

**Catherine Interviews Franklin Sanders  
Precious Metals Market Report  
The Solari Report: July 12, 2012**

*Catherine Austin Fitts:* So, Precious Metals Market Report – Franklin, are you with us?

*Franklin Sanders:* I'm right here.

*Catherine:* Well, before we get started, I just want to point out that you've had quite a week because your wife has successfully come through heart surgery, and we're all incredibly happy about it and the fact that you're joining us after all that you've done this week – you know, you kinda wonder how you do it all.



*Franklin:* Well, I don't know. But you know, when it's heart surgery, you gotta go along. You don't really have much of a choice. But this is the second one she's had. She had her mitral valve repaired almost exactly four years ago, and the other half of it gave way, so she

had that replaced and the tricuspid valve repaired. And actually, we spent about three and a half days in the hospital this time, and we spent five days in CVICU the last time, so it's been much, much better. She's just really done well, and I'm very thankful to God for it, because it's tough surgery.

*Catherine:* It proves that you can have great experiences in the U.S. healthcare system.

*Franklin:* Oh, well – yeah! That's the sort of thing that they do really – they do fabulous work at. The surgeon that operated on Susan is – he teaches all over the world. He developed this minimally invasive technique where they go in on the right side instead of having to split you down the front like a Viking torture, and she – he goes all over the world doing that teaching people how to do it. So yeah, there's some things that the U.S. healthcare system does very well, and thank God heart surgery is one of them.

*Catherine:* Well, you happen to have the most fabulous wife in the world. There's no doubt about it.

*Franklin:* I think so.

*Catherine:* It's – that's very good news. Okay – well, there was better news in the Franklin Sanders household than there was in the precious metals markets this week

*Franklin:* Well, I have to admit that – last week – she had her surgery on the 3<sup>rd</sup>, and on the 2<sup>nd</sup> we got a big jump in both gold and silver, and I really thought, "All right, that's probably it. That's probably where they're breaking out." And I'm just too anxious. This is summertime. This is the time of the year they make their lows, and both of them are in triangular formations, and triangular

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formations can be very frustrating because the market bounces back and forth from one side to the other, and it doesn't do to anticipate a breakout.

You just have to be patient and wait for it to happen. I still think that the low prices for the entire correction – the correction in silver that began a year ago in April, the correction in gold that began a year ago last August – I still think that we've seen the low prices for those corrections. I don't think you'll see any lower prices. But if you look at the gold chart, if you draw a line from the bottom about the middle of May through the lows, you'll see that the low that we saw today just comes down to meet that lower boundary of the triangle.

And the high that we saw on the 2<sup>nd</sup> just hits the upper boundary of that triangle. So we're going to do this bouncing back and forth, and it may be – we may spend all of August doing this. We may go back up to that upper boundary and then come back down and then go back up before we breakout. But time's running out on this. Time's running out on the correction. Time's running out on this triangle, and by that what I mean is it's going to resolve and fairly soon – within the next two months, I'd say, at the most.

And it's a bull market, and so even though we're looking at an even-sided triangle that doesn't tell you which way it will breakout, normally in a bull market any kind of riddlesome formation always resolves to the upside, because it's a bull market; it's a market that's trending up. So it's been difficult. Another thing that's adding a lot of confusion is the U.S. dollar – I look at the Dollar Index, which is a trade weighted average of several different currencies: the euro, the yen and some others. At that – it's been going up since – well, for almost a year it's been rising, and it's kind of stalled right now.

And if you look at the euro, the euro is just sinking out of sight. I mean, it's gone from 130 to about 122 – or that is \$1.30 to about \$1.22 in about a month's time – 45 days' time. And you know and I know that they manage – the central banks manage their common exchange rights. And so the people who manage the dollar don't want the euro to go down to 88 cents. They want it to be relatively stable, so this is the kind of thing that gives them fits. But apparently, they've just stood back and said, "Okay, we're going to let the euro drop until it finds a level where it can maintain itself."

The funny thing is that the euro, as bad as it is and as big as the troubles they have are, is not nearly as rotten as the yen is! And the yen has been – you know, it's kind of kept floating along here. It's in a little bit of a downtrend against the dollar, but still it's the worst, oh, by an order of magnitude worse – the Japanese economy is more – over twice as indebted as the U.S. economy. And talk about cover-up, that's their middle name.

So it's really worse, and it hasn't dropped like the dollar has, so I – if we see the dollar keep rising and get through this roughly 83.5 level, which we haven't seen since April of 2010 – okay, that's

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how long it's been since – and how far down it's gone in the meantime – the dollar could rally to 88 – 89.

*Catherine:* Yes, I think it could spike to – 87 – 89 has been my number.

*Franklin:* But here's what I don't understand. The last two days the media been talking about the Federal Open Market Committee minutes that were released from the June meeting, and they seem to indicate that there are a number of members who think they're going to need to turn on the printing presses again. Whether you want to call it quantitative easing or Operation Twist – whatever it is – I mean, Twist is a little different; it's not quite as inflationary.

But in any event, how could the dollar go up in the face of that? And if stock investors think, as the media keeps telling this – they do – that inflation is good for stocks, why would they go down? None of this makes any sense. Doesn't make any more sense to –

*Catherine:* Well, if you look at the trading patterns –

*Franklin:* Sorry?

*Catherine:* If you look at the trading patterns since 2008, what they say is when the Fed eases, everything goes up, and when it's over, everything starts to go down. So if you look at the chart of whether it's commodities or stock markets, more and more they're trading in tandem with the quantitative easing policies. And so we've literally reached a point where everybody and everything – to try and figure out where prices are going to go – has turned into a Fed watcher because so much of it is dependent on the Fed policy.

In other words, prices have stopped being what happens in response to fundamental economics, but simply how much the currency is going to be debased this month.

*Franklin:* I know, but why would the currency go up in the face of that?! That is just – you know, it doesn't – none of it makes sense, and least of all –

*Catherine:* Here's why. This is the hardest thing for me to explain to people in the Solari world. The currency is not going up. It's going down. The U.S. Dollar Index manages the speed of its debasement against all the other currencies that are debasing. So all of those currencies are going down, which is why the long-term primary trend in tangibles is up.

*Franklin:* Right, right.

*Catherine:* So the reason gold is going up in all currencies in terms of long-term primary trend is all those currencies are debasing. So when you look at the U.S. Dollar Index, you're just looking at the debasement of the U.S. dollar versus the debasement of the pound, of the euro, of the yen.

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*Franklin:* Right, right.

*Catherine:* So the U.S. dollar can – the index can be going up, but the dollar is going down. It's kind of contradictory, but there it is.

*Franklin:* No, I'm still with you here.

*Catherine:* You have a race to the bottom. If the other guys are racing to the bottom faster than you are, then the Dollar Index is going up, but you're still all racing to the bottom, which is why everybody should be growing their own food. The price of food is definitely going up.

*Franklin:* Right.

*Catherine:* It's definitely going up. Well, tell us more about what you saw – what are you seeing in terms of order flow and investor thinking?

*Franklin:* Well, you know, normally this time of the year, because it's a seasonal low, people are away on vacation and all that sort of stuff, you see it slow down, and it has some, but really just in the last week or two. Part of the reason that it hasn't slowed down for us is that we got the opportunity to swap back from silver into gold – or I'm sorry, from gold into silver that we've been waiting for a year – year and – or rather 14 months, and so we've been busy doing that. But when I see – when I go to the silver market, and I see that 90 percent coin, for instance, that was being bought at wholesale at 50 cents below spot per ounce is now 50 cents above spot, that's a huge rise.

And what it says is there's an enormous amount of physical demand in the market, and I don't know any other way to really gauge that except to look at the – to look at the premiums on physical items. That pretty much tells you what's going on, but they're pretty subtle. But you know, one of the things I've come to expect, and I guess it's just one of the sad perversities of human nature, is when a market – when a market that is in a bull move – a long-term primary trend corrects, nobody wants to buy it. They love it when it's making a new peak, but when it's correcting they don't want to buy it.

*Catherine:* Well, now for the last couple of weeks, every time gold drops below 1600, I have clients who are calling – who traditionally are afraid of high prices – saying, “Oh, I want to buy more.”

*Franklin:* You've got people there who are way above the common run of investors because most people – they want to hop onto a train that's already moving away from the station.

*Catherine:* OThat's my biggest problem.

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*Franklin:* And that – today, I think if you could buy it anywhere under 1600, it's a good buy, and silver anywhere under 30.

*Catherine:* Well, here's my one –

*Franklin:* But it's just this time of year people are not thinking about it.

*Catherine:* My one concern between now and the fourth quarter – because I think the pressure – I think the political pressure to keep the stock market performance ahead of precious metals and to keep both of them in check between now and the election, the pressure is very strong. And my biggest concern – because you know I'm more of a conspiracy theorist than you are – is if the powers-that-be decide they really do want to switch to Romney, then of course it's going to pay to have a huge drop in prices.

So – given the political instability, I can really see a major correction across the board that hits everything in September/October. And again, I've never seen two weeks where there was as many downs across the board – you know, fixed income was down. Everything was down.

*Franklin:* There's a very unusual pattern in the market, too, and it's a little plainer when you have thin markets like summertime markets are, and that is if you look at the gold chart – there's a website called [INO.com](http://INO.com) – that's Idaho Nasty Ohio dot com – and you can throw up a five-day chart there, and it really shows up on the five-day and the one-day chart that gold will start to rise, rise very suddenly, and then, wham, in 15 minutes it's driven back down through support, and that ruins it for the day. And you know, you might see something like that once in a while, but when you see it every day, three days out of five, I mean there's somebody monkeying with the market.

And of course, you know, the government has every reason to want to monkey with the market. If you look at the Dow in gold, which I follow every day, it's stayed almost flat for months, even though it's barely in a downtrend. It hasn't followed through in that downtrend, and –

*Catherine:* Well, I keep telling you year after year, they're never going to let precious metals market get but so far ahead of the equity market, because they're afraid the financial markets will spiral down.

*Franklin:* 15 percent a year.

*Catherine:* Yeah – they want to manage up, they want it managed; they don't want the thing to spiral.

*Franklin:* Yes.

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*Catherine:* So I just think they're watching the spread between the two, so I'm just scared if they decide to switch administrations we get a mighty whack this fall. I don't think it changes anything for what happens in the fourth and first quarter. But I just think it could be very volatile.

*Franklin:* Well, that's the reason – you know, this is the reason why I don't recommend that people trade on a short-term basis.

*Catherine:* Right.

*Franklin:* Because first of all, very few people want to devote that much time and attention to it, and not everybody – very – most people are not suited to it. Their temperament doesn't have the kind of calm and patience that's required for it. And the other thing is it's just too hard to pick those moves, and so you have to take a longer term view, and these even large fluctuations don't bother you so much if you're confident that your long-term view is correct and that you've aligned yourself with that long-term trend.

*Catherine:* Well, the reason I sweat the short-term so much is entry points. If you have somebody new who's trying to come in, then the entry point is important. So that's why I end up sweat – you know, taking the long-term view has got me –

*Franklin:* Well, I don't think the –

*Catherine:* Go ahead.

*Franklin:* I'm not so sure that entry – I don't put so much emphasis on the entry point as I do on the entry because for a lot of people –

*Catherine:* Right, right.

*Franklin:* And I do this to myself, and you have, too – you know, I've got a great idea, and I think, "Gosh, that'll really make money. I'm going to buy some of that," and then I don't act on it. I don't ever enter the market, and I watch it run away up to the upside, and so I've learned that getting in is more important than the point at which you get in.

*Catherine:* I know, but if you've ever gotten in at 1900 . . .

*Franklin:* Oh, yes, I know it hurts!

*Catherine:* LIBOR scandal – it's funny. The Ron Paul campaign taught America about monetary policy, so it's clear we need something to teach America and the financial media about interest rates. So maybe if we could go into – and I'll just introduce LIBOR for those of you who don't know about it. I just wrote an article that's up on the blog. LIBOR is an estimate that's set daily in

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London by 18 banks through a poll. It is a process by which they estimate interest rates for 10 currencies in 15 maturities.

And in fact, I don't know if you know this Franklin, the way they do the poll is all 18 banks post their estimate of the rate at which they would borrow from another bank. So they're estimating their own borrowing rates, and the four highest estimates and the four lowest are kicked out. So in fact, if somebody's coming up with a very high estimate again and again they get kicked out anyway. And the actual LIBOR rate is the average of the ten remaining minus the four plus four that get kicked out.

Anyway, the reason LIBOR rate is so important is because it's used to set rates on literally trillions of dollars of financial assets, including about \$350 trillion of derivatives. But then it also influences the setting of rates, particularly short-term rates, throughout the market. So this is really about who controls the interest rates. Is it a group of private banks, or I think is it the central banks? Now, the official story is that the Department of Justice announced earlier this year that it was conducting a criminal investigation into LIBOR abuse.

This is the same Department of Justice that was also being investigated by Congress at the same time for gun running on the borders. At the end of June, Barclays announced that it was paying approximately \$400 million in fines to the Department of Justice, the Commodity Futures Trading Commission and the British authorities, the Financial Services Authority, for attempted manipulation of the LIBOR and Euribor rates. If you read the story of what's happened and what exactly Barclays is doing, the official story makes absolutely no sense.

So I put up something on the blog called "20 Questions," and the goal was to sort of try and chip away at what the real story may be about. So why don't I just throw it out to you, Franklin. What in the world do you think the real story is?

*Franklin:* I think the real story is one they're not talking about, and that is that the whole purpose of the central banks is to manipulate the interest rate. Well, not the purpose, but one of their major methods – one of their major tools is manipulating interest rates. So I don't understand why nobody asked this question, "Why is it wrong for private banks to do it, but right for central banks to manipulate the interest rate?"

*Catherine:* Well, this is – for two weeks, I was saying to everybody, "I don't understand what the problem is here," because we've watched the Bank of England and the Federal Reserve Bank basically drive interest rates into the ground, use interest rate derivatives to do it working with all the big banks. So this has been a cartel operation with the big central banks and the private banks, and for years now they've been driving interest rates into the ground. So the idea that a bunch of reporters can stand up and say, "This is a scandal that somebody was driving the interest rates down," well, it's like, "Where have you been?"

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*Franklin:* It's ridiculous!

*Catherine:* This is like me saying, "Franklin, the USDA has been regulating food. This is a scandal." It's like, "What?! What's new?!"

*Franklin:* It's ridiculous. But, you know, something that's – that nobody dares mention or nobody bothers to mention is the damage that jimmying with the interest rate causes. The Fed is working on a stupid and wrong-headed theory that to get the economy to recover you've got to keep interest rates low. But that's not so. When the economy is booming, interest rates start climbing.

The best thing to do is get out of the way and let people charge what interest rate they want to charge, pay the one that they can pay and keep the government out of it, because when you keep interest rates artificially low, what it means is that projects will be funded that really are not economical – that the public really does not want funded. That is – when I say "the public," I mean the whole market. And so you wind up with bridges to nowhere and factories to build stuff that nobody wants and houses that – and millions of houses in your inventory because nobody wants to buy them.

But the Fed by going in and trying to jimmy interest rates lower, supposedly to help business, supposedly to keep mortgage rates low, all they're doing is furthering – they're continuing the same policy that got us in this wreck in the first place. Interest rates ought to be allowed to go where they want to –

*Catherine:* Right – they're not letting market economics work.

*Franklin:* – if you want the economy to be free and to work.

*Catherine:* Well, but I would point out that the hedge funds were borrowing at zero percent through the yen carry trade, but my neighbors were paying 30 percent on their credit cards. So it's not just that they kept interest rates low, but they kept them unusually high for selected groups of people. There's been –

*Franklin:* But that's all government policy. Again, this is government manipulating interest rates. The reason they can charge those high rates is over a period of about 30 years – 20 years, they kept manipulating court cases until they could get – they could charge interest rates that were above the 10 percent rates that had been set for hundreds of years.

*Catherine:* Okay – so let's look at –

*Franklin:* I mean, everywhere I look, I see the same disease, and that disease is the government. And the more they tinker with the economy – the more they jimmy with the economy, the more they've got to jimmy. And the one thing they'll never do is just stand back – is just stand up and

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say, “You know, we’ve just made a mess out of this, and the best thing for us to do is wash our hands and walk out of the room and let people sort out things the way they’re going to sort ‘em out,” because they have now managed to take a panic and a recession that started in 2006 and extend it for six years by all of their –

*Catherine:* Well –

*Franklin:* And it’s just as bad as it ever was.

*Catherine:* Right – we haven’t let markets mark to market, and part of the problem –

*Franklin:* Right – exactly.

*Catherine:* -- the fraud is so extraordinary that you’re literally talking about starting a war if you let that fraud mark to market. One of the things that’s not clear from a lot of the coverage on Barclays is that in fact the problem was not that Barclays was lowering interest rates. Barclays kept coming in with higher interest rates. And if anything, the real story was the Bank of England was trying to get the interest rates down, and Barclays was being recalcitrant in doing it. So what we’re really watching is the Central Banks accuse Barclays of doing what in fact they’re doing.

It’s called “projective identification,” and Barclays was not being sufficiently obedient in getting rates down. And moreover, Barclays was desired to buy Lehman and wouldn’t, and so the question is, you know, to what extent are they being punished, and to what extent is this a warning to everybody? Because the Fed is now on their extension of Operation Twist doing everything they can to get interest rates down. What – is this a warning to somebody that if they don’t play ball with the Bank of England and the Central Bank they will be – they’ll lose their job? They’ll lose their bonus?

*Franklin:* Right – well, think about it. Isn’t it odd to you that Jon Corzine walks off with \$1 billion of customer money and the Justice Department doesn’t investigate him? They don’t open a book – a file on him. But this fellow, the head of Barclays – suddenly he’s taking all this burden on himself and resigning and all the rest of it. That’s ridiculous!

*Catherine:* Well, here’s the interesting thing, Franklin. You notice this is a scandal where there’s no money lost and where nobody can say, “I want the money back.” Jon Corzine is a situation where somebody got \$1 billion. If you look into it, somebody may want their \$1 billion back. You know, here we’re talking about something where there’s no cash out of pocket, and so nobody gets the right – you know, they can say, “Well, I had to pay different interest rates, so I’m going to sue Barclays and get money back,” but it’s not like money – there’s money stolen that somebody can go get back.

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*Franklin:* The main point I'm trying to make – and I understand – you're precisely correct. But the main point I'm trying to make is these selections for prosecution – this government indignation over these horrible deeds is very, very selective. You know.

*Catherine:* Right.

*Franklin:* It's very selective, and one person commits those sins, and they don't even notice it, and another person commits them and, oh my, they've got to drop everything and go prosecute him. So it's a setup. It's not like – I mean, these people are doing what they've always done, and suddenly there's an enforcement action. And by "enforcement action," what I mean is they're not towing the line enough, and so the government goes – the government, which is the surrogate for the Bank of England or the Fed, goes after them.

*Catherine:* Can you imagine being the head of a big bank, and you're required on behalf of the government to run multiple money laundering and other dirty money schemes, and then they come and accuse you of criminality? Well, that's a requirement of your job.

*Franklin:* It is a little ironic, isn't it?

*Catherine:* Yeah, these guys are definitely being put in a double bind. But the thing that irritates me the most is you see all the financial press who's supposed to be these great reformers. Not one of them is saying, "Where's the \$27 trillion that's gone missing? How do we get it back?" Everybody seems to be satisfied with throwing a banker in prison. That's not very deeply satisfying. If I lost as much money as the American people or the Europeans or the Brits, I'd want the money back.

So the thing I keep hammering on is at the end of the article is, "Please stay focused on who's got the money; where is the money? How do we get it back?"

*Franklin:* Right.

*Catherine:* Okay – so before we turn to "Let's Go to the Movies," Franklin, I thought we'd talk a little bit about Transformations and Renewal.

*Franklin:* Oh, good! Yes.

*Catherine:* Okay – so you want to introduce it?

*Franklin:* Well, it started at Christmastime over –

*Catherine:* Over a bottle of Armagnac.

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*Franklin:* – a discussion that you and I were having, and sitting in front of the fire talking, and we got to talking about the way that so many of our – the people that we deal with are hardworking, competent people, and they feel isolated. They look at the world around them that seems to be going to hell in a hand basket, and they work by standards of honesty and competence, and they wonder, “Am I the last person left in the world who lives this way?” And so part of what we want to do is to put people together who help people network who don’t really – so that they don’t feel alone in the world.

And because you and I are both Christians, we think about this in terms of faith, which is I think necessary because when you live in a world where everything you see is going bad around you, it’s pretty hard to reach through that to look through what you see to the unseen. And the truth is unseen. I mean, it’s known, but it’s unseen.

*Catherine:* Well, I was very struck by a couple things. One was at Christmas, we had a couple people over to your house for Christmas Eve dinner who met a group of people who are part of our network, and they came away saying, “Oh, my God, we’re not alone!” I saw how jazzed they were by meeting other people like them, because I think part of the challenge for the kind of people who end up in our network is, you know, they want to understand what’s really going on, but not a – a lot of people don’t, and so they’re looking for people who understand what’s going on.

And what happens is when you realize the world is changing and there’s real trouble underneath the carpet, the first thing you do is you start going to different places on the Internet, and you end up wasting a lot of time going down a lot of the wrong – there’s a lot of bad advice out there. And I think one of the things you and I want to do is get enough people together who can start not – you know, we can protect each other from what I call “going down the rabbit hole” and wasting too much time on bad advice.

*Franklin:* Why don’t you just say it? Why don’t you just say that the world is filled with negative people, and especially the enemy, and they will suck all of the energy out of your body if you let them waiting for the end of the world?

*Catherine:* Right – in other words –

*Franklin:* And I –

*Catherine:* Yeah.

*Franklin:* Well, what –

*Catherine:* We need people –

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*Franklin:* What you and I decided a long time ago is, whether it works or not, I'm not going to sit around waiting for the end of the world; I'm going to start rebuilding – I'm going to try to build the kind of world I want to see. And if everything collapses and goes to hell in a hand basket, well, it just does, but in the meantime I'm going to keep on working. And I'm not going to get sucked down into that hole of fear where I'm completely paralyzed by everything that might go wrong in the world. And –

*Catherine:* Right – it's amazing how much you can –

*Franklin:* And this is – this is not “pie in the sky.” I have seen people, Catherine, and you have, too, whose lives have literally been ruined because they became captured by all of that negative thinking and all of that expectation of disaster so that they couldn't even live in today, let alone tomorrow.

*Catherine:* Right, right, right – it's amazing how much you can get done when you just decide to ignore all the trouble and go forth building what you need to. But anyway, so the idea of Transformations and Renewals – and I should just say with – we have a new website that describes the conference. It's October 12<sup>th</sup> to the 14<sup>th</sup>, and I put the link up in the *Solari Report* in the subscribers space for this Precious Metals Market Report, and we sent out a note to *Solari Report* subscribers, and so you can just go to the website and check it out.

But it's going to be October 12<sup>th</sup> to 14<sup>th</sup> in Tennessee, and that is a beautiful, magical time in Tennessee. It's going to be at Franklin's church, Christ Our Hope. It's just so beautiful. And you'll really be in the country, because to get to the church you have to drive through a stream and over a stream and bring a car that can get muddy. I'm really looking forward to it. You can learn more about it on the web. Anything else about Transformations and Renewal, Franklin, before we go on.

*Franklin:* I'm just looking forward to it as a lot of fun. I really am, because I suspect that you and I are going to learn an awful lot from the folks that come as well. And I'm just looking forward to it.

*Catherine:* I should just say it's limited to 50 registrants. And so with volunteers and speakers it's going to be about 65 people. We want to keep it really small and intimate and give – it's going to be – as you'll see from the description on the website – a lot of chance to get to know people and to – for everybody to get listened to and heard.

Okay, “Let's Go to the Movies.” I'm now going to talk about a documentary that I find unbelievably inspiring. I was so inspired by it, I got Franklin to watch it. You watched it last night?

*Franklin:* Yes – yes.

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*Catherine:* Yes. It's called – this is a really in-your-face name. It's called *Fat, Sick and Nearly Dead*. It's the story of Joe Cross, an Australian businessman, who had an autoimmune disease. After many years of being tortured by the medical establishment, he gave up and said, "You know, I've gotta heal myself," and he went on a juice fast, decided to leave Australia, get a change of scene, came to the United States and drove across America doing his juice fast and engaging America in a conversation about what they eat and what it means to their health.

Joe Cross is a guy who just loves people, and he engages people in a real conversation. And in the process, he meets a trucker named Phil Staples who has the same autoimmune disease, is unbelievably overweight and looks like he's literally going to die. He gets Phil on a juice fast and Phil turns into a whole new person. It's amazing to watch the physical transformation. And next you know, Phil is out proselytizing and getting people in his community on juice fasts and getting his brother on a juice fast. It's quite amazing.

Now, this week I put up a post on the blog about healthcare expenditures. And Franklin, I just wanted to read you some numbers. The U.S. spends more per person for healthcare than any other country in the world. We spend 17.9 percent of GDP – that's \$8,362 per person.

The UK spends 9.6 percent GDP, \$3,480 per person. Canada is 11.3 percent GDP, \$4,044 per person. Switzerland is 11.5 percent GDP, \$5,394 per person. France is 11.9 percent, \$4,021 per person. So can you imagine, we're more than double France?

*Franklin:* Right.

*Catherine:* Pretty scary. So now – but if you look at what's going on here and the discussion that we've been having throughout the major media in the United States over the last week about Obamacare and healthcare policies, I sat down tonight, and I made a list of what I saw was the real problem. The real problem – you know, I made a list of about 12 items. The real problem is that first people's revenues and assets are falling in value. They're being harvested financially. They're losing their income because of automation and globalization.

They're expenses are rising because of debasement of the currency, taking on too much personal debt. They're dependent on large banks and corporations for all sorts of services which are not dependable, and the quality is deteriorating, and the prices are being overcharged. They have an unbelievably unhealthy lifestyle. They have poor food and water in many cases. They're suffering with chemtrails and other environmental pollution. And all the technology – or a ton of the technology that has been developed to bring very low cost healthcare cures, like Rife Technology, has been suppressed.

So what you're looking at is you're looking at a whole series of very serious problems, very few of which are being discussed, and the healthcare situation if anything is a symptom, and there's no way you can solve these different problems by coming up with a national healthcare policy without

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addressing these real problems. Now, here's what's interesting. If you look at Phil Staples, the trucker that Joe Cross manages to literally transform and renew, and you look at the incredible change in, one, his health – his ability to get off pharmaceutical drugs, his ability to become much more physically active and healthy – and what you realize is whatever that was, Franklin, that was an unbelievably economic way for someone to get healthy and stay healthy and healthy in a way that their healthcare costs would drop dramatically.

*Franklin:* Oh, of course. Do you remember the cost of juicing was like \$420 a month or something.

*Catherine:* Right – it was pretty – well, to me it really varies, because if you look – I'm in a high cost area right now, and if you look at what I'm paying daily to juice, it can be pretty expensive. But if you really make an effort to go to the farmer's markets and to get the things it can be remarkably economic. It can be very economic. But I dare say if everybody in America did what Phil Staples did, I would think it would cut healthcare costs in half. Is that too ridiculous a guess?

*Franklin:* Oh, for heaven's sake, yes, because so much of the healthcare difficulty in this country is managing people who are obese, who have diabetes, who have high blood pressure, and the obesity contributes to all those healthcare problems. So –

*Catherine:* Well, the thing I love about *Fat, Sick and Nearly Dead* is what it proves is there's no point in waiting for Washington to solve this. We have the power to just go off and make an enormous contribution to solving not all of it, but a lot of it. Why don't we do that?

*Franklin:* Let's go!

*Catherine:* Yeah! Why don't we do that?

*Franklin:* I don't – I can't answer that. You know, I mean, if – like diabetes. It's well known that you can control most Type II diabetes with diet so that you don't even need to take insulin. Why do we do something else? I don't know.

*Catherine:* I don't know. But I have to tell you, I think there's some kind of spell over America. The first spell is the theory that we need healthcare insurance as opposed to healthcare. I don't think we need healthcare insurance; I think we need healthcare. But the second thing is we need to do everything we can so that we don't need healthcare. In other words –

*Franklin:* (Laughs)

*Catherine:* Well, I discovered this when I was running Hamilton Securities, and I had to shut it down, and I went through this process of slowly losing healthcare for the team working for me and then for myself, and then I got to a point where politically I couldn't go to a hospital or a doctor. It

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wasn't safe for a variety of reasons. So I had to go to the alternative world, and it took me a couple years to literally get out of this sort of mental spell that said, "If you don't have Blue Cross and Blue Shield, the end of the world is here."

And I finally – it took years and years and years, and then when I settled the litigation, I said, "You know, I can afford to heal myself, or I can afford to have healthcare insurance. I can't afford to have both." And of course, I finally solved that, thanks to you, by joining Samaritan Ministries, which at some point I hope to have on the Solari Report. So I'm now in a cooperative of people who help support each other if they get a spike in their healthcare expenditures.

But I literally had to come out of some kind of – it was a spell, and I think we're in a spell where we don't realize, "Wait a minute, we have the power to make a huge change here that can protect us from a lot of what's going on in the institutionalized healthcare." And I think one of the reasons this Supreme Court decision has got so many people upset is because if you don't want healthcare insurance you have to pay a tax, and that money is the money you needed to pay for healthcare. I have a relative up in Massachusetts who says, "I used to spend \$3,000 a year on healthcare, and now I have to spend it on insurance, so I can't afford healthcare."

*Franklin: (Laughs)* Well, you know, the exciting thing about that movie – about that documentary is that there – I don't know what it's like where you are, but here where I live in this part of Tennessee, there's an epidemic of obesity. And when people get up to 478 pounds like Phil was in that movie, the only cure that a doctor may recommend is have your stomach stapled or have it all cut off, and that's not a solution – not one most people want. But here, all you do is juice and eat that, and what – in less than six months he'd lost half his weight – nearly half his weight – more than half his weight, because he was down to 220 from 478 pounds, and he looked great.

*Catherine:* He looked great.

*Franklin:* So I mean, why won't doctors – and don't misunderstand me. I'm not picking on the medical profession. I don't want to be heard to do that because I have a whole lot of respect for them, but they just don't seem to know anything about nutrition, and –

*Catherine:* Well, I'll tell you –

*Franklin:* I can't – if they picked up on this and say, "Okay, well, you have way too much weight on. All you've gotta do is just go on basically a juice diet for six months, and that'll pretty much take care of the problem."

*Catherine:* Right. Well, I'll tell you, if you look at the amount of money we're spending on healthcare and if you look at the amount of physical problems we have here – watch *Fat, Sick and Nearly Dead*. First of all, it's unbelievably entertaining. You'll find it very entertaining to see Joe engage America in a real conversation about our real healthcare issues. But second of all, you'll

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see something which is a very, very important solution, which is entirely underneath our control. We have the power to do this, and we don't need government, and we don't need corporations.

We don't need anybody. We could just do it, and we could do it in a way where we help each other. And that's one of the beauties of the documentary, is I just love the way people start to really help each other and bring each other alive, because the thing that so amazed me about Phil's faith is he just comes back to life – his eyes, his skin, his whole personality, his intelligence – he's just coming back from the dead. It's a resurrection. It's amazing to watch, and there it is. It's all on film.

Well, okay, Franklin, thank you so much for taking the time in what is a really busy period of your life. And any predictions before we close on what you expect to see in the markets over the next month until we meet again?

*Franklin:* You know, I'm really expecting to see just pretty much a kind of sideways market until the first of September, and I think by that time silver and gold will have started moving up again. But the stock market has me worried – the general stock market looks like it's ready for a tumble. But other than that, no, I don't have any expectations.

*Catherine:* Well, I'm with you. The stock market looks like it should take a big correction. And to me, the question is does it do it in the summer, or does it do it in the fall, because of course October is the silly month. One thing I wanted to point out is, you know – you know my expression, the Midianite thing, you see so much political fighting – the Vatican announces a deficit; you have Italian regulators inside the Vatican enforcing apparently for the first time.

It's sort of unthinkable that the Department of Justice would be enforcing against Barclays Bank, which is the lead bank for the Bank of England. So the long knives are out, and people are fighting, and I think the one thing that concerns me is, you know, this is like going at each other with razor blades when you're all in a plastic life raft. So I'm with you; I think it goes sideways. We get a correction in the stock market, probably a big one in the fall, but if these guys – if the fighting goes out of control, who knows what could happen.

If anything's scaring people, it's watching a group of people behave in a way that is not adult.

*Franklin:* There haven't been any adults in the equation in quite some time.

*Catherine:* (Laughs) Well, they've been enforcing against all of the adults. Okay – well, listen, have a wonderful month, and we'll be back with you next month, Franklin.

*Franklin:* Okay. Thanks a bunch.