

THE SOLARI REPORT

INTRODUCTION

Welcome to The Solari Report.

Today is August 11, 2016.

I am Catherine Austin Fitts and I am delighted that you could join me this evening.

THEME TONIGHT: Productivity declines for third straight quarter

<http://www.marketwatch.com/story/productivity-declines-for-third-straight-quarter-2016-08-09>

US nonfarm productivity declined 0.5% this quarter, down three consecutive quarters. This is the longest negative stretch since 1979.

Manufacturing productivity declined 0.2%.

The BLS calculates labor productivity, or output per hour, by dividing an index of real output by an index of hours worked of all persons, including employees, proprietors, and unpaid family workers.

The [Bloomberg Econoday](#) economists' consensus estimate was for a productivity gain of 5%. Instead, productivity declined 0.5%.

Stats:

Mike "Mish" Shedlock

Economists debate why productivity is so weak, but I propose cheap money.

By holding rates so low, the Fed induced a proliferation of stores that have to be stocked, and manned.

Overall sales may be up, but it is spread around on a number of stores rising faster than necessary.

Unit labor costs are up thanks to new minimum wage laws.

Higher minimum wages will eventually slow store expansion.

Yellen will not like the result.

What if the Stat are down on purpose:

The new excuse – reengineering federal budget and SS after election

Bring cash home to reinvest? –

See 2nd Quarter Wrap Up – them publish next week

Real Productivity – economy wide

1. Centralization and control & related dividend harvest
2. Software industry about c&c instead of productivity
3. Debt growth model - see meditations of a falling US homeownership rate

It all makes for a HIGH FRICTION ECONOMY and very tired people

THE END OF THE DEBT GROWTH MODEL – Seventy years moving AWAY from fundamental economics is a long time to learn the wrong things, in the wrong place, wrong habits. Millions of people who think they are productive who are not – pumped up with government contracts and purchases – have a negative return on investment

Going to bring this up – major change – it's global

Money and Markets

US DOLLAR INDEX

-2.94%
(98.75– 95.84)

Fixed Income:

TLT
16.78
IEF 7.14
AGG 5.46
JNK 11.45

Spanish Bonds

Equities:

SPY 8.36

Earnings are disappointing – but the bull just keeps charging

ahead
XHB 6.12

Meditations on the Falling US Homeownership Rate

1st time homebuyers not coming in despite significant efforts to pump the market for election.

VGK 0.80
EWG 3.76
EFA 2.47
FXI 5.72
HAO -1.03
EEM 17.78
—

Commodities

\$CRB 3.24%
(176.27–
181.99)
GLD 25.38
SLV 43.75
OIL -12.36

G-20 Meeting: Making Nice Nice with Putin

May – Meeting

Russia – side meeting with Germany, France and Ukraine

Just met again with Edrogan

G-20 Meeting in China in September –

Very important signals

[Response to 50 GOP National Security Officials Opposing Donald Trump](#)

[Response to 50 GOP National Security Officials Opposing Donald Trump](#)
[Catherine, News & Commentary on August 6, 2016 at 1:08 am · 1](#)
[Comment \[Edit\]](#)

Ladies & Gentlemen:

Your statement regarding Donald Trump's character, values and experience leaves me deeply concerned. Clearly, the Presidency of the United States is not an entry-level position. However, the disassociation of the Republican establishment from reality and from respect for the most basic human rights of the American people has left many Republicans with no other choice but a brash outsider.

The Clinton Administration "missed" \$4 trillion, engineered a housing bubble that grew into trillions of dollars in mortgage fraud and instituted private slave labor camps that skyrocketed the US to the most imprisoned population in the world. The George W. Bush presidency spent \$4 trillion for Middle Eastern Wars and outsourced our nuclear laboratory and weapons infrastructure to a private business controlled by a private family whose management was described by a senior Lawrence Livermore employee as a combination of "the worst aspects of the Department of Motor Vehicles and Goldman Sachs." The Obama Administration finished us off with \$27 trillion of bailouts and participation in a global quantitative easing that is debasing our retirement savings.

This was the result of the leadership of one or more people you consider to have the "character, values and experience" to be President of the United States. Why would we want more of that?

- The life expectancy of a woman my age without a high school degree has fallen by five years since 1990.
- Our children are being targeted by heavy vaccine schedules; current predictions are that 1 out of every 2 American children will be autistic by 2030.
- Mandates for health care insurance we do not want and common core testing that is destroying our children's education are dictated by Washington.
- State efforts to ensure transparency regarding the quality of food we eat are overruled by Washington.
- NBC ran a perfectly serious news spot recently arguing that we should microchip our children, as if they were livestock.
- The homeownership rate is now at its lowest point since 1965.
- The employment statistics are completely cooked.
- Our children are overwhelmed with student debt issued under conditions of entrapment and predatory lending approved and financed by Washington.

Your profound disassociation from the pain within America is inexplicable. What you consider to be reasonable and respectable is psychopathy. Donald Trump's popularity comes from his willingness to have a forthright conversation about what is happening and what needs to be done to make America great again.

The “debt growth model” is over. There is no more cheap money to fund false realities and unproductive behavior – whether by the general population or the establishment. Breaking this trance of disassociation between reality and the official narrative is an essential first step to practical solutions. Trump is the only person proposing to break the trance.

If you want to provide an alternative to Donald Trump, you must break the trance – yours included.

Sincerely Yours,

Catherine Austin Fitts
The Solari Report
Assistant Secretary of Housing-Federal Housing Commissioner, Bush I

US Establishment is in Real Trouble – Having Trouble – Scattered- does not appear to be internal leadership. Safer at periphery.

- Mind control technology is creating false field
- Blinded by beauty of weapons – not seeing the deeper backlash
- Now that debt growth Model is over, Mr. Global needs less and different – Is Clinton expected to engineer the flip?
- - labor statistics are seriously cooked – don’t have a plan Carlos Slip – proposed 3 day work week.

LOT OF PEOPLE GETTING READY TO GO BACK TO SCHOOL

Recommended Ready. Your children are no longer safe in public schools – likely to steadily deteriorate from here – on line systems.

Look for:

Off line
Local control and supervision
Minimal testing

[Book Review: Rotten to the Common Core:](#)

Science & Technology

More psychopathy:

[Crossbreeding Humans With Animals Approved In United States August 5, 2016 Christopher Kemmett 50 Comments](#)

[Scientists Given The Go Ahead To Mix Human & Animal DNA](#)

WHAT'S TRUE: The National Institute of Health proposed a new policy which would allow researchers to receive federal funds to make part human, part animal embryos.

WHAT'S FALSE: The United States has not approved crossbreeding humans and animals.

The federal government announced plans Thursday to lift a moratorium on funding of controversial experiments that use human stem cells to create animal embryos that are partly human.

The National Institute of Health is proposing a new policy to permit scientists to get federal money to make embryos, known as chimeras, under certain carefully monitored conditions.

The NIH imposed a moratorium on funding these experiments in September because they could raise ethical concerns.

One issue is that scientists might inadvertently create animals that have partly human brains, endowing them with some semblance of human consciousness or human thinking abilities. Another is that they could develop into animals with human sperm and eggs and breed, producing human embryos or fetuses inside animals or hybrid creatures.

But scientists have argued that they could take steps to prevent those outcomes and that the embryos provide invaluable tools for medical research.

For example, scientists hope to use the embryos to create animal models of human diseases, which could lead to new ways to prevent and treat illnesses. Researchers also hope to produce sheep, pigs and cows with human hearts, kidneys, livers, pancreases and possibly other organs that could be used for transplants.

HERO

Julian Assange is fighting for his life

\$20,000 Reward for DNC staffer assassinated

What is happening here:

Take away the syndicates ability to kill with impunity and you take away their ultimate weapon.

Ecuador being lobbied heavily.

Julian Assange to Be Questioned by Sweden Over Rape Claim, Ecuador Says

Why are they trying to stop assange and wikileaks. My guess – E-mails over Benghazi will indicate US was supplying weapons into Syria – essentially to ISIS. Let folks at the consulate die to avoid exposing the operation.

Video under Life on Blog: A Blind Man and his Arms - Jia Wenqi and Jia Haixia

ASK CATHERINE

THANKS FOR LINKS!

Hi Catherine,

I was going through and re-reading some pre-2nd quarter wrap up items and ran across your posting here:

<https://solari.com/blog/to-my-fellow-citizens/#comments>

I wanted to let you know that reading your words brought tears to my eyes, not only due to your signature of rock-solid-foundational comments born of wading through the muck and mire to expose the underlying truths, but mostly, I think the tears were in response to the hopelessness one can feel almost palatable in the air we breathe in the US Middle Class these days.

So my question to you is: As a moral person, how does one 'turn it off' - how do we turn off the 'moderate terrorists, the chem weapons being used on civilian populations, the debasement of our civil rights, asset forfeiture, and confiscation by our police departments (unlawfully) and more.... How do we learn to protect ourselves when we haven't been able to protect ourselves?

Who was it who said 'it is always darkest before the dawn?' well, knowing how dark it is now, imho, I think it could get a whole lot darker before we begin to see dawns early light.

How do you wade through it all while keeping your sensibility and your perspective?

How do you seem to keep the key to grounding your emotions while everything about you seems in such upheaval?

Perspective: Dark Ages

Prayer, faith, focus, sleep – I know no way of doing this without spiritual faith and intelligence – I know people who are doing it successfully without it, I would describe them as people with strong faith that they have the power to create their world and they take responsibility.

Hi Catherine,

expat research

Instead of buying a \$250K house in America and being grateful, these expats are motivated to either build a \$300k luxury home or buy a \$200k luxury condo--all in a *fantasy resort setting*, but quite often, just a mile away from 3rd world roads, crime, etc....

The entrainment is so deep,

Dear Catherine,

We heard you will be coming through Santa Fe. I hope you have time to attend the opera. We experienced Don Giovanni last evening (August 6) and had a wonderful time; from the rainbows before it began, the amazing sunset sky behind the stage and the singing which was top notch.

Yes, Will be seeing Don Giovanni – Now I can't wait!!!!!!!!!!!!!!!

HI - Its not simple to summarize but in short I have multiple ways a creditor broke laws that a Judge is not willing to rule on a motion to bring current, etc. (although he seems to agree, but im not following process well enough???) I paid off a chapter 13, and simply want accounting complete that the creditor is not able to offer nor explain why some trustee payments are missing and their math does not add up... The judge told me to seek new council, as I have been pro se for about 3 years after firing the first two attorneys. I finally found one attorney that

agree's with my disposition. I spoke to two dozen over the last 3 years and no-one wanted to assist.

Should i hire the new council in your opinion?

Don't know. Need to ensure recommendations.

Can you please recommend a layer or law firms that can help us in Washington state? if you know more then one- that would be good - we need help.

May be better off paying one to advise you pro se

because bank has been stealing from us and there is no penalties for them. I been battling this from 2009 and i really need some justice and help.

Also my favorite question to ask the attorneys that I never get an answer on. How can a creditor transfer an "inactive" MIN? MERS went inactive prior to me filing chapter 13 to stop a foreclosure process. My gut feeling is that the creditor collected on the Property Mortgage Insurance that I was trying to get removed for 22 months prior to stopping making payments. How can I get the judge to order the discovery of how the MIN was paid off? If the creditor that filed the 13 claim transferred an inactive or already paid off MIN, it actually harms the creditor they transferred it to (in my opinion...).

I have been learning about status correction and becoming a "secured Party Creditor" thinking that I would be able to see eye to eye with the banks and use UCC Law and knowing Statutory Limits don't apply.

Any input is appreciated

Don't know. Lawyers have risk, need to be economically feasible. If you are pro se and you use them on a consulting base, they avoid all sorts of potential risks and conflicts

Another possibility – two attorneys

Hello Catherine, I first want to say thank you for your tremendous courage and persistence in getting the word out. Prior to finding you I knew my world had been flipped upside down but I didn't know who or why they had done it. Now I do and I have you and your many wonderful guests to thank for it.

The reason why I am writing is that I can't seem to find a way to get myself and my family financially free and continue in an up and down cycle of feast or famine. I left Public Education back in 2007 to get away from what I saw as a corrupt system. I have been working as a construction manager since leaving and there have been some very good years and some bad years. Currently I am in the midst of a bad year and looking to start something that could provide a measure of independence as well as some economic security for myself and my family. I know my situation is not unique but it is difficult to find people of similar education, age (I'm 53) and background who have found themselves unemployed, found a way through and are willing to share how they managed to do that. Kind of like your "Will Smith" experience. "Do you know anyone else this has happened to? Yes, but nobody white". I love that story! This feels a little like that. Ultimately I believe that once I have found a way to get through this, the Lord will provide opportunities for me to help others do the same in the future.

So once again thank you for all that you are doing and I will continue to pray that the Lord keeps his hand of protection on you and continues to bless you in all that you do.

My current businesses evolved out of helping the people who wanted my help – evolved into a income flow years later.

Critical to learn DIY skills

CRITICAL LOCAL ISSUES - Organize buying club to go to the terminal market?
Elderly need help?

Chamber or rotary or other civic or church – whose worth helping?
Local barter network
Farmers market
Find out who is making a local market, creating local liquidity.

Critical that you stay very busy and learning in the direction of people who need.

Critical to have a positive vision of where you are going – you are useful!

Create a job or income – find a situation where your presence can increase income - cash flow deal

Auction, liquidation – estate and liquidation

LOTS OF PEOPLE – barter, food, local currency

Your enemy is discouragement – have to believe you are headed to a better place read TURTLE FORTH

Solari made a small donation and posted

<https://www.gofundme.com/2javwd7g>

Daughter of FDNY murdered. Hopefully higher reward money will bring forth someone who knows suspect.

Thank you!!!

Old black church mother - \$1 or a quarter IS A PRAYER

Circulating is at the heart of liquidity – need to create liquidity outside of the tapeworm systems.

Dear Catherine,

Thanks for all you powerful insight.

Question 1:

I have heard that we owe part of the national debt to the federal reserve which prints up our money supply as a loan at interest. If this is true, what is the interest rate on that loan?

- Treasury prints currency – Fed distributes cash by selling it to banks
Also loans at Fed window
- Buys bonds – various interest rates
- Profits go back to Treasury – question is what is getting skimmed through the back door.
Technically a great deal

Again -- if true, what percentage of the national debt do we owe to countries like China and what percentage do we owe to the Federal Reserve?

Official statistics – CAVEAT – I believe debt is larger by a material amount – debt issued off balance and not disclosure. NO FINANCIAL

STATEMENTS FOR 20 YEARS IN VIOLATION OF THE LAW

19 Trillion

Intergovernmental is \$5 trillion – primarily government account series owed to 230 other federal agencies,

Which agencies own the most Treasuries? Social Security, by a long shot. Here's the detailed breakdown (as of December 31, 2015):

1. Social Security (Social Security Trust Fund and Federal Disability Insurance Trust Fund) - \$2.786 trillion
2. Office of Personnel Management Retirement - \$873 billion
3. Military Retirement Fund - \$601 billion
4. Medicare (Federal Hospital Insurance Trust Fund, Federal Supplementary Medical Insurance Trust Fund) - \$267 billion
5. All Other Retirement Funds - \$187 billion
6. Cash on Hand to Fund Federal Government Operations - \$508 billion. (Source: Treasury Bulletin, Monthly Treasury Statement, [Table 6. Schedule D- Investments of Federal Government Accounts in Federal Securities](#), December 2015)

Debt Held by the Public - Foreign governments and investors hold nearly half of the nation's [public debt](#). One-fourth is held by other governmental entities, like the [Federal Reserve](#), and state and local governments. Fifteen percent

is held by [mutual funds](#), private pension funds, savings bonds or individual Treasury notes. The rest is owned by businesses, like [banks](#) and insurance companies, and an assortment of trusts, companies, and investors. Here's the breakout:

7. Foreign - \$6.175 trillion
8. Federal Reserve - \$2.461 trillion
9. [Mutual Funds](#) - \$1.056 trillion
10. State and Local Government, including their [pension funds](#) - \$803 billion
11. Private Pension Funds - \$403 billion
12. Banks - \$515 billion
13. Insurance Companies - \$293 billion
14. [U.S. Savings Bonds](#) - \$174 billion
15. Other (individuals, government-sponsored enterprises, brokers and dealers, bank personal trusts and estates, corporate and non-corporate businesses, and other investors) - \$1.198 trillion. (Sources: Federal Reserve, [Factors Affecting Reserve Balance](#), May 12, 2016. [Treasury Bulletin](#), Ownership of Federal Securities, Table OFS-2, as of June 2015)

This debt is not only in [Treasury bills, notes, a](#)

Foreign Nations hold 32.5%

Question 2:

What are some good sources to read up on hedged equity and the companies that provide it to ordinary investors?

HEDGE vs HEDGED

Funds – long/short

Active manager – hedged or long/short

Need to study their performance track record –
hedge and stock picking both have to work
successfully

Thanks for any information you might provide.

Sincerely,

Let's Go to the Movies

In *Lets Go to the Movies*, check out the trailer for a new movie about engineers financed by Bechtel, *Dream Big*. Look for it to be published in 2017. Here's hoping the Bechtel family, board and senior management – for that matter every Bechtel employee – take it to heart.

My two favorite documentaries for inspiration regarding the power and importance of engineering have been recommended in *Let's Go to the Movies* before:

- [The Seven Wonders of the Industrial World](#) produced by the BBC.
- [Engineering an Empire](#) produced by the History Channel.

INTERVIEW

**RIGHT TO THE HEART OF THE OVERALL
PRODUCTIVITY – WE NEED COMPANIES LIKE
BECHTEL TO HAVE A POSITIVE TOTAL
RETURN – IT NEEDS TO BE NOT FEASIBLE TO
HAVE NEGATIVE TOTAL RETURN – IRAQ AND
THE LABS ARE EXAMPLE**

“We’re more about making money than making things.” ~Stephen D. Bechtel

By Catherine Austin Fitts

History shows that a civilization that gets engineering and infrastructure right is likely to thrive. Get them wrong, and the chance of success drops significantly. This means the success of our civilization depends on great engineering and the wise investment of resources to build productive, economic and reliable infrastructure. We need our engineers to share a strategic vision that supports civilization and builds a more powerful economy.

Sally Denton is one of America’s finest investigative reporters and historians. Sally joins me this week on the Solari Report to discuss her powerful new book, [*The Profiteers: Bechtel and the Men who Built the World*](#). *The Profiteers* is the history of the mysterious San Francisco-based engineering and construction giant that built the Hoover Dam and a long list of other engineering wonders of the world.

In this fascinating interview Sally reminded me that we need engineers, not demagogues. However, when your mechanical, civil and technology engineers have become financial engineers and disaster capitalism profiteers who drain your economy, that creates the conditions in which demagogues arise. When did making money become more important than building transcontinental railroads or awe-inspiring dams, bridges and space stations?

I attribute the change, in part, to the “debt growth model,” by which an infinite amount of government debt can be issued

and an infinite amount of fiat currency can be digitally manufactured. The discipline, however, to ensure that these investments produce a stronger economy simply disappeared as “crony capitalism” took over. As Denton brilliantly describes Bechtel’s role in the Iraq War — revolving-door Bechtel executives and directors such as George P. Shultz lobbied to start the war. And then Bechtel cashed in with no-risk, no-bid government contracts at usurious profit margins.

The combined cost of the wars in Afghanistan, Pakistan and Iraq, following 9/11, is now over \$4 trillion, a cost that continues to grow as benefits owed to war veterans are paid. This sum includes a \$212 billion Iraqi reconstruction effort which was largely a failure. Reports have it that most of that money was spent on security or was lost to waste and fraud. Bechtel charged the US government untold billions for services in Iraq reconstruction, including \$5 billion to build just one specific hospital.

Alan Greenspan is running around the corporate media claiming that we will have trouble meeting pension fund and retirement obligations because of our lower productivity growth. Is the actual problem our lower productivity growth? Or is it \$4 trillion missing from the US government plus \$4 trillion spent for wars in the Middle East plus \$27 trillion for bank bailouts combined with low interest rates to finance the government debt for these and other escapades?

During the George W. Bush Administration, Bechtel also assumed control of the US nuclear laboratories, calling this takeover a privatization. Another description would be “*coup d’etat*” — turning over the nation’s nuclear energy and

weapon's complex to a private company financially vested in starting a new cold war. Do you want the private investors who profited so richly on Iraq vested in starting a new cold war with the Soviet Union? Denton quotes a senior employee at Lawrence Livermore National Laboratory, who referred to this new style of private management of our nuclear energy and weapons infrastructure as a combination of “the worst aspects of the Department of Motor Vehicles and Goldman Sachs.”

Denton points out that there is now a new, younger generation of family leadership at Bechtel who is making changes. Let's hope that one day we will view Bechtel as a company that helped to “Make America Great Again.” But if history were to stop now, the chances are that Bechtel would probably be remembered as the company (i) that lobbied for the right of a private family to own and control nuclear weapons, and (ii) which profited richly from 9/11, the destruction of US sovereignty and the wars and financial *coup d'etat* that ensured that American pension funds and retirement systems could not meet their obligations to the American people.

The debt growth model is over. Let's pray we can all make the change successfully – Bechtel too — so that America's obligations can be honored.

CLOSING

August 18 – Human Communications Between Reality and Official Reality with Jon Rappoport

Explosive problem for many if not all of us!!!!!!!

There is a sudden burst of fake alternative realities - looks to me like the intelligence agencies are worried that people are beginning to come out of the trance.

August 25 – Solari Report Food Series – Pioneering Urban Farms with Will Allen

September 01 – Precious Metals Market Report with Franklin Sanders.

Until August 18

Please remember, don't worry about whether or not there is a conspiracy. If you are not in a conspiracy, then you need to start one.

Good night and good luck.

+++++

Appendix

Money & Markets – Week of 08.07.16

Money & Markets, Top Picks on August 7, 2016 at 11:08 am · [No Comments](#)

Deutsche Bank had Biggest Potential Capital Gap in ZEW Study

Reuters | 09 August 2016

Not happened in...

The Emerging-Market Debt Bomb Ticks For Oil – By Liam Denning

Bloomberg | 10 August 2016

To almost...

Republican Donald Trump Unveils Economic Plan to ‘Jump-start’ United States

straits Times | 09 August 2016

Reduction of corp...

No Summer Slowdown in Bond Market as August Sales Set Record

Bloomberg | 08 August 2016

Going back to...

Buffett Exits Credit Derivatives, Pays \$195 Million on Last Deal

Bloomberg | 08 August 2016

Had less onerous...

Americans have \$12.29 Trillion of Debt — Here’s What it Looks Like

BI | 09 August 2016

It’s composition...

Productivity Declines for Third Straight Quarter

Market Watch | 09 August 2016

2007 to 2015 has sunk to...

US Treasury Yields Go Negative Everywhere But Here

Dollar Collapse | 09 August 2016

Yield has recently...

One Chart Shows Why Walmart Just Spent \$3 Billion to Take on Amazon

BI | 08 August 2016

Urgency for...

[**Rent Movie – Synopsis: Capitalism**](#)

Capitalism TV | 08 August 2016
Six-part series by Ilan Ziv...

[**The Rich Got Richer Despite Choppy Markets in 2015**](#)

Fortune | 08 August 2016
\$7.7 trillion...

[**What Will Stocks Do If Clinton or Trump Boost Infrastructure Spending**](#)

Market Watch | 08 August 2016
Unable to agree on...

[**Now The Markets Themselves Are Too Big To Fail**](#)

Dollar Collapse | 07 August 2016
First Rebuttal on the effects of...

[**Could Inflation Break the Back of the Status Quo?**](#)

Of Two Minds | 05 August 2016
Financialization also...

[**Mexico's Richest Man Wants a Three-Day Workweek**](#)

Bloomberg | 04 August 2016
Creates...

[**Revealing the Real Rate of Inflation Would Crash the System**](#)

Charles Hugh Smith | 02 August 2016
Might start demanding...

[**Geopolitical – Week of 08.07.16**](#)

[*Geopolitical, Top Picks on August 7, 2016 at 10:08 am · No Comments*](#)

[**Response to 50 GOP National Security Officials Opposing Donald Trump**](#)

Solari | 09 August 2016
You must break...

[**U.S. Warns It Will Respond Harshly If Israel Demolishes Palestinian Village of Sussia**](#)

Haaretz | 10 August 2016
Difficult to continue...

[**Republican Donald Trump Unveils Economic Plan to 'Jump-start' United States**](#)

strait Times | 09 August 2016
Reduction of corp...

[**Kissinger Hindered US Effort to End Mass Killings in Argentina, According to Files**](#)

Guardian | 09 August 2016
Praise for...

[**Coming to Terms with Secret Law – Dakota S. Rudesill**](#)

Cryptome | 01 August 2016
Valuable framework for...

[U.S. Approves \\$1.15 Billion Sale of Tanks, Equipment to Saudi Arabia](#)

Reuters | 09 August 2016

General Dynamics will...

[Wake Up with Steve Curtis: Catherine Austin Fitts – Trump-Clinton & the American Worker](#)

Soundcloud | 02 August 2016

(Audio track) Would be better for...

[Dr. Steven Greer : Getting Bribed](#)

YouTube | 09 August 2016

Mass defection...

[Amish for Trump: How a Brash Billionaire Appeals to Modest Country Voters](#)

RT | 08 August 2016

introducing Amish...

[Iran's Mahmoud Ahmadinejad demands Barack Obama 'Pay another \\$2 Billion'](#)

Duran | 08 August 2016

Oppression and cruelty...

[Here's an Update on 'The Great Battle of Aleppo'](#)

Duran | 07 August 2016

No more than a few hundred...

[The Counter-terrorist Corrida Opposing the West and Islam](#)

The Saker | 07 August 2016

AngloZionist Empire are...

[Hillary, Queen of War: The Road Map Ahead](#)

ICH | 07 August 2016

Dominatrix...

[George P. Bush Urges Republicans to Back Trump](#)

CNN | 08 August 2016

Family confidante, CNN...

[Media Lie about Hillary's Severe Health Condition](#)

Jon Rappoport | 08 August 2016

Coumadin is highly...

[Additional Missing Trillions: Audit Reveals That Pentagon Doesn't Know Where \\$6.5 Trillion Dollars Has Gone](#)

The Breakaway | 08 August 2016

(See background below) Defense Inspector...

[The Black Budget: What Does It Mean to US Federal Budget, the Economy and You?](#)

YouTube | 09 March 2015

(Minute 56 and forward) Missing Money...

[50 G.O.P. Officials Warn Donald Trump Would Put Nation's Security 'at Risk'](#)

NY Times | 08 August 2016

Nation's most senior Republican national security...

[Kaine Says White House Lacks Authority for Libya Anti-ISIS Airstrikes](#)

Market Watch | 08 August 2016

Breaks from Clinton...

[Swiss court orders Israel to pay up for Iranian oil](#)

Times of Israel | 08 August 2016

\$7 billion...

[Counting the Cost of a Supreme Court Lost to the Left](#)

Washington Examiner | 07 August 2016

How bad a hard...

[Will Media Apologize to Trump? Mother of Crying Baby at Rally Speaks Out, Defends Trump](#)

Gateway Pundit | 06 August 2016

Came back...

[Ex\[posed\]: 5 Shocking Stats That Prove Trump Is Beating the Media's Rigged Polls](#)

Conservative Tribune | 06 August 2016

Mainstream media and the rigged...

[Maine Somalians Seem to Reduce Crime, Not Increase It as Trump Implied](#)

Undernews | 06 August 2016

Crime is going...

[Zephyr Teachout is Running for Congress – Video](#)

Facebook | 06 August 2016

19th Congressional District of NY, Independent business plan...

[What is Corrupt? Zephyr Teachout TEDx Binghamton University](#)

YouTube | 27 March 2015

Senators below Octopus strong men...

[Virginia's Syrian Refugees Resettled In Poor Communities Hours Away From Wealthy DC Suburbs](#)

Daily Caller | 06 August 2016

Lower income...

[Say Hello to Southeast Asia's New Silk Roads](#)

Counter Punch | 05 August 2016

Cannot generate 200-nautical mile exclusive...

[Boeing Ready to Design Next Generation of US Nuclear Missiles](#)

Sputnik | 03 August 2016

Ground Based ...

[Mass Walkout At DNC, Bernie Sanders Delegate Statement](#)

YouTube | 27 July 2016
Millions of voices over decades...

[James O’Keefe Documents the Problem in North Carolina, where the Senate Race is Close](#)

National Review | 30 October 2014
(2014) To instruct or coerce..

[Science & Technology – Week of 08.07.16](#)

[Science & Technology, Top Picks on August 7, 2016 at 10:08 am · No Comments](#)

[Thanks to this Man, Airplanes Don’t Crash into Mountains any More](#)

Bloomberg | 10 August 2016
Disappointed...

[The Ultimate Guide to Remote Work](#)

Zapier | 10 August 2016
Grow, Manage and...

[FBI Behind Mysterious Surveillance Aircraft Over US Cities](#)

MSN | 06 June 2015
(2015) Sweep up certain identifying...

[Stranger Jacques](#)

Rune Soup | 09 August 2016
Hidden in the Breakaway...

[Louisiana Parishes Launch Court Battles Against Oil Companies as Contamination Spreads](#)

RT | 08 August 2016
1,500 per...

[Court Rules for Chevron Against Ecuadorians in \\$9bn Rainforest Damage Case](#)

RT | 09 August 2016
Doesn’t invalidate...

[Vladimir Putin Plots a New Fleet of Spies in Space](#)

Daily Beast | 08 August 2016
Technological sidestep...

[Iran Becomes First Country To Ban Pokémon Go](#)

Vocativ | 08 August 2016
High Council of Virtual...

[Louisiana Pols Go to Court Blaming Big Oil for Coastal Ruin](#)

AP | 05 August 2016
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Four themes from the US earnings season
Eric Platt in New York

16.



©Getty Images; Reuters

Four clear themes are influencing investors: Brexit, the price of oil, pressure on wages and US consumer spending

After five consecutive quarters of [earnings declines](#), investors have patiently awaited a recovery in profitability by the largest US companies.

While they will probably have to hold out until the end of the year — Wall Street analysts have pencilled in another decline for the third quarter, albeit a shallower drop than in the first half of 2016 — investors have already started a rotation into riskier and more [cyclically geared sectors](#) of the economy. More

Technology and financial shares have rallied over the past month led by 10 per cent-plus gains for [Apple](#), Google-owner [Alphabet](#), exchange traded fund provider [State Street](#) and asset manager [Legg Mason](#), while earnings results have set a somewhat lacklustre tone for the remainder of the year.

On conference calls over the past 30 days, four clear themes emerged: Brexit, despite little immediate effect on multinational businesses, has sparked uncertainty across management suites. The US consumer, the driving force of the country's recent economic performance, shifting oil prices and budding wage pressures also stood out on dozens of executive calls reviewed by the Financial Times.

Brexit

The [UK vote to leave the EU](#) in June triggered a sharp depreciation in [sterling](#) with the currency having fallen some 12 per cent. A much weaker sterling rippled immediately to companies like [Delta Air Lines](#), with its chief executive Edward Bastian saying the “steep drop” would prompt the carrier to “take an additional six points of capacity out of the UK for the winter” as it dealt with weak passenger trends.

Stefano Pessina, the chief executive of drugstore [Walgreens Boots Alliance](#), characterised the situation as “very volatile”. “The period of uncertainty will be quite long . . . it will take at least two years. For now it's really too soon. We have seen in the stores days, very good days [and] very bad.”

But the effects for other companies were more diffuse. James Bombassei, a senior vice-president of [Viacom](#), said the group had yet to see a “significant impact” but expects a potential slowdown. Larry De Shon, who leads car rental group [Avis Budget](#), said he was “optimistic” the summer driving season would live up to expectations.

[Bombardier](#) chief executive Alain Bellemare was more direct: “So far it's pretty

much like business as usual.”



©Reuters

Brexit caused an immediate sharp drop in sterling but the ripples had effects on business across the globe

US consumer

Second-quarter growth for the US economy was shored up by the consumer, as a dismal [1.2 per cent overall growth rate](#) was overshadowed by the fastest rise in personal expenditures in more than a year.

While Discover Financial chief executive David Nelms noted higher spending from credit cardholders, companies across the discretionary and staples sectors struck downbeat tones. The two sectors have trailed the broader S&P 500 over the past month as their earnings expectations have more than halved since June 30, according to FactSet.

Mark Fields, the chief executive of [Ford Motor](#), pointed to three months of

industry-wide declines in the auto sector, warning that “the competitive environment has increased as growth has slowed and . . . retail industry demand has weakened”.

[Starbucks](#) shares were knocked after the coffee behemoth reported slower than expected sales in its stores. Howard Schultz, the chief executive, called the quarter an “anomaly” and said that “what we did not and could not have fully anticipated was the profound weakening in consumer confidence in [the third quarter] that has caused sharp declines in [quick service restaurants] and restaurant traffic overall and has many of our competitors struggling”.

A dour note was struck by Michael George of QVC, the home-TV shopping network, who said that since mid-June the company had seen “softening demand” across most categories, aggressive department store markdowns and rising bad debts.

“This is a very unusual swing in trend for QVC,” he said. “And we’ve really not seen this kind of swing before outside of a couple of quarters around the Great Recession timing in 2008 or early 2009.”

Oil prices

The oil price is key to a return to growth for S&P 500 earnings. The blended earnings decline by the energy sector in the second quarter, which includes companies that have already reported and those that have yet to file, is a worse than projected 82 per cent drop. Revenues in the third quarter are expected to fall another 11 per cent from a year earlier, dragging earnings 62 per cent lower.

Crude has found some brief stability above \$40 a barrel, with prices advancing after Opec members agreed to informal talks in September. Higher prices are a requisite for improved earnings and a drop in the default rate, with [W&T](#) chief executive Tracy Krohn noting on a call that the low prices had “dramatically reduced” the company’s liquidity.

Lee Tillman, chief executive of Marathon Oil, said: “I think the sector in general is struggling with striking the correct balance between wanting to be prepared if they get a strong and sustainable price signal versus getting too far ahead of their headlights and losing . . . the discipline that has been required during this downturn.”

Jeffrey Woodbury, vice-president of investor relations at ExxonMobil, said that demand had generally been strong but that “the issue that we’re all faced with right now is very large inventories”.



©Reuters

A Tesoro refinery in Los Angeles. Revenues in the energy sector are expected to fall again in the third quarter

Wage pressures

Higher wages represent a boon in the form of higher consumer spending for S&P 500 companies. However, a rising wage bill for workers is expected to clip margins as company payrolls increase. Average hourly earnings increased at the fastest pace in July since December, matching the highest level since the global financial crisis.

Christian Brickman, chief executive of cosmetics retailer [Sally Beauty](#), said “the reality is we’re absorbing some minimum wage pressure right now”.

Ira Fils, chief financial officer of Habit Restaurants, warned that the company had suffered from “increased management turnover”, which has added to its recruiting expenses as employees depart for higher paying work.

“What we have seen is that the labour pool for the pool of talent that we want and need . . . is tighter,” said James Forson, chief financial officer of [La Quinta](#). “And

we need to be sure that we're paying the right rate to get the right people in house, to be able to deliver that experience. So certainly, we're seeing pressure."

Productivity declines for third straight quarter

Productivity is down 0.4% from a year earlier, the first year-over-year decline since the second quarter of 2013 ... The average annual rate of productivity growth from 2007 to 2015 has sunk to 1.3%, well below the long-term rate of 2.2% per year from 1947 to 2014...

There is widespread debate among economists about the causes of weak productivity. Some blame the lack of capital investment. Some question the government's measuring skills...

<http://www.marketwatch.com/story/productivity-declines-for-third-straight-quarter-2016-08-09>

The author of the above story is correct; but not in the way he thinks. When economic statistics don't support conventional wisdom, the usual suspects will question the data. However, when it is clear that economic data is bogus, like the 65k seasonal adjustment increase in July, the usual suspects ignore it.

The reason that productivity is so poor is that GDP is being divided by fictitious workers that have been crafted by the BLS via seasonal adjustments, the invalid Birth/Death Model or some other means.

Recently we posted a chart of Nominal GDP Y/Y growth versus NFP Y/Y growth. The divergence shows declining Nominal GDP growth versus stable NFP growth. This is the negative productivity.

Either corporations are stupidly hiring workers while earnings/sales stall or NFP is bogus.

The King Report

M. Ramsey King Securities, Inc.



Monday August 8, 2016 – Issue 5314 “Independent View of the News”

1.03 million jobs were **lost** in July NSA. The BLS adjusted it to +255k, a +1.285m adjustment.

943k jobs were lost in July 2015 NSA. The BLS adjusted it to +277k, a +1.22m adjustment.

Ergo, **65k of the 255k July NFP are due to the BLS boosting its seasonal adjustment for July 2016.**

2015 Total nonfarm over-the-month change, not seasonally adjusted (in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Total nonfarm over-the-month change				1,187	947	484	-943	199

2016 Total nonfarm over-the-month change, not seasonally adjusted (in thousands)

	Jan	Feb	Mar	Apr	May	Jun	Jul
Total nonfarm over-the-month change	-2,966	842	903	1,039	621	660 ^(a)	-1,030 ^(a)

<http://www.bls.gov/web/empsit/cesbd.htm>

Bureau of Labor Statistics

Databases, Tables & Calculators by Subject

Seasonally Adjusted

Series Title: All employees, thousands, total nonfarm, seasonally adjusted

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	137574	137742	138014	138324	138537	138843	139075	139293	139579	139779	140110	140402
2015	140623	140888	140972	141223	141496	141724	142001	142151	142300	142595	142875	143146
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<http://data.bls.gov/cgi-bin/dsrv>

US created 255,000 jobs in July vs. 180,000 jobs expected

Professional and business services led the way with 70,000 new positions, while health care rose 43,000 and Wall Street jobs increased by 18,000. Leisure and hospitality continued to be a big contributor to job growth, adding 45,000... <http://www.cnn.com/2016/08/05/nonfarm-payrolls-july-2016.html>

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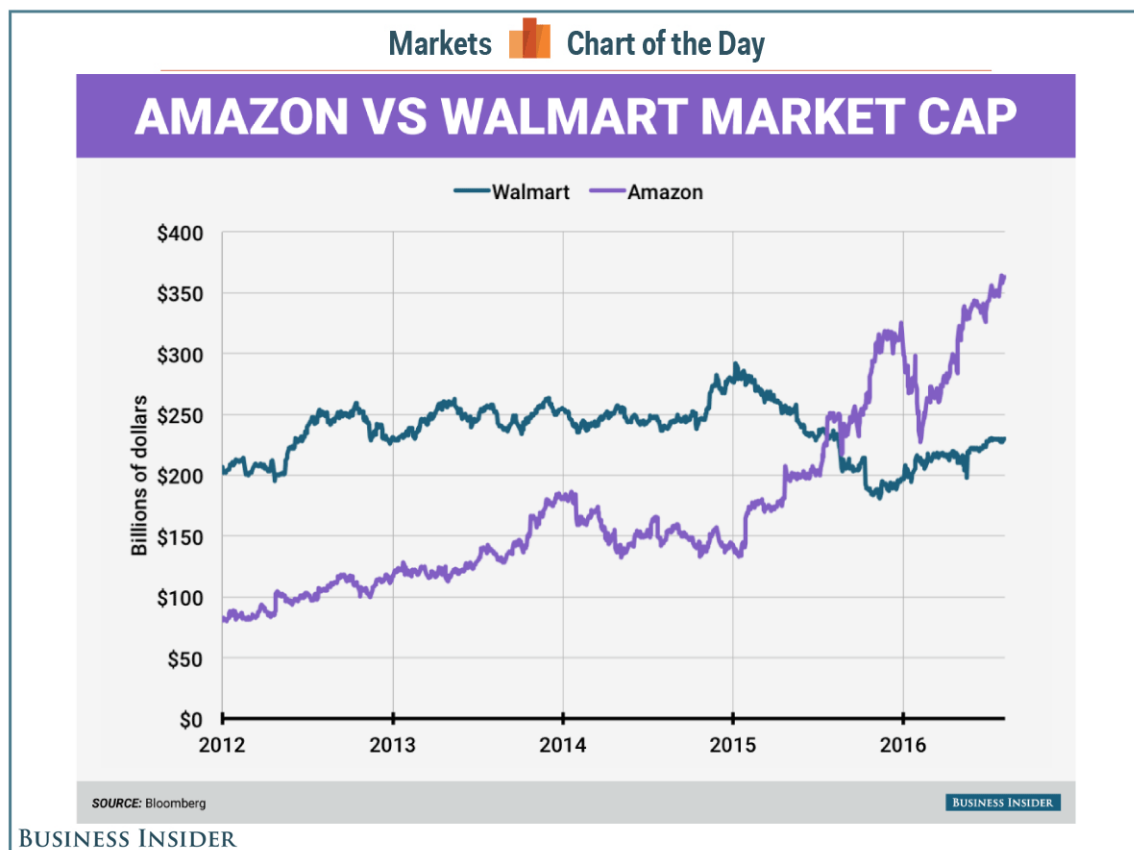
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And Amazon is charging ahead on all fronts. They are rapidly becoming the retail option of choice for an increasing number of folks around the world. They could be at \$200B in sales within 12 to 18 months if they don't stub their toe. And of course, they own the server backbone (and in turn the data) that many businesses and government agencies use - which right now is their primary income generator.



One chart shows why Walmart just spent \$3

billions to take on Amazon

Amazon is the [king of retail](#) and now [Walmart is reeling](#).

In a deal announced Monday, [Walmart acquired e-commerce startup Jet.com](#) for \$3 billion in cash plus an additional \$300 million in Walmart stock.

This deal is clearly part of Walmart's [bid to take on Amazon](#), which currently brings in about \$100 billion in annual e-commerce sales against Walmart's roughly \$15 billion. Walmart's total revenue, we'd note, is nearly \$500 billion.

But as the [retail business shifts online](#), the acquisition of [Jet.com](#) not only gives Walmart an existing customer base to build its e-commerce business but the technical and logistical know-how of an online-first retailer.

The urgency for Walmart to do something — anything — to make serious inroads on building out its online operations, however, is clearly outlined in this chart showing the rise of Amazon's market cap against Walmart.

And while market cap isn't everything, the shift here very obviously shows that investors are betting big on the [future of Amazon](#) while mostly sitting tight on what Walmart is worth, both now and in the future.

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