money is when **something goes wrong**. They don't have a good CPA that they can fall back on, and they don't have a good attorney that they can depend on, and they don't have a good bank that they can rely on.

I hear many people tell me, "Oh, I don't need a good CPA; it's expensive. I don't need a good attorney; it's expensive. I don't need a good bank; my bank is fine."

You need them, and you need to have a relationship with them before you need them.

I'll never forget when I was a summer intern at Goldman Sachs in the summer of 1977, and I was in the office of a vice president who was a very successful businessman, and he became a senior partner at Goldman Sachs. He would come in early, and I told him, "I don't really understand what you do. Can I follow you around for a day?"

He said, "Sure."

So I came in at 7:00 in the morning. He was smoking this big cigar, and all day long he had five different notebooks – each one for each transaction that he was working on. He spent all day working on the phone, just talking to people about these transactions.

One of the things that he did at the end of the day was talked about what I had learned about what he did, and did I understand what he did? One of the things that he said was, "Look, sweetie, if you are going to be successful, you need to get yourself a good accountant and a good attorney, and you need to get them before you need them."

It was some of the best advice I had ever gotten, and I took it very much to heart. I have a great CPA, and I have a great attorney. Believe me, many years ago, when things went upside down, I had a great CPA and a great attorney, which is one of the reasons I am alive today.

Dangerous neighbors. We talk about how Wall Street can be dangerous or Mr. Global can be dangerous. Your neighbors can be very, very dangerous. When the plumber comes to fix your pipes downstairs and you forgot you left \$50,000 of precious metals down there, it can disappear. But neighbors can be dangerous, too. If you are in a jurisdiction where there is a crime problem, -when 50 million people are unemployed-if crime is what you have to do to feed your children, you are going to do it.

You need to think about how you are going to deal with crime locally, and what are you going to do and how are you going to do it because you can get into a very nasty situation and a physically violent situation, and you can be hurt physically. You can end up with excess healthcare costs; you can have a house burn down, etc.

Please think about **security issues**. If you are in a place that isn't safe, you might want to think about changing jurisdictions. I go back again to why it is so important to have a great sheriff.

Divorce. One of the worst documentaries I have ever shown on *The Solari Report* was one on family court and divorce lawyers and divorce courts and how they divide and conquer couples who are getting divorced. They work them over and basically ‘steal them blind’.

It is one of the most upsetting things I’ve ever seen, but you cannot let that system get a hold of you. The ideal thing is to have a happy marriage. If you can’t have a happy marriage, you need to find a way to get divorced without letting the courts control you.

I’ll never forget when I divorced my second husband; I refused to fight with him. I retained a really frightening attorney because my husband was a partner at Skadden, Arps, Slate, Meagher & Flom, and they were very intimidating attorneys. So, I retained such an attorney, but I kept saying to him, “What is the worst thing that could happen to me in court?”

Then I offered my husband a dollar more than that because we were both very successful making a tremendous amount of money, but I was financially more successful. So, I offered him a dollar more than what my attorney said was the worst thing that could happen, and then I refused to fight. I would refer him all sorts of business and say wonderful things about him, and I just refused to fight. I knew that if the courts and the lawyers got a hold of us, we would be out a couple million dollars before it was over. So, I refused to fight, and it was one of the smartest things I did, and I focused on my business. If you look at how much I gave away, it was tiny compared to how much I made during that period because I was so productive.

Do not let the lawyers and the courts control you in a divorce situation. Ideally, have a happy marriage. It’s worth spending a great deal of time and money to figure out how to be successful and have a happy marriage because as a financial matter, it’s a great investment.

Poor custodian and asset manager. I knew a person who had his gold at MF Global. Why anybody would leave their gold at MF Global when John Corzine was running it, would have to be insane, but he did – money with Madoff and letting JP Morgan be your custodian.

When we put out the *ESG* hard copy, we made that an excellent insert, and you can get it. If you haven’t looked at it, it’s the *ESG Wrap Up*. Of all the different settlements with JP Morgan Chase, why anybody would leave anything at JP Morgan Chase, I have no idea.

They have a criminal record, the likes of which is rarely found in Western civilization. Why you would put a dime there, I don't know.

Don't do that; don't leave your gold or your money at a custodian with a record of criminal enterprise.

Addictions are next. Addictions cost family fortunes and ruin careers and families. Some addictions are drugs, gambling, video games, sugar, etc. It's amazing the harm that addictions do. I think that many addictions are created by the help of entrainment.

This happens to all of us. It happened to me when I was done with the litigation. I had a horrible sugar addiction. It wasn't until I found the right doctor and the right system that I could solve it. It was very hard to solve.

One of the toughest book reviews I've ever written is one on casino gambling. It's unbelievable if you look at the technology that goes into trapping people.

Next is **digestion of mind control, propaganda, disinformation**. If you are driving from New York to California, and have a map that says California is where Florida is, do you have any idea how much money and time you are going to waste? And yet we all digest a tremendous amount of propaganda and disinformation.

I've gotten to the point where if anybody I know or somebody I've known for a long time says, "Why is MSNBC not talking about this?" I don't even want to hear it. They are not news; they never were; they are propaganda or entertainment. I don't know why you are listening to them, but if you are listening to them, you have a problem; they don't have a problem. That will translate into you losing money because you're not going to know what is happening.

I had one huge fight with a former client who spent seven years embroiled in the dinar scam. I talked about this a few weeks ago. I calculated that they had spent up to 10,000 hours over seven years dealing with their dinar scam and dealing with all this money that was going to come in.

I said, "If you would just work for \$10 an hour, or if you had educated your grandchildren, do you know what you would have now? You would have \$100,000 pretax."

It's incredible when you see the amount of time and money that is lost from a bad map of reality and from all kinds of the whole hope porn/fear porn issue.

I know you are discerning if you are a *Solari Report* subscriber, but just be vigilant because the mind control and the propaganda is getting worse every day.

Another one that really hits people – and it's related to the hope porn/fear porn disinformation propaganda – is **'buy high/sell low'**. If you are going to go into precious metals or equities or any liquid asset where the prices can be volatile, you need to know what you own and why you own it, and you need to be able to ride the lows. If you can't, use hedges. There are ways of dealing with that, but you want to stick with a long-term approach and not be in fear. That is why I think it is so important to know what you own and why you own it.

If you are in great companies and they are bouncing up and down, you don't worry about it because they are great companies and they will figure it out. They will be fine. That's why I like companies that have very elastic demands for their products. I don't worry about them when the shock doctrine comes.

Surveillance capitalism. Keep the spies and spywares out of your life. Don't bring your phone in the house with Siri. Don't let the Siri app be turned on, and certainly don't bring a smartphone into your house. If there is any way that you can get rid of it, do it. I want to get rid of my smartphone and get a flip phone that I use for phone calls.

I'll never forget one client who was in the process of selling their company. I said, "For 'God's sakes', promise me that you won't say what price you'll take when you are talking to somebody on the phone because that is the price that you are going to get."

As expected, he made the mistake, and, of course, that is the price he got. I tried to warn him. So just beware. It's remarkable with AI and software how much money you can make by 'nickel and diming' people by listening to what they say and how they say it and using it to work them.

Another mistake is to **fail to reengineer to do it yourself** when it's attractive. Let's say that the price of putting in your own solar or wood-burning furnace or whatever system you suddenly have an opportunity when it gets very attractive and you don't take it. The next thing that happens is the utility is 'draining you like crazy'. So, be attentive to that. It's one place where I struggle because I pay so much at *Solari* for telecommunication bills. I'm always needing to pay attention and reengineer them because _____

—there are many opportunities to lower prices if you are savvy and really watch it.

The next one is **usury**. Once they change the usury laws, the amount that the financial community is skimming in credit cards and interest rates and mortgages and predatory lending and student loans and the servicing fees and all those games is exorbitant. We talked about the risks with mortgages in the report with Marie McDonnell on servicing, which is worth listening to. The corruption in the usury business in the United States is very, very bad, but it's not as bad in some other countries. Generally, usury is a plague that can destroy a society, and it is one that has made a major contribution to destroying the United State.

Be very, very careful about this. Make sure that family members know how to handle debt issues. Anything that you can do within your family or within your network to start lending to each other in a way that gets these predatory businesses and financial institutions and practices out of your portfolio – and there is plenty of opportunity in neighborhoods to do this, as well – do that, and be very, very wary. This is something that can drain tremendous financial wealth if you're not crazy.

Another one is the **drop in interest rates**. We may be paying 15.99% on our credit cards, but we are getting 0% on the bank CD. So as interest rates drop, you have to be really sensitive to finding a good return but on a risk-adjusted basis. I've seen too many people when they are hungry for returns follow the promises and the scams into some very unpleasant places. Don't do that; you have to pay attention.

Another is miscalculations as a result of what I would call '**justifiable alienation**'. It is very easy as you look around the world to feel profoundly alienated. Many times I've seen a family or a person say, "That's it. I'm packing it in. I'm getting out of the day-to-day hustle and bustle. We are going to go off and eat beans and live in the woods and get a shotgun."

The next thing you know, they go off, the great collapse doesn't come, and they come back and it's that much harder.

The world can inspire a great sense of alienation, but at the same time, don't let that drive your economic life. There is no 'away'. I've seen people lose a tremendous amount of money thinking they can 'get away' to Panama or Costa Rica.

During the litigation, it was really amusing. All these people would say, “Oh, it’s not safe in the United States. You have to go to Panama.”

I would say, “Are you kidding? If the Bushies are trying to kill me here, do you know how easy it would be for them to kill me in Panama?”

So, sometimes thinking that you can ‘get away’, because we are dealing with a global phenomenon, justifiable alienation can lead you to do some rather stupid things. So, make sure that you find ways of comforting and easing your alienation without compromising your doing what is financially savvy.

A big one, interestingly enough, is the **inability to conspire**, particularly families. I have a great interview with Jay Hughes, and I always encourage people to read his book on family wealth. It’s about families creating conspiracies to help each other as individuals be successful as individuals. It gets into money, yes, but it’s not only about money; it’s about who we are, what we love to do, and how we can help each other be really, really successful as individuals at doing whatever our dream is.

They start with: What is your individual dream? What is the individual dream of everybody in the family? How do we get into a conspiracy to help each other be successful? How do you get a family to watch each other’s back? That is very important in this environment. I always give you my Andrew Vachss quote that I love, “Your family is the people who don’t turn you in.”

Beware of the whole **snitch contract tracing**. They are going to take the gang-stalking model that they developed with the targeted individuals, and they are taking it to a whole new well-paid fashionable level of stalking and torturing and controlling individuals with all these plandemic games. There is a new ‘Trace Force’ that Cuomo and the Clintons came out with. They are going to pay people \$60,000 to \$160,000 a year to track and trace you. It’s unbelievable. They don’t have enough money for pensions, but they have enough money for a Trace Force!

I was raised in a world where the fundamental operating principle of getting anything done politically or economically was a conspiracy. You got together, you made a plan, you shook hands or you pledged your life’s blood, and off you went to make it work. Conspiracies were what we did. There was nothing wrong or bad about them; that was how the world worked. You got together and you made a plan; it was a syndicate; it was a team. Many times, it involved money and investments, and it was a great thing to do. Being great at conspiracies was fabulous and fun and wonderful.

I was stunned when I was thrown out of the establishment. I went into a world of people who were allergic to conspiring. I was like, “Wait a minute. How will we ever get anything done politically or financially if we don’t create conspiracies and implement conspiracies?” I’m not saying that they are illegal, but conspiracies mean to ‘breathe together’. That is origin of the word . Unless you create plans and create opportunities and visions of achieving what you want politically or economically, it’s not going to happen.

If you can – and I would encourage you to do this – get the book *Family Wealth* because it might apply to your family. If you can get your family and friends to start to conspire together and be good at conspiracies, you can start to get out of a powerless state and become much more powerful.

I want to give you a ‘heads-up’ on the **insurance industry**. The insurance industry is much more important and powerful than many people realize. Think of the planet as a house. We have a mortgage, and we have equity, but the equity is only worth something if our insurance is good. So, we need insurance protection from fire and theft and weather, etc.

If you look at what has been happening with interest rates, it’s absolutely ‘hammering’ the insurance industry. I’ll bet that one of the things we are watching in New York and the places that have high COVID-19 death rates is a long-term care insurance industry that is having real trouble with the explosion in the long-term care costs and people exercising their insurance, and ditto with health. It wouldn’t surprise me if part of the plandemic is saving the healthcare industry ‘beaucoup bucks’ because no elective surgeries.

So, if you have insurance policies or if you have insurance company assets, I think that you want to make sure that you have excellent credit. You depend on an insurance company that has excellent credit, so you want to pay attention to that.

The other thing is that if you are dependent on a **government income** or on a pension fund or social security, given all the changes that could come through and from the plandemic, you need to pay attention.

If you are dependent on a state pension fund in a state like Illinois, or if you see what hyperinflation can do, and if we go to a universal basic income after the incredible stimulus that has happened during the past few months, _____

— and you add that stimulus and continue it and roll it into a universal basic income, everybody may be getting a glorious \$30,000 a year, but it may cost \$500 to buy a bottle of milk.

What is amazing is that you can see a family make a fortune. Review all the risks that I've described: The **healthcare risks** to the **divorce court risks** to not having a **good attorney or accountant** when you need them or people in the family getting worked with **addictions**, getting **hooked** and getting **tricked**, and getting yourself involved with a **Madoff**; I know people who had money in their wallet and lost everything on Madoff. If they were lucky, they had a house they could sell.

The key in life to making money – in part – is not losing money. So think through these risks. In this environment, many of these risks are going to increase. The system that drains money from people in a variety of different dirty ways is going to get hungrier and more aggressive. So be thinking very much about this. This is one of the reasons I constantly 'pound the table' and say, "You have to get everybody who doesn't have integrity out – whether it's your friend, your family, or your banker." You can't afford people with low integrity in this environment; it's gotten much more dangerous.

High integrity is one of the ways. Think of the plandemic as a headwind, and the surf board that you want to ride into that headwind is high integrity.

That's it for this *Equity Overview*. In conclusion, I will say the magic words: **Food, energy, shelter**. How are you going to get high integrity food? How are you going to get high integrity energy? How are you going to have high integrity shelter? And how do you do it completely divorced from untrustworthy sources?

Please don't tell me that you are buying Impossible Foods; don't do it.

Just remember that this is a learning journey; it's never over. Know what you own, know why you own it – whether it's real estate or equity stocks. Be prepared for opportunity. You have many 'big people' with cash who are lining up looking for an opportunity.

Warren Buffett may not be buying, but Warren Buffett is making a list of what he wants to own at the price he wants to own it. We don't know what shocks are going to come between now and the election. So this is a great time to sit down and say, "Real estate, precious metals, and equities. What do you want to own, and at what price do you want to own it?"

Then sit down and say, “Who are the people around you who are assets? Who are the young people around you who you could invest in to build the businesses you need to provide that food, energy, shelter? What are the farmers and ranchers you need to bridge markets? Where is the food processing that needs to happen that needs everybody to come together in your neighborhood to create that capacity? Where is the solar energy?” Keep going back to food, energy, shelter, and the people who are assets. How can you bring them together in a way that is creating opportunities for you?

So, don't worry if there is a conspiracy. If you're not in a conspiracy, remember that there is a potential to profit from conspiracies all around you. You need to start one.

Ladies and gentlemen, I wish you good hunting. Goodbye, and good luck.

MODIFICATION

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

DISCLAIMER

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