

BUILDING WEALTH IN CHANGING TIMES



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# The Solari Report

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**2016 & the Space-Based  
Economy**  
with Dr. Joseph Farrell



# 2016 & the Space-Based Economy

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**C. AUSTIN FITTS:** Ladies and gentlemen, it's always a pleasure to welcome Dr. Farrell back to The Solari Report, but it's a particular pleasure when we come him come in on the Wrap Ups. It's the biggest of all for the year when it's the Annual Wrap Up. Of course, this year the theme of Space-Based Economy is one he's helped us with tremendously. So this is going to be very interesting. We're going to talk about our theme of the Space-Based Economy, the news and stories of 2015, and what's ahead in 2016.

So this is going to be juicy, and as Joseph would say, "Full of high-octane speculation."

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** So Dr. Farrell, with no further ado, welcome to The Solari Report, and welcome to 2016. We hope this is going to be a great year for you.

**DR. JOSEPH FARRELL:** Vice-versa. Thank you for having me back, Catherine. Yes, I'm hoping it will be a better year than last year – at least in some respects. Time will tell.

**C. AUSTIN FITTS:** It's funny. I'm a great believer that memories come from the future. I woke up on the first day of the year, January 1<sup>st</sup>, and we'd been working away on the Wrap Up. I was up in Rhode Island with our wonderful Wrap Up producer. The first thing that came into my spirit was, "This is going to be a great year."

It was a feeling; it wasn't even an idea. I thought, "Well, that's a good omen."



After looking at and surveying everything for the Wrap Up, I was reminded that I have a great ally who says, “Our circumstances are far too dire for the luxury of realism.” So that was my feeling.

**DR. JOSEPH FARRELL:** Let me say something about your Wrap Up. As I mentioned to you before, I read that through, and I really do think that people need to spend time with this one because it’s obvious that you spent time with it. As far as I’m concerned, it really is the best summary of the philosophical issues out there on the idea of the Space-Based Economy. Kudos to you for putting it together. It’s just really well-done.

**C. AUSTIN FITTS:** I appreciate that. I was trying to integrate; that’s what I do. I sort-of dip down into different fox holes and then come back up and try to integrate it. This was the hardest I’ve had to do, but I’ve come to several conclusions, and it’s taken me a long time. I’ve had to learn a lot – including from you. You’ve been unbelievably helpful in this.

I think that the organizing principle of our society, in North America in particular, is dealing with whatever is going on and we’re doing in space. Increasingly since the 1990’s it’s basically being engineered by the systems that we can put in place to control from space.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** So whether it’s controlling activity here on Earth or responding to whatever is going on in space, it really is the organizing principle of the economy, and yet that is a big secret to most people. If you said that, they would say, “What? What are you talking about?”

**DR. JOSEPH FARRELL:** It goes back to the idea that we both had that there is so much money missing in the public system, and it’s such a huge amount that it’s got to be going somewhere. It goes back to observations that we’ve made at these Secret Space Program conferences that there is so much money that is gone that it has to be funding something. The only thing that makes sense in terms of the vast amounts of money that this hidden system would require is something space related.



You've been talking about building out and building up the space-based assets for financial clearing, for communications, for surveillance, that it does make a lot of sense. We see that the corroboration is really coming from China and Russia and other countries with plans for space-based assets, including as we've seen now with financial clearing.

It is, I think, going to be a major part of the economy. Whether people realize it or not, they've got to start thinking in those terms.

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**C. AUSTIN FITTS:** When I looked at the timeline of when we got the GPS system up, I've always believed that the global rebalancing was kicked off by the fact that we had that capacity, and so could monitor and enforce. Of course, part of this is whatever was accomplished with Star Wars and what that meant to US maintenance of space-based or space weaponry. Big question mark.

**DR. JOSEPH FARRELL:** Absolutely. I just posted a blog today, as a matter of fact, of a piece of technology that has been unveiled at Sandia National Laboratories called Thor's Hammer.

**C. AUSTIN FITTS:** Oh my God!

**DR. JOSEPH FARRELL:** Yes. This is a particle accelerator that's kind-of a scaled down version of their Z-machine, which is a particle accelerator that has such an enormous magnetic field strength that it subjects particles to pressures of about 5 million atmospheres. One atmosphere of pressure at sea level is about 14 pounds per square inch. So you take that times 5 million, and you're dealing with an extraordinary amount of pressure.

Well, this scaled down version of the machine is small, but it still is able to literally crush things at about one million times atmospheric pressure. So in other words, it's 14 million pounds psi (per square inch), and they're doing this so that they can study particles and so on at solid state under tremendous pressure.



I got to thinking about why they are trying to scale down a technology like that. Well, I got to my usual high-octane speculation mode, and if you could scale that technology up, you'd have a technology that would be possibly useful for pulverizing minerals that you would mine on asteroids. In other words, it looks to me like we're getting more slow-drip of information about things working in the wings that they're releasing publicly that they probably have perfected to a higher degree secretly that might conceivably – if you scaled it up somehow and were able to make it useful for dealing with materials much larger than particles – it might be useful for pulverizing things and actually adaptable as a mining technology.

Of course, once you've set that, you've also got a potential weaponization technology as well. So this all appears to be part of the game, but it's really difficult connecting dots because oftentimes these technologies don't appear immediately space-related, but in this case I think it does have some potential. Again, that's high-octane speculation.

**C. AUSTIN FITTS:** I always thought that we proceeded with a rebalancing because we could. We got the GPS satellites up, and whatever Star Wars war, the Soviet Union collapse, we're ready to go to a market economy globally, so the gold rush was on. It made sense to do it.

Now as I step back and I look, always the question was: Why the rush? If you were going to rebalance the global economy, this was a pretty fast, blunt, risky way to do it.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** The more I look at it, the more I'm beginning to think, "Wait a minute. Maybe they need it. Maybe they did this because they needed to create the capacity to become a multi-planetary civilization and to do it fast."

**DR. JOSEPH FARRELL:** Here, here.

**C. AUSTIN FITTS:** Maybe this was the way to do it.



**DR. JOSEPH FARRELL:** I really think that this is probably the long-term goal, and I think you're absolutely right in seeing it that way. The reason why is, again, we're looking at similar steps being put into place.

We talked about this over the last year as well. We're looking at steps being put into place by the BRICSA as far as using Russia's geostationary satellite positioning systems, and integrating that into their communications and into their financial clearing and so on and so forth. So they're building, as you pointed out last year, a lot of redundancy into this system. Viewed from the standpoint of sustaining an interplanetary commercial effort – which is what asteroid mining really is when you get right down to it; it's an interplanetary commercial effort. To do all this, you're going to need a vast infrastructure.

The other thing that this immediately brings to mind is if you're going to make this commercially viable and have a sufficient economy of scale to pull this off and make it profitable, you have to have different technologies than are currently publicly talked about.

Asteroid mining just is not going to work with chemical rock and so on and so forth. I've got some blogs coming up this week, and we're seeing some blogs that NASA is definitely working in areas of alternative propulsion. From my point of reasoning, I think this is all part of the space commercialization effort.

The other thing we've got to keep in mind, I think, Catherine, is the Rosen Affidavit that you and I spoke of in 2014 at the San Mateo conference with Dr. Carol Rosen. Years ago she came out with her allegation, and I think absolutely that time has vindicated her in this story.

She tells the story that years ago Dr. Von Braun, when she was working with him at Fairchild Industries after he'd retired from NASA, told her that the plan for weaponizing space was: First, the communists were going to be the problem. Of course, we saw that with strategic defense initiative or the Star Wars initiative under President Reagan. Then terrorists, then nations of concern, then asteroids, and then finally, of



course, extraterrestrials or aliens were going to be the means that were pushed in order to drive this economy of space – this commercialization and weaponization of space.

So we're already into asteroid stage.

**C. AUSTIN FITTS:** Right. They've announced that.

**DR. JOSEPH FARRELL:** Yes, they did. NASA just announced that they have an office of asteroid defense. In other words, they're putting into place an office of planetary defense. For me, Catherine, the tell-tale sign that everything that you're saying about a global economy to create an infrastructure for multi-planetary civilization is, in fact, true because NASA has decided to coordinate all of this with FEMA, the Federal Emergency Management Agency. Immediately when I saw that I thought, "Oh my! Continuity of government operations!"

This means that they're definitely setting up the beginning infrastructure for a bureaucracy of planetary defense. And the really key thing there that I thought was very intriguing in that story was the very clear indicator that, "Yes, we're going to coordinate with other nations that have space programs."

Russia comes to mind immediately, as well as China and the European Space Agency, Japan, and so on. So they're getting ready for this. It's very clear.

**C. AUSTIN FITTS:** In 2011 the Russians were the second country or group to get a global GPS satellite system in place, and that's exactly when the tensions with Russia really developed.

**DR. JOSEPH FARRELL:** They shot up then, yes.

**C. AUSTIN FITTS:** Of course, the Russians do more launches now than we do.

**DR. JOSEPH FARRELL:** Yes, they do.



**C. AUSTIN FITTS:** Is the tension with the Russians really being driven by competition in space?

**DR. JOSEPH FARRELL:** I think ultimately it is because look at what you have, Catherine. You have just this last week and a half where President Putin did an amazing thing. It was one of those kind of sleeper stories that really didn't – as far as I can tell – make much mainstream commentary or news over here. That is, he essentially abolished Roscosmos, the equivalent of NASA, and turned it into a state-run corporation.

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**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** So in other words, this is a huge move. I think it's a move because he recognizes that in order for Russia to take advantage of this emerging space-based economy, it's going to have to have a corporate structure to do it.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** So he's done the moves for this. You've pointed out something else very significant, too, which I think people really need to latch onto. That is that China now has more people involved in its space agency than does the United States.

Whether we like it or not, there's a competition brewing. It's going to keep going and grow stronger, in my opinion, over the next two decades at least.

**C. AUSTIN FITTS:** Yes. Absolutely.

**DR. JOSEPH FARRELL:** This is going to drive so much geopolitics that it really isn't even funny. All of this, again, is because you're looking – as you pointed out a couple of years ago – at Mr. Global using all of this to kind of build redundancy to the system. The way I look at the redundancy is: Why do you need redundancy? You need redundancy in



a system particularly of communications if there is some sort of military threat or potential military threat that you are aware of, that you need to make sure that if one system fails another system will continue.

Again, this implies that there is something happening off-planet that is requiring this enormous expenditure.

**C. AUSTIN FITTS:** Right. The other reason why you need redundancy, particularly in the financial systems, is you don't want anybody who can blackmail you. If you're going to keep things clean, you need redundancy and you need competition between redundancy systems. Otherwise it's not strong enough, it's not innovative enough, it's not explicit enough, and that's clearly what is happening.

There are a couple of key points that I've come to in trying to integrate all this. One is that we are coming into a serious traffic jam in the orbital platform.

**DR. JOSEPH FARRELL:** Oh, yes. Absolutely.

**C. AUSTIN FITTS:** Everybody is throwing up more and more satellites faster and faster, and there's no strong governance structure to handle the orbital structure or the platform in a cooperative manner. One is the US refuses to do more on treaties because it's trying to be silent about space weapons.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** So we're being purposefully unclear. In the meantime, the traffic jam is getting worse and worse. You look at it and you think, "How is this supposed to work?"

**DR. JOSEPH FARRELL:** It ultimately can't work unless there is some sort of international regulatory agency that determines, "You're putting up XYZ satellites, well, we need to know the coordinates, their orbital positioning, and periods of orbit and so on and so forth."



There's going to have to be something like this in order to make all of this work. But the real thing, as you say, is space weaponry. I think that ultimately you're going to start seeing, probably as early as this year, more of an international effort concerning space-based weapons and what can be and cannot be put up there.

I suspect that already – and let's be realistic here, folks – ever since the Star Wars era of President Reagan, any satellite weapons, space-based weapons capabilities, ground-based standing satellite weapons capabilities have been on the agenda for all of the major powers of the world. So we're naïve if we assume it's simply an activity of the United States. Russia will have it and China will have it.

The Europeans recently tipped their hand that they had some space-based assets that are not really well-known with the fact that the Germans offered their satellite support capability to the French in their intervention in Syria.

So we have a lot of stories; it's just a matter of connecting the dots. There's going to have to be some sort of international agreement or bureaucracy put into place to manage all of this in regulatory fashion, and I think that's the other thing that Mr. Global is counting on in driving the space economy meme, to press for some sort of international governmental or regulatory structure to manage all of this. It's coming whether we like it or not.

**C. AUSTIN FITTS:** Right. It's interesting. I love the story of Gideon in the bible where the Midianites jump up and kill each other. It just strikes me that one form of divine intervention is the Midianites go to war in the orbital platform, bust all the satellites, it shuts down the global economy, the surveillance stops, and we go back to having a free economy again.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** Totalitarianism is implemented from the skies. There's no doubt about that.



**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** Here's the other thing I realized. I think that if there is one thing destroying our society, it's secrecy.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** Part of the problem is that the secrecy has created this enormous structure full of privilege. Every year the privileges get greater and more expensive.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** Privilege makes a society stupid and mean. I think we are literally in very serious danger from that secrecy and that privilege, and it is the source of inequality in our society in my opinion because if you look at whether it's the things on the asset side of the balance sheet, which is the divergence and who has access to what technology, on the other side of the balance side is the cost of capital. It all flows out of that hidden system of finance and the black budget and the secrecy around it.

**DR. JOSEPH FARRELL:** I totally agree, and there needs to be more transparency if any sort of space commercial activity is actually going to be successful.

You and I both know that you can't run the economy in secrecy. Ultimately it spills out into the public. This is what I think is in part driving some of these stories where you see the gradual drip, drip, drip of stories about fantastic technologies that they're developing. I think this is, in part, deliberate mean because I think they realize that they cannot continue with this secret system of finance forever because that system is going only to grow to the point where its very size becomes public. I think that's really what we're witnessing in a certain extent.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** I think the economy of scale has grown so huge now



that they can no longer keep it hidden. So what they're trying to do, I think, taking a page from your slow burn model, is that they're trying to slowly roll this out in a controlled fashion to smooth the transition to this new economy that they're putting into place and the structure that they're putting into place. It can't continue the way it has. It just simply is too big.

**C. AUSTIN FITTS:** Here's something. If I were to say to most people, "Look, the way to reduce inequality and the way to return us to a healthy civilization is to bring transparency to space and what's been going on in space for the last 100 if not 2,000 years," they would laugh in my face.

**DR. JOSEPH FARRELL:** Yes. They would, but on the other hand, they have to. I think it's simply a matter of economy. For one thing, the problem that they're facing is that more and more people are indeed waking up to the fact that the financial news – the financial picture – doesn't make sense from a closed system paradigm. You've pointed that out in your written review for the year-end Wrap Up. It's simply too much money disappearing over a period of time, and no financial model that does not take into account a hidden system and a huge infrastructure supporting space activity really can make any sense of this.

When we get right down to it, we talked about this briefly in the conference in Bastrop last November, it appears that some of the money is actually going off-world, and it may be going off-world in the form of commerce of some sort.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** This is an idea that struck me way back when I was doing all the interviews with the late GeorgeAnn Hughes, that there is so

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much money that is disappearing that even a hidden system of infrastructure really doesn't explain it all.

So where is this money going?

**C. AUSTIN FITTS:** One of the things I was wondering about with asteroid mining was whether it was a cover story for interplanetary trade.

**DR. JOSEPH FARRELL:** Yes, I've wondered the same thing. You have to wonder, too, in the context of some of the ideas that we've been talking about.

As you pointed out, if this is going off-world in the form of tribute or tithes of some sort, if it's going off-world in the form of economy or trade or commerce, you have to wonder all of these things. We're getting so many stories now about different technologies coming out that are really rather extraordinary when you stop and think about them.

Those stories, in turn, suggest that, "If this is the case of what they're willing to reveal publicly, then what do they have that might have been developed in secret?"

I think when you total up the redundancy that is being built in the global positioning system and the financial clearing systems internationally, when you look at the vast amount of missing money, you can only come to one conclusion: This is going for something huge. The only thing that fits the huge bill is your model of some sort of interplanetary civilization or infrastructure that they're trying to build.

**C. AUSTIN FITTS:** Something, right. If you step back and look at the planetary balance sheet, the financial folks focus on the rigging that's going on on the financial side with rigging differentials and cost of capital and manipulating markets, but if you look at the rigging that's going on on the asset side, where the rigging asset price is commodities or shifting arbitrarily the technology line, the total value of the manipulations on the asset side are greater than the ones on the liabilities and equity side.



**DR. JOSEPH FARRELL:** Let's look at something else, too, since you mentioned commodities. Let's look at something else that I think may play into this kind of analysis. That is this rock-bottom price of oil that we've seen for several months now, and it doesn't look like it's going to end any time soon.

The public story that we're being told is that the Saudis decided to glut the world market as a response to request from Washington for reform of economic warfare on Russia. Well, it doesn't appear to be working too well on Russia. Russia is chugging along quite nicely. It's had an effect on them to be sure, but it's really hurting the Saudis more than anybody else.

You've got to wonder why, all of a sudden, we are looking at rock-bottom oil prices and gas prices that we haven't really seen since Nixon if you get right down to it. It would stand to reason if you incorporate space and the emerging technologies and so on and so forth. It would stand to reason that you're going to start getting rumblings of an entirely different type of economy with an entirely type of energy system, and therefore an entirely different type of finance to see commodities like oil start plummeting and staying low over a long period of time.

So what I'm suggesting here is that there may be something percolating in the winds secretly amongst the various power oligarchs that some sort of energy breakthrough has been made, and we've been hearing these stories. The Germans fired up a new fusion reactor and it appears to have been quite successful in what it's been able to attain. We've got these stories coming out from Sandia about these atmospheric crushing particle accelerators and so on and so forth.

I'm suggesting that maybe there's something that they know is lurking in the wings ready to roll out. Last year we also saw Andrea Rossi, the Italian cold fusion expert who has his E-cat reactor which was awarded its US patent finally last year. So we're looking at a lot of these little stories that dropped right off the radar.

In conjunction with this, I'm suggesting that we have to look at some of



these commodities like oil and natural gas with a new eye, that maybe something is lurking in the wings and ready to roll out.

**C. AUSTIN FITTS:** It's very interesting to watch the economics of this because you have so much of the equity markets trading on what we know is legacy technology, and that's why your presentation in Bastrop was very interesting. You talked about treaty agreements and why society would stay dependent on legacy technology if that was the treaty agreement.

**DR. JOSEPH FARRELL:** Not only that, but the other aspect of a treaty agreement like that is you would only move away from legacy technologies and the impacts that they have on equity markets if you have some weaponizable means of defending yourself against whoever. This is the other thing entering the picture.

**C. AUSTIN FITTS:** Or you made a trade with gold to buy your way out of the treaty.

**DR. JOSEPH FARRELL:** Exactly. That's the other thing. We're looking at all these stories coming out towards the end of last year continuing into this year about gold. Dubai now seems to be in the heart of some sort of gold-smuggling market, and yet we're still continuing to see these very weird figures for the amount of gold in existence and various countries buying it up.

Again, why are we buying all of this gold, and where is it really going? The ancient texts are rather clear that gold has some sort of special value to whoever it was out there, but it has nothing to do with money. It may be some sort of energy source as I suggested in some of my books. We really don't know.

From my point of view, when you add all of these things up – the falling oil prices, the little stories coming out here and there of this or that energy technology, some sort of availability or online status, the vast amount of building out that is being done, the weaponization potential of some of these technologies like Thor's Hammer I talked about. When you're looking at all of this and you put it all together, the story is a very,



went back into the African-American community because I knew that they knew how to deal with it; I'd grown up in an African-American neighborhood, and I knew they knew because I'd watched them deal with it. I had a lot of friends who had to deal with COINTELPRO, etc.

One of the things that has always baffled me is that you have a whole middle class, predominantly white group who doesn't know how to handle this environment, and the knowledge that they need is in the African-American community, and yet the bridges don't seem to be built. Sometimes I wonder if a lot of the 'divide and conquer' stuff we're seeing come down isn't to keep those bridges from being built.

**JUNIOUS RICARDO STANTON:** Of course!

**CYNTHIA MCKINNEY:** Absolutely.

**JUNIOUS RICARDO STANTON:** They have to. The only way that the people at the top of the pyramid can exist is to keep us bamboozled and discombobulated. The best way to do that is to create animosity or suspicion or distrust/mistrust among the masses, and they do a masterful job of that.

**C. AUSTIN FITTS:** They do.

**JUNIOUS RICARDO STANTON:** The thing is, just look at Black Lives Matter as an example. A lot of white people are turned off by that, but they don't see the police abuses in their own community because they think that that is the other person; that is some poor slob who was obviously in the wrong. They don't realize that a lot of these raids and these no-knock warrant serving are going to the wrong houses, they're hurting babies, and more and more reporting is being done on it.

"No one is so blind as he who refuses to see." They're starting to see that a large percentage of the people who are being attacked like this are white people. They're middle class or working class white folk. They

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very different story than standard financial analysis would have it. I think it's all space-related. It has to be.

**C. AUSTIN FITTS:** One of the things I brought up in the space-based economy was there was a survey from Pew done last year showing that the American people were very willing to reach and pay a lot of money for the war on terrorism, but they were nowhere near as supportive of space and space exploration.

Part of that, of course, is what the media is pushing and how it's pushing, but it's been remarkable to see how you've been able in the surveys to swing people from being concerned, for example, about jobs and economy to ISIS. It's very depressing.

The reality is that it wouldn't surprise me if there is a deep disbelief in the leadership that the general population is willing to support the economics of what is required to become a multi-planetary civilization. So they are much more enthusiastic about doing it on a 'just do it' basis.

**DR. JOSEPH FARRELL:** Right.

**C. AUSTIN FITTS:** That brings us to the question of: Why such a rush to do this?

**DR. JOSEPH FARRELL:** My thought, Catherine, has always been that the rush – and let's be honest here – really started with 9/11. I still go back to the bailout hearings that we had in 2008 and continuing into the Obama Administration when it took office. It appeared to me that they were in a rush, and that there was some hidden factor that was panicking them. They were acting like people with a gun to their head.

**C. AUSTIN FITTS:** Right. I agree.

**DR. JOSEPH FARRELL:** To my mind, I go back to those hearings in the United States Congress where you had Bernanke or somebody else responding to a question, "What do you mean you don't want any oversight and that there can't be any oversight?"



The response was, “Yes, that’s right. We can’t have any oversight. We want all this money from you, but we’re not going to tell you what we’re going to do with it.”

To me, that smacked of somebody in the position being victim of a kidnapping, and we need X, Y, Z to pay off the ransom, but we can’t have any police monitoring us. It had that kind of feel to it.

The only thing that I can think of, Catherine, was that they were under some sort of pressure from some sort of external factor – be it terrestrially-based or non-terrestrially-based; it’s hard to tell. But the scale of it suggests that they are in a hurry because they know something that they haven’t disclosed to anybody publicly yet, although I do suspect that the rush that we see now from China and Russia to build up infrastructure in that part of the world – to build out the international financial clearing mechanisms, the redundancy that we’ve talked about – all of this is signaling that they, too, are aware of some deep, impending need to do this and to do it quickly.

The only thing that I can think of that would require that you harden your redundancy to that extent is some sort of perceived external threat. So maybe they know something that is coming this way. Who knows?

I’m rather suspicious about this asteroid planetary defense office. The only thing that makes sense to me is that they’re making some sort of strategic response to a perceived strategic threat. This takes us back to space and what they might be having to deal with out there.

**C. AUSTIN FITTS:** It’s interesting. If you look at the potential strategic threats, the list gets so long that it’s very difficult to speculate. There are so many potential things that it could be. That’s another cost of secrecy – living with ever-longer lists of unanswered questions about what in the world is going on.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** I close with this idea of closed door/open economy. One of



the reasons I wanted to bring this up – it’s sort-of a no-no to bring this up – was I don’t know if the economy is open or closed. It’s certainly behaving much more like an open economy, as you said. The reality, though, is whichever it is, if you and I were to say, “Okay, it’s closed,” we would have to base that conclusion on assumptions and conjecture.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** If we said, “It’s open,” we would have to base that on assumptions and conjecture.

**DR. JOSEPH FARRELL:** Right.

**C. AUSTIN FITTS:** It makes me unbelievably uncomfortable to assume either one without being explicit about what my assumptions and the conjecture are. So the notion that we’re wandering around trading all the financial markets on the whole planet on the assumption that it’s closed when, in fact, we don’t know that, I find baffling and mystifying, and yet it’s as my grandmother would have said in trying to engage with financial people to talk about it, “It’s a real taffy pull.”

**DR. JOSEPH FARRELL:** Yes, exactly.

**C. AUSTIN FITTS:** It’s one of the reasons why for years I’ve said, “It’s going to slow burn,” and then people say, “Why?”

It’s very difficult to explain why without getting into the surveillance state rolling out of the satellites and all the rest of these issues.

**DR. JOSEPH FARRELL:** Right.

**C. AUSTIN FITTS:** Before we move on and talk about the news and stories, I wanted to mention I had made a real effort during 2015 to read as many books as I could put into my schedule about space, and I reviewed some of them up on the blog, and to take in all the space movies.

In the fall and winter I watched *Spectre*, the new James Bond. Then I



watched *Captain America: The Winter Soldier*, which was the second series of Captain America. Then I watched the new *Star Wars*.

All of them posit an evil force in the universe that has evolved out of the Nazis. I thought, “Oh my word!”

**DR. JOSEPH FARRELL:** Lo and behold!

**C. AUSTIN FITTS:** Then, even more wonderful, I just saw the new long 24-minute trailer for the new *X-Files*, and a whole bunch of it is coming out of the Secret Space Program Conference. Chris Carter was there, pretty much in the front row taking notes. It looks fantastic.

I would say that your research and your work is showing up in a lot of what Hollywood is producing these days. I don’t know if you’ve noticed that.

**DR. JOSEPH FARRELL:** I don’t go to that many movies, but I have noticed that they seem to be picking up on this meme of some sort of evil organization, fascist ideology, and fascist international or Nazi international that has access to some pretty sophisticated technologies that has a global presence in the sense that it has tentacles or fingers into just about every other pie on the planet. It is coopting – and for our purposes I think this is very important – our normal institutions of government and culture.

I’ve thought for many years, and I outlined this in my last book *The Third Way* that the war on terror is really a cover for something else – a war on a different thing altogether. I think possibly it’s a war on this international fascist rogue element, whatever you want to call it.

I do think that these movies are telling us something very important, and that is that the possibility does exist for that type of organization, but it also tells us that by the same token, in order to combat something like that you have to have a similar organization, so to speak, fighting for the

**“All of them posit an evil force in the universe that has evolved out of the Nazis.”**



good. That, too, is what we see. That certainly was the intention, I think, behind President Truman's creation of this hidden system of finance that his men bankrolled a lot of these projects and so on and so forth, and certainly it was also his intention to create a kind of slush fund for covert operations as well as black projects research.

That indicates that something has been going on for quite some time on this planet in terms of a prolonged struggle, and now it appears that they're getting ready to roll out some of this stuff. Again, all of these things to me indicate that they are trying to tell us that we're dealing with an open economy, and we have to quit thinking just in terms of this planet.

We've seen such a dramatic increase over the last five years of stories about asteroid mining and people now willing to lay down a lot of capital to make that work. All of this suggests to me that we are dealing with an open economy and that this rogue element that these movies are talking about is very real. I've been saying that and been laughed at for saying it for a number of years, but I'm convinced that it's quite true.

**C. AUSTIN FITTS:** Let me just say in closing on this space-based economy that I tried to write this from the point of view of the overt economy. I've always come at it that way, which is, "Where is the money?" and following the money. I don't try to answer the questions of: What's the phenomena we're dealing with behind the black budget? I don't try to come down onto: Do UFO's exist? Do you know if there are time travelers? Are they from other planets?

I always tell everybody, "Go read Richard Dolan's book." But what I know is we're dealing with some kind of phenomena, and the secrecy about it is destroying our society.

**DR. JOSEPH FARRELL:** You said something very interesting in your Wrap Up. Let me read it to people because I think it's very, very germane to this point. You said:

I don't like betting the ranch on assumptions and conjecture, but if I



must do so, I like to make those assumptions explicit. This is more than a philosophical point. Almost all commentary on the financial markets today is based on the assumption that our economy is closed. However, that assumption was never made transparent. It was never discussed. At the same time, trillions of financial transactions go unexplained from the black budget to \$8.5 trillion missing from the United States government. Thus, the assumptions regarding the closed economy commentary are wearing thin. This is an important point because a great many people have lost money by assuming that the economy was going to collapse. As part of their investment scenarios, these people assumed that our resources were limited to those on Earth, and that our available technology was publicly acknowledged.

That sums it all up right there.

**C. AUSTIN FITTS:** Right. It's interesting. We just had one of the Royal Bank of Scotland's equity people come out and say, "Sell all your equities. It's all going to crash."

Now, I'm not saying that given the fury and anger and distrust in the global economy that we couldn't get a panic. We could. But we are much more likely to get a correction.

If you look at what happened in 2008 and 2012 really from the point of view of what you and I understand, it was something else. It wasn't just a crash; it was something else. To me it was a reengineering on a global scale, and whether or not Mr. Global wants to do that again, that's a political call. I'm sure that poor fellow is thinking that it's a closed economy.

**DR. JOSEPH FARRELL:** Well, it's that, plus let's go back to Saudi Arabia and the falling price of oil. I think that's part of this reengineering. In other words, if you're going to transition to a space-based economy, you have to transition off of petro dollars or petro euros or petro anything and move or transition into something else. In order to do this, you've got two models by which you could do it.



You could collapse everything and create the chaos and conditions that are going to make an even bigger mess for you to clean up, or you can slowly try to manage it. I think that's the option that they've chosen.

**C. AUSTIN FITTS:** Right, and it's not to say that they will succeed at it because it's tricky.

**DR. JOSEPH FARRELL:** It's very tricky. Absolutely. But it's easier to attempt to do that from a philosophical point of view than to let everything collapse when you're dealing, perhaps, with a potential threat from outside that may be a part of your thinking. It's much easier to try to transition smoothly to it than it is to allow everything to collapse, and on top of this deal with some sort of threat.

It's going to be an interesting year to see how all of this plays out.

**C. AUSTIN FITTS:** Exactly. I think one of the reasons why they haven't brought transparency yet is because they are worried about a collapse.

**DR. JOSEPH FARRELL:** Yes. I agree. Absolutely.

**C. AUSTIN FITTS:** Well, this dovetails into the first story under News and Stories. Half of the energy on the planet still comes from coal, and about one-third of the US energy comes from coal. If you look at the four largest coal companies in 2011, they produced half of the US coal. Last year one went bankrupt, this week another one went bankrupt, and last year three of them – including the one that just went bankrupt – their stocks lost 77 and 95% of their value.

**DR. JOSEPH FARRELL:** Wow!

**C. AUSTIN FITTS:** Can you imagine having your stock go down that much? Peabody Energy is a major company, and their stock went down 95% in one year. That's a bad year!

**DR. JOSEPH FARRELL:** That's a very bad year.



**C. AUSTIN FITTS:** Right. Now that's fracking more than anything combined with regulation. I mean, the US made a big, big bet on natural gas and in the process reamed coal.

I'm not an expert on nuclear energy, but if you look at what is happening in nuclear energy, the traditional companies there are in real trouble, too, and there's no plan for the waste. So you're talking about creative destruction in the energy patch which is absolutely phenomenal.

**“I'm not an expert on nuclear energy, but if you look at what is happening in nuclear energy, the traditional companies there are in real trouble, too, and there's no plan for the waste.”**

**DR. JOSEPH FARRELL:** It's phenomenal, and it's of the scale, again Catherine, that suggests to me that they know something about other technologies that might be in the wings. Let's look at nuclear for a moment.

The conventional nuclear energy is, of course, fission reactors, which are horribly dirty. They produce enormous amounts of nuclear waste which then has to be stored and stored securely and stored for thousands of years. Just think of the Fukushima Daiichi mess that's still ongoing in Japan because of the meltdown of standard fission reactors.

Fusion reactors, on the other hand, would be relatively clean, and they would provide an equal amount of energy if not more if they were ever made to work. Again, we've seen Germany fire up at the end of last year a big, new fusion reactor at the Max Planck Institute, which has achieved some limited success in sustaining a reaction for a longer period of time than other big reactors. We've seen the Andrea Rossi story.

In other words, I'm suggesting that maybe one reason why we're looking at these energy companies being reamed is if you put all these signals together, it either points to manipulation just for sheer greed and profit, or it points to some inside knowledge of some things that might be ready to come online over the next couple of decades. I suspect strongly the latter.



**C. AUSTIN FITTS:** What you've done with the bailouts is you've basically sucked a huge amount of money out and shifted it and floated that with enormous quantitative easing that sent lots of currency flouncing around the world. Now that you're slowly ending that process and everybody is sitting around the capital that got sucked out has shifted, you're really watching a deflationary spiral in terms of behavior.

When you look at an economy, the critical issue is: How many of us are going to build or bake pies versus how many of us are going to eat pies versus how many of us are going to steal each other's pies?

In terms of the behavior globally, whether it's individuals or corporations, I'm seeing a real breakdown. In this country you've had an enormous slowdown in entrepreneurship. I don't know about you, but I'm doing everything I can to shrink my operation down to people I can trust, which is not a lot.

Twenty years ago when I was going out and doing business, I could trust 18 out of 20 people. Now I can trust two out of 20 people. It's a much more difficult, fractious environment.

So you're seeing a slowdown in small business and entrepreneurship. If you look at the fighting that is going on in the economy, it's gotten really nasty.

**DR. JOSEPH FARRELL:** Yes, it has.

**C. AUSTIN FITTS:** I don't know if you've been watching what happened with Volkswagen or Chipotle. If you take the Volkswagen story, what Volkswagen was doing was known, but no one had invested the capital to really turn it into a major to-do. Clearly somebody did. Who that is is a mystery. I think you and I could probably bet a dollar on who it was.

**DR. JOSEPH FARRELL:** Me too.

**C. AUSTIN FITTS:** It takes major capital and resources to turn that into a big, global story and to get the regulators to really care and to make the



regulators feel safe if they go after it. They have to be protected because Volkswagen is a big company.

So we're seeing more and more of people stealing each other's pie as opposed to baking new pies. It looks like a deflationary spiral to me.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** We had a series of different stories in the top news stories. But before I dive into these, let me say one other thing, Joseph. Every year I try to make it a business to read other people's wrap-ups in corporate and alternative media. This year I was floored because with only a few exceptions, they were all entirely useless. They were all focused on manufactured stories.

In other words, they weren't focused on the deeper trends or real stories; they were focused on things that had been manufactured and were part of the Shriek-o-meter and the entertaining media. It was really scary.

Anyway, my number one story for the year was **Rising Dollar, Falling Commodities** because the dollar continued to be strong. It was up another 9% after 12% the year before. Now the market share is dropping, but the price is rising. Commodities were falling. The commodity indexes went down 23-24%. Oil went down 50% on top of what it was down the year before. That's a big drop.

The reason why I mention this is there's a squeeze. Whether it's countries or municipalities or companies who are commodity-producers, their revenues are falling at the same time the dollar is rising, which means their borrowing costs are rising. They have to pay back in dollars, but they earn in commodities, so they're being squeezed. It's a real squeeze, and it's happening globally.

This year what we saw it do was translate into the junk bond market. The junk bond market took a real swan dive because now a lot of these companies or countries are having to refinance and they're in a dollar squeeze and they can't get credit. I think that squeeze is going to make



2016 a very painful year.

**DR. JOSEPH FARRELL:** I agree, and I think part of that story – to my way of thinking, Catherine – it has to be geopolitical. We've seen an increasing concentration almost out of the blue this last year on Saudi Arabia. The way I'm reading the tea leaves is I think the Western Anglosphere – whatever you want to call it – has decided that we've got to break this hold that the Saudis have had on funding international terror and so on and so forth, and the way to do that is the commodities, of course. Really Saudi Arabia has only one thing that they can export besides beheadings, and that's oil – to put it bluntly.

Even that, to my mind, Catherine, has a geopolitical intention that plays very well into this idea of space-based economy – these falling commodity markets, especially in energy. I think what this means is they have taken the decision that you can't have your big, shiny new world order government as long as you have this kind of barbarism involved in the world and destabilizing the world.

From the Chinese and Russian point of view, we saw Mr. Putin's intervention this last year in Syria and then joined later by France with some hidden help from Germany. From the BRICSA nations' point of view, when you're trying to talk about investment in infrastructure in Asia – and we talked about that in one of our quarterly Wrap Ups last year – you cannot be investing all of that money in Central Asia in high-speed rail and new Silk Road projects if you have such a destabilizing factor in that region of the world.

I think this is going to increase in this coming year. I think you're going to see more and more pressures on countries like Turkey and countries like Saudi Arabia. I think you're going to see this escalate this year. In fact, I just read a story before we came online that Germany has decided to halt all arms sales to Saudi Arabia. So I think the pressure is on, and I think it's part of this big, global readjustment and rebalancing that you're talking about, and it has to include countries like that to bring them up to speed to the 21<sup>st</sup> Century and also to stop them from destabilizing that region of the world that you're planning to build up



this huge amount of infrastructure.

Again, we have to ask ourselves: Why are Russia and China so intent on building up in such a massive way the infrastructure of central Asia, the Far East, Russian Siberia, and so on? Again, the only thing that comes to my mind is that you need a huge global infrastructure if you're going to start thinking in terms of an interplanetary commercial civilization, which is what you're thinking about. So all of this plays into it, and I think we're going to see more of it this year. Like you say, it's going to be a rough year.

**“Why are Russia and China so intent on building up in such a massive way the infrastructure of central Asia, the Far East, Russian Siberia, and so on?”**

**C. AUSTIN FITTS:** One of the links that I put up for the Rising Dollar, Rising Commodities was a wonderful short piece from *The Economist: Dominant and Dangerous. As America's Supremacy Fades, the Primacy of the Dollar Looks Unsustainable*. What their point was is there really is no replacement for the dollar, and there won't be for quite a while, but at the same time, the market sure is falling, and the fundamentals are terrible. So you have this dominant but dangerous scenario.

Bret Stephens from *The Wall Street Journal* said that the problem that the new President is going to have is getting our enemies to respect us and our allies to like us.

**DR. JOSEPH FARRELL:** Exactly. Let me just comment briefly on that. It's not going to happen without a major change of American foreign policy, specifically towards Russia. I think we're seeing little clues of that beginning to happen, but I think we're really going to have to wait and see what the results of the Presidential election are going to be. I do think some changes are in the wind, though, as far as that goes.

**C. AUSTIN FITTS:** I'll tell you my concern. There is a great video I have on the website that I call 'Restoring the Balance'. It's Johnny Depp playing a CIA agent who is running around the world killing anything that's excellent so they can keep everybody and everything mediocre so the



United States can remain dominant.

You kind of watched during 2015 every time the German equities or Chinese equities markets started to do better than the United States, wham! And when all the different things tried on the Silk Road, the Americans are always showing up and being the stinker.

There's this sense that America is the dominant player in a unipolar world. They don't want to go to a multipolar world. They want to hold on as long as possible. The question is: How destructive is that being to the economy? From what I see, I think a lot of the global slowdown comes from that insistence on top-down unipolar control and trying to hold onto their position.

**DR. JOSEPH FARRELL:** Yes, I do too. It can't be held onto forever. Again, I think people with any sort of smarts at the top, the very fact that *The Economist* is running articles like this means that you have one element within the Western oligarchy that is aware that things have to change. I think it's in the cards. I think right now we're in a holding pattern until after the election to see what change may come about. But it's an inevitability. It has to happen.

**C. AUSTIN FITTS:** The second trend/story I chose was the **US Budget Hot Potato**. We've now kicked the can through the financial coup d'état. We've shifted all the capital. As the head of Luxemburg once said, "We know what to do, but we just don't know how to get elected after we do it."

It was very interesting. Nobody wanted to be Speaker of the House. I mean, a budget bill originates in the House, so the Speaker of the House – when it comes to reengineering the Federal budget – that's the man or the woman. That's the person. Nobody wants it. It's a hot potato, and nobody wants it.

I don't know what they promised Paul Ryan, but you could tell he was like, "No, no, no, no." He didn't want it. So that really tells you something. And, of course, I'm a great believer that there's a lot you can



do to creatively reengineer that budget. The problem is that you need transparency.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** This whole thing has been hostage to the black budget the whole time. Without transparency, it's going to be so ugly that I don't even want to fathom it.

**DR. JOSEPH FARRELL:** Well, this goes back to something that we mentioned earlier tonight, and that is that this hidden system of finance has grown so enormous and it is exercising such an influence on the Federal budget that it is now the big pink elephant standing right in the middle of the room. Sooner or later it's going to have to be addressed.

I think this is why you see so many stories of slow drip, revelations of technology, and creations of new offices to manage things in space. I think eventually you're going to see transparency, but as you say, it's going to be an ugly, ugly, rough ride. It's going to affect the public by way of concussion. It's just going to be one concussing story after another as all of this comes public.

**C. AUSTIN FITTS:** One of the things I said is when they tell you that there's no money, just say, "Look, I want a locker in an underground base. I want certificates of participation and ownership in all the spaceships and the companies you've given the technology that I've financed to. And I want a common law rate of offset against the banks that disappear the \$8.5 trillion."

To me, it's very relevant in the negotiation as to where all this went.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** Number three is: **Global 3.0 Rocks our World.** To remind everyone again, Global 3.0 is my name for the networked economies as opposed to the industrial economy.



What we saw in 2015, and this is very much in business, artificial intelligence and robots were having a very dramatic early impact. Of course, smartphones are getting built up globally. Then, of course, we've been talking about the energy. But I don't think we've seen anything yet. I think this year, I don't even know what to think.

**DR. JOSEPH FARRELL:** I agree, and I think this is going to be a year where we're going to be hearing more and more and more about artificial intelligence, particularly in respect to financial markets. Let's be honest here. If you have artificial intelligence, and it's coupled with financial markets of any sort – be it equities markets, be it commodities markets – what artificial intelligence would give you is a horribly powerful predictive tool for not only understanding future market trends, but even manipulating them.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** So I think this is going to be the other story. We've seen little hints that this story every now and then breaks out in the financial specialized press. We had a few years ago all the concerns about high-frequency trading and about the dark pools, and so on. I think as this election cycle comes to an end this year and we see a new President elected – whoever he or she may be – I think this is going to be the story that hits hard after the election. I really do.

**C. AUSTIN FITTS:** Really?

**DR. JOSEPH FARRELL:** Yes. Again Catherine, it's because I think we're seeing the scale of things reach such hugeness that it's no longer possible to disguise these things.

**C. AUSTIN FITTS:** One thing I'll tell you is that artificial intelligence should be unbelievably deflationary.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** Whenever I bring this up, everyone poo-poo's it, but if you



look at energy use, if everybody has a smartphone and you're optimizing globally through smartphones, you can dramatically shift the line between intellectual capital and material stuff.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** I don't underestimate the impact that that is having.

**DR. JOSEPH FARRELL:** I don't either. I think you're right, and I think it's going to become so self-evident and so obvious – if not this year, then in the immediate coming years it's going to become very, very obvious. Again, this is going to be part of this shift to a new type of economy that maybe even the experts themselves don't really understand.

**“This is going to be part of this shift to a new type of economy that maybe even the experts themselves don't really understand.”**

**C. AUSTIN FITTS:** I don't think they do.

**DR. JOSEPH FARRELL:** I don't think they do either. I think you're going to see this increase. It's going to become a major story. It's not going to be part of the specialized books or specialized financial media that we see now. It's going to become a major story.

This is a key point. Once it does, you're going to see more and more transparency entering the picture simply because more and more people are going to be talking about it and noticing certain things that are not being noticed now. That, in the long haul, could be a good thing. But the short term, like you say, is going to be very bumpy.

**C. AUSTIN FITTS:** It's very interesting. In 2015, if you look at what was hitting the price of oil, you had the oil card, you had the global slowdown, you had AI, you had the fracking technology, you had the breakthrough energy technology, you had solar and battery parity getting closer. You had all of these different things, and the people I think are the smartest people in predicting markets and where markets are going to go, they were caught absolutely flat-footed. They didn't see it coming.



They thought oil was going to be back to \$60-80 by the end of the year. They did not see it coming.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** The speed at which they were surprised and left flat-footed surprised even me. That was in a financial market context. For the politicians it was the same thing. The people who'd grown up in a unipolar world can't fathom the speed and the complexity. They're not prepared for a multipolar world, and they keep being wrong.

**DR. JOSEPH FARRELL:** They're not prepared. This is already a multipolar world, and this is something I really hope people will latch onto tonight. It is already a multipolar world. The unipolar world of the pre-immediate post 9/11 world is gone. It was gone that Mr. Putin decided to intervene in Syria. It was brought home with a vengeance when President Hollande decided, "Well, we're going to intervene ourselves and we're going to cooperate with the Russians."

It's been brought home again with a vengeance by Germany providing the quiet logistical and space support to France in this matter. It is no longer a unipolar world, and it's only going to increase.

**C. AUSTIN FITTS:** Remember the Europeans are getting their GPS satellite global system up, so now you're going to have the Russians and the Europeans with alternative systems that are open to everybody doing independent payment systems.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** Exactly. It is a multipolar world.

**DR. JOSEPH FARRELL:** Let's not forget something else very, very important. This is a story from about a year ago, and that was the agreement between the Japanese Credit Bureau, which handles a lot of financial clearing in Asia, to open that to the Russians to allow them to make use of that.



**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** In other words, it's a huge story. Anybody who thinks that America is going to be calling all the shots in the future is not really someone who you want in a leadership position because that world has passed.

**C. AUSTIN FITTS:** Right. One of the things I wrote for the Wrap Up was a thing about how to handle the elections and not let it waste your time. One of the things that I said was to take anybody who is older than 50-55 and delete them.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** If you look at what it's going to take to rock and roll in a multipolar world, they do not have the background or the energy to do it.

**DR. JOSEPH FARRELL:** No, they don't.

**C. AUSTIN FITTS:** So the next one was: **Reengineering Local Functions.** Whether it's healthcare or education, enforcement, municipal operations, I hate to say it, but the tapeworm is looking for the last ounces of juice it can suck up.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** I'm hoping they don't come out with vouchers with Common Core attached in 2016 or 2017. They'll probably do it in 2017, but if they do I'll hear the screams all the way from your house.

**DR. JOSEPH FARRELL:** Yes you will. Common Core, I think, is already in huge trouble. Massachusetts, the bastion of progressivism and so on, has pulled out of the Common Core altogether. So I think you're going to see tremendous pressure from both parties to make this system work. Again, it's just not going to work. There's too much opposition building in it. It's an unworkable program. This could be the year – and I'm



hoping this is the year – that people finally wake up and understand that Common Core is the latest in a long line of fads that go back over a century with progressive education ideas that have ruined American education.

American education is nothing to emulate anymore. Unfortunately it's exported the system just about everywhere else. I really don't see any sort of long-term viability for these centralized systems that are in the hands of private corporations. This has to be, I think, a meme that is part of the emerging multipolar world.

We can't keep surrendering local sovereignty to big multinational corporations and expect to get any other result than what we've got. Neither the Democrats nor the Republicans are really latching onto that idea. It's literally being driven at a grassroots level.

As far as healthcare, I was reading – as you were commenting – what you wrote in your Wrap Up:

If the Republicans win the Presidential campaign, both Obamacare and Common Core could be in trouble because healthcare has been one of the sectors carrying the S&P 500. Keep a close eye on what this does to the equity markets.

Yes. Absolutely.

**C. AUSTIN FITTS:** Let me bring up the next one, and this is one I really appreciate because during 2015 I really came to understand the profound impact of what is happening and where it could go. You are one of the few people who really saw the importance of this, and that is: the **Tearing Up of the Treaty of Westphalia**.

**DR. JOSEPH FARRELL:** Oh, yes.

**C. AUSTIN FITTS:** I think this is one of the biggest things rocking our world, and we haven't really faced it yet. It's almost like space being the organized principle. We haven't groked that, and we haven't groked this



one. This is one for safety reasons I think it's essential to grok.

Maybe you could describe the Peace of Westphalia.

**DR. JOSEPH FARRELL:** Sure. The Peace of Westphalia was actually a series of treaties, not just one treaty. It's a series of treaties that ended the 30-years war of religion from 1618 to 1648 in Europe. Basically the Peace of Westphalia – and I like this little phrase – is a Latin phrase that sums up what the Peace of Westphalia was all about. The phrase is this: *Cuius regio, eius religio*, which translates as, “Whose the region, his the religion.”

In other words, what the system of treaties did was it called an end to the religious wars and guaranteed the rights if you were Catholics living under a protestant prince, it guaranteed that you had the same rights under the law that the protestant member of that particular nation-state had. By the same token, vice-versa. If you were Protestants living under a Catholic prince, you had the same rights under the law.

The Peace of Westphalia created a system of basically the modern secular state. It recognized the principle of equality before the law regardless of what your religion was. We've been seeing this system, which has been more or less the cornerstone of international relations in one form or another, ever since.

We're seeing it being torn up in a multitude of ways, and this is why I think that in the current geopolitical situation, you're seeing countries like Saudi Arabia being put on the menu. The reason is very, very simple. It goes directly to Islamic teaching, and that is that in Islamic theology you have the idea of the nation of war. That means that an Islamic society is at war with societies that are not Islamic until they either submit or pay the poll tax to whatever Islamic prince. In other words, that whole system is against the Westphalian system.

**“The Peace of Westphalia created a system of basically the modern secular state. It recognized the principle of equality before the law regardless of what your religion was.”**



In other words, I think what we've been seeing as we've been busily tearing up the Treaty of Westphalia and intervening in so many nations in this nation-building state is we've exacerbated the situation with fundamentalist Islam, which of course is following their teachings rather rigorously. We've been exacerbating the situation by backing groups like that. Hence we've been tearing up the very system of international stability that has worked so well.

I think this whole approach has to be reassessed. Again, we've seen stories coming out from last year that are indicating that there is a tremendous tug-of-war – or 'infighting' as I've been calling it – between the White House and the State Department and the CIA on the one hand, which have been supporting all of these covert operations efforts and arming the very opposition that we claim to be at war with in this so-called war on terror, and the Pentagon on the other hand which Seymour Hersh's article just came out toward the end of last year.

**C. AUSTIN FITTS:** That's an amazing piece.

**DR. JOSEPH FARRELL:** It's truly amazing. Again, it's no wonder that it was blackballed in the American press for so long. What he's pointed out is that the Pentagon was literally sending intelligence through various intermediaries to the Assad Regime in Damascus in opposition to the formal policy coming from the White House and the CIA. In other words, there is a tremendous tug-of-war going on in the United States. I think it will continue through this year, at least through the election.

That tug-of-war was so intent, Catherine, that it prompted an article in *Russia Today* basically questioning just who is in charge over there in Washington because, "It's kind of hard for us to figure out who's in charge over there."

You cannot have a system of governments, and especially a stable world system, if you're busily tearing up one of the hallmarks of international law that came out of the Treaty of Westphalia on the one hand, and at the same time have a faction within it that's opposed to that.



We have to get our house in order, and we have to get our house in order very quickly. This is something that whether we like it or not, Mr. Putin and the Chinese have been emphasizing that these kinds of regime change operations that we've seen taking place ever since the Arab Spring with the overthrow of Gaddafi and then Mubarak and then, of course, going back to Saddam Hussein in Iraq, we can't keep doing this and expect to have a stable international order.

I think when you put that up, that shift of the multipolar world, a multipolar world can only work if you have some sort of concept like the Peace of Westphalia in mind.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** I think you're spot-on there. I think this has got to become a huge, major effort of whoever wins the White House to repair this system as much as possible. Otherwise, if we don't, we're only going to see that region of the world continue to be unstable. If that instability continues, rest assured that Russia and China are going to fill the power vacuum there. They're going to insist on executing their power and trying to stabilize that region. We've already seen hints of this with the Chinese and Russians trying to sponsor talks between Iran and Saudi Arabia to try to diffuse all of that Sunni-Shia conflict over there.

This has absolutely got to become part of the political discussion in this country.

**C. AUSTIN FITTS:** Let me bring up another thing. If you're running a very large company across many different jurisdictions, in a unipolar world life is simple. If you just play ball upstairs, you'll be protected; you'll be covered.

When it switches to a multipolar world, suddenly your big pot of resources can get racketeered and shut down by whoever is operating in every district all over the world.

**DR. JOSEPH FARRELL:** That's right.



**C. AUSTIN FITTS:** Then you've got a holy mess, and it's terrifying. If you're trying to run that, it's absolutely terrifying. You can't afford not to have some kind of lawfulness across the different borders, at which point if the Russians and the Chinese are going to be for global law, that's why I keep coming back to who's helping Snowden.

**DR. JOSEPH FARRELL:** Exactly. The other reason why the Treaty of Westphalia and the Westphalian principle is so important here is because in a certain sense it's a challenge to the dogma of Mr. Global. We've been hearing for years from Mr. Global that the nation-state is obsolescent and obsolete, and the real sovereignties rest and reside with multinational corporations.

What this situation has said is, "No, it doesn't." What's happening is we're seeing the end of that globalist dogma. China and Russia – and Russia in particular – have said very adamantly and very explicitly that national sovereignties don't reside with corporations; they reside with nation-states. So I think this is the other thing.

If you're a multinational corporation, obviously you cannot conduct business in this post-Westphalian world where you're going to be shaken down by every little tin-pot dictator or rogue radical group. You can't conduct business that way. So it's in their interest to see some sort of stability along the Westphalian lines restored. Again, this is something that absolutely has to be injected into political discussion once again. We cannot have, Catherine, a stable world where one branch of the Federal government is running around sponsoring the most radical, brutal, evil, genocidal groups simply to overthrow regimes that we don't like, and expect to have stability.

It won't work. It can't work. The only thing that it does is it creates a power vacuum that countries like Russia and China are only too glad to fill. They're going to fill it by an insistence, as they've been saying and nobody has been paying attention to them, that, "There must be respect for sovereign nations, and if you don't like a particular regime and are attempting to overthrow that regime with covert operations means, this is only going to lead to global instability."



In a sense, they're trying to defend the Westphalian principle. We have to wake up in this country and understand that a lot is at stake here in terms of international law, in terms of economic stability, in terms of even the profitability for big, multinational corporations to conduct their business. It has to be done.

**C. AUSTIN FITTS:** I would say that the low point of the year was when the stories started to clearly come out in the Middle Eastern and Russian press that ISIS was funneling the oil through Turkey into Israel. Suddenly, just as soon as the story starts to go, we have a shooting in San Bernardino.

**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** It wiped the story out in the United States. To me it was the low point of the year because you're talking about branding yourself as 'pond scum', which doesn't even begin to describe it. Then you think, "Wait a minute. Is that really the message you want to send to the world – that we're a demonic force and anything American is fair game to be torn apart in a multipolar world?"

**DR. JOSEPH FARRELL:** We don't want to continue down this line for the very simple reason, and this is something that has concerned me for almost a decade, and that is we cannot keep doing this kind of foreign policy, Catherine. What we're doing is we are alienating virtually everybody in the world. We're alienating our powerful allies. We've seen amazing news this last year coming out from Great Britain especially questioning whether or not the United States is worth having as an ally. We're certainly hearing similar things from other commonwealth countries.

This doesn't even begin to address the problems that we have created vis-à-vis France or Italy or Germany or Spain, the European allies. So we can't keep doing this, Catherine. What we're doing is we're just painting a great big target on ourselves.

**“We have to wake up in this country and understand that a lot is at stake here in terms of international law, in terms of economic stability, in terms of even the profitability for big, multinational corporations to conduct their business.”**



**C. AUSTIN FITTS:** What I ran into in Washington, and it's sort-of the neocon insanity or the neocon psychopathy or whatever you want to call it, I was sitting in a restaurant in 1998 and I finally realized that it was as bad as it is. I realized that you're dealing with the scorpion and the frog. It's a scorpion, and it will always destroy equity value. It is incapable of optimizing. It's just basically insane.

I decided that that was it. I was going to fight, I was going to go into the wilderness, and I was perfectly happy to live and die in the wilderness with no locker in the underground basement because I wanted nothing to do with them. I didn't want to be below ground with them, I didn't want to be in a spaceship with them, I just wanted to be done. I was like, "I'm out of here."

I just think you're talking about something that is so inherently lawless that it can't work. Can space weapons keep it going for a while? Yes, but not forever.

What I've never understood is where in the world is it coming from? I believe some of it is coming out of the black budget.

**DR. JOSEPH FARRELL:** I do, too. You used the phrase in your review on the Westphalian story of 'maximizing blowback'. In other words, our policy is so insane that it appears to be maximizing the blowback against America. From any way you slice it, that's just an insane policy to turn your allies into enemies – or at least neutrals – and estranging and alienating the rest of the world.

I agree with you. This, to my mind, Catherine, indicates that we may, indeed, be dealing with some sort of rogue group. It's so insane and the policy is so counterintuitive to the long-term best interests of the country – and for that matter, of the West – that it does appear to be orchestrated outside of our control. It's something that someone else is driving for whatever agenda.

**C. AUSTIN FITTS:** One of the smartest people I know called me the other day just screaming. He was so furious. He said, "It absolutely has to be aliens



running America because no human could fuck it up this badly.”

**DR. JOSEPH FARRELL:** It is that bad. It’s either aliens or Nazis or somebody from the mafia – who knows?

**C. AUSTIN FITTS:** Who knows?

**DR. JOSEPH FARRELL:** It is so counterintuitive that this policy is coming out of the CIA. Well, I have to question just who has authority over that outfit. And even to say the CIA, is it really the CIA, or is it some group within it that has been driving all of this? Again, I go back historically, and the only thing that makes sense to my mind historically is you have that deal with the devil that American intelligence made with the Nazis at the end of World War II. They’re not going to have America’s best interest at heart.

I tried to bring this out in *The Third Way*. They had a long-term plan that was to basically cashier American power by means of dealing with what they called the ‘dollar diplomacy’ and getting us involved in conflicts all over the world and basically creating this negative impact maximizing blowback. This is exactly what we see happening.

I have to question just who is in charge just like the Russians did last year. I have to question just who is in charge in Washington. That’s the problem. We have got to restore not only transparency, but we’ve got to restore confidence in our institutions of government that are the public institutions of government, and our foreign partners have to be able to deal with those institutions of government in good faith.

**C. AUSTIN FITTS:** I don’t see how you can do that without transparency.

**DR. JOSEPH FARRELL:** You can’t do it without transparency.

**C. AUSTIN FITTS:** You have to have transparency. The quote from Bret Stephens is, “The central foreign-policy challenge facing the next President of the United States is how to re-establish American credibility with friends who no longer trust us and enemies who no longer fear us.”



**DR. JOSEPH FARRELL:** Exactly.

**C. AUSTIN FITTS:** It's pretty sobering.

**DR. JOSEPH FARRELL:** It's very sobering, and indeed the other problem here again is technological. We saw something happen last year that really kind-of ripped the mask off of American power, and that was when Putin shut down all the NATO communications in Syria – just turned it off.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** I've heard from various people, and you may have been one of them, that this really has them burning the midnight oil very quietly and secretly.

**C. AUSTIN FITTS:** I'm sure it does. Between what happened on the USS Donald Cook and this.

**DR. JOSEPH FARRELL:** Exactly, and let me add one more thing to that. You've got nations with this capability that Russia has demonstrated, but Russia and China both have so-called 'carrier-killer missiles'. I think this is the reason why you're seeing such a turn away from America in terms of our allies. They've demonstrated and implied a military technology that could seriously challenge America's supremacy at sea. That coupled with all of the talk about the move away from the dollar, which has not yet happened, but once people latch onto the fact that they have this technological capability, it absolutely requires a rethink of American diplomacy.

I would say in addition to that, we're questioning the idea of the black budget the need for transparency. One of the things that this capability that Russia has demonstrated is Russia has a much smaller economy than does the United States. It spends a much smaller share of its budget on defense than does the United States, and yet what has been demonstrated is the capability that has knocked out our most expensive and sophisticated systems.



So we have to wonder, too, what is all that black budget buying us? Is it really buying us effective weapons, or is the system now so big and so corrupt that it is endangering the national security? I would argue for this reason alone that more transparency is needed. It's now to the point of endangering the national security itself.

**“I would argue for this reason alone that more transparency is needed. It's now to the point of endangering the national security itself.”**

**C. AUSTIN FITTS:** I agree. The next big topic is: **Demographic Derby, Mass Migration, Falling Life Expectancy, and Social Engineering.**

Now I realize that we could talk about this for hours, but we are literally watching mass migration used as a weapon on an impressive scale, clearly in Europe but in the US as well. I think having spent some time in Europe to try to understand it, it's a combination of different things. You're talking about moving in populations in a way that is absolutely culturally overwhelming to the existing populations.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** It's very scary to watch.

**DR. JOSEPH FARRELL:** It's scary to watch because, Catherine, what we may be watching – and I've hesitated to go out on a limb publicly about this, but I'm willing to do so here – is a policy that has been deliberately concocted to drive a cultural opposition to this phenomenon. In other words, I think you're watching a deliberately concocted scheme – mainly the ease of migrants as weapons – to drive a cultural reaction against multiculturalism. Not that multiculturalism needed to have – and it does need to have – a philosophical examination of its premises, can you really have a coexistence of two very different cultures that ultimately are based on religion, whether we like it or not? Even the modern European secular state owes a great deal of its existence to its long history of evolution from a basically Christian culture.

The real thing that this is driving is: Can you have a secular culture when



a certain segment of it insists on living under some sort of religious law? The answer is: No.

What this has been doing is it's been driving this enormous backlash in Europe. I suspect that what you're going to see – and we've already heard little stories that really don't make the mainstream news – there are proposals now being circulated in Europe. This was actually made law in Russia of giving tax breaks to indigenous populations that have more children. This was most recently floated in Germany, believe it or not. They are giving tax breaks to Germans who are having more German babies in order to combat all of this.

To my mind, you can't run an efficient German corporation with people who don't have the German work ethic and, in fact, have a very different culture than good old Lutheran Germany. So I think you're going to see more backlash coming out of Europe.

My fear, Catherine, has been all along that this will meld into some sort of resurgent type of fascism in Europe. I'm very worried about that.

What really needs to happen in Europe is you need legitimate parties of the right in opposition to some of these policies rather than the radical extreme right. That's my big worry, that this could develop into something truly ugly without a real philosophically and deeply based party of opposition to some of these policies.

**C. AUSTIN FITTS:** One of the things that I think is going on in addition is that part of it is needing labor and to keep the average age down. I also believe that part of it is that the leadership had a middle class that was ready to revolt and had the knowledge and capacity to really bring about significant change. Flooding them with mass migration is a way of overwhelming them and having them coming back to needing government. So it's a way of keeping control.

**DR. JOSEPH FARRELL:** Exactly. The thing that is frightening now is that in Germany the copyright just ran out on *Mein Kampf* in December of last year, so they've republished it. It's flying off the bookshelves in



Germany. It's becoming a bestseller.

It worries me, again, for the backlash that this is going to cause. If they were smart they would be pursuing policies to build up their indigenous population, be it in France or be it in Germany or be it in Spain. To continue a policy of deliberate cultural and national suicide, I think eventually that is going to come to an end, too.

It's the 'how that will come to an end' that bothers me. I really do fear some sort of fascist, ultra-rightwing backlash that's not going to be good for anybody.

**C. AUSTIN FITTS:** One of the blessings of being in Europe in the fall was that I didn't have to be here and watch the Pope and the Vatican glorified for a month straight.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** It was funny because when he got to the United States, I was arriving in Rome. I went to the Vatican for the first time, and I have to tell you if you wander around the walls of the Vatican and go to the restaurants and the shops, I've never been around an unhappier group of people. So whatever the Christianity is that is going on inside the walls of the Vatican, it's not the love of Christ.

**DR. JOSEPH FARRELL:** It's not spilling over.

**C. AUSTIN FITTS:** I was stunned to watch an organization which has paid out literally billions of dollars for pedophilia litigation, and it's being glorified by the media, by the President, by the Congress. You think, "What is it that could break the trance?"

If billions of dollars of litigation settlements related to pedophilia won't break the trance, what will?

**DR. JOSEPH FARRELL:** Sadly I think what would break the trance is some sort of act of terrorism against it. What it would do is people would



immediately begin to rally around the Vatican, but that rally would inevitably provoke an examination. Do we really want to rally around an institution that has been so corrupt for so long – corrupt even to the point that it turned its back on its own 2,000-year-old liturgical tradition in Vatican II and gave us the modern, ugly Catholic ritual, which is nothing like what it used to be?

When I say that it turned its back on 2,000 years of tradition, I mean it. That's what it did solely in an effort to enhance its own papal power.

I think something like that might at least force people to examine it in a deep way. Other than that, I'm with you, Catherine. If it's not the unending pedophilia scandals and unending scandals concerning the Vatican Bank, what will? I'm at a loss. I don't know.

**C. AUSTIN FITTS:** The **Divide and Conquer** during 2015 did get under my skin, and I wrote a lot about it. I wrote a series called *Promoting Women* because the woman thing was driving me crazy. But the most bazaar of the year was the school survey. I don't know if you had a chance to read it.

A Massachusetts group got a hold of the school survey. It was a survey handed out to 7<sup>th</sup> through 12<sup>th</sup> graders asking unbelievably intimate questions about the family and their sexual life and thoughts.

I read this thing, and it's as though it's trying to encourage them to become transgender and to contemplate being transgender.

The teachers were under orders. They weren't allowed to tell the parents that this was happening.

**DR. JOSEPH FARRELL:** Oh, my.

**C. AUSTIN FITTS:** You look at it and you think, "This is the most frightening, bazaar thing I've ever seen. These folks have lost their minds."

**DR. JOSEPH FARRELL:** They have. They have. When I was growing up, the



teacher was always considered to be en loco parentis. In other words, they were answerable to the parents. This was always the covenant that existed between public school education and the family. They're breaking it in so blatant a fashion. And, again, in my mind this only reinvigorates the question of American education.

We cannot permit and cannot allow a system of the corporatization of American education such as we see under Common Core, because corporations – like it or not, folks – have no bills of rights. They have no equivalent of the constitutional protection of individual freedom and liberty. So again, we need transparency in education.

Kudos to those teachers who break the silence and say, “Enough of this.” The sexualization of our children and taking away the period of innocence in their lives, to me, is one of the most heinous crimes that the American education system propagates on people. It to me is absolutely unconscionable.

**C. AUSTIN FITTS:** Right. I agree. Well, the next trend is my old favorite, the **Shriek-o-Meter**.

**DR. JOSEPH FARRELL:** I saw that!

**C. AUSTIN FITTS:** I don't know if you ever heard Bill Cosby's routine, “The chicken heart who ate New York City.”

**DR. JOSEPH FARRELL:** No.

**C. AUSTIN FITTS:** It's about a young guy who is listening to the radio in the dark. He's a young kid, and they have this sci-fi show on. It goes, “The chicken heart eats up New York City, and then it comes down the New Jersey turnpike, and then it's in your neighborhood. It's at the door. Boom! Boom! Boom!”

**“This was always the covenant that existed between public school education and the family. They're breaking it in so blatant a fashion.”**



It's trying to scare you to death, and literally this year you saw it over a two-week period. "ISIS is in the Middle East beheading people. No, ISIS is in Paris. No, it's coming across the border. No, it's in your state. It could be at your door."

The polls went from the number one issue in the campaign being jobs and the economy to ISIS. You thought, "How could that be?"

Again, I lost my temper because I've run into these people and they only wanted to talk about ISIS. I was like, "What?"

You know me. I believe it's a form of entrainment. But if you look at the polls, it works. The shriek-o-meter works.

I think the Ebola shriek-o-meter won the Republicans the senate in 2014. It's a disgusting tactic, but it worked. So I don't know what to do. I guess it has to get so bad that it doesn't work.

**DR. JOSEPH FARRELL:** Well, it goes back to what we were talking about with the shredding of the Westphalian principle. We have to start in this country realizing that the political system is broken, almost to the point of non-repair. Almost.

We have to get back to the idea that, number one, these two political parties are both two sides of the same coin. We have to understand this right off the bat.

The second thing that we need to do – I've said this many times before, and I'll say it again – since I moved back to where I've moved to, I have not hooked up my cable TV. I listen to very little talk radio. I don't expose myself to that anymore. The reason why is just one constant meme, as you say, of fear mongering and fear porn of the shriek-o-meter after another.

The real problems confronting the country are not any of these things. If we had a functioning, transparent economy, we would have a functioning, transparent political system. But when you have a black



budget and a hidden systems finance that have so taken over everything and are running everything on the basis of control files and so on and so forth, the only thing you're going to get is corruption and a broken system.

I'm with you here. Just pay no attention to that stuff, and deal with the real issues. I'm with you, too, on the idea that if a candidate is over 55, don't vote for them. They're outworn, they're dealing with an obsolete paradigm, and just remake your own personal way of dealing with these things. Then you'll be immune to all these manipulations. That's the only solution.

**C. AUSTIN FITTS:** Right, and that leads us to **Planet Entrainment**, which was my next trend story. It was interesting. I don't know if you saw it. There was an article on Christmas day where a man had walked off a cliff. He was so distracted, looking at either a cell phone or a camera, that he didn't notice and he just walked off a cliff.

There's another story that I put up was about emergency rooms experiencing skyrocketing visits from people harmed because they walk into things or get hit by a car because they're looking at their phone.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** Now that's entrainment.

**DR. JOSEPH FARRELL:** That's entrainment, and it's addiction. We have to get back to something in this country, Catherine, and that is plain old courtesy. I see these people driving around town, driving and talking on their phones. You can see them punching things as they're driving. They're texting as they're driving.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** You go into a grocery store, and they're talking on their phone in line. Everybody else has to listen to your conversation. We have to get back to the idea of being sensitive to the people around



us. We don't need to take that phone call if we're in the grocery store line and it's going to hold everybody up behind us. We don't need to answer that call while we're driving. Be courteous and respectful to other drivers on the road.

**C. AUSTIN FITTS:** The one thing is that I do these 20-hour drives, so I am guilty of talking on the phone on the interstate. I confess.

**DR. JOSEPH FARRELL:** I don't have one of those phones, and I refuse to get one. Number one, I don't need them. Number two, it's just another mechanism – as you say – to entrain people.

We are a culture of such narcissism, of such soft indulgence, that we have to get back to the good old practice of askesis – a little bit of self-denial. If we're going to make society work, we have to get away from this narcissism.

This, again, is something that I address in the Common Core book that is coming out. It was pointed out very early on by critics of the progressive education philosophy that what they were really putting into place was a philosophy of materialism to make good consumers out of everybody. This is the ultimate thing. I'm not a materialist. I don't believe that human emotions and consciousness are simply the product of random electrical and chemical signals happening inside the body. But this is the philosophy that underwrites what most people think and do, even though they may not believe it.

So we have to get used to criticizing and critiquing the underpinnings of the philosophy that have guided and molded this culture. It is a culture of selfishness, it is a culture of narcissism, it is a culture of discourtesy, it is a culture of disrespect, and we have to get out of that mentality absolutely.

The political system won't change without a spiritual change.

**C. AUSTIN FITTS:** How do you get out of it without realizing this kind of technology exists? I don't think most people understand what they're



dealing with.

**DR. JOSEPH FARRELL:** Most people don't realize that they're dealing with it. I've taken the step of deliberately – even with my website business – limiting the amount of time that I spend online. I used to live in front of my computer on a daily basis dealing with the online aspects of my business, and I've just decided that I don't need to do that. I need to spend maybe one day a week dealing with that, and then living the rest of the time offline and working offline and not listening to the radio and not listening to the TV. I substitute music or something like that if I have to have background noise going on. I'm just taking the small steps to free myself from the influence of this big all-encompassing cosmology that they're shoving down our throats at every opportunity that they can, be it on TV, be it on radio. It's been great change that has resulted.

**“I used to live in front of my computer on a daily basis dealing with the online aspects of my business, and I've just decided that I don't need to do that.”**

**C. AUSTIN FITTS:** One of the things that we did in 2015 was an interview with Jon Rappoport on what's happening at the US universities. It was inspired by the UC Davis professor who did an interview saying that basically the reason why these kids are behaving so strangely is because they're entrained and this is an op.

If you look at what is going on at the universities, it's horrible.

**DR. JOSEPH FARRELL:** It's horrible, yes.

**C. AUSTIN FITTS:** I'm not going to go into it a lot because it's a big topic, but another big trend and series of stories is **Weather Wars and Water Wars** on the importance of water. Of course, the drought just got stranger, and so many of the issues of water got stranger during 2015.

I know because you're a refugee from California, so you're back where there's water.

**DR. JOSEPH FARRELL:** Yes.



**C. AUSTIN FITTS:** We're not even talking about the December conference on climate change. God knows what's going to come out of that. Do you have any insight on that?

**DR. JOSEPH FARRELL:** Well, my take on all of this is that, again, the very moment that one mentions weather wars – as you did in your Wrap Up – you're talking about a technological capability to engineer systems of a planetary scale.

The real question is: Why do you need the ability to engineer systems of a planetary scale? I go back to something that I mentioned at the San Mateo conference in California, and that is that if you're dealing with an off-the-world presence that has given demonstrations of some pretty sophisticated technology, then what you do in order to play a kind of space-gunboat diplomacy as I call it, is you demonstrate a capability to engineer systems on the planetary scale.

In other words, we can engineer the weather here. We can change the climate here. We can make this either a better or worse place to desire to live. I think, again, the very capability of engineering weather implies at some point a space-based technology.

So I think we're looking at more demonstrations of this whole space-based platform that they've been building out and building out quietly for any number of years. I really do think that there is some aspect of this story, Catherine, that does not deal solely with a terrestrial problem. I think that they are dealing with something else altogether.

**C. AUSTIN FITTS:** Well this gets back to the economy. One of the things we had in 2014 was, of course, Richard Dolan showing what happens when you look at the sky with night goggles and can basically see an enormous amount of spaceship activity that is going on. I would suggest it's trade, but you can't see. You've basically got to be looking with night vision goggles.

I went out and bought a pair, but then gave them to friends out in California because in Hickory Valley, I assure you we don't have a lot of



spaceship activity.

I think part of engineering those systems relates to making it possible for that kind of activity to go on in the sky and people not be able to see it.

**DR. JOSEPH FARRELL:** Oh, absolutely. Stealth technology that we're familiar with – the B2 bomber, the F-117 – I think that's just scratching the surface. I really do. Again, we've seen stories over the last couple of years come out where they're talking about actual adaptive optic technology to make things optically invisible.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** Again, it's not a big stretch for my mind to understand that, yes, you can take these infrared goggles and see all sorts of stuff going on up there – and this has been around for some time. To me, this is a little bit of proof that we're dealing with some pretty sophisticated technology, and a lot of it is probably human.

A lot of this is probably the development of all these missing trillions of dollars that you've been tracking for so long. Again, where else would you spend that amount of money over such a prolonged period of time? And why would you spend it there if there were not some sort of perceived long-term strategic threat?

Again, it makes perfect sense to me.

**C. AUSTIN FITTS:** This gets back to the next two trends. The question that I keep asking is: **What is the governance system on planet earth?**

I always get frustrated with financial guys because they start talking about, "How can we change the financial system?"

I say, "Wait a minute. That's a subset of the governance system. You have to know what the governance system is before you can fiddle with the financial model. Are you kidding?"



So what is the governance system? Of course, no one will talk about that. So that gets back to: What is the governance system, and is the economy open or closed?

The answer is: We don't know. You can't bring transparency until you start out with I don't know, but I need to create a framework for that uncertainty and go from there. So I keep bringing it up.

My final one is, of course, my favorite: **Faith or Fear**. I watched in 2015, Joseph, so much of both the corporate and the alternative media trying to put people in fear.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** To me, as an investment advisor, the number one cause of financial problems is health. The number one cause of health problems is fear. Nothing destroys your immune system like fear.

It's almost like the media is trying to kill people and they're using fear to do it.

**DR. JOSEPH FARRELL:** And GMOs.

**C. AUSTIN FITTS:** Right! The list is long.

I told you one of my favorite moments in The Solari Report was when we were talking to an expert naturopath who was telling us how to protect yourself from the impact of chemtrails. Her name is Gwen Scott.

I just found the information so upsetting and disturbing. I called her back and I said, "Okay, we're going to reengineer this. We're not going to talk about what chemtrails do to your body; we're going to talk about the ten action steps you can take to protect yourself against chemtrails."

I read them to her and she said, "That's all nice and good, but you forgot the most important one."



I said, ‘What’s that?’

She said, “Grace. If you look at everything that’s been happening, we should be dead. But we’re not. So something else is happening.”

**DR. JOSEPH FARRELL:** Absolutely. That is not really even a laughable proposition because with all the stuff going on in the world, and with all the evil groups that we see in the world, if they were having everything entirely their way things would be a lot worse than they are.

**C. AUSTIN FITTS:** Right.

**DR. JOSEPH FARRELL:** We need to keep that in mind. There is some pushback coming from somewhere to all of this stuff. I think, in view of that, it’s important for us to maintain virtue and to seek to be virtuous people. I’m using that old term ‘virtue’ because I hate the Hegelian term ‘values’. When I hear people use the term ‘values’ what I’m really hearing is somebody who really doesn’t believe in anything, and this is the most expedient.

I think we need virtue. We need to be good people, we need to be decent people, we need to be courteous people, and we need to be loving people – the whole list of virtues. This is ultimately what is going to stop the corruption. Corruption is people who are imbued with a lifestyle of vice. This culture cannot change by mere politics alone. This culture cannot be preserved by mere politics alone. It has to be a spiritual discipline.

The seven deadly sins and the seven cardinal virtues are still very much in play. The only thing that’s going to stop all of this is for every individual to take responsibility to be a good and decent person, and not to give into all of this fear porn.

**C. AUSTIN FITTS:** Hear, hear.

**“That is not really even a laughable proposition because with all the stuff going on in the world, and with all the evil groups that we see in the world, if they were having everything entirely their way things would be a lot worse than they are.”**



**DR. JOSEPH FARRELL:** There are certain people I just don't listen to because all they do is shout and shriek and promulgate fear porn and all of this stuff, and yet they ignore the pushback. Well, there is pushback.

**C. AUSTIN FITTS:** I think the faith that we need to have is faith that our virtue can make a difference.

**DR. JOSEPH FARRELL:** Yes. Absolutely. I think it clearly does. If it didn't, we wouldn't be experiencing the attention – so to speak – that we're getting. This can only spread. The good news is that it's spreading everywhere. People are questioning the dogmas of these global elites who have been running things and bragging, like Mr. Rockefeller did in his memoirs, "If these things be treasonous, then I stand guilty." He's proud of it. He's proud of the misery and so on that he's helped spread around the world.

We need to understand that this can only be stopped by acts of virtue. It is the only way to go, and the sooner people wake up and realize it and start practicing some of these things, the better things are going to be.

**C. AUSTIN FITTS:** I agree.

**DR. JOSEPH FARRELL:** The other thing that happens when you do this is you're showing the vast irrelevancy of the so-called leadership that the West currently has where you see no real grounding in any virtue among the leadership class. To me, that just means that they're on the way out.

**C. AUSTIN FITTS:** Right. I agree.

**DR. JOSEPH FARRELL:** They're not going to be around, one way or the other, in a couple of decades. So that's what we have to do.

**C. AUSTIN FITTS:** So let's turn to 2016 and just very quickly talk a little bit about your predictions for the coming year. What do you expect?

**DR. JOSEPH FARRELL:** Oh boy! Well, for one thing I think we're going to see a slight uptick in some of these stories coming out about technologies.



We're going to see slight upticks about space related stories. I think for the short term we're going to see more instability in the Middle East. We're going to see an increasing concentration – as I think we're already seeing on the role of certain nation-states in that region of the world – of sponsoring terrorism and so on. I think the Saudis are feeling the pressure already. I think that's going to increase.

I think we're going to definitely see a whole new series of bilateral agreements within the BRICSA block, not just related to currency issues but geopolitical issues. I think we're going to see this start to translate now into new types of security arrangements. China has been talking about figuring out some way to do this for some time. I think we're going to see this happen this year. In fact, I think that's going to be a big story.

I think the United States is going to have to wake up or else be marginalized in that process. We're seeing it happen already with the talks that they want to have between Saudi Arabia and Iran. They've injected themselves into that mix. So I think they're going to expand that template, quite frankly, to a whole host of geopolitical problems.

I think there are going to be some challenges in the UN in that respect. I think we're going to start hearing from countries like Germany and Japan, and I've been predicting this for some time, "Why don't we have permanent seats on the UN Security Council? Do we really want to perpetuate the idea that we're still Axis powers forbidden?"

I think all of this is going to happen. I think you're going to have some backlash in the Islamic world itself against radical Islam. I think it's going to come particularly from countries like Indonesia, Malaysia, and so on. I think you're going to have that happen.

I'm not a financial predictor here. What I know about finance and commodities markets you can write on the back of a postage stamp, but I really do think that we're going to see the commodities markets remain weak. In other words, I don't think oil is going to come rebounding any time soon. I think gold is still going to be a mystery. We're still going to



see stories about gold, and the bullion markets continue to be a mystery.

We're going to hear more about smuggling and so forth, and nobody – to my mind – is going to get down to the brass tacks and demand to know just exactly how much there is because that story is continue to be obfuscated.

The American elections are going to be front and center as they always are. I think there are going to be surprises this year. I really do. Right now I'm surprised that Hillary is doing so badly. I really do question whether or not she's going to be the nominee.

**C. AUSTIN FITTS:** There is a serious push, and I'll tell you where it's coming from. If you look at the number of women globally, you've got 3+ billion people. If the United States can be the brand that wins them over, they can help pull the rug out from under Islam and they can outcompete the Chinese.

**DR. JOSEPH FARRELL:** Right.

**C. AUSTIN FITTS:** So I think what you're watching is a Warren Buffet/Bill Gates kind-of consumer company billionaire who cleverly says, "This is the way we jump the curve on the Chinese and Asia becoming dominant."

They sort-of picked up on Hillary as the person to do this, and they don't understand that in a multipolar world she's not the person to do it. It's kind of like they're lost in their bubble or something.

**DR. JOSEPH FARRELL:** Well, they are lost in their bubble.

**C. AUSTIN FITTS:** It's scary.

**DR. JOSEPH FARRELL:** That's the other thing that I think is going to happen this year. We're going to see increasingly the relevancy of the Western elite and their ideas. We've already had hints of that last year with articles from *The Economist*. I think it's going to be crystal clear by the



end of the year that that whole elite and their paradigms of operation are totally outmoded, and I really do think, Catherine, that this year's Presidential elections – regardless of the outcome – are going to be somehow a signal of some sort of huge paradigm shift in the West. I really do. And if it's not in the American elections, it will happen in Germany or some European country. Merkel is already under pressure.

So we're going to see some sort of huge paradigm shift, I think, and I hope it's for the better. I really do.

**C. AUSTIN FITTS:** The only person you have running on the Democratic side who's young enough to do it is O'Malley, and I think I just saw a headline that he's going to be excluded from the next Democratic debate. I guess he doesn't have enough support.

So the question is: What exactly do the Democrats do other than keep trying to make same-old, same-old work? To me, this is really the test of how far entrainment can go.

**“The only person you have running on the Democratic side who's young enough to do it is O'Malley, and I think I just saw a headline that he's going to be excluded from the next Democratic debate.”**

**DR. JOSEPH FARRELL:** Yes, and it doesn't appear to be succeeding too well. The establishments of both parties are simply wallowing around and trying to use the same old formulas and they're not working.

**C. AUSTIN FITTS:** Oh, I think entrainment is working very well. I think that Trump is a complete entrainment story.

**DR. JOSEPH FARRELL:** Oh, yes. I do, too. I think he's the front candidate to tap into the political cynicism that's out there. I agree with you. I think he's simply mouthing that to gain his support, but that also tells me that they realize that the old formulas aren't working anymore and we'd better get out in front of it.

Well, it's not going to take very much to disabuse people of Mr. Trump even if he gets elected. He's going to turn out to be the same old, same



old with a vengeance. What they really don't understand is that at some point entrainment breaks down, and at some point they'll really have to respond to the issues that are out there. They're incapable of doing that. I think, again, this is going to be an election that heralds some sort of paradigm shift because the elite is not able to get away with what they used to be able to do. It's really reaching a boiling point this year with this election cycle.

If they succeed in putting in an establishment candidate yet again, they've merely kicked the can down the road. At some point it's going to come home to roost.

**C. AUSTIN FITTS:** Well, I would like to point out in closing that in the Book section one of the books we chose is a book you must read for 2016, particularly if you just want to understand all of the movies. It's *The Third Way: The Nazi International, European Union, and Corporate Fascism*. It was published last year, right?

**DR. JOSEPH FARRELL:** Yes, this last year.

**C. AUSTIN FITTS:** Yes, 2015. So are you willing to give us a hint as to what you might publish in 2016?

**DR. JOSEPH FARRELL:** I'm working on a book right now that does tie into some aspects of what we've been talking about. I also have co-written a book about Common Core that should be out later this year. People have been asking me, "How does that book fit in with the other books that you've written?"

I keep telling people, "Trust me; it does." One of the things that we did in the book is we go into the history of corporate and progressive philosophy involvement with the unmaking of American education over the last 100 years. In other words, we try to put Common Core into a context.

I can reveal a little bit about how that context works. You'll never guess where the term 'Common Core' was first used and by whom.



**C. AUSTIN FITTS:** I'm terrified.

**DR. JOSEPH FARRELL:** It was first used in the late 1950's in a little lecture that was given by none other than James Bryant Conant, President of Harvard University. There it is right there. That's in the book.

In other words, the idea has been around for a long time. We go into the history of standardized testing and how that arose, and how it arose in conjunction with these progressivist philosophies and so on and so forth.

So it does definitely fit into the overriding arch of my books; it just appears not to, given the subject matter.

**C. AUSTIN FITTS:** I have to tell you that when I finished the Wrap Up, I looked at our wonderful Wrap Up producer and I said, "I feel like I understand my life for the first time."

There's a force operating in our society. I watched it destroy my neighborhood. I watched it destroy my family. I tried to get along and work with it. I watched it destroy my business and try to destroy me. I made a decision in 1998 that I'm going to fight this thing and I'm going to figure out what in the world is going on.

I have really tried my whole life to understand what is happening, and I have more questions than I have answers. But for the first time I have a framework of this force I've been dealing with. There are many depressing things about it, but one thing is my efforts to protect everybody from it have only resulted in me being able to observe them doing it to everybody else.

**DR. JOSEPH FARRELL:** Yes.

**C. AUSTIN FITTS:** It's kind of like a cancer that is eating its way through everything, and that's why I think it's unbelievably important that we bring transparency to it. Whatever is going to stop it, you have to be able to see it.



I just get so frustrated to see all these people throughout our society who think that somebody is angry about nuclear waste or angry about drug dealing or angry about corruption. The reality is that it's one thing. It organizes around the need for enormous amounts of secret money related to whatever is going on in the black budget base, and we're all struggling with one thing even though we've bumped into it in thousands of different foxholes.

**DR. JOSEPH FARRELL:** Absolutely.

**C. AUSTIN FITTS:** I just have to end by saying that you have contributed mightily to helping me be able to see it whole.

**DR. JOSEPH FARRELL:** Thank you.

**C. AUSTIN FITTS:** Spiritually and emotionally, I feel like I'm free for the first time. I can see it. I can get my perspective on it. I don't have to play bumper car with it. I can see it, and I know what it is, and I understand it.

Anyway, that is very powerful, Joseph, and I said to somebody once, "It's like bushwhacking in the morphogenic field."

I know you've done mighty bushwhacking in the morphogenic field, if that makes any sense, and I know how much courage it takes to do that.

**DR. JOSEPH FARRELL:** Thank you, Catherine.

**C. AUSTIN FITTS:** You're fearless, and it's translated into a feeling of real power personally for me. So I want to thank you. Now let's see what we can do with that.

**DR. JOSEPH FARRELL:** Yes. You know, 90% of the struggle is seeing the problem.

**C. AUSTIN FITTS:** Yes!



**DR. JOSEPH FARRELL:** Just seeing it and being able to win it. Some of it, obviously, is speculation. But even if our specific conclusions are wrong about space-based economies, even if they are wrong in that specific respect, what the general model does is it allows you to question the actual architecture of what you're dealing with. It's that architecture itself that is being exposed and the people behind it.

Like all cockroaches, they can't stand the light. So they run and hide.

**C. AUSTIN FITTS:** Right. Well, let's see what we can do with that in 2016. I don't know why, but I feel like it's going to be a good year for me, and I think a lot of that is because I feel like I've moved it outside of me. I can see it. I don't like it, but I understand it, and there is a lot more I can do to drill down that can help other people as well. I'm kind of excited.

It only took 61 years to figure this out, but at least I've got it.

**DR. JOSEPH FARRELL:** What we're doing is we've been pulling the veil off of our eyes that they tried to pull over our eyes when they murdered President Kennedy.

**C. AUSTIN FITTS:** Yes. Exactly.

**DR. JOSEPH FARRELL:** The coup d'état that took over then is kind of unraveling and showing signs of fraying at the edges. It's unraveling at a tremendous rate. I think it's going to continue.

And vice-versa to you. You've helped me see a lot of things that I wouldn't have looked at before. So this whole alternative field really is a collaborative effort. Everyone is kind of doing their own thing, which makes it interesting. When you pull it all together, what you have is a very different look at the world and the people running it. I think that is going to continue, too, in spite of their best efforts to silence it. I think that's only going to continue.

**C. AUSTIN FITTS:** I do, too. Well, here's to 2016, and here's to you. You have a wonderful evening and a wonderful rest of the week, Joseph.



**DR. JOSEPH FARRELL:** You too, Catherine.

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