



The Solari Report

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The Trump Transition with Dr. Joseph Farrell





Solari Report Special: The Trump Transition with Dr. Joseph Farrell

C. Austin Fitts: It's a pleasure to welcome to The Solari Report Dr. Joseph Farrell who has agreed on very short notice to discuss the Trump transition and the new Administration with us. I called him up and said, "Joseph, you just have to come talk to me about this because I have never seen anything in the American media that is so little understood and poorly framed as what is going on."

If you and I can't create a sound and productive framework for people to understand what is going on, I don't think the country is going to have one. The burden is on us.

Dr. Joseph Farrell: Well, that is true. I have to agree.

C. Austin Fitts: Think of this as an opportunity. The country is going to have a discussion about how we are going to make America great again, and no matter what happens, we all got ourselves into this mess – all 325 million of us – and we're all going to have to get ourselves out because the cheap money is over.



Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: One of the things that I know is that talking a lot doesn't pay off debt.

We're here to speak of the Trump transition, and I thought – if acceptable to you, Joseph – we would talk through the process of putting together the Cabinet and some of the choices and what they mean, who they are, and how it all fits together. Then what little we know of the details of the proposals that the new Administration is proposing we will discuss as well.

We can also talk a little bit about the different efforts to stop the new Administration from happening. They're coming in, and we can comment about the 'spoil the game' process.

If that is acceptable, let's start talking about the new team.

Dr. Joseph Farrell: Sure.

C. Austin Fitts: What a lot of people don't realize is that both nominees – the Republican and Democrat nominees – had transition teams working for a while. They started in April. If you look, in fact, at the people they pull in for those kinds of teams, they have phenomenal and broad experience of the transition process, which is pretty complicated and requires a lot of experience.

You can tell from the efforts so far that you have a lot of depth and people who know what they're doing.



It's difficult because having been through both a Senate confirmation and 18 audits and investigations by most of the enforcement intelligence agencies in Washington, and I can tell you that when somebody wants to make you look good or make you look bad, there are endless opportunities.

We had Christy running the transition until the election. Then when the President-elect won, they swept out Christy and replaced him with Pence, which I thought was excellent. If you look at whom Christy had pulled together, they were people who I knew, and there are many from the Kemp group. I took one look at the names and I said, "Oh no!"

Dr. Joseph Farrell: Right.

C. Austin Fitts: Then – boom! Out they went. The B team left, and the A team came in. If you look at who they're interviewing, there is much deep knowledge of what's considered to be the A team on the Republican and conservative side, and that's where they're mostly drawing from.

Dr. Joseph Farrell: I think we have to clear something out of the air right away. As far as I can tell – and you know me; I don't follow TV news or anything like that – I've been getting most of my information from the internet, from the so-called 'alternative media' which I prefer to call the 'free and independent media'. It's the media that is at least capable of some thought.



I think we have to clear something out of the way that I've noticed happening in that media, and that is that there is already talk that Trump is selling out with some of his nominees and with some of his choices that have been rumored to be on the short list. That is the idea that Trump is going to come in and just simply clean house.

The point is: You can't really do that if you're expecting to – as you and I have argued – bring capital back to the shores of the country, to North America, and invest in infrastructure and so on. You need people in investment banking who know how to do this because it's an enormous amount of capital that we're talking about.

I read a story today that Japanese banks are already thinking about investing some \$50 billion in this country due to Mr. Trump's election. So you need people who know how to move that amount of money and make it work, and you also need people – whether we like it or not – who know how to steer things through Congress. So I'm not that alarmed with some of his choices.

I think you put it best in your Money & Markets review from last week that he's putting together a machine to do this, and you need that sort of expertise. You can't simply come in and fire everybody and expect to get anywhere because that's not going to get you anywhere and it will be a huge failure. I want to make clear this right now. I think that people are jumping the gun when they come to those sorts of conclusions.

The biggest talk that I've noticed has been the consideration or the possibility of Mitt Romney as Secretary of State. I'm not keen on Romney.



On the other hand, as you put it, he does have a network that he can bring to the effort. It would – in a certain sense – behoove you to have someone like that as Secretary of State to iron out the geopolitical wrinkles and implications from all of this.

I don't think it helps the discussion for everybody to say that he's selling out or anything like that; I just don't see that. In fact, it seems the other way around. If you consider what he's doing and how he's managing some of these appointments so far, it looks very clearly – as you say – that he is putting together a team to make a major push to revitalize the country.

The biggest problem that I think he is going to have – and you made this suggestion in your Money & Market report, and I happened to think that it is probably wise – is you have a significant risk, and it's going to be a delicate balancing act. It's going to be walking the tightrope on a razor-thin wire. If you're going to build up infrastructure, on the one hand, that means massive projects with major construction companies involved.

On the other hand, you also have to revitalize small business and entrepreneurship in this country. That is going to be a major effort.

The way that I'm looking at it, Catherine, with his selection for some of these people, Jeff Sessions was an impressive choice simply because he would be someone who would be able to advise the President-elect on the last-minute executive orders and all the regulations that need to be examined. So I think that was a wise choice from that point of view alone. But there is so much going on.



I think we have to ‘clear the air’ and get out of this idea that every examination of people’s connections and whom they worked for – whether for Soros or Goldman Sachs, and therefore selling out – I don’t think that is it at all. I believe he is making very, very careful selections.

C. Austin Fitts: Here is the performance metric that we have to look at, because this is all going to come down to: Did he keep his promise? So what is the performance measurement of whether or not he kept his promise? The performance measure is the following. We’re going from a debt model to an equity model. One of the reasons Trump got elected is you have many people in America who understand that we have to go through that transition. They don’t want another government bureaucrat who knows how to slap out cheap debt.

That’s part of what got Trump elected, and now we’re going into a period where the question is: Can he turn a very negative return on investment to taxpayers to a positive?

If you bring in \$12 trillion and you do what he’s planning to do with taxes and infrastructure, and you’re paying 2% or 3% for government debt, but what you do and how you do it is phenomenally effective, and you get a much higher return to both the private investors and the taxpayers. Then you increase your ability to pay your existing debt.

Dr. Joseph Farrell: Right.



C. Austin Fitts: Then you have a success that creates jobs in the economy as long as you take the boot off of small business and are much better off for having brought in machinery that was competent and knew how to do this.

Dr. Joseph Farrell: That brings up something that you mentioned many, many times that is going to be essential if he is going to be able to walk that razor-thin tight-rope wire between those big infrastructure projects on the one hand and revitalizing small business on the other. That is not only the necessity to get rid of the choking regulations, but also the need for transparency and place-based financing, especially in that field. It's essential.

It looks to some degree, like he's got the people who can do that. The real problem is whether or not they will do that. But that's central here. It's too early to say where all this is going. We're going to find out in that first 100 days, especially as these nominees go before the Congress and before the Senate and start answering questions: What exactly are the plans?

One of the big tests that he is, obviously going to face, is Obamacare. He is going to have to deliver on that. He has made the promise that it needs to be repealed, but if it isn't you can create a big mess to repeal something and not have anything better to put in its place. Time is going to tell.

C. Austin Fitts: Let me say one more point on his criticisms. I would describe the oligarchy in this country as divided into three groups.



One, are the pigs, and if you put them in charge, they are simply going to do privatization. They are going to bring back \$2.5 trillion plus a lot of foreign money, and they're going to privatize it \$0.10 on the dollar and steal what is left. So, number one, are the pigs.

Number two, are the scaredy-cats. The scaredy-cats have moved billions or trillions of dollar offshore, have bought lots of gold bullion, and are getting in their lifeboats and sailing away, saying, "It ain't my problem. I'm going to protect myself first." They are off on an island in an protected community. So you have the scaredy-cats.

Then you have the Titanic-turners who are saying, "I don't want to let this ship sink. I'm going to get on the Titanic and turn it in time. I'm smart enough to know that if we let the pigs have their way, it's not sustainable. We have to have a positive return to investors, and we have to have a positive return to taxpayers. We need the whole economy to grow and be optimized. It's not either/or; it's "we're smart enough to do it."

Dr. Joseph Farrell: That's precisely the way his team looks to me.

C. Austin Fitts: Right, but these are people who came out of the machine. I want to go through some of the appointments in more detail and talk about that. I think we need that frame because it's dependent upon the free and independent media to help support and lead the conversation about how we can make America great again. The detail has to be constantly pointing out, "Wait a minute, the pigs are getting in. No, no."



If we're going to be observers, policers, and lead the open source conversation that supports, I can't tell you how valuable it is in government if you have people in the media putting forth great ideas and holding your feet to the fire because that gives you the ability to say, "Well, I'd love to do what you want to the pigs, but we can't because we've got these people watching us."

Do you know what I mean? To a certain extent, we need to create some leverage for the Titanic-turners to keep the pigs behaving because they need the pigs to help.

Dr. Joseph Farrell: It's necessary because you and I have pointed out several times that the German Finance Minister, Mr. Wolfgang Schäuble, has said many, many times that the debt finance model is over.

C. Austin Fitts: Right.

Dr. Joseph Farrell: Many people got on the bandwagon and harped about appointments from Goldman Sachs etc. Well, I looked at that as a positive thing because that means this shift to an equity-based model, which they adamantly are going to have to have if they're going to make these infrastructure projects work. So I'm in full agreement with you. We need to drive the conversation as much as we can through our discussions, our conversations, letters to the editor, and so on. Absolutely.

C. Austin Fitts: Let's talk about the economic team. The interesting thing is the markets started to trade the Trump victory four days before on November 4th. You know me.



I believe that Giuliani and his good work with the NYPD and the New York Fed office and Anthony Weiner won him the election four days before. That is what I believe.

Anyway, if you look at this, in the bond market we call it the Trump Thwack. In the equity markets, we call it the Trump Surge. But if you look at the rising Dow, for the last month 50% of the increase came from three stocks, believe it or not. It's unbelievable; this is a very choppy, churned market inside. It looks great if you look at the index, but much is not working.

The number one lead stock in pulling the Dow up was Goldman Sachs.

Dr. Joseph Farrell: Right.

C. Austin Fitts: The Secretary of Treasury, Steven Mnuchin, is a fascinating character. I didn't talk last week about the fact that he is Goldman Sachs' royalty because his dad, Bob Mnuchin, ran the equity desk for years. He was a Gus Levy guy. The equity desk at Goldman Sachs was considered the smartest, best equity traders in the world.

When I worked there in the summer of 1977, I used to take some of the courses in the equity sales intern program and knew all those guys, which is how I met his dad. If you wanted to understand everything about equity on the planet, all you had to do was sit on that trading floor. Bob Mnuchin ran the arbitrage desk on that trading floor. You're talking about somebody with unbelievably deep ties for generations in the equity world. His dad went to Yale and he went to Yale and got tapped for Skull and Bones.



He was a mortgage trader, and he worked for Cohn who is now number two and Blankfein who is number one. Blankfein and Cohn were poor boys that worked their way up; they came through Aron, which was the commodities trader. So their knowledge was critical to the suppression of the gold price and then the pump and dump of the housing market. You had Rubin at Treasury in the Clinton Administration, and those guys at Goldman.

I've written a great deal at Solari, including a post called 'Goldman Whack-A-Mole' where they talk about how they literally – from the fixed income division where I used to be a summer intern – engineered the gold suppression, the pump and dump of the housing market, and I suspect trillions of dollars of government fraudulent securities with Treasury. These are the guys – with Rubin and Summers – who engineered the financial coup d'état.

So as you watch Trump bring into Trump Towers conversations with Blankfein and Cohn – who is rumored to be considered for OMB, and if you get him at OMB, that is a fascinating choice – you're talking about building a round trip. These are the guys who globalize the money. Now you're telling them to bring it back.

Dr. Joseph Farrell: Right.

C. Austin Fitts: The interesting thing is: Since they're the machinery that figured out how to move it around wherever it went, they're the ones who know where it is and how to move it back.



Dr. Joseph Farrell: Right. All you need to do is create the conditions to do so, which the signs are all there that this is what I think he is going to do.

C. Austin Fitts: Right. What is interesting is that Goldman Sachs is one of the firms that most understands the place-based opportunity. I think Buffet is still one of their lead investors; he certainly was. I don't know if he sold his position or not, but if there is anybody who has positioned themselves for the place-based development possibility, it's Buffet.

Buffet and Gates were clearly on the Democrat side, but Buffet is an investor. He'll go where the money is.

Dr. Joseph Farrell: Right.

C. Austin Fitts: So the idea of taking the people who engineered the financial coup d'état and using them to bring the money back is certainly interesting. If you're talking about a machine that has real power, the question is: Can you get it to have a positive return to the taxpayer?

I don't mean to be rough, but I've dealt with those guys, and they can be pigs.

Dr. Joseph Farrell: This is the risk, and this is what everybody is picking up on in the media chatter. Unfortunately, we are in the position where we have to hold open both possibilities.



I said many years ago, Catherine, on the GeorgeAnn Hughes' show, The Byte Show, before she passed away, that the way it looked was over the long term, the oligarchy in this country – at least a particular segment of it – realized that you cannot continue the empire forever. You're going to have to bring not only that capital back but also put it to work in real projects and real equity, not in finance capital.

The reason I said that was strategically is that you can't have an empire where all of your parts, especially your military, are being made by Company A over here in that country and Company B in this country for the simple reason that the manufacturing of parts is too easy to counterfeit. We've seen so many counterfeiting parts coming out of China.

The point that I am trying to make is that they were talking about all this hysteria and lunacy about Hillary starting a nuclear war with Russia or some war with Russia. Well, you can't start a war with Russia if your logistical supply chain is that corrupted from the military point of view.

C. Austin Fitts: Exactly.

Dr. Joseph Farrell: Russia has control over its chain of supply and its manufacture of its parts; we don't. So from a certain point of view, even the empire pigs have to realize that they've got to bring and 'reshore' things to North America, particularly to the United States.

I'm holding out on judging Trump until we see the actions that happen once he takes office.



C. Austin Fitts: I think we're looking at the group who is willing to sacrifice the empire to make sure that the base is strong.

Dr. Joseph Farrell: Exactly. This has been my reading for years. Trump has given them the opportunity. Like you pointed out, he needs the people around him who know where that capital is and how to get it back here. So he's putting together – the way it looks to me – the team to do this.

It's very interesting to correlate his national security appointments, his Secretary of Defense and national security advisor and so on with the economic team that we've been talking about because this is exactly the other factor that makes me think this is what he is doing.

C. Austin Fitts: Let me finish the economic team, and then we will go to the defense and military line.

He's really in a conundrum on the state. Let's talk about Wilbur Ross first, as Secretary of Commerce. Ross has been in the LBO and private equity business. He's a turnaround artist and before that, he was 24 years at Rothschild Inc.

Dr. Joseph Farrell: Oh boy!

C. Austin Fitts: So now you have the Rothschild line, the Goldman line, and if you look at all the economic team, the Harvard, Yale, Penn endowments, and all the Ivy League endowment money. You're starting to build a real juggernaut of the different people who know and manage very major equity positions in play with all the major players, so Ross is significant.



Dr. Joseph Farrell: Right.

C. Austin Fitts: What is interesting is if you look at Ross's portfolio of responsibilities currently and Mnuchin's, who is Vice Chairman on a hedge fund that is lead position in Sears, you know they're sucking the wind. I think they have AutoNation. He's on the board, and he sold IndyMac to the CIT, which is a middle market lender. You know they're watching the cash flows diminish. Of course, Romney and Trump come out of the Casino business.

I spent five days in Las Vegas on my drive out to California, and that is a business being destroyed by the shrinkage of the middle class. So if you look at Ross's portfolio and CIT's portfolio and all these different portfolios, these guys are looking at the cash flows and saying, "Something has to change."

Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: They don't want to wipe out the middle class. So I think they have a profound understanding of why things have to change and why we have to increase productivity dramatically. It's going the wrong way.

Secretary of State is a critical nexus dovetail between the military and the economic team, which is why it is so interesting. It's like a coin that plays with both sides. Romney coming out of the Mormon money, I don't know if you realize it, but in the fixed income division – which, Blankfein, Cohn, and Mnuchin all rose out of – one of their biggest source of employees was the Mormons.



Dr. Joseph Farrell: Yes.

C. Austin Fitts: The relationship between Goldman Sachs and the Mormons is unbelievably intimate. It's not surprising for him to bring Romney in for interviews because the Mormon intelligence network is phenomenal.

Dr. Joseph Farrell: Yes, absolutely.

C. Austin Fitts: And it's the backbone of their investment network. They are people who know how to function and deal in a multipolar world. Wow! And yet the problem is that if you go with Romney, you're going to offend the royal guys, including Giuliani, who would very much like the position.

I can see that Trump – if he is trying to turn the equity networks – how it's hard to make a security consultant the head of state.

So we see him now interviewing Rex Tillerson, who is a fascinating choice. He is the head of Exxon with a broad knowledge and understanding of Russia, and very excellent relationships within the Kremlin. He is the Chairman and CEO of Exxon.

I'll tell you that the old Standard Oil 'federation' investment networks are more powerful and amazing than even the Mormons.

Dr. Joseph Farrell: All this highlights the suspicion that you and I shared several quarterly reviews ago when Trump's campaign was obviously going to take the Republican ticket, and that is he represents some faction within the American deep state.



The casino business always represented that faction. I've managed casinos, and I've been in casinos as both an employee and as a manager, and what happened there was that Trump was representing the old mafia faction.

C. Austin Fitts: Right.

Dr. Joseph Farrell: They were looking at their bottom line and the dwindling revenues because the middle class didn't have the money to spend in the casinos that were bled dry with Obamacare, regulation, high taxation, and everything else. It's looking, if he does go with Tillerson, that he has made the middle of the road choice between that group and the geopolitically savvy group that is aware that you can't move all of this offshore money back into the country without some geopolitical consequences – not the least of which is going to be in the energy markets. With America being more or less energy independent now, it's going to have an effect.

You need someone who can negotiate with the Kremlin and get things done. Many people would look at that as yet another sellout to the powers that be, but I'm not looking at it that way. He is making his selections very carefully to be able to do all of this. That's what it looks to me

C. Austin Fitts: Here's the way to think about this: If you draw an ecosystem and say, "What are all the intelligence networks, and what are all the equity investment networks that I need to be on my team playing?" It's like bringing the 20-mule team. You're trying to corral 20 mules and get them on a team pulling in the same direction.



Dr. Joseph Farrell: Exactly.

C. Austin Fitts: So if you and I were trying to identify all the different pots of equity that we wanted to pull in and help us do this, that's how you would put together this team, and that's how it looks.

The performance metrics is not: Are they good guys or bad guys? The performance metric is: Do they significantly improve return on investment to the taxpayer? That is the performance metric.

Dr. Joseph Farrell: Right.

C. Austin Fitts: Trump is also looking at Jon Huntsman, apparently, for Secretary of State. Huntsman is also an interesting choice because I knew his dad. He was, in fact, the reason I started Hamilton Securities. I was having dinner at a Wharton dinner and talking to him, and he persuaded me that I should start my own company.

Huntsman also represents the Mormons, and the problem with Tillerson is that the climate change folks are all going to go nuts. That is why his children got him to talk to Gore. He seems to be pulling in the disgruntled. He had Gore and Kissinger and a couple of the other people feeling disgruntled because they feel like they're left out of the flow, and that hurts their pride.



Dr. Joseph Farrell: I think it's politically savvy for him to do these types of things as well because he can't turn around this big ocean liner without people who know how the machinery works and know where all the levers and pulleys are on the bridge; he simply can't do it.

That was always the danger with his predominantly populous campaign. The impression was created that he was going to go in and sever ties with all these people, and he can't do that and, obviously, make all this work. I'm not disturbed about Kissinger, and I'm not concerned about Gore. The proof is in the pudding, and it will be, as you say, – if he can make a positive return on investment happen.

We saw Obama attempt to make big infrastructure projects in this country, and they just went nowhere.

C. Austin Fitts: Obama didn't have the knowledge, and he didn't build a team that had the knowledge that could do it.

Dr. Joseph Farrell: Exactly and Trump is doing this.

C. Austin Fitts: As one journalist said who was covering the campaign, "Obama was a community organizer who had been a senator for 25 seconds."

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: He had no knowledge of this, and he was never an equity player or a principle; he was always one of the poodles, so to speak.



He was very good at it. He was excellent at running a government process and was a very good process guy.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: One of the other things that I wanted to mention before we move on is that I said that Goldman Sachs stock was one of the big winners. I just want to look at the losers for a second.

Apparently, this has hit most healthcare stocks –but not all – really hard because it was Obamacare that ran and held up the US stock market for several years here.

One of the big losers, oddly enough, was the gun companies because Obama did more for gun ownership in this country than the NRA could ever dream of doing.

Dr. Joseph Farrell: Yes he did. He certainly did.

C. Austin Fitts: It's peculiar how things work out.

Let's turn to the military and enforcement line, which is as important as the economic line. So why don't you start and tell us what you think of the Mad Dog General and Michael Flynn?

Dr. Joseph Farrell: I am not looking at the appointment of these people in the same way that much of the corporate-controlled media is looking at it. I see these people as war hawks or 'mad dogs'.



First of all, what James Mattis and Flynn would represent is a determination on Trump's part to make good on his promises to deal with terrorism and deal with it effectively. Much of this is going to require – whether we like it or not – some cooperation and coordination with the Russians, particularly in the matter of Syria.

I'm not looking at it in quite the jaundice, cynical way that many people are. A lot of what I'm thinking will depend on who finally gets the position at State. But it's significant, Catherine, that before these appointments, Trump received one of the first world leaders to talk to him, and that was Mr. Putin.

C. Austin Fitts: Right.

Dr. Joseph Farrell: I think Putin is eager for some break or change in American-Russian relations, and Trump is going to deal fairly with the Russians rather than the unfair mess and the anti-Russian hysteria, frankly, that we've seen over the past four to eight years from this Administration, and beginning under George Bush.

I think you're going to see some change there. The appointment signals that the war on terrorism may be coming to a conclusion. That is what it indicates to me, quite frankly.

C. Austin Fitts: Really? That is one of the big question marks if you look at the history on Sessions and Flynn.



Of course, you know my question about the war on terrorism is when you're running the global drug business and significant amounts of financial fraud, trying to control people who want to go independent and to make sure the team is loyal, most of the war on terrorism is to control things on the covert side of the house that nobody wants to talk about.

Dr. Joseph Farrell: Exactly. That was the whole point of the invasion of Afghanistan. It was to gain control, not just of the pipeline routes, but a significant amount of the drug supply.

C. Austin Fitts: Right, including Russia.

Dr. Joseph Farrell: Exactly. So I think you're going to see some sea change. It's hard to tell what the effect on the covert side will be. Much of the reading will depend on whom he selects for State. If he follows up on the signals that he's been putting out, he's been talking to Romney, but that appears to have chilled a little. He's now talking to these other people.

I don't get the impression from any of these other people that he's talking to that Trump is planning to continue any confrontational policy with Russia. If that's the case, then I think you're going to see a new national security diplomacy – so to speak – and an international cooperation; that is a guess. Until he takes office, we're not going to know for sure. That's the way it's looking and feeling to me with these appointments.



C. Austin Fitts: If Tillerson could truly be loyal to the team, unfortunately, Mnuchin and Ross are deal-doers, and you don't have anybody there with a thorough understanding on how to run massive line bureaucracies. Tillerson clearly brings that to the table and is very capable of it. The other thing is that he is a devout Christian, so my guess is that there is going to be a positive connection between him and Pence, which is also good.

The problem you have is: One of the things destroying productivity is if we have a negative return to the taxpayer but also a negative return to the environment, that needs to be reversed. You have all sorts of people who are not happy about the Trump victory. They are very concerned about the environment, and they're going to go berserk. So how do you deal with that?

Dr. Joseph Farrell: I think you mentioned Tillerson's faith. This is a crucial matter for dealing with Russia because Mr. Putin is a practicing Russian Orthodox Christian. Many people don't understand this and what is going on in Russia. I've said many times before that Russia is the first post-post-modern state. It has embarked on an experiment with its historical and traditional religious roots concerning a modern secular state, and it's trying to create something that has never been done before.

It's an experiment in soft power governance if you will, and you need somebody who has at least an inkling of how that works. I don't view his appointment as being all that bad if, indeed, he gets the appointment.



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This is reading tea leaves. We're trying to figure out where he's going to go based on whom he's been selecting to fill these posts, and this is the way that it's looking. To put it in a nutshell, he realizes that there are going to be great geopolitical consequences to what he wants to do regarding restoring the capital, restoring the manufacturing and jobs in this country and creating a regulatory climate in which small business and medium-sized business can function and thrive.

He's got to manage the tax issue, and to deal with the Obamacare issue, and to deal with the geopolitical effects of restoring all this capital. The way it looks is it is such a complex problem if you perceive it from the financial and the equity and the national security point of view because this, indeed, is what he does have to view. It appears as if all of these appointments are designed precisely to fulfill his vision.

C. Austin Fitts: Right.

Dr. Joseph Farrell: The real problem, Catherine, is not merely that we're going to have to drive discussion, but we're going to have to figure out a way – and he is going to have to figure out a way – to get this message across to Congress and the bureaucracy. Tillerson knows how to do this, but I do not see – other than Pence and a few others – the people who can get the message across to Congress, “This is what we want to do. This is where we want to go.”

We're looking at appointments, but we haven't actually heard a message yet to go with it. We haven't seen the libretto to the opera yet.



C. Austin Fitts: Right, and frankly they can't sing that. I want to get to the point where they have one.

Let's turn to Congress because I think one of the remarkable things about the team so far is you have got the former RNC Chairman at Chief of Staff. He came out of Wisconsin and is very close with Ryan, who was kept, and Pence is close with both of them. Now they've brought in Mitch McConnell's wife, so you have the Speaker, the Senate leader, the former RNC Chairman, and Pence as primarily a congressional juggernaut.

Dr. Joseph Farrell: Right.

C. Austin Fitts: That's a very impressive tight group.

Dr. Joseph Farrell: It's a very tight network, and it's the existence of that network that makes me think of the article in the *Wall Street Journal* that you mentioned in your Markey & Money last week: The idea that he needs to create a commission to examine and make sure that each of the separate bureaucracies are following the same script.

You mentioned that Gingrich would be someone perfect for that position, and Gingrich certainly has his connections to the financial community, to Congress, and so on. He does need to do something like that.



In other words, the way I'm looking at it is: He has all these people, but there's still a missing cog in the machinery that can deal on a day-to-day operational management basis with all of these Federal bureaucracies.

I wouldn't be surprised, Catherine, to see if – failing the appointment of a commission – he creates a new White House staff position to do something like that. Time will tell, but that's another way that he might be able to accomplish that.

C. Austin Fitts: If you observe Gingrich, he has encyclopedic knowledge of how to do this and what to do. But if you could get Gingrich galvanized to run the crosscut, mainly regulatory relief to small business, which is going to create the jobs. Bringing in the \$2.5 trillion and doing the infrastructure is going to kickstart, but if you don't get it building out enduring small business, you have years of the boot to take off the face of small business. Gingrich is one of the few people I know who knows how to do it – and could do it if he wanted to do.

Dr. Joseph Farrell: Failing the ability to name a special presidential commission or something like that, he could at least appoint or create an office in the White House staff and fund it sufficiently to do something similar.

C. Austin Fitts: Right.

Dr. Joseph Farrell: It may even emerge as part of his transition ultimately.



That will be a real signal if he does create something like what the *Wall Street Journal* suggested, he is very serious and is taking things in this direction of equity, and in the direction of getting regulation taken care of and out of the way and cutting things loose.

If he does that, it is a clear signal that he is not just pulling a fast one on everybody, and it's going to be business as usual. If he does something like that, then it's very serious.

C. Austin Fitts: Goldman has had their 10,000 Women small business initiative, and they just launched a website to do retail lending. The notion of Goldman dealing with retail is interesting.

They have a retail division for high net worth individuals, and I think they kicked out anybody with less than \$10 million a couple of years ago. Their revenues are way down, and they're running into real struggles now in trying to do business around the world. That's why I say that they have a thorough understanding of what is involved in the place-based opportunity. The question is: Can we get Goldman Sachs for once not to be pigs?

Dr. Joseph Farrell: That is a \$4 trillion question.

C. Austin Fitts: There are two things that this has done so far, and this is what it says to me about Trump. What is interesting is how many times people with devout spiritual practices turn up. There is Pence; Kushner is a prominent orthodox Jew and apparently he and his wife are house hunting in Washington.



Now you've got Tillerson who is a devout Christian. It's peculiar because the last thing you and I would think of is somebody who has a religious spiritual practice, but he seems to like having those people around.

I think he is probably a reasonably suspicious character, and that quality seems to give him some comfort.

Dr. Joseph Farrell: Yes. I believe this is a good sign. Having people like that around you means: 1) They are very serious about the rule of law, and 2) You can't have a functioning economy or fulfill any of these plans unless you have a set of rules and laws that everybody is going to follow. I think this is another good sign.

There has been talk in some of the free and independent media that Trump is turning over or is going to pressure the foreign governments to investigate the Clinton Foundation. I think that is a sound political strategy because it puts the onus on other countries that have been dealing with them to come clean and start their investigation. The other thing that it does is taps into this groundswell of what I would call 'falsely labeled' populism that you see all over the globe, especially in Europe. You're going to have a certain amount of pressure coming from those quarters to do precisely that.

I'm not surprised that he's surrounding himself with people like that. I'd rather deal with people like that who take their moral obligations and responsibilities and their words seriously than deal with the pigs because the pigs are going to ruin everything.



C. Austin Fitts: The other thing it tells me is that it takes someone who is remarkable. He keeps pulling from the A team.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: He is not afraid to hire the former chairman of Exxon. He's not worried about bringing in some remarkably powerfully strong characters.

Dr. Joseph Farrell: Yes, and that is a good sign.

C. Austin Fitts: Right. I never thought I would liken Trump to Hamilton, but Hamilton was a Scotsman because his father was Scottish. He ran around and upset everybody. Interestingly enough, Trump's line is both German and Scottish. He's running around upsetting everybody almost as much as Hamilton.

If it weren't for Washington, Hamilton would have been shot in a duel much earlier; Washington protected him. Hamilton's problem was that Washington retired.

I also wanted to mention – since you brought up Obamacare – that Ryan says that Obamacare is going to go first because people need relief.

Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: I'm hoping – among other things – that they can cancel the fee or the penalty for not signing up for Obamacare and get rid of that.



Obamacare is going to be first, which will result in trouble for the healthcare stocks. They had a field day on some pretty dubious stuff.

Dr. Joseph Farrell: I hope they do because I've been hit very hard with those things. I'm in a position where I can't afford health insurance, but also in the position where I can't afford the penalties. The premiums, which we were told under Obama were going to go down, "Pick your doctor, and you will be able to keep your doctor, etc." and the exact opposite has happened. It has hurt the economy of the state I live in, and I can't even imagine what it would be like in states even smaller.

That is the first thing that they need to do. I suspect if they do that, then you're going to start seeing the premiums come down and more market conditions – not necessarily for free markets, but at least more market conditions – coming back into this and a large adjustment in that sense.

It's got to go. I'm holding my breath to see what they replace it with because Mr. Trump, if I recall correctly, came out a few years ago with a single payer plan. That sounds like a solution, but I've lived in countries like the UK where they had such a system, and the healthcare for you and me would be very different from the healthcare for the Queen.

C. Austin Fitts: Exactly.



Dr. Joseph Farrell: We've got to start looking at government's role in healthcare because I'm old enough to remember when Lyndon Johnson created Medicare and Medicaid and saw the prices begin to skyrocket. My parents didn't have health insurance, and they didn't need it. They just went to the doctor and paid them their money. If you had an operation, you could afford it. But you can't do that now. It's government that did it.

I hope they make the repeal, but I hope this time around we will have a real discussion about government's involvement in all these social programs because all that does is drive up the cost.

C. Austin Fitts: I think the goal of getting government into all that was as a control mechanism. So I'm not proposing that we do this, but if tomorrow we went to a cash system overnight, within five years we would all be infinitely better off.

Dr. Joseph Farrell: Oh, yes. Absolutely.

C. Austin Fitts: The other thing that I wanted to mention – which I don't know the answer to – is Betsy DeVos and Common Core. One reason people voted for Trump was that he said, "We need to turn control back over to the local jurisdiction," and he was violently against Common Core. We don't know anything about what this nominee's position is. We know that she is very much for the school of choice.

The problem with the school of choice is that it sounds great, but it's all in the details.



If everybody gets a voucher, but it comes loaded with Federal mandates and requirements and regulations, it's going to be worse.

Dr. Joseph Farrell: Exactly. She is the one appointment that I do have misgivings about for precisely that reason. As far as I know – and listeners out there may know otherwise, and if so please inform us – she is all for the charter schools and similar which sounds like it's going to be attached to Federal vouchers and regulations and so on. It's a way of sneaking Common Core and that whole assessment process in through the back door.

What we need is to get rid of this whole Mickey Mouse nonsense philosophy that these standardized tests can accurately assess somebody better than the teacher who is right there dealing with his or her students. This is the fundamental problem.

With her, I'm holding my breath. I'm inclined to think that she is more of the same old Republican plan of charter schools and vouchers and so on which is going to be an even bigger mess than what we have now.

C. Austin Fitts: Here is the thing: The property taxes are funding the vouchers. So my attitude is: The folks who pay should control. If we have to fund the vouchers but they're controlled by the oligarchy, it's not an improvement.

Dr. Joseph Farrell: Right, it's no change. That is precisely the problem. The thing that has happened in education in this country is you have so many committees of experts and what-not that are parallel bureaucracies that have been short-circuiting the local school boards and superintendents and parents. This is the problem.



I have not heard anything from her to indicate that she is aware of this phenomenon and plans to get rid of it. I'm holding my breath with her.

C. Austin Fitts: Much of this could depend on clear direction from the White House.

Let's talk about the Democrats and I want to talk about Carson. Let's speak about the Democrats first and then circle back to Carson and HUD.

I've been quite perplexed watching the Democrats. You have a variety of reactions, but of course, the amazing one was reelecting Nancy Pelosi, and her saying, "We don't need to change; we're fine as is."

Dr. Joseph Farrell: Yes, this is nuts, Catherine. When I heard that story, I was as shocked as you are. It's political suicide. If you're so ingrained in your ideology that you can't realize you've just taken a sound drubbing for your political philosophy and ideas, and put someone like that back into power, it represents and symbolizes, not only what everyone was reacting against, – and I'm not thinking just in terms of Obamacare, but let's remember how she passed it. She passed it in the middle of the night in a closed executive session of Congress, and then makes the statement, "We'll know what's in it once we pass it."

To have someone like this return to power, Catherine, makes no sense to me. This is a party that is now relying solely on its elites, and the elites ran the disastrous Hillary campaign. I can't make sense of this either. I don't know what to think of this.



C. Austin Fitts: It's strange because the Democrats engineered Sanders out. If you look at the election fraud in the primary, just from what I saw anecdotally when I was there during the primary, they destroyed Sanders. He was rigged out, not voted out.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: Then they made a concerted effort to get the media to promote Trump because they thought they had a better chance of winning against Trump, which I think was a legitimate thing. But if they lost to Trump, it was their fault. I don't believe that without their help Trump would have ever been the nominee.

Dr. Joseph Farrell: This is the other thing that I can't understand, Catherine. They're doing this push for all these recounts. There is no doubt in my mind that it is Hillary Clinton behind Jill Stein demanding all these recounts.

They did the Wisconsin recount, and Hillary increased by one vote from some sources in the free media. From what I can gather and from what I have seen, the fraud in this election was predominantly for Hillary. There is good indication that so much fraud occurred that Trump may have even won the popular vote, which he just recently tweeted.

C. Austin Fitts: I'm a little bit more skeptical because I think the fraud on both sides was bad.

Dr. Joseph Farrell: I do, too. I think that this was the case, but my point here is:



Why would you go for this recount business when the danger to you and your party is that some of the fraud that was committed by and on behalf of your candidate – not necessarily by her, but at least on her behalf – would expose you?

C. Austin Fitts: Here is what I think is happening. I don't think it is Clinton money; I believe it is Soros and some of them who are funding it.

Dr. Joseph Farrell: I do, too.

C. Austin Fitts: Stein is being used. If you saw the speed at which the money came in on the website, it's a laundry; it's not anything grassroots.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: The grassroots has more important needs for that money. As a voice said, that money could be spent on fixing the water system in Flint, Michigan.

I think it's that, but I believe one of the reasons they're spending it is because that side had so many people worked up into such a lather, and you have such a cult phenomenon going on. It's heavy, heavy entrainment, and you need something to keep those people directed and busy.



I hate to say it, but it's another way that Trump is creating enormous numbers of jobs because the protestors paid people, and the recount is paying people. It's more Trump job creation. That's what it looks like to me and I don't think it's going to have any practical effect.

Dr. Joseph Farrell: I don't think it's going to have any practical effect either, but strategically it exposes you to the risk that fraud is going to be uncovered, and much of it is going to be coming from your own party.

I'm looking at the Democrats and thinking, "My word! Have they completely lost their minds?" It makes no sense.

C. Austin Fitts: For the Clintons to agree to participate, is just terrible judgement.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: I hadn't realized it until after the election was over, but what we saw from, not just Bill Clinton, but the group around Hillary Clinton is a cult mentality that is out of touch with the political and financial and economic realities of this country.

Bill Clinton tried to warn them and say, "You've got to pay attention to working people," and they just treated him like he was over the hill.

Dr. Joseph Farrell: They treated him like he was nuts. He not only said that, but he also made some criticisms of Obamacare and he was just totally ignored.



From the stories I've heard, that came right from the top, from Hillary herself.

Like you, I can't understand the insanity coming out of the Democratic leadership right now. The only thing I can think of, Catherine, as to why they would put Nancy Pelosi back in the position of minority leader, is that they intend to fight and make as much of a ruckus in the House as they can. She certainly has experience with that.

Other than that, none of what I see coming from them right now makes any sort of long-term political sense; it just doesn't. I'm at a complete loss to understand it, I really am.

C. Austin Fitts: What they're saying with Schumer in New York and Nancy Pelosi in San Francisco is they have no interest in flyover country.

Dr. Joseph Farrell: Basically, yes.

C. Austin Fitts: If you observe the Trump transition and the whole Trump line-up, interestingly enough you're pulling Wall Street back in, Washington back in, and Hollywood back in – both Mnuchin and Stephen Bannon have ties – and are completely freezing out Silicon Valley.

Dr. Joseph Farrell: Yes.



C. Austin Fitts: Kushner put together the data operation and pulled in techies to help on that. Apparently, from everything that I can read and understand, that team did a great job. But Silicon Valley right now is out.

Gore was in Trump Tower. He is on the board of Apple and I think Tim Cook might have come in. Silicon Valley is suddenly highly unfashionable.

Dr. Joseph Farrell: Right. It's another sign, Catherine, that his focus is precisely on his promises to rebuild the country and the infrastructure and to get the boot of regulation off the small businessmen. Silicon Valley has been feeding at the trough of Federal mercantilist policies that have benefitted only them for quite some time. It's another signal.

The other thing, since you mentioned flyover country, is that he has also made the appeal and brought that whole perspective into his team with the selection of Pence. I think that was a very clever strategic move on his part.

Like you said, the Democrats are saying to the flyover country, "We don't need you, and we're just going to continue on as we are."

C. Austin Fitts: Here's one of the things that was interesting. Trump is very much an old style Lone Ranger kind of guy, but his kids are Gen X and Millennial, and they are much more the Ninja Turtles. They clearly have his ear.

He wanted to choose Christy for VP, and they said, "Oh, no. You need Pence."



Dr. Joseph Farrell: Right.

C. Austin Fitts: They have directed him in the right way most of the time, and he listens to them.

Dr. Joseph Farrell: Which is good. This is another signal I think is good, Catherine. Hillary doesn't listen to anyone, and the Democratic leadership didn't listen to anybody. Her campaign didn't listen to anybody. He at least listens, and we've seen him change course in midstream several times – not only during the campaign, but during this transition.

The initial talk with Romney, and now he is interviewing other people. I think it's because he is listening.

C. Austin Fitts: Right.

Dr. Joseph Farrell: This is a very hopeful signal.

C. Austin Fitts: If you're going to be good with private equity, you've got to listen.

Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: One thing about a real estate development is you can get 1,000 things right, and one thing can blow up and destroy everything.

Dr. Joseph Farrell: Yes.



C. Austin Fitts: I think you have to pay attention to this kind of detail, and you have to pay attention to intelligence and investment networks.

We did talk about Flynn, but I want to talk about the globalist. One group of spoilers is the Democrats that are frustrated. We see *Time Magazine* running an editorial by one person who says, “Anybody who voted for Hillary shouldn’t pay taxes because there should be no taxation without representation.”

Dr. Joseph Farrell: What about what they’ve been doing to me for eight years with Obamacare?

C. Austin Fitts: Right, exactly. Then we see the *New York Times* take one of the people in the Electoral College who says, “I’m a Trump person, but I’ve decided not to vote for him because he’s irresponsible and he doesn’t behave like a President,” and run that on the op-ed page of the *Times*.

You look at that, and at *Time Magazine*, which somebody sent to me and I tweeted back, “*The Times* is playing a very dangerous game. They should be careful.”

This came before the Electoral College vote and before the inauguration. A major corporate media publication is systematically trying to sabotage the President-elect.

Dr. Joseph Farrell: Abraham Lincoln had a solution for that kind of behavior from the Press, and it was sedition. He simply threw them in jail.



To my mind, Catherine, they have stepped over that line in doing this sort of thing. This is grossly irresponsible, and it needs to be dealt with in the judicial system.

C. Austin Fitts: That's a little chilling. I would much rather the consumer just cancel their subscriptions.

Dr. Joseph Farrell: I would, too. This goes right to the heart of something I was just about to get to, and that is to turn off the major media. Cancel your subscriptions, and let them die because they deserve to die after the behavior that they showed during the election process itself.

The other thing that I think needs to happen, Catherine, is a bill through Congress to decouple internet from cable television.

C. Austin Fitts: Yes.

Dr. Joseph Farrell: In other words, I'm paying for cable simply to have internet, but I know that that money is going to the big corporate media that represents everything that I don't adhere to and don't think.

C. Austin Fitts: Right.

Dr. Joseph Farrell: You need to have a free communications bill and break up these big trusts and monopolies that you have in the current media. I should be able to have phone service and internet and forget the cable because I don't use it. I shouldn't have to pay for it because I don't want to use it.



That's a system that needs to come to an end, and we need to start putting pressure on the politicians to get something like that through Congress and bust up this whole conglomerate.

C. Austin Fitts: Right. One of the problems he has is that Sessions is going to have to deal with the AT&T Time Warner merger right away.

Dr. Joseph Farrell: Exactly. That's scary. I remember a certain US Attorney General by the name of Bobby Kennedy who busted up AT&T, and now we're looking at the creation of an even bigger monster. It needs to come to an end.

These corporate media outfits are only surviving because they have that lock through the cable services, and that needs to be addressed pronto.

C. Austin Fitts: That's a dangerous one to take on. The question for the Administration is: If your number one goal is to engineer economic growth and build jobs and build the economy, how many fights can you afford?

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: That is going to be their challenge.

Dr. Joseph Farrell: To view it in a certain way, we're talking about place-based financing. We also need a place-based media. This is what the free and independent media has become, in a certain sense, but by breaking up these big cable monopolies...



C. Austin Fitts: You would really help the free and independent media.

Dr. Joseph Farrell: You would not only help the free and independent media, but you would revitalize local and regional media that have been forced into these big conglomerates that no longer reflect local and regional conditions. This is the other thing.

Over the long term, I think this would be very beneficial. The incoming Administration is already involved in so many long-range strategic fights that in order to put any of its agenda through, they're going to have to select things very carefully. So whether or not they want to take that on is to be determined, but it may be forced on them by this merger. Who knows? I don't know.

C. Austin Fitts: One thing that one of the other groups is grappling with other than the Democrats is the globalist.

Dr. Joseph Farrell: Right.

C. Austin Fitts: While Trump will be inaugurated on January 20th, the globalists will be meeting from the 17th until the 20th on Davos. Now we have the Chinese Premier coming.

Dr. Joseph Farrell: Yes.

C. Austin Fitts: What is interesting is it appears that one of the key issues at Davos is going to be the control and concentration of cash.



We've watched what is happening in India, and my interpretation is that as the debt growth model ends and the global economy slows, the huge government overhead that was built up with the debt model, rather than downsizing and changing, which is what I think Trump and that team is trying to begin, they're saying, "How do we lock down control of more cash so we can make sure we collect taxes so we don't have to change?"

Dr. Joseph Farrell: Right. You and I have discussed this whole thing before – this move to a cashless society. I just read an article where Amazon is testing a grocery store in the Seattle area where people go in and pick items off the shelves and scan it with their smart phone, and that is the checkout. It's totally cashless. There are no cashiers. You walk in and take what you want off the shelves, and out you go and Amazon bills you for it.

The problem with this is centralizing cash flow that way and taking away the physical medium of exchange is another invasion of privacy.

The only thing that I think this is going to do is simply create an enormous black market with the physical media of exchange. So if they were smart, they would quit all this nonsense and realize that they are going to drive a localized reaction, and it is ultimately going to hurt them where they live, and that is in the pocketbook.

They may try it, but we're already seeing massive demonstrations in India against it because it's simply not working. It's not going to work.



C. Austin Fitts: Here is what I keep seeing, and it's complex; it's not one thing. I have been very surprised at the different states of denial that I am observing, whether it's in the Democrats or whether it's in the globalists or whether it's in different sections of the corporate media.

For example, Tom Friedman publishes an article after the election saying, "I feel homeless in my own country." He lives in a \$10 million mansion in Bethesda.

Dr. Joseph Farrell: Right.

C. Austin Fitts: So he doesn't know to be embarrassed about saying this in public.

Dr. Joseph Farrell: It's hypocrisy.

C. Austin Fitts: The one that really scared me was the person, who seems to be struggling to try to listen and learn, is Anderson Cooper on CNN. Of course, CNN has gotten their head handed to them on multiple occasions, and very deservedly so.

You saw Anderson Cooper giving a Trump spokesperson a hard time after the election about, "Aren't you afraid that we have a President-elect who listens to *Infowars*? They're totally crazy. They think 9/11 was an inside job."

If I was going to tear apart Breitbart and *Infowars* and these kinds of websites, I can think of many effective ways to tear them apart, but that one was ineffective.



Forty percent of New York is going to look at it and say, “That guy is clueless. Why am I listening to CNN if they’re that clueless?”

Dr. Joseph Farrell: Here is the other possibility: He’s not a stupid man, so he is either willfully ignorant and he has just paraded it for everybody on national television, or he does know the truth but he is prevented from speaking about it by the corporate media. It’s the same thing.

C. Austin Fitts: I’ve watched some good liars, but I think he is so in the bubble that he’s lost in it – not about everything.

Dr. Joseph Farrell: He may be lost in the bubble, but let’s remember that after the Kennedy assassination, for years the mainstream media in this country was mouthing the Warren Commission Report. You know that people like Cronkite, who finally gave interviews where he was admitting the possibility that there was a conspiracy with the Kennedy assassination. He was prevented from doing so early on simply because he was working for CBS, and Bill Paley had his connections with the CIA and the like.

C. Austin Fitts: Right.

Dr. Joseph Farrell: Either Anderson Cooper is in the bubble, which I don’t discount the possibility, or he is simply prevented from speaking about these things by the mainstream-controlled corporate media.

C. Austin Fitts: But there are so many other examples he could have chosen that would have been effective.



Dr. Joseph Farrell: I agree.

C. Austin Fitts: But it also meant he didn't understand that 40% of New York was going to think that he was an idiot.

Dr. Joseph Farrell: Not only 40% of New York, but a good segment of the rest of the country. That is just another indicator of how clueless the corporate-controlled media has become. I've said it over and over again throughout the years. If you're part of the global elite and have surrounded yourself by people who think exactly like you do on each and every little issue, soon you're incapable of thinking outside the bubble. You're not capable of coming up with any new solutions, much less entertaining any ideas that challenge those agendas that you have and those narratives.

You were really watching, Catherine, an election that was not an election; it was a referendum on concepts and issues. One thing it was, was a referendum on the corporate-controlled media because they were so fantastically wrong and living in their own bubble thinking that their falsified polls would drive a victory for Hillary. The fact of the matter is they've been shown to have lost a significant amount of their influence, and it's not going to come back by regulating the internet. There are those of us out here who will take our media and shift it to typewriters and mail out newsletters the old-fashioned way.

C. Austin Fitts: What the media needs to be doing right now is saying, "Okay, Make America Great Again sounds great but what are the specifics? How are we going to do it?"



Let's begin the conversation because this is going to take all of us. We got ourselves into this mess, and it took all 325 million people to get the returns this negative. We are all complicit in this. How are we going to turn it around? Let's start the conversation."

You need a giant open-source design process. America is going to have to go into the invention room, and the media is the logical place to have that conversation and to lead it and to be the knowledge manager with the think tanks in the universities. Instead of saying, "Okay, deep breath. Let's start to lead the conversation and put up the websites," the big one of course is: How are we going to get the military-industrial complex to go from a negative return on investment? That is the biggest problem. That's the one that Colonel Lawrence Wilkerson nailed with his speech after the election.

Dr. Joseph Farrell: It's a big problem because I'm watching these stories, Catherine, of our billion dollar navy destroyers that break down, that have cracks in them as they're going through the Panama canal; our trillion dollar fighter or whatever it is that can't turn on a dime, and it doesn't work or meet our expectation. You can bet your bottom dollar that the Russians are getting their rubles' worth for their new tanks and they're not spending anywhere near what we spent on these gadgets and devices that don't work. We've been following these mercantilist policies with these defense corporations for so long and then turned over the databases to them. It's just nuts.

This is the other thing that has to be addressed, and there is another positive sign on that score with Trump coming out and saying, "I don't need that fancy \$3 billion airplane."



Three billion dollars for Air Force One! I forget the exact amount that it costs, but you can be certain that Angela Merkel's plane doesn't cost that much or Vladimir Putin's plane doesn't cost that much.

C. Austin Fitts: If you've ever reviewed the economics of the Indian space program compared to ours, it's phenomenal.

Dr. Joseph Farrell: I know! I did that blog a few weeks ago where they put up 28 satellites in one week. Imagine the logistics alone of that demanding of a launch schedule – 28 satellites in a week! And they're doing this for much less than what we're spending on our space program, which isn't going anywhere. This is nuts.

C. Austin Fitts: I'll never forget when our company got hired to be the lead financial advisor to the FHA. They had a \$12 billion defaulted mortgage portfolio, and the recovery rate was 35%.

Dr. Joseph Farrell: Oh my word!

C. Austin Fitts: We took over and did an open source public book design process with hundreds of people all over the different bureaucracies involved including Congress and other things. We ended up on the first loan sale with a 2,000-page design book. Remember that out of 1,000 details, one could shut you down and kill you.

It was different because we had a 2,000-page design book, and we hired the guy who ran property disposition for the RTC. We put him in a law firm conference room for a week. He read it and found two things that were half sentences each, both of which could have killed us, so it was really like neurosurgery.



We went for it with a deal, and OMB said the portfolio was worth \$240 million. After we got the bid, we used the AT&T bill optimization model, which cracked and blew the market wide open because we were bidding the real estate mortgage security and securities market against each other for the first time thanks to the way we were calculating the winners. So we could take bids from all different markets and take many non-conforming bids.

So I called the IG's office to the head of audit, and said, "How much do you think we got?"

He said, "I bet you did a really great job, and I bet you did better than OMB. You did \$340 million."

I said, "No, we did \$712 million."

Dr. Joseph Farrell: Oh wow!

C. Austin Fitts: So we had a 70% recovery rate instead of 35%. There was a long pause where he said nothing for 30 seconds. Then he said, "We've been getting shafted all along, right?"

Dr. Joseph Farrell: Yes, that's right. No more so than in the Pentagon.

C. Austin Fitts: That's why this turn concerning, "Money's not cheap anymore. It's real and we're going to count it." That's a major shock to the system. This is a culture that has had free or cheap money for 50 years.



Dr. Joseph Farrell: Yes.

C. Austin Fitts: The first time I met with my budget staff, we were going through the numbers and they said, “That’s only a million dollars.”

I flipped out! I said, “There’s a guy named Harry, and he works his whole life to pay \$100,000 in taxes. That is ten lives. That’s ten lives that you just threw down a rat hole because you’re too busy.”

At the next meeting, somebody who hadn’t been there at the previous meeting said, “It’s only a million dollars,” and a person said, “Shut up! You’re going to hear about Harry in Ohio. You don’t want to do that.”

Dr. Joseph Farrell: That’s exactly what Washington needs. They need to start thinking of Harry in Ohio because this system is broken; it’s not working for anybody.

C. Austin Fitts: Right.

Dr. Joseph Farrell: I think even the pigs are waking up and realizing that. You can’t keep this system going forever because eventually it’s going to collapse. So something has to be done.

Going to your models, we’re moving out of debt and into equity. This is going to be a bumpy transition for sure, but accountability and transparency are the key to it, and it has to be local and transparent – absolutely.



C. Austin Fitts: I think the person who truly understands this is Wilbur Ross. If you look at the turnarounds he's done, he has a very deep understanding of the nexus between public and private.

One thing that is not bad about having people who are personally wealthy is they're not looking for the next job. They can tell people to go jump in the lake.

One of my deputies was extremely wealthy. They used to say, "You can't go to Alaska and look at this," so he would just buy the ticket and fly up anyway. He didn't care. That's not such a bad thing.

We've got grumpy Democrats, grumpy globalists, and grumpy news sites. I want to talk about this fake news meme that is happening because I think it's very dangerous. I don't know if you saw the proprietor of *Naked Capitalism* have their lawyers send a letter to the *Washington Post* to hold their feet to the fire. What's interesting is if you look at the corporate media, they're engaging in kinds of fake news.

I would like to give credit to Jon Rappoport who invented this whole meme. Clearly the intelligence agencies stole it from him. His website is www.NoMoreFakeNews.com, and he's been writing about this for years. They've grabbed it and used it.

So if you view something like the *Washington Post*, they're doing a lot of fake news and serious material omission, but on other things they do very in-depth, very high quality reporting that takes enormous resources.



If you see whom they're screaming about, *Breitbart News* and *Infowars*, those guys are running shriek-o-meters that don't do high-quality serious research. They do some very interesting, good things, and I like what they do in many cases, but if you go through *Breitbart News*, they have never had a story that I could find on the missing money. They're screaming about whether or not Congressman Lewis lied about somebody using the 'N' word and on and on, but in the meantime \$9 trillion is disappearing from DOD in one year and they don't mention it.

Dr. Joseph Farrell: Right.

C. Austin Fitts: Both sides, as far as I'm concerned, have serious blind spots. *Infowars* is touting Roger Stone as the great whistleblower. You've got to be kidding me!

If you look at both sides of the argument, everybody is doing some good things, and everybody has got some serious blind sides, and no one is leading the conversation because they're both in the entertainment business and they're not in the news business. They're not in the serious discussions.

I can just see Dan Rather saying, "Wait, how are we going to make America great? Let's talk about the details."

That's the question: Where is the independent free media that is going to run the conversation? You need an open source conversation outside of the Administration.

China has a three-year plan, a five-year plan, a ten-year plan, a fifteen-year plan, and I'm sure they have a 100-year plan somewhere behind the scenes. We don't have a plan.



Dr. Joseph Farrell: No, we don't. To get a plan we're going to have to drive the conversation. Quite frankly, Catherine, I think it's going to have to come from websites like yours, websites like mine, websites from Jon Rappoport, and so on. We have to be putting the memes out there and getting people to start to talk about these things, and dropping the odd letter every now and then to Congressmen or writing an op-ed piece for the *Times* or the *Post* or whatever. Simply force the conversation because there are so many blinds.

You and I have been talking about space and where the missing money went and putting out ideas for years, and it's amazing that even the so-called alternative media is not picking up these things.

We have to drive the conversation. We must keep doing what we're doing and hope that people pick up on what we're doing and start talking about it to people they know, writing the letters and so on. That is what needs to be done. That is the only thing that can be done.

C. Austin Fitts: I'm going to be a tough guy. I am going to talk about this on The Solari Report later this week. I watched 'Hating Breitbart' because I wanted to understand what the whole Andrew Breitbart story was about. Those guys would no more touch the space questions than the man on the moon; they're afraid of it. It's not fashionable.

Dr. Joseph Farrell: I know.

C. Austin Fitts: I think the intellectual integrity is going to have to start here with the people who have the courage to do it.



If you watch the people who want to turn the Titanic, they can't do it because it is not politically acceptable yet to touch those subjects. So we're going to have to do it. which brings me to Ben Carson at HUD.

I don't know if I told you this, but I got into a tweet match with Michael Moore. He had his assistant call my office and say, "Oh my God! We've discovered you! You have all the answers to what is going on. We want you to come up to Michigan. We want to record you, but Michael wants to spend a couple of days and have you teach him and brief everything you know."

The person who runs my operation got so excited because she's from Michigan and she thought, "Oh, this is wonderful! This will solve everything."

I said, "Don't get excited. Bob Weinstein is his producer, and he's a Clinton guy. They're going to cancel at the last minute. This will never be allowed."

Sure enough, the last day they cancelled with no explanation. You're dead. So Michael Moore tweets, "Ben Carson knows nothing about affordable housing. What a terrible idea. What does he know about affordable housing?"

I tweeted back, "Carson knows how to rise by personal and private means. HUD is not about affordable housing; it's about destroying it and controlling neighborhoods."

Dr. Joseph Farrell: Right.



C. Austin Fitts: Carson does know about rising by private means. The other thing is he is very close to Trump. It's quite remarkable to see how they've bonded.

He has the ear of the White House, and HUD is run on a major structure, so you have to have Department of Justice, CIA, and Treasury. You have to be able to coordinate and work closely with them, so you're going to need the White House because you need OMB.

Here is the big question. There is a huge and very important covert side to HUD which the navy and Department of Defense and CIA are deeply involved in and care about, and you're not going to be able to do anything at HUD until you cut the concrete Europe deal. You need a 'Treaty of Westphalia' with those guys. What are we going to do, and what are we not going to do? You can't do all of it, and you're certainly not going to get anything done unless they agree to it. And you also have the covert side of Treasury.

So you have CIA, DOD, ONI, navy, covert Treasury, and Department of Justice, and you can't turn HUD without facing what the covert agenda is.

Dr. Joseph Farrell: I looked at Carson's appointment partially for that reason. It goes back to the trust issue. He is another one of these individuals around Trump that has a moral religious base to him, and I suspect that his appointment to that agency was precisely because Trump or somebody on his team, with Mattis and Flynn, wants someone who knows all about those military and CIA connections to HUD.



I'm thinking to a limited extent his appointment was coming from people in the know.

C. Austin Fitts: I'm going to disagree with you there, and I'll tell you why. Since I've been writing publicly about how I think people are much more knowledgeable about that, you would be amazed how few people were in the loop on that subject. Very few people understood.

I'll tell you one thing that was said to me, and I believe it's true. This is conjecture: When I was in the middle of the litigation, at the worst point, the insurance company refused to pay my attorneys. That is illegal, but they refused anyway. They provided me with an attorney who I didn't trust. It was a tense relationship because I had two attorneys, and they were controlling one.

They asked to record a complete history of everything that happened to me in the Bush Administration, and I recorded it and sent it to them. The question was always, "What was that about?"

What is interesting is I had everything but two of the most terrifying stories that I held back; but everything else was there. They went in, and suddenly Jack Kemp, who had been Secretary, and Frank Keating, who had been the General Council, subsequently disappeared from the headlines in Republican politics.

I was later told that sealing their careers, and that was it. They were not going to rise further, and they were not going to be players in Bush, the younger, Administration, which they weren't. But I could never figure out why everybody wanted those tapes.



So many people requested and wanted to listen to them that I eventually put them on the internet. If you do a search on Solari for the Kemp tapes, you can find them. What came back to me many years later was that they had tried to frame me on multiple occasions for things at Hamilton, and it had failed. So they thought, “We control the executive administration, so why don’t we frame her for something she did during the Bush Administration?”

The tapes went to the CIA and Department of Justice, and they started to listen, and were in shock. You’re pulling money out of a place, and pulling money and pulling money, and telling the low-level IT bureaucracy to make it work, but after 30 years you don’t look under the carpet and don’t know what is going on. You don’t see the whole thing or understand it.

Apparently, my feedback is that those tapes put them into complete culture shock. They had no idea.

Dr. Joseph Farrell: They may very well have, but I’m going to stick with my analysis here because I think you might be excluding a possibility, namely that your story and influence have spread farther than you may think.

C. Austin Fitts: Oh, yes. I think that has definitely educated them, which is why I’m hopeful that if I were Carson, I would walk right up to Flynn and Sessions and say, “I’m not going to do anything here. Whatever we do, the deep state has got to be on board for the plan. There is no point in landing on Normandy Beach with a water pistol.”



Dr. Joseph Farrell: Exactly. But, this goes back to our model that we proposed some time ago. Trump is a deep state candidate, at least within a particular faction of it, so I wouldn't be surprised if some of your story got out.

The other thing I wanted to mention about Carson was the way I see it, it's a carefully considered, politically strategic move on Trump's part to put him into HUD because politics have symbolism. First of all, he is black and successful, so that is going to be an immediate appeal to a certain segment of the population in the inner cities. I think, partly this was a political move more than anything else.

It goes back to the trust factor and to the fact that I think Trump is getting some advice from somewhere about who to put where.

There is a flip side to this possibility, and that is they don't want anyone in HUD that is going to rock the boat too much. This HUD is outside of his realm of competence, so he could be a caretaker Secretary.

I'm holding open both possibilities here as to his appointment and what it might say.

C. Austin Fitts: Here is the thing. If they're going to do the place-based opportunity, then they're going to have to do a lot of spinning around HUD, Treasury, DOD, Department of Justice, and CIA and all are going to have to be on board for the plan.

Dr. Joseph Farrell: Right.



C. Austin Fitts: You're right; it could go either way. I do agree that all the documentation that I and others like me have done on what is really going on at HUD has educated and created a much more integrated picture of what is happening there.

Dr. Joseph Farrell: Absolutely. I would not be at all surprised that the information has somehow and in some fashion percolated through to Trump – maybe in a summary form. But I do think that the possibility is real and genuine that is there. It's one of those 'time will tell' things.

C. Austin Fitts: There is no one more qualified to deal with the mortgage fraud than the Goldman team, and you can't avoid dealing with it because it's there. It's going to have to be dealt with one way or the other.

Dr. Joseph Farrell: It's there, not only concerning HUD, but also internationally it's there.

C. Austin Fitts: In terms of government securities?

Dr. Joseph Farrell: Yes, with derivatives and everything else. We're seeing problems with Deutsche Bank and some Italian banks because of all the derivatives on their ledgers. It's not going to go away. From that standpoint, they need someone like Carson in there who the Administration – and particularly Trump – personally can trust. It can go in any direction; time is going to tell.



C. Austin Fitts: One of the things that concerns me is that too large a group of people who think that there is a legitimate chance that they are going to prevent Trump from becoming President. I think the chances are pretty small. The more you build out the Cabinet, the more all these different equity investment networks are on board for the plan.

Dr. Joseph Farrell: Right.

C. Austin Fitts: They're not going to want to see the plan change.

Dr. Joseph Farrell: Right, exactly.

C. Austin Fitts: But then on January 20th you're going to have another round of broken hearts.

Dr. Joseph Farrell: Yes, you are, but I really think that you're only looking at a faction. Mr. Global is panicked, DNC is panicked, the Democrats are panicked, and that segment of the deep state is panicked because they're being cut out of the picture. Like Trump said in the election, "They're dealing with someone who knows how to make deals and put together people who can make the deals."

So they're not used to playing on that kind of a field; a leveled playing field. That's what they're confronted with right now.

The problem is that with people like Flynn and Mattis, you have people who also know the covert operations game very well. Try as Mr. Soros might, I think he's out of his league.



C. Austin Fitts: Oh, Soros is seriously out of his league and with Wilbur Ross in there – whoa!

Dr. Joseph Farrell: The whole team gives them such a slim chance. Catherine, this goes back to what we talked about earlier with the Democrats not being able to make sense. I can't understand why they would be doing things like this or even continuing to play ball with Soros with all of these protests and things of this kind, which are self-evidently fake. The only thing they're doing is cutting their throats even more. They're making it more difficult for that faction ever to assume power again.

C. Austin Fitts: Here is why I think they're doing it: When you have a debt model with cheap money, the way you get leverage is to be a toll booth and stop things.

Dr. Joseph Farrell: Right, and it's not going to work.

C. Austin Fitts: When you don't have cheap money, it doesn't work. But I think they don't understand what is happening with this turn in the bond market.

Dr. Joseph Farrell: No, Catherine, they are so clueless. They don't understand that we've moved to Global 2.0, and we're in the process of moving to Global 3.0. They pay no attention. They have no comprehension of how huge this financial situation is and what a huge paradigm shift we are in because it's the same old Rockefeller crowd that has been running things for so long that they don't know how to do things in any other way.



You're looking at the last gasp of that whole crew. The Davos meeting of today is not the Bilderberger Group or the Trilateral Commission or any of these other outfits; this is big. They don't realize that they're in a paradigm shift.

It's as I've mentioned: You surround yourself with 'yes' men for so long that when something like this comes along and happens, you're clueless. You don't know how to respond other than to panic because you have no one in your circle that sees things as they are. You've been bought into your own propaganda.

C. Austin Fitts: One thing I wanted to mention to you was the reason the Treasury covert operations went into Russia after the wall came down was so that they could get American and European – Anglo-American and developed world – interest to assert control of the oil deposits in the oil business. Exxon was clearly part of that mix.

Working with the Russian mafia – which I would point out is 99% Jewish – and with Jewish lines going through New York and Israel, they laundered enormous amounts of money.

One of my theories with the HUD loan sales is the reason Goldman was bidding so high above the market was because Goldman was linked with Treasury on laundering that money.

Dr. Joseph Farrell: Yes.



C. Austin Fitts: What is interesting is that I don't know much about this person, Steve Pieczenik but he was doing videos during the campaign about how he and his group at the state department were part of pulling the money out of Russia and that whole game He and that covert line were supporting Trump and the reasons for it.

Part of this financial coup is we're seeing some of this network through Goldman Sachs – if I'm right – is the group that sucked in all the Russian money.

Dr. Joseph Farrell: Yes, and they know where that is, too.

C. Austin Fitts: Right, which brings you to the Kushner family and how they're involved – if at all.

Dr. Joseph Farrell: Right.

C. Austin Fitts: We're seeing many different linkages. What is interesting is if you review what you and I have been covering at Giza Death Star and The Solari Report for the last three years – whether it's the move to Global 3.0, the emerging multi-polar worlds, space, or all the different things on the covert or overt side – I have to say that our little network is one of the few that can understand everything that is going on outside of the intelligence agencies.

Dr. Joseph Farrell: I would like to think so. I always tell people, and it's a caution worth repeating, that I'm just a hack from South Dakota. We ran into each other because we came to the same conclusions about the movements of all this massive amount of capital, but we were coming at it from very different directions and arriving to the same conclusions, and then watching the geopolitical consequences.



C. Austin Fitts: Right.

Dr. Joseph Farrell: That said and that caution on record, everything looks like the incoming Trump Administration has understood correctly that to do what they want to do and to move all of this capital offshore back into the country is going to have an enormous geopolitical fallout. Underneath it all, this is the reason for the appointments that we're seeing. This is the driving philosophical consideration in their minds as to what they're doing and why they're doing it.

Time is going to tell, and we're going to know much more after the first 100 days. I think we'll be doing another one of these reviews after he gets into office and we start seeing the Congressional hearings on his appointments and the talk of the repeal of Obamacare, which is top of the list.

After that, the key is what he's going to start doing in terms of his infrastructure projects and the deregulation of small business and so on. That is going to tell us a great deal.

The other thing that we need to watch very, very carefully is how he is going to be dealing with Russia and China. Frankly, the phone call to Taiwan was a big gaffe. I think it was a large mistake because we don't want to enter this geopolitical troubled waters over the next few years by getting off on a bad foot with the Mainland Chinese.

Other than that, for the most part I'm encouraged with what I see so far.



C. Austin Fitts: Let me ask you a question. The Chinese have been aggressively encroaching in the South China Sea. If we're going to preserve the dollar, we can't allow it.

Dr. Joseph Farrell: Right. The problem there is we've seen Duterte in the Philippines snubbing the Obama Administration. A good deal of this geopolitical fallout is going to be from the disaster that the Obama Administration, particularly under Clinton's Secretariat, has made around the world.

The key as far as I'm concerned for the Trump Administration regarding the South China Sea and that region of the Pacific is going to be how Trump deals with Indonesia, Malaysia, Singapore. and India and so on. There is a good sign from Japan that the Japanese are considering some substantial investments in the country due to his election. So that is a positive sign.

I think perhaps – and this is just speculating off the top of my head, Catherine – that his call to Taiwan may have been in part to address this whole thing. It has come out today, as a matter of fact, that it was Senator Dole that advised and coordinated that phone call.

The question is: Why introduce Taiwan into the mix? Well, it would be the perfect point of projection of the seriousness of American intention to not allow the Chinese to nationalize those waters.

C. Austin Fitts: Right. I think the driver here was currency.



Dr. Joseph Farrell: Yes. There is a great amount of capital in Taiwan and that historic relationship as well. Maybe we're looking at possible indications of a change of policy over the long term towards both Chinas; time will tell.

C. Austin Fitts: I think it's part of the rebalancing. I had a great Solari Report with Steve Roach who has an exceptional book called *Unbalanced* about the need to rebalance the Chinese and US relationship.

Dr. Joseph Farrell: Right. Certainly Taiwan enters the picture when you refer to rebalancing. From a strategic long-term point of view, that looks like it might be a possible motivation for the phone call. But none of that has come out yet.

Based on the information we have right now, I think it was a gaffe. Allowing for other long-term strategic possibilities, time will tell how Trump handles the Taiwan question with how his advisors handle it etc.

C. Austin Fitts: It's different because Trump is an entrepreneur and a developer and has little respect for process and little respect for chain of command. Of course, within a cheap debt model structure you need major process and major complex processes and major adherence to hierarchy processes.

One of the things that have to happen is that he is trying to instill change, much of which is good. At the same time, he is going to have to learn a little more about the process.



Dr. Joseph Farrell: Right. The Taiwan thing is long-term and we're going to have to watch carefully, and process it is the key.

I personally don't think that had he made his nomination for Secretary of State prior to that phone call the phone call would not have been made. If he had someone knowledgeable about Chinese history and culture and geopolitics and the financial relationship between this country and China, I don't think that would have happened. At least it wouldn't have happened in quite the same way.

C. Austin Fitts: Right.

Dr. Joseph Farrell: It's a real tinderbox there, so I'm holding open both possibilities. But that is a clear case where he has to learn some process.

C. Austin Fitts: I think the result is that China is showing up at Davos while he is being inaugurated.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: It's check and checkmate.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: Let's look at 2017. We get to the inauguration and get significant more discussion of a specific detailed vision plan. What do you think 2017 is going to look like?



One thing we have not discussed is that the number one problem now in America is the underfunding of pension funds and all sorts of retirement benefits. We see the Dallas Mayor say to shut down the withdrawals from the pension fund. We know the struggles going on in Puerto Rico and that have gone on in Detroit. It's very painful when the Detroit pensioners are having their benefits cut to see \$7 million roll in for a recount. What no one has been talking about is the big 800-pound gorilla in the room.

I think Trump's way of dealing with it is to massively get growth and increase productivity because, in fact, the way you get out of the debt problem is you grow the equity. He's not going to talk about it; he is going to try to get everybody out of fear- porn land and scaredy-cat land and back onto, "How do we make money turning the Titanic?"

It is the 800-pound gorilla in the room.

Dr. Joseph Farrell: It is, and here is what I expect him to do. If we're projecting predictions in 2017, I'm looking for him to come out in the first 100 days swinging, particularly in his first State of the Union address. That is where he is going to lay out in detail his grand vision of things, so that is going to be a crucial thing to watch.

I suspect that what he is going to do is, first of all, repeal Obamacare. That is going to be at the top of the list. The way I'm expecting it to happen, Catherine, is they might repeal it piecemeal. They might repeal the penalties, the fines, and so on, and do this rather piecemeal – which would be a good thing. The immediate effect of that is it's going to put money in people's pockets for discretionary spending that they don't have right now.



I expect as a result of that, whether it's a full repeal or a partial repeal, you are going to see an increase of consumer spending.

The next thing I expect him to do, as we've outlined here in our discussion tonight, is make it very, very clear that he intends a massive infrastructure build-out. This will not be in the speech, but it will be in the actual legislation proposals I expect that he is going to make. He is going to target certain key cities like Detroit, like the Rust Belt, and places like Cleveland and Cincinnati and so forth that have been more or less struggling. He is going to target Pittsburgh and so on.

He is going to come out in the first few days in office and repeal most of Obama executive orders regarding coal and energy industry and so on. Much of that is going to go down the tubes.

He is going to make deregulation itself a part of his speech. And I suspect concerning his international statements, he is going to put Russia at the head of the list on getting that relationship patched back up. I definitely think that is in the cards.

He is going to make some kind of combination of his infrastructure projects and his wall building. I think if he is clever about it, he is going to articulate as he has never been able to do thus far as to why the nation needs to be very concerned about accepting immigrants from the Islamic world. He is going to have to draw the distinction between Muslims and Islam in a major way that the major media in this country has not adequately dealt with. They have no conception of the doctrines and concepts of Islam, one of which is that in the Islamic religion you are allowed to lie if it advances the cause of Islam.



You're perpetually in the position of: Do I trust this Muslim or not? That is what is at the core of the issue. He is going to have to make some statement on those issues in his State of the Union address, and to thread a very careful needle there.

In order for him to keep his promises, he is going to have to say something about that issue in his State of the Union address, and I suspect to couple it to his infrastructure projects.

I'm looking at those things as he comes out of the inauguration. I think you're going to see a flurry of executive orders overturning Obama's executive orders in certain key areas prior to his State of the Union. Then you're going to see him articulate in those general areas his vision for things.

Beyond that, if he is clever – and this will be up to his advisors, Catherine – he is going to have to openly acknowledge in some fashion this change from a debt-based finance model to an equity-based finance model. He is going to have to explain what it is that is happening in the world and what he is going to be doing because of it. That is if he is smart. He is going to have to lay that out.

C. Austin Fitts: I'll tell you that if anybody can figure out how to do it, if you take Trump, Pence, Bannon, and Kellyanne Conway, those four can figure out how to do it. Interestingly enough, Carson will be helpful there, too.

Dr. Joseph Farrell: It's crucial for him at some point early on in his Administration –I think his State of the Union is the perfect bully pulpit from which to do it – he has to articulate this financial paradigm shift that we're going through.



He's going to have to tell everybody and make it clear that this is a long-term phenomenon. Things are going to be very different and because we are in such a sizable period of transition, things are going to be bumpy and have to change.

I'm hoping to goodness that he has somebody in his speech staff that will address those things.

C. Austin Fitts: Here is how you do it: You turn America into a house.

If you read 'Coming Clean over the Fiscal Cliff' this is how I did it: You turn America into a house, and the house was able to borrow a lot of money cheap. Now it can't afford the mortgage and it's under water. You can either write down the debt, or you can get the equity up again.

His number one plan is to get the equity up again. "Here's how we're going to do it..." You have to do it in an environment where there is no cheap money and the money has gotten expensive.

If you turn it into borrowing money and buying a house; if you turn the country into a house and treat it like a house deal that they understand, that is how you do it. Everybody understands that you can't get the equity up again if everybody in the house is misbehaving and drinking too much and taking drugs.

Dr. Joseph Farrell: Right. Party, party.

C. Austin Fitts: So let me ask you a tough question: Let's say you were the Democratic leadership in the House and Senate.



Dr. Joseph Farrell: Oh dear. Do I have to be?

C. Austin Fitts: You have to be for this. Let's say you wanted to take down one of his Cabinet nominees. You wanted to prove that you were a tough guy and you weren't just letting everybody sail through. All these people have to go through senate confirmation – or almost all of them.

So you're going to nail one of them. Which one would you nail, and how would you do it?

Dr. Joseph Farrell: Which one?

C. Austin Fitts: Yes.

Dr. Joseph Farrell: Oh boy! That would depend a great deal on who the eventual pick for State is, but if I were to do just one that is going to go through Congress, it would be Carson.

C. Austin Fitts: Really?

Dr. Joseph Farrell: Yes. The reason is because first of all, most people don't consider HUD that important. It is, and we know that, but the average American doesn't know that. Carson has an inimical symbolic aura about him that the Democratic leadership won't like.

Number one, he is educated; number two, he is self-made; number three, he is black; number four, he is religious. All of which are high on the list of things that the Democratic leadership doesn't like.



As a symbolic choice to go after somebody in the incoming Trump Administration, that would be it.

C. Austin Fitts: I would go after Mnuchin on the foreclosures.

Dr. Joseph Farrell: You can do that, too.

C. Austin Fitts: He bought IndyMac and later called it OneWest, but OneWest had to do a sizeable amount of foreclosures. Since he was part of the team that engineered the housing bubble on the wholesale side, that's not as entertaining as the retail foreclosures. But then you scream, "Goldman Sachs! Goldman Sachs! Goldman Sachs!"

Dr. Joseph Farrell: It depends on what the perception is among the Democratic leadership of who has the most popular appeal. That is a tough one. They've got to play to the women's vote, and Carson – being religious and a doctor – is an easy target for them. The foreclosures are an easy target for them, also. So it depends on which one they decide they can gain the most political traction from.

I think the problem is that if Goldman Sachs is on board with Trump – and it appears that they are – in my estimation they cannot count as easily on the backing of the corporate-controlled media to go after him like they could with Carson. So it's a risky strategy either way for them to do.

C. Austin Fitts: Right. The media would much prefer to have a field day with Carson.



Dr. Joseph Farrell: Exactly. So it's a risky strategy. If I were the Senate Minority Leader – which thank goodness I'm not – it would be a tough choice between those two individuals. But I'm thinking that if they're going to 'Bork' anybody, to use that old expression, they would pick Carson.

C. Austin Fitts: Here is the question: Do you have any idea how much the Democrats pull out of the whole Federal housing pot?

Dr. Joseph Farrell: I'm sure it's big.

C. Austin Fitts: Talk about draining the swamp! The covert side is, of course, the worst, but the Democrats make a fortune there. If you turn that to rebuild the cities in a very positive way, you're cutting their power base.

The negative return on investment at HUD is coming from fees to the Democratic side and if you turn that positive, you kill them. They're making a fortune on the failure of neighborhoods.

Dr. Joseph Farrell: This is the reason I highlighted the selection of Dr. Carson as HUD Secretary. His political symbolic value as a black man, as an educated man, as a professional man to the poor black communities in inner cities is substantial, particularly if he delivers. That undercuts the Democratic Party base in those cities tremendously.

The potential is for him to threaten the very basis of power of the Democratic Party. Look at the county-by-county election maps in this country over the last few elections.



It's those cities that are keeping the Democrats in power. It's the people on welfare in the housing projects. It's the illegals coming into the country and voting for them in elections, which is wrong and illegal, but they do it anyway.

Carson represents a much bigger threat to them than does Mnuchin. If I were to target anybody, it would be him. The problem is: He is going to be like Teflon; he is going to be like Reagan. It's going to be very, very difficult to make anything stick.

The other problem is that they are going to be reliant upon the corporate media to circulate their story. That is only going to make the corporate-controlled media look even worse than they do.

C. Austin Fitts: Here's the issue. Before he says anything about what he does, he needs to make a deal with Flynn and Sessions. If you consider the matrix structure, he needs to get the people who run the agencies that control that total matrix and make sure that he has a plan that dovetails and aligns with them, and they're on the same page on whatever they do.

Dr. Joseph Farrell: Right.

C. Austin Fitts: It's going to come back to how much this Administration is going to go after the place-based opportunity. If they all get on board around place-based opportunity, there is no way anybody can touch Carson; he'll be okay.



Dr. Joseph Farrell: Exactly. That's why I think they've got to take him out. They've got to aim for him right out of the starting gate.

C. Austin Fitts: One of the ideas I was thinking about was writing a series of blogposts called 'Memo to Ben' where I say, "Ben, if I were you, this is what I would do..." and make it totally open so that everybody can read it.

Now what you're telling me is that I ought to do that.

Dr. Joseph Farrell: Absolutely. I do think that he was very carefully selected for long-term political strategic reasons to recapture those cities and those blue states for the Republican Party, and that has to have the Democratic leadership deathly afraid.

I'm willing to bet that they're going to target him. He needs a plan to have the agencies that have the influence in those corporate media outlets to go to bat for him. If that happens and they get that place-based opportunity going, you're watching a very big demographic political shift in the making.

C. Austin Fitts: Right. You have to coalition the inner city with the working class in the suburbs.

Dr. Joseph Farrell: Right, and the flyover people. That is vast and the Democrats have to prevent this at all costs.

C. Austin Fitts: The interesting thing is that it will produce enormous productivity within the general population.



Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: We're talking about radically increasing both labor productivity and human productivity – enormously.

Dr. Joseph Farrell: Absolutely.

C. Austin Fitts: This is why I refer to you as a genius. When I get together with you, we figure it all out.

Dr. Joseph Farrell: It's really a matter of us brainstorming and airing our thoughts as we're talking.

When I heard about Carson I thought, "Wow! That's a very carefully considered choice."

It's baffling at first view because he has no experience in any of that, but that's what got me to thinking that this was a thoughtful considered strategy with him.

C. Austin Fitts: The single most important qualification you need to succeed in that job is how to rise by private means and he has done it.

Dr. Joseph Farrell: Right, and he has integrity.

C. Austin Fitts: He has integrity, and he is a neurosurgeon. It takes a serious physicist or neurosurgeon to deal with the complexity that is HUD because you have layers and layers of matrix structure designed to cover up the covert side.



I don't know if you remember in *Great Expectations* by Charles Dickens when they walk into a house. Miss Havisham lived with spiders, and there were spider webs all over the place. You have this monstrous entanglement of complex and infinite spider webs, and that's HUD. A neurosurgeon knows how to deal with that.

Dr. Joseph Farrell: This is also the neurosurgeon who separated Siamese twins who were joined at the head. Dr. Carson did that. So to go through an operation like that, where there is no procedure for it. You have to write the procedure to disentangle these two different beings.

Yes, I am in agreement with you that if anyone is able to sort out a mess like that and a problem like that, it would be him.

C. Austin Fitts: Do you know the patience it takes to do that?

Dr. Joseph Farrell: Oh yes! I would not want to try to do that, Catherine. My mind boggles at just how large any of these Federal bureaucracies are.

C. Austin Fitts: If you consider the covert black budget and the overt mortgage market, it is like two Siamese twins attached at the head.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: It is exactly that problem.

Dr. Joseph Farrell: He is an interesting figure, and it is going to be interesting to watch how the Democrats handle him. I wouldn't be at all surprised if he is their target.



C. Austin Fitts: I think you make an excellent point there.

One thing I need to tell you is that the hardest task I've ever had to do is to stay clear and coherent during the last two and a half years as this campaign was happening.

Dr. Joseph Farrell: Oh boy!

C. Austin Fitts: At one point I was the target of a sting and other issues – and you can imagine the directions from where it was coming. I believe a great deal of the hacking was coming from the corporate media. So there has been a lot of very financially expensive and irritating headwinds.

One way I stayed coherent was working on the Joseph P. Farrell virtual pipe organ crowdfund. You laugh, but talk to Chuck, Robert, Jon, and I. Being part of something that we believe was going to make a difference regarding raising the culture to a higher mind – if only by raising your mind and helping you stay in a higher mind – I can't tell you how much joy that has given us. I know it embarrasses you when I talk about it, but we are launching our crowdfund website this week. It's a thing of beauty, and I'm really proud of it.

I just had to mention that we're launching the crowdfund this week. For us, it is a source of perpetual joy, which I know you find very hard to understand.

Dr. Joseph Farrell: I want to thank all of you for doing this. I have said before that it is a dream come true for me. I've been so long without access to a decent instrument to practice on.



It's overwhelming, and I want to thank all of you for doing such a nice job on the website; I looked at it tonight.

C. Austin Fitts: Isn't it beautiful!

Dr. Joseph Farrell: It is. I'm very impressed with the layout and the production value and all the information that you put on there. It's very, very impressive and a big thank you to you all.

C. Austin Fitts: Believe it or not, if you saw what Chuck, Robert Dupper, and I knew about the pipe organ a year ago, it was absolutely nothing other than the baptism scene in the *Godfather*. Of course, I knew Bach.

Now if you were to sit down and interview Robert Dupper, Chuck McCorkle, and me about the pipe organ, you would be amazed at how much we know and how much we now love pipe organs.

Dr. Joseph Farrell: Well, they're cool instruments. They're the oldest keyboard instrument; about 1,000 years old now. The first primitive ones were built around the turn of the last millennium, so they've been around a long time, and have grown progressively more complex over the years.

C. Austin Fitts: Well, one thing I want you to do if you're listening to this is please log on to both www.GizaDeathStar.com and www.Solari.com. Both have links to the webpage for the Joseph P. Farrell virtual pipe organ crowdfund, and you'll have a blast on the page. There are plenty of great things, and we would love for you to participate and support this effort. It's something very near and dear to many people's hearts now, and we're very proud of it.



Come on in and check out the website and participate and be part of this. This is going to be one of our exceptional 2017 grocking this year. It's been a source of great fun.

Joseph, do you have anything else you want to say to summarize? It's like being at the top of the slide. You get on the slide at the amusement park and you go sliding. Once the inauguration hits and the nominees start to be confirmed, it's going to start to fly. If you see the extent to which all these different parties are not comfortable with having an open conversation and changing, it is going to get pretty wild.

Dr. Joseph Farrell: Oh, this is going to be wild! Like you, Catherine, I was in shellshock throughout these last two and a half years with this election process. What we've just been through is the overture. The curtain is going up on the opera now and it's true: We've just heard the overture of Don Giovanni, and now we've got the opera.

I think, Catherine, we have to watch three periods very, very carefully. We have to watch the period from the inauguration to the first State of the Union speech in terms of what he says publicly at the press conferences, what he does regarding executive orders and overturning Obama's executive orders. We have to pay close attention to that State of the Union speech very carefully.

Then we have the first 100 days. What is Congress going to do with Obamacare? What is Congress going to do concerning his nominations? What is he going to propose with respect to his programs for infrastructure and so on? This is going to be a big thing, and it's not going to die out.



I think what we're going to see almost immediately from the Democratic side of the aisle some very hardball politics, and some very underhanded politics, and the electioneering for 2018 begin almost immediately.

C. Austin Fitts: I don't know if you realize it, but the Democrats have far more Senate seats up than the Republicans. The Democrats are much more in danger next time around than the Republicans.

Dr. Joseph Farrell: This is precisely why I think we are going to see some major hardball.

I don't know if you heard it today, but a report on the radio said that Vice President Biden has not ruled himself out for running in 2020. This is shaping up to be very interesting already, if that is the case.

C. Austin Fitts: I watched that, and I thought, "Here is a guy who is clueless as to what is really going on."

Dr. Joseph Farrell: Totally.

C. Austin Fitts: It was like watching Pelosi. It's interesting because Chuck Schumer has not made the same mistake. Chuck Schumer has handled himself in a very savvy way and from what I've seen of Sanders, he has handled himself in a very savvy way, also

Dr. Joseph Farrell: Very savvy, yes.

C. Austin Fitts: Then look at Biden and Pelosi and you think, "Where have these guys been?"



Dr. Joseph Farrell: They're very clueless. This highlights the other thing that we also need to watch, which is the jockeying for leadership within the Democratic Party. If you review their leadership, they don't have a very wide leadership pool now. They're almost in the same position that they were in after the election of Reagan. You had Mondale, Dukakis, and so on –non-entities that were running until Bill Clinton came out of nowhere, so to speak. They don't have anybody right now who looks like they could take over the reins of leadership.

Senator Sanders could do so if he decided to run again, but the problem is that Trump has already taken so much of his support. So they're in a leadership vacuum right now. It's going to be interesting to see what happens over the next two years.

C. Austin Fitts: The one person I've seen say, "I'm all on board for making America great, and if you do this, this, and this I'll help you. If you don't, I'll come after you," is Sanders. He has been a major adult and productive from what I have seen so far. What little I've seen of Schumer, ditto.

They seem to be going about this with some responsibility for turning the Titanic.

Dr. Joseph Farrell: Right. Exactly. That is going to play a large role if they have people like that on the Democratic side of the aisle. It's going to play a role in their politics in the next election cycle, especially for the Senate. That's what I think they're worried about. That's precisely why I think you have Sanders and Schumer acting like they are; they know that if they continue with business as usual they could really be slammed for the Senate.



C. Austin Fitts: Here is what you're going to need: The big money – the pension funds, the insurance companies, the equity networks, the oil companies, the food companies – to pull together and say, “You guys had better get a positive return to taxpayers and investors. So pull together and be a 20-mule team borax or the money is over to finance this non-adult behavior.”

Dr. Joseph Farrell: Looking at it that way, Catherine, what we're seeing with the election of Trump is another FDR in a certain sense. He came in to office with his team. He put together his team, and it was a good one. You may disagree with their political philosophy – as I certainly do – but it was a good team and they did what Roosevelt wanted to do. That changed American politics and the power structure for decades.

So Trump looks like he is doing – or at least attempting to do – pretty much the same thing. I think this is what has the Democrats so panicked. They are looking at the possibility of a long-term philosophical change in the power structure in DC and in the country that they are going to have to deal with, much like the Republicans did for decades.

They've either got to sabotage or play ball and get what they can get. It's going to be a very interesting two years. This was one of the most historical elections in American history – if not the most historical election. The next two years are going to tell us a great deal as to whether or not this revolution has wheels or if the wheels are going to fall off if we find ourselves having to do the same thing four years from now.



C. Austin Fitts: Here is the issue: I don't think we have four years; I think we all had better figure out a way to make sure that the pigs and the spoilers and the scaredy-cats don't get too much momentum. You have to turn the Titanic, but it's got to be done in a way, which creates enduring economic sustainability to all life. We have to put our foot down and say, "I want to be part of a human culture."

I tend to talk economy because that is what supports it, but we are at a turning point. We are coming to a fork in the road. Are we going to be human or inhuman? We have to choose human and insist on it.

Dr. Joseph Farrell: Yes, this is the cultural fork. You are exactly right. This is why I am encouraged by Trump placing people around him who are grounded religiously – not so much because of religion, but rather because that connects them to the history and tradition of our civilization and culture. That is a very encouraging sign. It's a subtle one, and I'm totally on board with you there.

I think you are exactly right. To use the Titanic analogy we need to remember something else about the Titanic. When Captain Smith was making that maiden voyage run, he was attempting to beat a speed record and plowing right through the iceberg fields at 22 or 24 knots or whatever tremendous speed he was going for a big ship like that. You can't turn a ship if you're travelling that fast and you have icebergs coming at you.

So the other thing that Trump has to do is steer a very careful and wise course. He cannot afford to try to do too much too quickly; he has to pick his battles very strategically.



I think that the signals coming out of his transition team, and the signals that are coming out of the people he is picking, and the signals coming out of the Senate Majority Leader, Senator McConnell, are very clear that Obamacare is high on the agenda – as it should be – for him to accomplish the other things that he wants to accomplish.

Politically he needs a victory right out of the gate that will resonate popularly with people, and that is an easy one there. That will give him the political capital that he needs to start acting on some of the other important things on his agenda.

C. Austin Fitts: Do you know what Machiavelli said?

Dr. Joseph Farrell: Well, yes.

C. Austin Fitts: He said, “The Prince shall have allies who has victory in the field.”

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: That is what he is trying to do. He is trying to get his victories in the field so he can build towards more.

Dr. Joseph Farrell: Right. Absolutely. He has to turn the Titanic, but to turn through an iceberg field and turn it on a dime, he is going to have to go slow and pick his battles very carefully. I’m heartened that this appears – at least so far – to be what he is doing.



C. Austin Fitts: Well, he is certainly pulling together enormous gravitas. From everything we've seen this is going to be a formidable team in terms of gravitas. The question is: Can they become a team?

Dr. Joseph Farrell: Precisely.

C. Austin Fitts: Well, Joseph, this has been a very informative discussion full of insight. I learned so much.

Dr. Joseph Farrell: So did I.

C. Austin Fitts: I want to thank you. I do believe that we have a very important responsibility to lead the conversation.

Dr. Joseph Farrell: I agree.

C. Austin Fitts: The network of people that you and I have been working with have the resources to, not commit material omissions, but to pull all the different threads that you need to understand the whole thing. So we can have the politically unacceptable conversation on an open source basis, and that can make it easier for the people trying to turn the Titanic. We can certainly keep a very sharp, discerning eye on the pigs.

Dr. Joseph Farrell: Absolutely. It's very true. It's good that we have these websites. I get so many emails from people noticing articles and stories. To a certain extent, this is already happening.



People are participating and joining in the conversation and saying, “Have you seen this? Have you seen that? What do you think of this? What do you think of that?”

Obviously, I can’t cover it all, but it’s already happening. I’m heartened by these conversations that are occurring more than anything else that I see simply because people are noticing certain stories. They are crawling through the internet trying to find things that they are curious about.

C. Austin Fitts: They’re starting to connect the dots.

I’m not going to ask you this now; I’m going to tell you. When we do News Trends & Stories, we’re going to have a new section called The Unanswered Questions of 2017. Number one on the list is: What is the Trump Administration’s relationship going to be with Antarctica?

Dr. Joseph Farrell: Oh gee!

C. Austin Fitts: And Nazi International – how do they fit in?

Dr. Joseph Farrell: Yes, well, I thought it was very curious that President Obama– back in 2009 –said that he wanted to limit tourism to Antarctica. I thought, “What?” “That was really high on my bucket list of places to see!”

C. Austin Fitts: You know there is something happening in Antarctica, and we’re going to talk about it.



Dr. Joseph Farrell: Absolutely. I've blogged about that whole story the past couple of weeks. It's as strange as all get-out when you stop and examine it.

C. Austin Fitts: We'll have to see who the Ambassador to Antarctica is going to be.

Dr. Joseph Farrell: Right! I was floored when Secretary Kerry went down there because I thought, "Okay, what's the Chief Diplomat doing going to Antarctica?"

Of course *Foggy Bottom* put out the story that he was down there to study climate change. I thought, "Okay, I have a real picture of John Kerry getting on a plane to Antarctica to study climate change."

C. Austin Fitts: For years, Prouty insisted that they had gotten him out of the way by sending him to Antarctica and New Zealand.

Dr. Joseph Farrell: Exactly.

C. Austin Fitts: Now, in retrospect, you look at that and say, "Maybe something else was going on."

Dr. Joseph Farrell: Oh, I definitely think something else was going on. Patriarch Kirill III went to Antarctica a couple of months ago, and then Secretary Kerry, and then Buzz Aldrin. So, yes, I'm fairly convinced there is something going on down there that we're not being told about.



C. Austin Fitts: Well, ladies and gentlemen, stay tuned for News Trends & Stories as part of our Wrap Up the first week of January because we will be talking more about the Trump transition and these juicy, unanswered question topics.

There is plenty to make 2017 a very exciting year for you and me, and a lot of responsibility and much to do. At least we're not having to flee the country, Joseph. We have so much to be thankful for.

Dr. Joseph Farrell: This is true. At least we're not being turned into clouds of radioactive fallout. There is a great deal to be thankful for.

C. Austin Fitts: Joseph, you have a great evening. Thank you again for joining us on The Solari Report.

Dr. Joseph Farrell: Thank you for having me, Catherine.



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