



Precious Metals Market Report with Franklin Sanders and Dr. Edwin Vieira

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Catherine: As you know, the precious metals markets have been far more than interesting, so we have plenty to cover before Dr Vieira joins us. So Franklin, are you with us?

Franklin: I'm right here.

Catherine: Okay – so bring us up on the markets. What's been going on?

Franklin: Well, let's start on the long end. You have your charts up where our listeners can see them, right?

Catherine: Yes, tonight on the webinar software, Instant Teleseminar, we have the charts that don't have your trend lines on them. So we don't have the moving averages and any of your trend lines. We do have them up on the blog, so everything with the trend lines is up on the blog or will be up on the blog. If you go to the blog, you can follow the charts. If you go to Instant Teleseminar, you can see the basic charts, but the trend lines aren't included.

Franklin: Okay. Well, let me go back and start addressing the question, "Is the bull market over?" To do that, there's a chart of the 30-year bond yield that I would like to point out. It says TYX up on the upper right-hand corner. It's the yield on the 30-year bond. And I think the trend lines are on that, and you'll see that this zero-interest rate policy that Bernanke has been pursuing so long appears to be breaking down, because the yield, remember, moves the opposite way of bond prices. When bond yields go up, bond prices go down.

And by keeping interest rates low, he has effectively created a bubble in bonds. And when all that money comes roaring out of bonds, there's going to be a problem for the dollar. So one of the things that I'd like to point out is that the underlying conditions in the interest rates and what that implies for U.S. government bonds and for the dollar is not good. The interest rates have already broken out to the upside. So the thing that Bernanke probably wakes up at night sweating bullets about is the idea that he will lose control of the bond market.

So that's one thing that we're looking at. Another curious thing is – and I don't know what this means. I don't claim that this means that the end of the world is here or anything of the kind. But if you look at the long-term charts – that is going back 20 years – of the Dow Industrials, the S&P and the Dow Jones World Stock Index, you'll see that they've all formed head-and-shoulders tops. And those are the charts that would appear on the blog.

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And the odd thing about it is there's a measuring – there's a rule of thumb for measuring the distance that the market will fall down after it makes the head-and-shoulders top.

And that rule is you take the height of the head at the neckline, and you subtract that from wherever the neckline is. So in all of those cases, you wind up with a number that's smaller than zero. And this is the same as stock indices across the world. Now, do I think that they're going to go to zero. I didn't say that. I'm just saying that target measuring gives you that very strange result, and I don't know what it means. We had questions, too, about the Dow versus gold, and I've got a 33-year chart that goes back to 1980 and very well shows the primary trend.

If you could look at that chart – the Dow in gold from 1980 – you understand why I don't want to trade in and out. I want to get on a primary trend and ride that trend, because that's where the big profits are, not in the little up and down jigs and jags in the market day to day. So even though the Dow in gold has come up near the trend line both in the Dow in gold or the S&P in gold, they've come up near that trend line, but it is the long-term trend line, and it is not the first time that they have done this.

And it may not be the last time, but there's no sign there yet that that trend is broken. Coming over to silver and gold, there are two charts that show silver and gold since 2000. The indicator at the top is called a relative strength indicator, and that's sort of a warning sign when you're too high or too low in the market. And you'll notice that the low that we have recently seen in the RSI is the lowest of these 13 years. There hasn't been a low lower than that.

I've correlated with arrows those lows in the RSI to lows in the gold market. And what you see is after every one of those lows in the RSI, you get a big, long rally in the gold market. There's a similar chart of the – of silver, and you can see the same thing there. And remember that this chart is a log scale. So the gains are shown in percentage fashion and not in the outright numbers. It's not an arithmetic scale. So every time the sentiment gets into those major lows, it's followed by a big rally.

Then if you look at the stock – at the charts of silver and gold from 2011, what you see is that both metals have formed a very long right-angle triangle – a falling triangle – and support beneath them at about \$1,525.00 for gold and about \$26.10 for silver has been validated three or four times. And it just looks awfully strong. There was a breakout back in August over that downtrend line, and when that breakout rallied up to \$1,800.00, where there's strong resistance, it reacted back, and we're still in the midst of that reaction. But if you'll notice, it's never gone back within that – it's never traded back within that triangle.

So that's okay. It is very long and drawn out, I will admit, but it's okay. Also, if you look at the bottom of those charts, there's an indicator called Moving Average Convergence/Divergence, which is MACD, and there's a histogram there, too, but what you

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see is that the MACD is turning up. The short-term average is has crossed above the longer term, slower moving average. So that's arguing that we've seen a low. Add to this sentiment lows in the Market Vane sentiment indicators that are the lowest that they've been for the whole length of the bull market.

So the point that I'm making there for folks who are not conversant with how we use sentiment, human beings are like lemmings, okay, or cattle or goats: they like to be in a crowd. They do not like to be outside of that crowd, and so what that means is that they buy markets that are rising, and they sell markets that are falling, and they do pretty much what the crowd does. So what we want to know, since the crowd is usually wrong at important turns, we want to know what the crowd thinks. At tops in the market, you can't find anyone who's negative on the market with a Geiger counter.

If he were radioactive, you couldn't find him with a Geiger counter, they're so rare. Everybody is positive. All the headlines are positive, and you'll see headlines like, "Stock Market Reaches Permanently High Plateau, Experts Say," and whenever you see that – whenever sentiment is that universally in favor of something, it's about time for it to turn around. By the same token, when sentiment is universally negative, it's about to turn around and rise. So that's the situation that we see in silver and gold now.

If you look at the shortest term charts, what you see is that gold had traded down to the downtrend line from the 2011 high, and then it formed a pennant. Now, a pennant looks like an even-sided triangle, like a little flag. And then three days ago, it broke out of that pennant, went up and punched into the 20-day moving average, which is the first tripwire for a change in direction, and it's three days traded outside of that pennant.

So that right there – if somebody showed me that chart and tore the top off of it so I didn't know what it was, I would say, "Well, it looks like that market's about to rise." So if you don't get a close below \$1,570.00 or so, gold is going to go higher. Gold has turned around. If you get a close below \$1,570.00, then that's not the case, and we're going to have to put up with some more of this painful back and forth. Silver made a pennant, too, but it's not quite broken out of that, and it kind of broke down through the bottom of it today.

It didn't close down there, but it sort of punched through it. But it also is very close to its 20-day moving average, which is the first – as I said, the first tripwire of the reversal upwards. So both of them appear to have just about ended their long trip to purgatory.

Catherine: Well, we're coming up onto 20 months, right? We're just about to approach 20 months since the holiday –

Franklin: Yes we're 23 months with silver.

Catherine: Right – silver's longer.

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Franklin: Yes.

Catherine: So this is pretty long. This is longer than we expected. Franklin, how do we know if we're wrong? In other words, if – you know me, I'm always asking the question, "What if we're wrong?" So how would we know if the primary trend has been broken, how would we know?

Franklin: Well, gold would go down to \$1,000.00.

Catherine: Okay.

Franklin: But I think more than that. You'd get a big, big breakout in the Dow in gold, and in the Dow in silver, both of which I watch. And then, you'd get a breakdown here through what I said was that support line at \$1,525.00. Call it \$1,500.00 for gold and about \$26.10 for silver. You'd get a sharp break through there. That would be the point where I would start worrying, but the question you're asking is one that you have to constantly keep asking yourself.

And especially at times like this, you have to go back and ask yourself, "What about my premises? What about my premises? Did I make a mistake? Have they changed? Have the factors that I saw pushing gold and silver up that got me here in the first place – have any of those things changed?" And the answer is they've not. Instead, they've done exactly what we thought they'd do. Now look – every dog has his day, and right now the dogs in the central banks are having their day.

Things are just going just hunky-dory for them, and it looks like that this is all going to work. It's not going to work. You can't spend your way into prosperity.

Catherine: Well, let me talk politics because this is what I see from a political point of view, not from looking at the charts.

Franklin: Okay.

Catherine: We've had the long bond market fall out of bed, interest rates in that market jumped, if you will – if you look at the losses in the long bond market over the last six months, all of a sudden we see an enormous systemic institutional effort starting in January to short precious metals – the short gold interest has risen dramatically, as I talked about last week. And then we see enormous new flows going into the stock market, but not from retail; it's not broad-based.

You look at those movements, and you say, "Okay, this is a defense – this is a reset of the precious metals and a defense of the bond market, starting with equities. And so nowhere anywhere do you see any headlines whatsoever about what's going on in the bond market,

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simply that, “Oh, aren’t things glorious in the stock markets!” So to me, if you look at what’s happening, it’s certainly logical behavior for central banks to be doing this.

Franklin: Right – but I want you to think about this. They’ve created this idea that the stock market is a proxy for the economy, which is not true. That’s not accurate.

Catherine: Right.

Franklin: Bernanke’s done everything he could to raise the stock market. He’s done everything he could. He’s got interest rates at rock bottom levels. He’s poured zillions of dollars into the money supply knowing that that new money goes into financial markets first. And you know, this is as far as he can get. I mean, it looks great now, but it’s not going to look great in a little while.

Catherine: Well, it’s interesting, because that’s what Jeremy Grantham (see interview on the blog the week of this report) said. That’s what the statistics say: you can’t have the stock market forever rising when people are failing. And you know, when living things, whether it’s living things or people or the environment are failing, you can’t have that go – you can’t have Dow Jones up and Popsicle Index down forever. That’s just never going to work. And I think that’s what we’re struggling with.

How do we turn that around? I will say, as I said to you during dinner, I think they have the wherewithal – if you look at how much money is in the bond market, it doesn’t take but spilling a little into the stock market to drive stocks up another 10 or 20 percent, not to say that there won’t be bumps along the way – because no market that’s healthy would be gapping like this one.

Franklin: No, it’s not normal. But certainly, there’s a lot of money in bonds that have been in bonds for safety, and because they couldn’t find safe yields any – you know, higher, safer yields anywhere else – and so they see the stock market going up like this. Of course, that’s going to attract some money. I mean, certainly it will.

Catherine: I’ve been amazed how little is going over. We’re not showing big, big influence from retail.

Franklin: Well, I don’t watch that, so I can’t comment on it. I just know that there’s a huge amount of money – they’ve created a bond bubble, and when that bond bubble bursts, then there’ll be a huge amount of money going somewhere. It’s going to be running out long.

Catherine: We put the chart up on the blog that you sent of the correlation between the gold price and long-term government borrowing. Maybe you could just touch on that before we go to Edwin.

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Franklin: Right – well, what it shows is that – the first thing shows the rise in gold prices – 86 percent correlated to the total U.S. government debt – and then they have another chart that just shows the price of gold versus the total government debt outstanding. They’re practically the same line. I mean, they’re literally practically the same line; the higher the debt goes, the gold price goes right with it. And I think if I couldn’t show you any other chart tonight to say, “We’re not wrong yet, Catherine,” that would be the chart. That would be the chart that shows cause and effect.

Catherine: Well, I don’t think we’re wrong; I think the primary trend is strong. I just think this was a reset, and the power of the reset shows the power of their fear. So I do know there’s a lot of fear behind this one.

Franklin: Well, in that case, we’ve got happy days in front of us.

Catherine: Well, you know, they may be happy days for higher gold prices. I’m not sure they’re happy days for the absence of war.

Franklin: Well – for other things.

Catherine: We have a couple of questions, Franklin, that I wanted to ask first. We had a wonderful question, “Will we talk a little bit more about using gold and silver as a currency?” We’ve done that. That’s in the Precious Metals Library, but I think that’s a great idea, and I promise I will schedule that sometime for the next quarter on a Precious Metals Market Report.

Franklin: The premium on 90-percent silver coin at wholesale has gone to \$2.00/ounce over minimum.

Catherine: That’s amazing.

Franklin: And that’s the highest it’s been since 1999. That premium is fairly sensitive to conditions in the market. Whenever it begins to rise, it signals that silver is about to rise, too, and it’s been rising steadily since November and really started speeding up since the first of the year. But I haven’t seen it at \$2.00 since 1999. So there’s another – another whisper about the primary trend.

Catherine: Yes, I get reports on the tightness in the physical market. One other quick question before we turn to Dr. Vieira. “How might one move several thousand ounces of silver and smaller quantities of other metals out of the U.S. if one is considering relocating to, say, Costa Rica, Brazil or other South American countries? How does one find reliable storage options in such countries?”

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Franklin: Okay – well, there's not reliable storage options. To that I can't answer, but I can answer – I've got a good customer who lives in Costa Rica and goes back and forth quite a bit. He was stopped coming out of Costa Rica at the airport. Costa Rican Customs stopped him. He had a big bag full of gold American Eagles, and he said, "Look, these are legal tender coins," and so they added up the face value – the \$50.00 face value of all the coins, and they said, "Well, you're right, it's not over \$10,000.00, so you can go on."

When he's come into the country through Miami. He's come into the country through Houston. He's never had a problem with him. They've all reacted the same way. So the answer to the question, "How to get it down there?" is to take legal tender gold coins, either the American legal tender gold coins or the Canadian – either one; doesn't make any difference. What – where to store them when you're there, I don't know. I do know someone who was living in a Central American country and had a safe in his house and lost all his gold and silver that way.

I would say the best way to transfer it and to retain liquidity and have it immediately available, although not in your own possession, is to use gold money. I don't know what better way there is to do it than that. And remember the local market in a lot of those countries for silver and gold is not very well developed.

Catherine: Right – if you have enough, you can usually use some of the big transport companies. It's expensive, but you can – if you have enough, it makes economic sense to do that.

Franklin: Right, but I know something – I'd rather use Gold Money for that. I think it's just so much easier and cheaper.

Catherine: Okay – well, ladies and gentlemen, with that, let me turn to bring in our second guest tonight. Dr. Edwin Vieira is the author of one of the books in my library I value the most, *Pieces of Eight*, which is a legal history of monetary policy and monetary practice in the United States. It's an extraordinary work of legal scholarship.

Dr. Vieira has joined us on the *Solari Report* before. He's just finished a new study. It's called *The Sword and Sovereignty*. It's about the constitutional basis for something called militias.

We're going to talk a lot more about it tonight. There is no legal scholar I know in America who loves the law truly as much as this man and who has done more to teach far and wide about how the law can be used to build a healthy and wealthy society. So this is someone who's dedicated his life to helping use the law to make us more powerful and more free. So his latest book is a great contribution. I have it, and I recommend it to you strongly.

It's almost like the Encyclopedia Britannica: every library should have it. So with no further ado, Dr. Vieira, are you with us?

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Edwin: Yes, it's my pleasure to be with you tonight.

Catherine: Well, first, you have to tell us about the logo on the – on *Sword and Sovereignty*. It's a beaver?

Edwin: It's a porcupine.

Catherine: It's a porcupine! Oh, better!

Edwin: And the reason for that is, of course, the militia are primarily, almost exclusively, defensive organizations, and the animal that struck me as most in keeping with that character is the porcupine. It doesn't really have any natural enemies. If you've ever seen what happens to a dog that attempts to deal with a porcupine, you'll understand why.

Catherine: I had to pick the needles out of one.

Edwin: Yes, all right, so you understand the problem there.

Catherine: Yes.

Edwin: And the motto is drawn from Algernon Sidney.

Catherine: And the motto says?

Edwin: "He that has virtue and power to save a people can never want a right of doing it." Algernon Sidney – if you read Thomas Jefferson's account of who were intellectual mentors in the area of political philosophy, most people think of John Locke. And actually, Jefferson singles out Sidney as probably having been more influential overall. Sidney's book was *Discourses on Government*.

Catherine: Tell us how you came to be interested in the militia and the pre-constitutional and constitutional basis for the militia and why it's relevant to our situation today.

Edwin: Well, it came out of the aftermath of the 9/11 events, and immediately thereafter you had, of course, the Patriot Act and a year or so later the Department of Homeland Security was created. And subsequently, of course, we've had the Military Commissions Act, the National Defense Authorization Act, and now they're talking about official assassinations coming out of the executive department. It's the development of a first class national paramilitary police state apparatus.

And when this process began with the Patriot Act, I thought, well, at that stage, some of these groups and intellectuals out there who were or had been promotive of the Second

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Amendment would now recognize that this homeland security problem could be tied directly into the constitutional militia. And therefore, the Second Amendment, the right of the people to keep and bear arms and so forth and so on, that they would pick up on that, and unfortunately they didn't. And I tried on a number of occasions to interest – I won't mention which groups and which people – but to interest them in taking on that subject, and apparently no one wanted to for whatever reason.

I think it may be because the word “militia” has been pretty much demonized in the mass media and certain political circles since really the 1960s. So I started doing some, what I would call “fill-in” research, because I had studied the pre-constitutional period quite extensively, and I had a pretty good idea in my mind of what the answer was. And let me explain the problem here. If you go to the Constitution, Second Amendment talks about a well-regulated militia, the right of the people to keep and bear arms.

The body of the Constitution – the original Constitution talks about the militia of the several states, the powers of Congress to provide for organizing, arming and disciplining the militia, calling forth the militia under certain circumstances, the status of the President as Commander in Chief of the militia of the several states when they're called into the service of the United States. But those terms are not defined, as most terms in the Constitution are not defined. The Constitution is not a dictionary. Some terms are defined.

Of course, Congress is defined – the Senate and the House of Representatives and what their powers and procedures are, and the status and some of the powers of the President pretty carefully defined, the jurisdiction of the Supreme Court and ultimately the inferior federal courts that Congress creates, those are all defined because those are all new institutions or offices. And especially Congress – there had been an earlier Congress obviously in the Articles of Confederation, but the Constitution is differentiating between that Congress and the Congress that the Constitution sets up.

And the Constitution defines, for instance, the word “treason” very carefully because treason under the old English law had been a very broad concept. It was a political crime, basically; and it had a lot of ramifications that the founding fathers did not want to continue by any stretch of the imagination, so they defined that word quite carefully. But when you come to “militia,” there's no definition, and the reason for that was – and I think I can say this categorically with almost mathematical certainty – that every free adult male in the several states – the 13 states at the time – from 16 – 15 or 16 years of age on upwards was at that time or had been for a significant period of his life a member of one of the militia of one of the several states.

And those institutions existed throughout the period of independence – 1776 up to the ratification of the Constitution. And you can go back all the way to the original colonial charters, and you will find from the colonial charters on up the power to create these armed

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governmental organizations. So I went back, and I re-studied that, if you will, and I read – and I found, I hope, and read essentially all of the militia statutes from that period – the mid-1600s on to the constitutional era and also any of what I suppose we would call today “gun control” statutes, because there was a few statutes that dealt with the situations like – as to whether slaves could possess firearms.

And what I discovered was, first, there was a huge amount of material. There were dozens and even hundreds of these statutes because the various colonial assemblies had kept passing them every few years, one of the reasons for that being that the statutes were supposed to go to the Privy council in England to be reviewed and approved or disapproved. And so one of the tricks that the colonial assemblies played was they passed a statute, and it would take some time to go to England and come back, and then a couple of years later they’d pass another statute.

So if the first one they had passed had been disapproved in some way, when it came back they could say, “Well, that’s no longer the statute; we put another statute in.” So they could evade that kind of control by the Privy Council. So there were a large number of these militia statutes, and what’s amazing about them is they’re essentially all the same.

The pattern repeats itself over and over again in every one of the colonies and then independent states. And the only difference among the statutes, besides a certain linguistic difference, which you can tell – some cases whether a statute came from New England as opposed to coming from Virginia or the Carolinas – was that in the predominantly slave states, such as Virginia and the Carolinas and Georgia, the militia statutes had a provision for what they called the “slave patrols.”

They had a police operation – the militia was deployed to make sure that the slaves were on the plantations where they were supposed to be, and they were not in tippling houses or other places where they might be gaining access to liquor, plotting escapes or revolts or whatever. So I went through all that material in order to define in a historically correct manner what those terms in the Constitution relating to “militia” meant or mean today, because of course there’s no amendment that has been enacted since 1787 – 1792.

And at that point, once you have that information, it becomes fairly clear that we have a rather serious problem. And that’s actually Part 3 of the book. First part of the book goes into constitutional interpretation: here are the rules, here’s how you have to do this, here’s where you’re going to find the evidence. Part 2 of the book takes two of the colonies, Rhode Island and Virginia, which I pick because they are sort of at the extremes of the spectrum of colonial types. Rhode Island was at the time called an extremely “democratical” – that was the word they used – extremely “democratical” colony; even the governor was elected.

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And Virginia was a very aristocratic colony: a royal colony. And Virginia was primarily a slave state. Rhode Island, of course, had slaves. All the colonies had slaves. So there were a number of differences, but with respect to the militia, leaving aside the question of the slave patrols, which was again a special deployment of the militia, the statutes follow essentially the same pattern. And the second part of the book goes through terrific detail about those colonial statutes – breaking them down by particular principles or characteristics.

And I had come up with about 17 principles, and I'll give you some of them right now. The first one was essentially universal compulsory service. All adult free males then – because of course the slaves weren't allowed to have firearms or participate in that kind of activity – all adult free males from 15 or 16 years old on up to 50 – 55 or 60 years old were required to be members of the militia. Now, some of those people might have certain kinds of exemptions, but at least they were all required to participate in some way.

Second principle was that everyone other than a conscientious objector had to provide himself, or “furnish himself” was the expression that was often used, with one or more firearms. And if you were in the infantry, you might have a single musket or rifle. If you were in the cavalry, you probably had abrasive pistols, para pistols and a carbine and then other equipment – sword, bayonet, tomahawk, ammunition pouches – whatever. They had a whole list of that kind of equipment.

And that was to be purchased by the individual, in the first instance at least, out of the free market. So the free market was seen as part of this entire structure. If you happen to be too poor, well then somehow or another, the government would provide you with that equipment. It might come out of taxes. It might come out of fines that the militia were collecting on their own members, but somehow or other you'd be provided with a firearm and other appropriate equipment so that you could perform those functions. Some people were exempted.

If you were a conscientious objector, you were exempted from possessing a firearm. In some cases, people who were in political office might be exempted from certain duties, people who had particular private occupations that were considered to be critical – millers, ferrymen, ministers, overseers in the slave states, physicians and surgeons – but to a large degree those kinds of exemptions were more formal than substantial because quite a number of those people were either officers in the militia or, in the case of say physicians and surgeons, they would have gone off with the militia when the militia people were called to active duty.

Another basic principle was training. Everyone was in some way trained to do something. There was no such thing as an unorganized militia, which we see today in most of the state statutes. And finally, there was discipline if you failed to perform various functions. Generally speaking, you were fined, and depending on the type of function it might go

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further to corporal punishment or even imprisonment. So the second part of the book goes through the colonial statutes in Rhode Island and Virginia and draws out actually 17 principles and applies these then to our present day situation in Part 3 of the book.

If we wanted to – and we ought to – revitalize these institutions, here’s how it would have to be done, and it would be the good consequences. And that particular point – why this should be done – of course, if you go back to the Constitution, we’re talking about homeland security. That’s what all this brouhaha is around the Department of Homeland Security, right. “Homeland security we’re going to create.”

You ask, “Where in the Constitution does the word ‘security’ appear?” Only one place: the Second Amendment – “a well-regulated militia being necessary to the security of a free state.” So it’s not just security; it’s security of a particular kind of political institution: a free state. And that terminology, for the founding fathers, meant a state that was based upon popular sovereignty: self-government, right. So the Constitution tells us that the one thing that is necessary for the security of that kind of a political institution is a well-regulated militia.

Well, of course, that’s true, because a well-regulated militia encompasses the vast body of the people themselves, and they are thus participating in a very special way there in self-government by exercising the power of the sword. And that’s the title of the book, *The Sword and Sovereignty*. I take that from a quote of one of the somewhat more obscure writers that the founding fathers were wont to read. “The sword and sovereignty always march hand-in-hand.”

Catherine: Can I interrupt you for a second?

Edwin: Sure.

Catherine: To introduce money and why I think what you’re doing is so important – Tonight over dinner – I reviewed some numbers with Franklin, which I’m going to introduce now. The Neighborhood Project published a chart of all the federal state and local spending in 1910 and calculated that we spent – all government spending – federal, state and local – we spent \$29.00 per person. In inflation adjusted dollars, that’s approximately \$727.00 per person. And then if you look at those numbers today, it’s \$20,000.00 per person. So it’s gone up by a multiple of 30 times.

Edwin: Oh, my gosh.

Catherine: And if you look at any county – and Franklin and I talk about this a lot – every county in the country is deeply dependent on federal checks, whether it’s businesses or whether it’s households. So much of the economy is running through the federal budget. If you look at, “Okay, well, how could we change this?” or “How could we bring the fact – or

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sort of bring enforcement to the fact that a lot of that money is not being managed legally by the federal government?” again and again you come back to the states.

In other words, if you’re going to turn that financial aircraft carrier and protect the people within a place, it’s going to have to be done – you can’t do it on a local municipal budget; you’ve got to deal with a state budget. And of course, the state is where you can grapple with local currencies or you can grapple with a state bank. But if you’re going to organize to turn this financially, you’ve got to do it at the state legislature level. So when you told Franklin and I in the last *Solari Report* you did with us about this idea of the militias, it just resonated tremendously, because the reality is money can never – if the history of investment has taught us anything, money can never go where it can’t have enforcement to protect it.

And so when you talk about an armed militia, you’re talking about the organization that is capable of protecting a turn in the money. So you’re going to need the militia. You’re going to need the legislature, and it seems, whether we come at it from the legal standpoint or we come at it from the financial standpoint or we come at it from the political standpoint, we keep being cycled back into this question of the states.

Edwin: Well, I think that’s absolutely right, and my concern that lay behind all this work that I’ve done was watching the development of this national paramilitary police state centered on the Department of Homeland Security. And my view was – still is – that that development had very little to do with terrorists hiding in caves in Afghanistan who hate our freedoms and are planning to in some way assault us here in the United States. But it had a great deal to do with the expectation on the part of the powers-that-be in Washington and New York that there was going to be some kind of major economic breakdown in the not-too-distant future, and when that happened they would need to use repressive tactics to control the average American. And that was the genesis of this system, which looks very much like the Reichssicherheitshauptamt of Heinrich Himmler, if I may draw historical parallel.

And of course, it’s entirely contradictory of the constitutional principle of federalism, number one, but more specifically of the concept of the militia and popular sovereignty. In fact, I go into that – this whole problem in Part 4 of the book, what I call “Forebodings” – sort of the dark shadows that lie ahead if certain steps are not taken to revitalize the militia. The economic problem is one, though – we’re not going to solve that without a great deal of pain. And as a result of that pain, there will be some level of social unrest, probably something along the lines of civil disobedience in many sections of the country.

All you have to do is look at Greece, Spain, Portugal – Italy’s the next one, right — these countries in which the people are rebelling in a way against the austerity measures that are being proposed on them. You can imagine the same kind of thing in the United States, and



here we have this mechanism that's been set up – pyramid coming out of Washington with power radiating down into every state and locality through the connections of the DHS and the state and local police.

And there's no countervailing power or check and balance in the sense that the militia structures that should be there, if you go and study the various state statutes, they all follow essentially the same pattern. Virginia, for instance, we have a section of the code called "Military Laws," and it talks about the militia and the militia is composed of two parts: the organized militia, which is the National Guard, and the unorganized militia, which is everybody else. Well, anyone who actually studies this subject – my book goes into it in some detail – realizes the National Guard has nothing to do with the militia.

The National Guard is no more the militia than I am the Grand Duke of Monte Negro, all right. It's actually the troops or ships of war that the states may keep in time of peace with the consent of Congress, Article 1, Section 10, Clause 3. And we know this because it's not based upon compulsory universal membership. The members of the National Guard do not furnish themselves with their firearms and other equipment and keep it in their own homes. They can be called up for more than the three constitutional purposes for which the militia can be called for. They can be sent overseas to fight in foreign wars, which the militia cannot.

There's a whole list of discrepancies there that demonstrate that the National Guard people are not in any kind of militia structure. But then everybody else is in this thing called the "unorganized militia." And in Virginia, it's truly that: it's totally unorganized. There really is nothing there. And if you look at the potential for Homeland Security problems, it's fascinating because what they've done in Virginia and probably every other state is similar to what they've done at the national level; we have a Virginia Emergency Management Agency. Centralized where?

In the state capital, Richmond, right – and then every one of the local jurisdictions – someone is supposed to be appointed as the Emergency Management Coordinator, and that person is supposed to draw plans, and they must be consistent with the regulations that come out of the governor's office and so forth. And then those plans are supposed to cover – I'll give you a classic example of this out of Virginia. They have this long laundry list, and it begins with food – the use of food, distribution, storage, etcetera, and they go into transportation and fuel and so forth.

Well, what is the use of food? When I first read this, I said, "What is the use of food?" It's eating of food! So apparently, there's someone at each one of these political jurisdictions below the level of the state government that has drawn up some plan that in my county, for instance, will affect how I use food – either food that they have or food that I might acquire from somebody else, or perhaps food that I already have in my basement. But nobody has

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bothered to tell me what this plan is or to provide a plan in which I am called upon to perform some specific function.

And in fact, when I went down not too long ago to the county office building and went into the board of supervisors end of it, talked to the reception people there with this statute in my hand and asked them where I could find these plans, rules and regulations which are supposed to be open to public inspection, they had no idea. I'm still looking for them. So this is the problem. People have been completely frozen out of the Homeland Security planning and operations. And this huge bureaucratic structure has been put in place.

It's contrary to the constitutional directive, really, that militia are supposed to perform these functions. And in the long-term, it can lead only to the worst kind of repressive institution that you can imagine. I think is going to look very similar to what existed in the '30s in Germany because the pattern is the same. So that was really the purpose of writing this book. And I think the proof of the thesis, if you will, is found in history. It's not something that I invented. I think there are 200 pages of endnotes with citations.

Catherine: Great. And I would point out if you say, "Well, you know, the militia was a quaint idea that people did hundreds of years ago," what you're describing is very similar to what the Swiss do today.

Edwin: Oh, absolutely. And if you think about the types of problems that you could subsume under the rubric "Homeland Security," well, a lot of them would have nothing to do with paramilitary and military activity. They'd be responses to natural disasters, industrial accidents, food shortages, breakdown of the transportation grid, perhaps, breakdown of the electric grid, and people would be trained and prepared to deal with those at the local level where the different aspects of those problems show up.

And if we look at what Washington has given us – FEMA – and just take two examples: Hurricane Katrina, Hurricane Sandy. Hurricanes are natural disasters. We've had how many of them in my lifetime? Dozens and dozens, right – they're not unusual. We're now capable of knowing when they're coming, how strong they're going to be, what damage they're probably going to cause, what the aftermath will be like. One would expect by now that these wonderful Homeland Security agencies at the national level would have figured out how to deal with these problems in such a way that they would be minor blips in our lives.

And yet we saw in Katrina and in Sandy chaos – absolute chaos. Why? Because the people themselves at the local level were not properly organized, trained, equipped in some way. Now that, I think, would be very minimal type of organization training and equipment because we have so many people now. The necessity in the colonial period was to have every able-bodied man functioning or potentially capable of functioning in these organizations because they had so few people relative to the potential dangers they faced. Now we're talking about orders of magnitude greater populations.

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We wouldn't need to have everyone trained to the same level or equipped to the same level. There could be some basic – very basic level of training for most people, and then the rest would come out of people – I would suspect out of people who were more or less willing to volunteer for these activities provided that some of their equipment and training, so forth, would be paid for.

Catherine: One of the things that I want to underscore that I've heard you talk about in many interviews on these topics is it is absolutely important to identify ways envisioned in the law that we can organize to make sure we're not picked off one by one. Your use of this expression of being picked off one by one constantly resonates with me because if we don't create these vehicles that's exactly what's going to happen: we're going to get picked off one by one.

Edwin: Well, the thing is the Constitution created these vehicles or recognized these vehicles. These institutions existed. Militia in the several states existed prior to the Constitution, and they were incorporated into the federal system, and I think primarily because the founding fathers had had a great deal of experience with this, and if they had attempted to remove them from the plan the anti-federalists would have succeeded, and the Constitution would never have been ratified. But that's exactly the point.

You talk about the right of the people to keep and bear arms. Most of these Second Amendment advocates out there are talking about the “so-called” individual right – “I have a right to have a gun. You have a right to have a gun.” That's all very well and good in principle, but in practice if you're facing the ultimate problem, which is the imposition of some kind of usurpatory powers or even tyranny down the road, that single individual cowering in his cellar with an AR-15 and 1,000 rounds of ammunition is not going to be able perhaps even to protect himself when the SWAT team shows up.

And let's look at this realistically. You have reports on the Internet – they're talking about a billion-something rounds of hollow-point ammunition – 40-caliber hollow-point ammunition, which by the way cannot be used in international warfare. It's a war crime to use such ammunition in international warfare. So where is the Department of Homeland Security – which by the way does not engage in international warfare – where is the Department of Homeland Security intending to use this billion-or-so rounds of ammunition?

Well, apparently against some kind of civilians. Then they've just reported that they've put in an order for 2,700 armored personnel carriers that can withstand landmines, and I saw one YouTube on these where someone from the army was describing how they operate and they'd have 11 men inside with submachine guns and so forth and so on. And I thought to myself, 2,700 of these, and their explanation is, well, they need them to serve high-risk warrants – search warrants or warrants for arrest.

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And I would just wonder how many high-risk warrants they had served before they put in this order, and where's the justification for it? But the interesting figure that comes to mind, do you know how many armored vehicles of all types the German Wehrmacht had on the line when it attacked France in 1940?

Catherine: No.

Edwin: And beat the French – beat the English, beat the French in the battle of the 1940s? 2,200 – Heinz Guderian in his book, *Panzer Leader* – and of course, he was one of the leading panzer generals – he reports these figures, right – 2,200 were on the line for that successful – ultimately successful campaign. And the Department of Homeland Security has ordered 2,700 armored vehicles!

Catherine: I just assume there are 3,100 counties, and my county is so poor that we're not going to get one.

Edwin: Well, these are supposed to be used by the Department of Homeland Security and its connected agencies. Of course, they've been delivering what I would call "semi-obsolete" equipment down to the local and state police forces. So they're receiving older armored vehicles, armored personnel carriers and so forth and so on. I remember in 2004, I was in New Hampshire, and there was a report in one of the papers there about the Nashua, New Hampshire Ready Response SWAT Team or something – one of those names, and they showed a couple of members of this police unit in the fatigues, and one of them had a German submachine gun, and the other had a riot shield, and behind them was a little armored car – not this great big one, but a little one.

This was 2004, and it had a ring on the top where a 50-caliber machine gun could be put up and go around 360 degrees. And I was having breakfast with some Nashua state representatives in the New Hampshire legislature. And I showed them this picture, and I said, "What do you know about this?" They said, "We've never heard about this before." I said, "Well, what kind of terrorism do you have in Nashua, New Hampshire, that the local police force has to have a SWAT team and an armored car with a 50-caliber machine gun?"

Well, they had never heard of that before. I said, "Well, you people better check up on this. Your state representatives in your own area, they're arming the police with this kind of equipment." Now, that particular piece of equipment was a throw-off from the Army or the Marines or whatever. It was a relatively obsolete vehicle from a modern combat situation. But how many of those are out there? This paramilitarization is what interests me very greatly, because under what circumstances do they imagine that they would need paramilitary forces essentially across the entire country?

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What could happen across the entire country? Well, it's not some kind of natural disaster. We're not going to have a hurricane striking the whole country. I can't imagine they're predicting industrial accidents going on inside the –

Catherine: No, but it could be an EMP nuclear attack.

Edwin: It could be an EMP or – and that would take down the transportation grid. It would take down most of the economy as well. Or it could simply be a banking and monetary collapse, which would essentially do the same thing to the price structure, even if the computers were still functioning. And that would, of course, lead certainly in the urban centers to not just social dislocations, but real civil disobedience. I mean, it would look like Watts riots or the L.A. riots.

Catherine: Well, but I also think it is very clear that the federal budget and the federal credit are being run way outside the law. In other words, whether it's the money that's being spent or the way enforcement is going down, that the amount of violation of the law is tremendous, and at some point you have to worry about can we continue to collect taxes if clearly we're not managing the money based in the law. So I think there's some real fear of what can happen at the state and local level when people start to realize, you know, "I'm paying taxes into the system, but this money is being used illegally."

Edwin: Well, also if your incomes are decreasing, and your taxes are increasing and prices are increasing so that your standard of living is going to be drastically decreased, what is the likelihood that you're going to want to continue to pay taxes? And what if you have both of those going on simultaneously? The people are looking at the expenditures in the government saying, "This is all illegal," and they're looking at the other side and saying, "I can't pay this level of taxes!"

Catherine: So let me ask you this question –

Edwin: "I couldn't pay this level of taxes if the spending were legal!"

Catherine: Is it possible, given what you now know about the militias, for a structure to be created by the courts under a state, under the protection of a militia to say, "You know something? We're going to escrow our federal taxes because we have a constitutional obligation to make sure this money is spent according to the law, and you're breaking the law. So we're going to put the money in escrow under state control. And normally, we send you this money, and you send this amount back. So you know something? We relieve you of sending that back. Here's a check for the military and the federal debt, and we'll take care of everything else"?

Edwin: Well, (a) it wouldn't be done in the courts.

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Catherine: Is it possible –

Edwin: The courts have to be kept out of this entirely. It would be done by state legislation, but I can certainly see that as a situation that would arise. The militia – which includes, of course, everybody and all the taxpayers essentially would be members of the militia, and they would be told to do precisely that. You pay these taxes into a state escrow account, and the state will then look at the percentage of this federal budget that is within some reasonable constitutional parameters, and that amount will be paid over from the escrow account, and the rest is going to be withheld until there's some kind of correction at the federal level.

And if the feds don't like it, well, too bad for them. See, the problem really resolves into the federal government is capable of going after individuals. It's very difficult for the federal government, I think, to go after states as institutions. So the states can make all kinds of pronouncements they want under the Tenth Amendment. But the federal government can listen to those and say, "It doesn't make any difference to us. We go after Ma and Pa Kettle and Mr. and Mrs. America directly, and we'll force them to pay or perform whatever other requirements that our statutes have set out."

But if Ma and Pa Kettle and Mr. and Mrs. America become part of the state militia, and they're performing these activities pursuant to state militia statutes, now all of a sudden the federal government in dealing with those people is in fact dealing with the state. It's dealing with the state militia, and the state militia is not something that's simply a matter of state law so that have this problem of the supremacy clause coming into play – that whatever statute Congress passes is somehow supreme over state law. The state militia – the militia of the several states are constitutional institutions, part of the federal system, or equivalent constitutional stature to Congress, the President, the Supreme Court and even the states themselves.

Why? Because the militia made up of the people themselves. It's really the only governmental institution under the Constitution that is made up of the real governing class: the people themselves. So a state can essentially have a faceoff with the federal government and say, "Well, yes, you can make these pronouncements, but those pronouncements don't come to us through the supremacy clause. In fact, they're fended off by the fact that we're operating through this other constitutional institution called the militia over which Congress has very limited authority.

It can call them up to execute the laws of the union, suppress insurrections, repel invasions. The President becomes the Commander in Chief when the militia are called into the actual service of the United States, which is an interesting check-and-balance. That word "actual," that's really the only place in the Constitution where that appears. And why does it appear?

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Do they really need that, unless it has a limiting character to it? That is, the President cannot call for the militia for something that isn't the actual service of the United States.

And clearly, to enforce some kind of unconstitutional enactment is not the actual service of the United States. And therefore, these militia structures, which are state institutions – not federal institutions; it's state institutions – can say pursuant to the Tenth Amendment and all the principles of federalism, “No, you're calling us forward to do something that is unconstitutional. That's not the actual service of the United States. You can go suck an egg!”

Catherine: Right.

Edwin: And then the Tenth Amendment now suddenly has teeth applied to it.

Catherine: Well, but here's the thing; you've got to have financial teeth, too, because so many people are dependent on the federal budget. But if you can assert properly that the federal government is spending the money illegally, and so you return the money to lawful expenditure in a way that reduces the dependency on the federal budget instead your cycling it through the state, then you can address that financial dependency, which is where this traditionally breaks down.

Edwin: Well, that's right. I would put it the other way. I would say that you're withholding money from unconstitutional expenditure.

Catherine: Right – exactly.

Edwin: You're looking at the federal budget. Here's the budget. Here are the taxes, and 37 percent of the budget – whatever that figure is – 37 percent of the budget is unconstitutional. Therefore, 37 percent of these taxes at a minimum don't have to be paid.

Catherine: Right.

Edwin: And now to protect Ma and Pa Kettle, who as individuals would be directly under the gun of some rogue agent from the Treasury Department coming down and trying to collect these monies from them, now that money goes into the state militia escrow fund as part of their militia responsibility. And now it's the State of X versus the U.S. Treasury, and the State of X standing on this higher level because the militia are constitutional institutions in their own right. I think this would be a fascinating problem in federalism in the sense of what exactly would those people in Washington think they could do? I mean, obviously, you have to have the militias organized and people online and understanding what's going on. But once that were to happen, precisely what could they do?

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Catherine: Well, let me tell you – because we’re going way over time here – Franklin is being uncharacteristically quiet. So Franklin, anything you want to contribute?

Franklin: Well, no, I just think that what you said earlier put your finger on the point – and you and I have both been in the situation to learn this the hard way. The government operates on the adage of strike the shepherd, and the sheep will scatter. And so whenever anyone sticks his head above the crowd and stands for any sort of principle, the government’s goal then becomes to get that person. And they try to isolate him. And of course, what happens usually is when the federal government attacks someone, everybody runs for cover.

They’re just like cockroaches when you turn on the light. You know, people you thought were your friends turn out not to be your friends after all. And the reason for that is very simply everybody’s afraid of the government. They’re afraid, and we need people who are not afraid who will stand up for the truth, who will stand together, and there’s strength in numbers. The way it is now, we’re all isolated, and the militia, of course, is one of the ways constitutionally in our system we’re supposed to be able to stand together. But it’s been so vitiated there is no militia.

Edwin: Well, that’s why my point is that these things have to be revitalized in essence. They’re not there. But the day is coming when people are going to be more afraid of the consequences of being afraid of the government than they are of the government, if you know what I mean – right.

Catherine: Right – I agree.

Edwin: Economically speaking – in terms of economic breakdown, social breakdown – all these problems – they’re going to say, “Wait a minute! Those things are more dangerous to me than this shadowy fear I’ve had of that institution over there. And now I absolutely need to do something to secure my own life, my family’s life or whatever because the consequences of not doing that are so obvious and so horrendous that I no longer have any choice.” And I think we’re coming to that point.

And that’s one of the reasons – that’s one of the reasons that – when all of these gun control fanatics came out of the woodwork after the Connecticut shooting, you begin to see, and now it’s a torrent on the Internet of people who are saying, “No, the Second Amendment isn’t about hunting. It’s not about target shooting. It’s not about any of that. It may not even be so much about personal defense against advantageous criminals – a burglar that breaks into your house – it’s really about protecting us against tyranny.” That correct interpretation is now surfacing more and more.

Now, it hasn’t yet come out to the extent it ought to in places like the National Rifle Association and so forth, but it’s coming out of the average commentator, if you will, or



blogger or whatever on the Internet. Well, that's a very interesting development, because of course that's recognizing that this is a political problem that we're facing, and it's a political problem which we can identify our real opponents. Those are those guys up there in Washington or in certain state capitals that want to disarm the average American for a malign purpose. And you fill in the blank as to what that malign purpose may be, but more and more people are recognizing this.

Franklin: You just raised a point of politics, and I don't know what it's like in Virginia where you live or in New York or any of those places, but I know what it's like in Tennessee, and our state legislatures are not dummies.

Catherine: They're smart guys.

Franklin: By and large, they're clever, honorable men who want to do the right thing constitutionally.

Catherine: And women.

Franklin: Sorry?

Catherine: I said "and women."

Franklin: And women – yes, of course – who want to do the right thing. And they will stand for it. In fact, one of the best actors in our legislature is a woman, and one of the strongest personalities and the strongest advocates of constitutional freedom. So I think it's a big mistake for anyone to sell state legislators short. Now, it depends, of course, what state you're in, but even there you'll find people who are conscientious about their constitutional duties.

Edwin: And I think it is – you know, I think it is more than likely that we are capable of finding some states to begin this process. Now, it's not going to be Massachusetts. It's not going to be New York. It's not going to be California, for instance. But it might be Tennessee. It might be Virginia. It might be Texas.

And once it starts and people realize what the potential is for regaining real sovereignty at the state and local level – sovereignty of an economic type, sovereignty of a political type, sovereignty in respect of these homeland security problems – once they recognize that they actually can take that control back in their own hands through a constitutional mechanism – so we're not talking about something that's of a revolutionary cast, if you will – through a constitutional mechanism, I have a feeling that that process is going to begin to run away with itself.

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Because what's the alternative? To continue down this road that almost everyone recognizes leads to a dead end or to any abyss?

Catherine: I pray you're right.

Franklin: One of the problems that we've had for the last 40 years is if you look at the period of the American Revolution, let's say, and you look at the people who were involved, they were in the upper strata of society. What I mean is they were leaders. They were men of business. They were men of affairs. They were farmers or whatever, but they were well known. They were the top people in society. In the last 40 years, the people who have fought government tyranny have been marginalized while those leaders have been filling their faces full of food and ignoring what's going on.

So I mean, I'm saying this to try to say I hope you are correct. I hope there will be a widespread realization that we have to do something, or there won't be anything left. I mean, you won't have any freedom left. But it hasn't happened yet. It's starting to happen, but again it's not – the people who are leaders just seem to be – they don't want to take any chances. They don't want to stand out. And you always have to take a chance if you're going to stand for freedom.

Edwin: Oh, that's right – and I think those people that you're talking about haven't yet recognized the dangers to themselves out of the present circumstances. They're not yet willing to admit that they cannot continue doing what they're doing.

Catherine: Oh, I have talked to a lot of state legislatures who I think do. What they don't see yet is a way to organize a sufficient critical mass who will support them and keep supporting them given the federal government's ability to buy people up and buy them cheap. So I think they're looking for an organizing mechanism, and that's one of the reasons why I think your work is so incredibly important and useful. I was just thinking they're looking for a way to do this without getting the rug pulled out from under them.

Edwin: Well, I look at what I do according to that old Chinese aphorism, "It takes a single spark to start a prairie fire." Somebody has to start this process. And when I started this process, *Sword and Sovereignty* was finished at the end of last year. That was 2012. Well, five years earlier in 2007, I wrote a slimmer book called *Constitutional Homeland Security*, which sort of adumbrates *Sword and Sovereignty* and suggests to people who they might organize themselves at the local level for education and getting state legislators aware of what this problem is.

So I've been at this thing a while, and I'll tell you I'm essentially the only person I know who's been doing this. But people are now beginning to pick up on this question – not so much because they listened to me, I think, but because of the nature of the problem. In a sense, it's self-evident. As the Second Amendment says, what is necessary to the security of

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a free state? Well, if this thing here – this militia concept in which the people participate, and people are recognizing, “Wait a minute – institutions are being created here that are denying us the basic elements of political freedom.

“They’re denying us economic freedom. They’re going to destroy our prosperity, and whether these things are happening by accident or by incompetence or by malevolence, we cannot depend upon certainly Congress to do this. We have to depend upon our state legislatures and ourselves wherever we can make those institutions work to bring about some kind of change.” And now a lot of people are beginning – kind of thrashing around looking for what that mechanism or institutional structure is, and what I’m trying to tell them is the first thing that you do when you pick up a chainsaw is you read the book of instructions so that you don’t grab the chain; you grab the handle, all right. And that’s what our Constitution is telling us.

You have something as dangerous as a chainsaw here. What was it – attributed to George Washington, “Government is not eloquence. Government is not reason. Government is force” – all right. I don’t know exactly whether he said that, but it’s often attributed to him, and that’s the situation. Government is an extremely dangerous implement. It’s like keeping wild animals in a cage. You never know when that animal is going to get loose. And therefore, in order to control this instrument, you have to read the book of instructions.

And the book of instructions tells us with absolutely clarity, unequivocally, that if you want to maintain a free state, you damn well better have well-regulated militia in those states. We don’t have the well-regulated militia; ergo, we’re seeing the free state being destroyed at every level. And what do we want to do if we want to turn that around? Well, not simply sit with our fingers in our mouths wailing and gnashing our teeth and saying how terrible this is. God helps those who help themselves.

We’ve got to go back to the book of instructions and implement those instructions. Maybe we’ll fail. But the alternative is we’ll fail. Right? This isn’t a situation where we can sit on our hands and expect things to work themselves out.

Catherine: Right. Well, Dr. Vieira, we’ve gone way over time. And before we close, I would very much appreciate if you could describe to people how they can find your website, find your work, get a copy of this book and your other books and keep up with what you’re doing and saying on this very topic.

Edwin: Okay – very quickly, the books are available on Amazon – where else, right? *The Sword and Sovereignty* and *Constitutional Homeland Security*. Then on the website, NewsWithViews.com. I have an archive of articles going back to I think 2005 which tie this whole militia question into a lot of the economic issues that you talk about regularly and related issues there. And those are what I call “popular articles.” They’re two or three pages

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– four pages long – somewhere along that line so people can get something of an overview from scanning those.

And as I say, if you want to go into real detail on this subject, the *Sword and Sovereignty* does that for you. It's something like 2,000 pages long.

Catherine: But it's very well-written; it's easy reading.

Edwin: But it's an important topic which nobody else is dealing with. So I'm going to do this once in my life. I'm not going to come back to this again. Here it is. This is kind of encyclopedic. If you read it, I hope that you'll agree with me and appreciate that we need to take this kind of action. And then it's simply a question of getting out on the hustings and getting those state legislators online and convincing enough people of the necessity really to participate in this. Self-government is not a spectator sport. If we want to have self-government, we have to take government into our own hands, ultimately.

Catherine: Well, Dr. Edwin Vieira, I can't thank you enough for all of your work. I can't thank you enough for this incredible piece of scholarship, and I can't thank you enough for joining us on the *Solari Report*. If there's anything I can do or the *Solari Report* or our network can do to support you in your work, you just let us know.

Edwin: Well, just let people know.

Catherine: I hope you will promise to come back.

Edwin: Oh, yes, whenever. Thank you very much for the opportunity.

Catherine: Okay – thank you.

Edwin: Good night.

Catherine: Okay – very quickly, “Let's Go to the Movies,” we had – I recommended *Naked Brand*, which is a documentary that explains how mass media and advertising are breaking down and how normal people want something much more human and intimate. It speaks mostly to consumer transactions and products and services, but it has profound implications for politics and the kinds of things we're talking about. And it says that people really are beginning to vote with their money, and it's extremely interesting and very, very hopeful, and I can – you can get it online and watch it. I got it on Amazon, I think, of course.

But it really speaks to a change in how communications and economic transactions are being affected, and I think it talks to a real change that's happening – an important change. And I recommend it to you very much. It's certainly very, very helpful. So with that, I'm about to

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close. But Franklin, I wanted to thank you again. And we're going to be back with you next month for more in precious metals. And you know the next month is going to be very, very telling, so I know we'll have a lot to talk about. But I wanted to say thank you again. Anything else before we close.

Franklin: Yes – just remember that we're in this for the long run, not – there's nothing to worry about. You just have to take the long view, and that makes things look a lot easier. Probably turn off your TV and don't listen to the news or read it on the Internet.

Catherine: This is – whenever the market's like this, this is when I go out and talk to the cows in the back pasture.

Franklin: Yep – I'm telling you.

Catherine: That's what they tell me. They always say, "Why are you fretting? – you know, stop fretting!"