



The Solari Report

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Solari Report **The Deep State & Trump** **Budget Politics** **with Richard Dolan**



Catherine Austin Fitts



Richard Dolan



The Deep State & Trump Budget Politics with Richard Dolan

C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. We have a very pertinent conversation today. We are going to be talking about the big 800-pound gorilla that is stopping the Congress and the country from re-engineering the Federal budget, so I have invited Richard Dolan to join me to talk about that 800-pound gorilla because I consider him the world's leading researcher on the topic.

I know that Solari Report subscribers are very familiar with Richard and his work, but I want to go through the full introduction today because I think it's very important that you understand the extent of his background when we talk about this topic .

Richard is the author of what are the two definitive volumes, I think, on the UFOs called *UFOs and the National Security State*. It is a two-volume work, and is extraordinary. He followed it with a book called *After Disclosure*, which is an analysis of what would happen if UFO secrecy really did end. The question was: What happens next?



Then he published a book, which has been, for several years, in the 'Best Books for the Next Year' in our Annual Wrap Up, *UFOs for the 21st Century Mind*, which is the finest summary treatment of all aspects of this phenomenon. It gets to the question of who is actually governing here and why we are behaving this way.

Prior to becoming interested, Richard was leaning to be an academic. He attended the University of Rochester where he studied Cold War strategy, European history, and international diplomacy. Then he attended Alfred University and Oxford University as well. Now he has expanded well beyond UFOs.

When you sincerely look at the UFO phenomena, and get into the government phenomena, and into just about every aspect of what is really going on, it was Richard who promoted and coined and defined a theory of a Breakaway Civilization. He has become very knowledgeable in different aspects of new technology, biotechnology, artificial technology, and how that relates to the phenomena of technology transfer out of the black budget world.

Richard owns Richard Dolan Press and publishes books on many related topics including his own. He also has a radio show. He has joined me today to talk about this phenomena and how it relates to the politics of the Trump Administration dealing with the Federal budget. In many respects, with the end of the debt growth model over, we now are back to having to deal with the fundamentals of the budget.



Richard, welcome to The Solari Report.

Richard Dolan: Hi, Catherine. Thank you so much. I always love doing interviews with you.

C. Austin Fitts: I want to start off with a short history of the black budget from World War II going forward and how it relates to an enormous amount of secret spending on the type of things that you have been studying.

Let's start in 1947. Do you want me to walk through it, or do you want to guide us through it?

Richard Dolan: I'm sure we can do this together. In 1947, many very big things happened that year – both in our officially acknowledged history and in our 'unacknowledged' history.

In our officially acknowledged history, we had the passage of the National Security Act. This is very important. It created, not simply an independent Air Force, but a CIA – Central Intelligence Agency – that had practically little or no oversight, and since then has more or less been able to run amuck with the thinnest veneer of oversight. So there is that, in addition to creating a National Security Council, many other structures that now make up our political power system in the United States.

It's really a revolution. Before 9/11 there was the National Security Act of 1947.



At the same time, there was an explosion of UFO sightings, which, back then were called ‘flying saucer’ sightings in the United States. This was not the first time that the US military had dealt with this phenomenon. They were dealing with it the previous year, in 1946 in Europe and with it during World War II.

In 1947, it became a big thing, and of course we had the event in Roswell where it definitely appears to me, and many other researchers that the military recovered technology that we did not manufacture and, which was highly exotic. Therefore, it presumably was not from our civilization.

What I would say is this: If there was even one single example of a retrieval of a crashed UFO, then that has been hidden from us for an entire human lifetime. It would have to be that technology would be studied at the most deep and profound levels of our military-industrial complex, and that the secrecy of would take on a life of its own. In fact, it wasn't simply one example of a crash retrieval. I think the evidence is strong that there have been multiple retrievals of exotic technology. I don't know if we want to go into that entirely here, but other people and I have written about it.

So there was Roswell, and six years before that, we had Cape Girardeau in Missouri. After that we had Kingman, Arizona. We also had an event in Aztec, New Mexico in the late 1940's. There was an event in Las Vegas in 1962 and it was a very, very excellent research case. It goes on and on through the 1960's and 1970's.



So what we have is an infrastructure that has acquired, developed, and studied exotic technology in secrecy away from the rest of us, which has created what I and other people often called the Breakaway Civilization.

I think that there have been a lot of factors in creating what we call the ‘black budget’, not simply UFOs. I have always wanted to point out to people that the UFO phenomenon is a really important foundation of what we might call the ‘black budget culture’ or the ‘black budget society’ today. It’s part of the discussion, and it’s truly an important part of the discussion.

C. Austin Fitts: Right. Let me regress and talk about money for a second. What we did in the 1947 and the 1949 Act is gave the government the ability to claw money out of all the different agencies’ budgets and move it into a non-accountable, nontransparent pot called the black budget.

Richard Dolan: Yes. Exactly.

C. Austin Fitts: We also connected that to the Exchange Stabilization Fund, which is a fund managed by the New York Fed member banks for the Secretary of Treasury directly – not going through the bureaucracy – which had essentially complete freedom to intervene and engage in different activities in the financial markets and the precious metals markets. So you could start rigging markets and trading on inside information.

Richard Dolan: And this was in the 1940’s? This sounds like a new power.



C. Austin Fitts: It was created in the 1930's, but when you combine it with a nontransparent endless availability of money from the black budget, you gave them the ability to do many more things in much greater amounts in the markets.

Richard Dolan: Right.

C. Austin Fitts: You turbocharge what you can do in the Exchange Stabilization Fund. Then you combine that with the seizures of money from the Japanese and the Germans because many of those seizures were deposited into the Exchange Stabilization Fund.

I always tell the story of the Dulles brothers working at Sullivan & Cromwell. They've moved that money into the Exchange Stabilization Fund, and the Vatican asks them to rig the elections in Europe in 1948, and use that money.

Richard Dolan: Right, it's one of the greatest slush funds in the world. There was a great book on Allen Dulles that I have a copy of and read recently.

C. Austin Fitts: *The Devil's Chessboard.*

Richard Dolan: That's it. It's a fantastic book.

C. Austin Fitts: Sometimes I think the history of covert operations in America is a history of replenishing that fund – the Exchange Stabilization Fund.



Richard Dolan: Do you have any idea how large that fund might have been at the conclusion of World War II when Dulles helped set that up?

C. Austin Fitts: No. There are estimates of how much money they seized from both the Japanese and the Germans and speculation as to whether it went in the Exchange Stabilization Fund or other trusts. So there is all sorts of information or disinformation about where it might have gone.

I think if you look at things like 9/11 or the asset forfeiture that started in the 1980's, many of those were designed to replenish those funds. I believe that part of the goal of 9/11 was to get some of those hidden sources of finance on budget because it was getting so dysfunctional.

So let's consider the black budget plus the hidden system of finance plus the market manipulation and covert ops, like opening the United States up to drugs. All of those monies – let's just call them the 'black monies' – that funding has grown and grown and grown, particularly as financial fraud became very effective and sophisticated. We'll review the 1980's and get into that later.

But as that amount of money has grown, it has become enough to finance a national security infrastructure which is primarily a parallel world which, most people don't see. That money doesn't run through the official US budget. We have a parallel budget, which is invisible, nontransparent, and – as you said – the CIA has literally become the world's largest banker at an out of control basis.



Richard Dolan: What is amazing, when we step back and look at this, official estimates of the black budget – *Wired Magazine* did estimates some years ago as well as the *New York Times* which are not very useful– and I often hear the number \$50 billion being tossed about as the official black budget. That would mean that our tax dollars that are classified and go into this aspect of the Pentagon’s budget is the black budget.

Fifty billion dollars would actually be within the top ten or possibly top five military spendings in the world.

C. Austin Fitts: But that is nothing compared to what is really out there.

Richard Dolan: Exactly. It is nothing compared with what is actually out there. The official black budget of the US would qualify that as one of the strongest militaries in the world. Then when you take what is, in fact, the real black budget, who knows how big that is. It’s unbelievable.

C. Austin Fitts: Let’s say that the black budget is \$50 billion. Let’s say that the hidden system of finance and what you can do with financial fraud in the markets will give you another \$50 to \$500 billion, depending on the year; it’s volatile.

C. Austin Fitts: Then, since 1998, you’ve had what I call the ‘missing money’, which is now over \$11 trillion in undocumentable adjustments at HUD and DOD. Last year we had \$6.5 trillion go missing – or undocumentable adjustments – at DOD. That is 500% of the existing budget.



Richard Dolan: Exactly. How is this even possible?

C. Austin Fitts: Government securities fraud is absolutely possible, and it's not a discussion for today. What I will tell you is with government securities, it is totally possible to steal \$6.5 trillion in one year – no problem. At another time I will go into that.

Richard Dolan: What is the global GDP? I don't even know what that is, but it can't be much more than that.

C. Austin Fitts: I would have to look it up.

Richard Dolan: I'm thinking that the GDP is less than \$10 trillion a year.

C. Austin Fitts: Right.

Richard Dolan: I don't want to get too far off, but I'm wondering what you think. Remember Rumsfeld famously talking about his \$2.6 and \$2.3 trillion of missing money. The \$2.3 was dated on September 10, 2001.

You have talked about this at length. Many of us have discussed it. I recall that if someone goes to Wikipedia and looks this up, they will see this – and all Wikipedia does is AstroTurf everything these days. A fellow by the name of Dov Zakheim was in charge of overseeing the resolution of all of that missing money. What you will read on the Wikipedia entry on this was that they actually got the number down to zero in the next couple of years.



Are you guys kidding me? They got it down to \$500 million later in 2002, and eventually down to zero by resolving the discrepancies. This is the most non-credible thing, but they tossed that out there.

C. Austin Fitts: Right. It's a completely non-credible situation.

Before we jump to 2001, let me go back. We're talking about a very significant amount of money. If we only say, "Where did the money go?" -we did an excellent Solari Report on underground bases.

However, if you look at the underground infrastructure that the US or the US military is responsible for – both building and maintaining – it is evidently very significant.

Richard Dolan: Agreed. We have the work of Dr. Richard Sauder, for starters, detailing the plans, the technology, and certainly the money was well within the means of the US military complex since the end of World War II to build deep, sophisticated underground facilities – almost labyrinthian.

C. Austin Fitts: Right. In fact, the reason our infrastructure has deteriorated for the last 30 or 40 years, but it really hasn't; you're not looking at it and you don't use it. We've made fantastic investments in infrastructure.

The second thing is that unquestionably NASA as a percent of the Federal budget has declined. I think that what happened was that much of the space program went dark. So we have plenty of space activities; they're just not on the official budget.



Clearly, we have some kind of secret space program occurring. Would you agree with that?

Richard Dolan: Absolutely yes. The evidence for this is very, very strong in terms of genuine leaks looking back decades from whistle-blowers whose identities are completely confirmable and who really speak with some knowledge of this. Also, there is evidence of space-based anomalies that have been recorded for many decades. Some of these are very well documented.

There is obviously activity going on in Earth orbit and beyond that is not supposed to be happening. If that activity is not 100% ours – if it belongs to someone else – that would still, in my view, be evidence for a space-based program because you would have to have the ability to deal with and investigate that activity in a way that the rest of the world wouldn't be noticing. So you would have to do that covertly.

Then, of course, I think that there is a strong case to be made that some of the technology is, in fact, ours. There have been a number of good whistle-blowers and excellent pieces of video evidence. Not all of it is great, but some of it is very, very good, and some of it is on YouTube. It indicates some things happening in Earth orbit that are not supposed to be there.

C. Austin Fitts: Right. I want to stay pre-1980 for a bit longer.

What we have is this national infrastructure and parallel operation growing. If you look at the amount of money – whether it's the black budget, the hidden system of finance, financial fraud –



the amount that is being plowed in is also growing, and the establishment is grappling with how to keep raising all of this money.

I want to mention one of my favorite stories. When Eisenhower created Area 51 – because a lot of the early activities got organized around the Area 51 – he issued an executive order that put the CIA in charge of security, which turned out to include financing for Area 51.

There is an excellent story. You had a whistle-blower do an interview when he was sick.

Richard Dolan: I did.

C. Austin Fitts: Maybe you could tell the story about Eisenhower trying to get the CIA to respect line management in the Federal government.

Richard Dolan: Gladly, I will. This is an interview that I have done which is available on YouTube where I interviewed a gentleman in early 2013. He has since deceased. He actually wasn't a CIA person; he was with Army signals intelligence, but he was contracted as a young man by the CIA. He had a supervisor who was a CIA stationed officer and they were charged.

Before this man did his Area 51 trick, he had been involved in receiving and looking over photographs of UFOs that were sent from Europe. We talked a little about that in the interview.



As a young man, he accompanied his supervising officer at the request of President Eisenhower in the late 1950's to go to the south of Area 51 because Eisenhower, according to him, had not been satisfied with getting the information that he wanted about the ET-related program that was there. He was so stonewalled and frustrated by the military and by the intelligence community that was running it that he – according to the man who was speaking to me, who was deathly ill at the time – was actually considering invading Area 51 with the military to take it over and regain control of it.

They had a meeting that sounded very much like what Bob Lazar would talk about, which is a program to reverse engineer alien craft. This man also described an alien being who was there and communicated telepathically. He told me a number of other things, and my take on this man was that he was truthful. I do think that he was on painkilling medications at the time and his memory was foggy. This has to be said. He couldn't remember the names of people like J. Edgar Hoover, for example, but I think he was truthful.

His son-in-law was present during that interview, and I got to know him fairly well. These are good people in my opinion. The son-in-law knew his father-in-law's story very, very well; he had heard it for years. The story was very consistent with what the son-in-law had known privately from this man for a long time and I believe them.

The big takeaway is that essentially Eisenhower had felt that he was losing control over the black budget program which, by the way, is very much in line with what we know officially about Eisenhower and America's nuclear program.



This is an absolute fact that in 1959-1960, at the end of his Presidency, he had tried for several years to get an audience with the Head of Strategic Air Commandment, a general named Thomas Power, who succeeded Curtis LeMay.

He wanted to know what our plan was if there was a nuclear war. It's a simple question, and here is the President of the US – also a five-star General – unable until October of 1960 to get an audience with the Head of Strategic Air Command. What he learned then shocked him and terrified him.

Essentially he learned that we were going to incinerate the entire Northern hemisphere. The Soviet Union was simply going to be annihilated.

C. Austin Fitts: Right.

Richard Dolan: So you had these moments when Ike had lost control, and I think the Area 51 story is very much in line with this.

C. Austin Fitts: I'm calling what is going on in Washington right now 'The Swamp Strikes Back'. One of the best documentaries to help people understand this is called *Satellite Fever* where the military-industrial complex, after they put up Sputnik, turns on the shriek-o-meter to insist that they have to give what became NASA to the military and dramatically increase defense spending. It's all engineered to try to bully Ike, and he won't be bullied. His management of the whole thing is quite amazing.



Richard Dolan: Wow!

C. Austin Fitts: You must watch *Satellite Fever* because it's one of the great examples of a President standing up and standing down the military-industrial complex. If you watch it, you understand the power of his speech saying, "We need to be aware."

He saw very early on that this whole infrastructure that we're talking about was running out of control.

There is one other thing that I want to mention, and that is that we have Corso writing about the transfer of a lot of this technology. Of course, Area 51 is in Nevada, but very close to the California desert. Much of his technology is getting transferred essentially to the Silicon Valley. It's very interesting because if you go out to the Silicon Valley.

Richard Dolan: According to Corso's testimony, that did get transferred there.

C. Austin Fitts: It's always odd because I've spent a lot of time looking at the narcotics trafficking in the West, including the Dark Alliance allegations. You have the technology being transferred into Silicon Valley, and then you destroy minority neighborhoods up and down California to pour cheap capital in. You go to Silicon Valley, and these guys tell you that they are a totally private market and that they have nothing to do with government, and that this is something they've created themselves.



Richard Dolan: Sure. That's what they would love for us to believe.

C. Austin Fitts: Richard, I really don't think they know.

Richard Dolan: I'm sure you are right. Why would they know?

I would just point out that you mentioned Dark Alliance. That is a reference to Gary Webb, the great journalist who died of, not one, but two allegedly self-inflicted gunshot wounds to the head in 2004 after he exposed the narcotics trafficking overseen by CIA and the South American drug person.

There was another journalist who also committed suicide a bit earlier than Gary Webb, and that was Danny Casolaro who wrote about something called the *Octopus* because of the many tentacles. In fact, as I recall, I did read his book sometime ago, and he talked a lot about California and the narco trafficking between CIA and a number of the Indian reservations that were there and also dealing with Silicon Valley.

Before Casolaro died in a hotel room in 1991, he was looking into UFO links and things like MJ-12 right before he was obviously murdered and made to look like a suicide.

C. Austin Fitts: I want to talk about PROMIS Software. From 1980 on is when the financial fraud exploded.



Part of what helped that get accomplished was PROMIS Software and different software technologies that made it possible to expand this enormous bifurcation between literally a parallel civilization.

How do you finance and build a parallel civilization in the trillions of dollars without the first civilization noticing?

Richard Dolan: It's like having a massive leach bloodsucker draining the legitimate civilization, and doing it in such a way that the great body is not aware of it. This is what has been going on for all of these years.

C. Austin Fitts: One thing that I dealt with was cleaning up financial fraud during the Iran Contra. When you talk to the folks who did that fraud in the 1980's, and go back and take the 1947 and the 1949 act. But when Bush came in in 1981, he was given control as Vice President over enforcement and intelligence of the National Security Council. That was essentially his team.

They got Reagan to do an executive order that said that all that money could be used for corporate contracts, and corporations could do classified things.

So now you've got publicly traded stocks that can absorb an unending infinite amount of publicly traded money.



Richard Dolan: That is an important piece.

C. Austin Fitts: Yes. It is very important. Remember when Bush II went into office, he created a national security waiver so that publicly traded companies could defy FCC law in their reporting of things they did for the national security budget.

Richard Dolan: I didn't realize that this was an innovation of the early 1980's.

C. Austin Fitts: Yes. It was the first thing Bush did.

Richard Dolan: I want to make sure that I'm following you. What you're saying is that these major defense contracting corporations – these intelligence community corporations – run for-profit, making major money through tax dollars doing classified work, and were allowed to skirt critical FCC regulations that were designed to protect the public against financial fraud. That is what you are saying, right?

C. Austin Fitts: Right.

Richard Dolan: And this started in the early 1980's?

C. Austin Fitts: No. What 1980 said was that they could do all this classified stuff paid for essentially with government money. So now publicly traded corporations can do all these private functions and tap into all this money. That is number one.



They could skirt a lot of FCC because the tough FCC regulations didn't go into effect until after the Iran-Contra fraud, which was around 1989. With Dodd Frank you had all these changes in the law that toughened it up.

Then Bush II created the National Security waiver, which says, "Okay, the National Security Advisor can, in essence, waive FCC rules and laws related to this.

Richard Dolan: I've got it.

C. Austin Fitts: So now what has evolved is the situation where private corporations can generate profit on this entire black and parallel civilization and report it in the publicly traded market in a way that is completely fraudulent to FCC law and disclosure.

Richard Dolan: And technically they do it legally because a wave of the hands says that they can do it.

C. Austin Fitts: Right. Exactly. So if you return to 1980 and talk to people who did the financial fraud, what they will tell you is that, "Oh my God! We did this one thing and we got away with it." Then they said, "Let's try this and this and this."

They couldn't believe they kept getting away with it; it was working. They were making much more money than they expected. Then it just exploded.



Why did it explode? I have a theory on why it exploded. If you read Norm Bergrun's book *Ringmakers of Saturn* and when the Voyager went by Saturn and saw what he describes as huge plasma spaceships docked in the rings of Saturn as if they were drawing energy from them. I think that what happened was that those pictures came back from Voyager and that whole infrastructure did the alpha male, "Oh my God! Get as much money as possible. We have to be prepared to deal with whatever."

At that point, the only thing that was important was getting as much money as possible to do whatever you thought you were going to do to deal with this.

Richard Dolan: That is a fascinating hypothesis.

The photographs that Bergrun showed from the Voyager missions – from our satellite – are remarkable indeed.

I don't know how conventional astronomers and scientists explain some of those structures, but there are things that look very much like they could be artificial. So that would get the attention at that time, and you want to have a response and would need to have a response.

C. Austin Fitts: Right. I think if you look at much of the Iran Contra financial fraud, and at the different patterns of fraud, it was mostly real estate. If you look at the models that they use to do the fraud, they came back in the 1990's and took those models. Yes, they did real estate, but they added the equity and the asset-backed securities market, and then the equity markets. Then they turbo-juiced it with derivatives.



Financial fraud was quite something in the 1980's, but in the 1990's it went global. Of course, globalization gave you the activity and the flow to massively bubble the global housing markets, particularly in the United States and Europe in the developed world, and that is when the financial coup happened.

One of my theories on the coup – and we talked about the cost of underground bases or the Secret Space Program – is when I think they said, “Look, we can't keep doing this. Let's pull all the money out and create the equivalent of an endowment that can produce enough interest and dividends to run the global governments on a private endowed basis from here on out. That is the only way that we can keep this secret.”

Richard Dolan: So the point of the housing bubble was to generate the income for them. Then, of course, I assume when they decided to pop the bubble, they found a way to make an enormous amount of money on top of that as well. So it's win-win for them. I think that is what you're saying.

C. Austin Fitts: Right. My guess is that from 1996 on, they moved out approximately \$40-\$50 trillion. If you earn 5% interest on \$40-\$50 trillion a year, that is \$2.5 trillion, and that is enough to run the US government from an endowment.

Richard Dolan: Right. Exactly.



C. Austin Fitts: There are other things, but if you look at the infrastructure – underground bases, Secret Space Program, and now add to that geoengineering and weather control, because they are terraforming the whole planet – you’re talking about a very, very expensive infrastructure.

Coming into 2001, I want to go into 9/11. The money had started to go missing in fiscal 1998. We saw large amounts of missing money then.

I was very focused on it because what it meant to the average taxpayer. They were moving 100% or more of our retirement savings – basically stealing it – in a way that we wouldn’t notice until it was too late.

Richard Dolan: Exactly.

C. Austin Fitts: So they were saying, “Okay, we can pay for nursing homes or space programs. We would rather use the money for space. Let’s get all the money out before they realize it’s gone.”

I was trying to get people to be focused on the missing money. I was working with an excellent reporter in Washington who got a hold of this. We started to do the research to help her write the story. Finally we persuaded her editor to come up with a huge cover story in *Insight Magazine*. *Insight* was distributed to all the congressional offices automatically, so it was always a big impact within the Congress.



We had a large layout on the missing money and how much had gone missing and what it meant in terms of ‘per household’ depending on what state you lived in. It was an amazing piece with a big cover story and everything.

The article was going to come out on September 17, 2001. I remember saying to her the week before, on September 10th when Rumsfeld came out. We assumed that he did the press conference on the \$2.3 trillion missing because he was trying to do a modified hangout to stop our story.

In other words, he knew that *Insight* was coming out with the story on \$3.3 trillion because the year before they were missing \$1.1 trillion.

Richard Dolan: It is true that Rumsfeld made a statement in July of 2001 for the House Armed Services Committee – to my knowledge. That was his first statement. At that point it was \$2.6 trillion. Anyone can read the transcript of his speech.

Then on September 10th he made a second statement in which he mentioned that it was \$2.3 trillion. I don’t know how they changed \$300 billion in the space of two months. I have no idea how they did that, but he did make a statement in late July about it.

C. Austin Fitts: What I told the reporter when he did it was because we assumed he was trying to get ahead of the *Insight Magazine* story. It was going to hit desks on Friday, September 14th. That’s the day that it would have hit the senate desk.



I made the mistake of saying, “Nothing will stop this now.” Of course, the next day was 9/11.

Richard Dolan: Boom! Everything stopped. Exactly.

C. Austin Fitts: If you examine 9/11, it destroyed massive records on both government securities fraud and a variety of FCC investigations. It was very much one of many agendas that 9/11 was covering up the trail on. We also know the office of naval intelligence that was researching the missing money got blown up.

Richard Dolan: That’s right.

C. Austin Fitts: So 9/11 did a lot to take us into this next step of continuing the parallel of civilization and the funding thereof. Now, from 9/11 on, what we have seen are two things: An immense amount of money spent on foreign wars, and a tremendous explosion of so many companies in America saying, “Let’s get on board the pork train.”

Richard Dolan: The gravy train – exactly.

C. Austin Fitts: Right.

Richard Dolan: Well, 9/11 made it all official. I often describe it as a debutante’s coming out party when she is old enough and comes out. So 9/11 was the coming out party of the national security state. This is something that had developed on a quiet unofficial basis since World War II. Truman talked about it; Eisenhower talked about it, and we all knew it.



Then with 9/11, the laws became adjusted, essentially giving us a formal version of neo-fascism out in the open. So with that and with the new legal structure and with the USA Patriot Act and everything that followed – the foreign wars, the \$6.5 trillion officially that we spent on wars in Afghanistan and Iraq since 2001 –it gave a much greater opportunity for thievery and a much greater opportunity than before of being able to siphon money out of the public realm into these black programs. I'm sure you would agree.

C. Austin Fitts: Right.

Richard Dolan: It's like raising the speed limit. If you raise it to 65, you can go 75. With these laws, you can steal a little more.

C. Austin Fitts: So if we divide the GNP into overt and covert, the covert is getting bigger and bigger. It has busted out and changed the laws so that it can be bigger in the overt world – because it's getting so big. But what also happens affects the media. Let's turn now to the media.

Richard Dolan: Sure.

C. Austin Fitts: The media is trying to come up with a way of explaining reality that keeps all of this secret.

Richard Dolan: Exactly.



C. Austin Fitts: For example, we need a war on terrorism even though we are really struggling to find a terrorist.

Richard Dolan: And, of course, as anyone who has done the most modest amount of research into the matter can see plain as day that the United States explicitly, intentionally has created jihadist terrorists the last 50 years – the Muslim Brotherhood in the 1950's and 1960's, mujahedeen and people like John Negroponte in Iraq in 2004 and 2005 creating an Islamic Sumi and Shiite terrorists there, and the Islamic State under Obama. So, yes, we have created them, and we used them to justify all of this nonsensical, ruinous spending and destruction.

C. Austin Fitts: Let's get back to the bailouts. Essentially, we spent \$27 trillion moving all the fraudulent securities and derivatives onto the government balance sheet.

Richard Dolan: That much? My God! That is breathtaking.

C. Austin Fitts: It depends on how you count it, but my guess is that it was about \$27 trillion. They said that they lent it and paid it back, and there are all sorts of other things being said, but it is some fantastic amount. My guess is that it is at least the amount of outstanding debt we have, so if we have \$20 trillion of outstanding debt, my assumption is that it is more than that.



Primarily to do the financial coup they issued lots of financial fraudulent securities, and then they recapitalized much of that back into the taxpayer one way or the other. So you end up with this fantastic amount of money on the balance sheet.

What has been going on since 1980 is what is called the great bond bull market. Interest rates were high in 1980, and they've been coming down ever since. Everybody has wanted to be in bonds. Everybody has made money in bonds. It was very easy for all the governments around the world to grow their debt. The ultimate growth on the debt was coming into the bailouts. You recapitalize all the securities fraud and move it onto the government balance sheets around the world, but now we're reaching total capacity.

My great quote from last year that I kept using again and again was, "The German finance minister said at the G20 meeting in China that the debt growth model is over. There are no reforms that aren't real reforms now."

What he was saying was that the way we have dealt with the inability to reconcile the conflict between sucking all of the money out of the civilization and the needs of civilization is to issue more debt or more currency and paper, but that game is over.

Richard Dolan: He was saying that was the only thing they knew how to do.



C. Austin Fitts: Right. So when the civilization that is being harvested screams, we solve it by printing more debt. But what he is saying is that that game is over, so now we have to deal with reality. We can't paper a cow. That is the question. That is why you and I are having this discussion.

I don't know of a way to deal with it without the truth.

Richard Dolan: What about a simple situation? I think of the example of Iceland. You can speak to this way better than I can. Iceland is a small country. I think they have a population of 300,000. Am I wrong in thinking that they said, "I'm not going to pay this. We're going to imprison some of you bankers, and to hell with all of you"?

They did that, and they seem to have gotten out of their hole. Why wouldn't individual nations – Greece, Italy, the United States – do the same thing and just say, "We renounce this debt to private for-profit bankers, and we simply are saying no. We are wiping the slate clean"?

It's a radical thing, but why couldn't a nation simply do that?

C. Austin Fitts: Let's keep it simple. Let's say that America is one neighborhood, and what we're doing is financing a parallel neighborhood in the Breakaway Civilization. We'll call it 'the Breakaways'.



We have one neighborhood, and are financing another neighborhood. The problem that we have is that our GNP is shrinking because the activities we are using to finance the other neighborhood has to be done on a secret or illegal basis. So we are financing it with narcotics trafficking that creates a lot of economic activity, but that ultimately shrinks the value of your land, your homes, and your businesses.

Richard Dolan: Exactly.

C. Austin Fitts: So you're in a liquidation mode. Now what is interesting is if you look at how this neighborhood's economy has been run, it has been run to centralized control and to siphon off secret money.

If you said to that neighborhood, "Look, let's just optimize the economy so that we make the GNP as big as possible and we do it in a way that the people who create the most GNP make the most money," it is organized to maximize and optimize productivity – whether it's human productivity or labor productivity – and you pay a tax to support Monsters, Inc. over here.

In Monster's Inc. they have a utility and they get energy by terrorizing us. So we are going to pay Monster's Inc. a tax, and everyone would be better off. But you can't do that system without transparency. Not only that, but if you consider who is going to govern that system, it is going to be somebody other than who governs it now.



What you have done to maintain the centralization and the secrecy is created a system of privilege. Privilege is phenomenally expensive because you create a very expensive infrastructure of people who are draining value, not adding value.

Richard Dolan: We have gone very extensively into this conversation, and I know that we have not even gotten into Donald Trump, and the possible direction that he may be going in.

I'm not trying to interview myself for the second part of this interview, but let me say that I would agree with that, so that we could continue this.

I don't know if you wanted to segue into that or not.

C. Austin Fitts: Let me do one thing and then we'll segue into that, and we will definitely do a second part – wherever we end up today.

Let me tell you what I would do if I were dedicated to maintaining the secrecy and maintaining the privilege that I had created around the secrecy and to keep money coming. I have a big problem if I'm running this.

So I'm Mr. Global and I'm running this multiple personality disorder system, and my problem is deflation. When you automate with technology, you deflate the economy.

Richard Dolan: Because you're making everything cheaper, right?



C. Austin Fitts: Right.

Richard Dolan: You are making services cheaper. I get it.

C. Austin Fitts: Right, and I'm making it cheaper for everybody to do everything for themselves.

Richard Dolan: Think about advanced 3D printing. That revolution is happening, and it's going to be accelerating over the next generation. Then it will be 3D printing plus energy paradigms.

I keep thinking that there are many smart people in this world who are developing energy breakthroughs that – at some point – someone is going to upload the CAD design of that to the next generation of the Pirate Bay and we're going to have access to some really cheap energy.

C. Austin Fitts: Right. It's definitely happening. The price of energy is going to keep coming down, down, down.

Here is my problem: I need inflation to cover up and hide all this money that I was stealing. So not only do I run out of problems at the end of the debt growth model, but I'm facing deflation in massive amounts, which means I need a great deal of mind control and surveillance systems. Now I want to microchip everybody so I can keep control. I'm looking at this and saying, "I don't know how to control."



So what would I do if I were Mr. Global? I'll tell you what I would do. I would start a process to have a Constitutional Convention and amendment so that I could change the Constitution. When I'm through, there are no property rights, I can chip everybody, and whatever they can do, they can't use the Constitution to come and force the \$50 trillion back.

Richard Dolan: It's full-on Orwell right on through.

C. Austin Fitts: Double down on Orwell. You have one group that is pushing that way. They are trying to do a double down on Orwell, and that is why. They don't see another option. That is why it is so important that we all see another option. I don't intend to live in double down Orwell.

Richard Dolan: By the way, I'll just say that I sincerely appreciate your sophisticated financial analysis of this. It really does supplement what I've been reading. I've been seeing the same thing and the same conclusions without the sophistication and the finance that you bring to this.

What I do see is a transhumanist future where those who can afford it can provide better genetic progeny and better offspring – stronger and smarter offspring.



In addition, they will be making use of breakaway technology that they clearly are not going to want to share with the rest of the world in terms of energy or in terms of communication because by giving up some of those technologies, they are giving power to the rest of us. That threatens their status.

Their decision is to go on a full 24/7 police state world – a somewhat new, sexy fascism – where people are happily mind-controlled. You have to control the mainstream media for that, you have to control the academia, you have to control the political class, and they’re doing it.

C. Austin Fitts: Yes, and here is the problem with it: People who live in a rigged system get stupid. What they’re missing is the benefit of the group intelligence.

One thing that frightens me the most when I’m on the East Coast or the West Coast dealing with groups from that category – Hollywood and Silicon Valley, New York, and DC – is they are completely missing so much of the knowledge and wisdom in the group intelligence, and they don’t realize it and they don’t know it.

Richard Dolan: They are the ‘intellectual class’ or they are the ‘highly successful professional class’, but what they are not understanding is that there is absolutely a control system designed specifically for them.

C. Austin Fitts: Right.



Richard Dolan: You get to a certain level of accomplishment in this society and there is an education system designed for you. There is an economy designed for you. All of it is designed explicitly to keep you intellectually sedated and off your game and not thinking about these issues.

C. Austin Fitts: They have no idea how they are being used. Richard, the hardest thing to do is look in the mirror and say, “I’m the Patsy.”

I know because I had to do it. It was either do that, or not stay alive. I needed to figure out what was going on, and the only way I was going to face that was to face the fact that I was a Patsy.

Richard Dolan: It’s hard, yes.

C. Austin Fitts: I was used to being a member in good standing of the predator class.

Richard Dolan: I had a similar feeling. I wasn’t at your level in government services. I was on my path to becoming part of that system. I had great pride in being ahead of the curve and knowing more than I thought other people knew, and not recognizing until I was a very mature adult that I was part of a control system and I had no idea.

This was a difficult thing for me to come to terms with – especially for those people who are intelligent, well-educated. They don’t want to come to the conclusion that there is this important piece of reality that they’ve been missing. They absolutely don’t want to do that.



C. Austin Fitts: There is another thing that I've mentioned before on The Solari Report, so I'll just say it quickly. One of our great innovations in the 1990's was taking the optimization technology that AT&T/Bell Laboratories invented for routing telephone calls and applying it to mortgage securities. It completely cracked the market because we were able to get the real estate market, the mortgage market, and the securities market to bid head to head against each other by being able to deal with the complexity through the software.

In the process, we studied how AT&T/Bell Laboratories had applied it to the routing of airline crew scheduling. For many years they kept the data and were able to price out the cost of a rule. So they could tell the airline companies the cost of a Federal regulation or a union rule – how much it had sub-optimized the solutions, both for the pilots and the crews and the company.

One thing they discovered was that seniority for pilots so sub-optimized the whole optimization that the pilots themselves were worse off for the seniority.

Richard Dolan: When you say 'sub-optimize' is that another word for saying 'degraded'? I'm not sure I'm following what you mean by that.

C. Austin Fitts: Let's say with the optimization on a crew schedule you can give 80% of the people everything that they want but added in a rule, and suddenly can only give 60% everything that they want, and on and on. It may relate to money, it may relate to time, or it may relate to other preferences. We're talking about how big you can make the pie.



In other words, the pie shrunk so much from the constraints of privilege that even the privileged guys received less because they wanted privilege. So their solution was less than what they wanted as a result of demanding privilege. It harmed the pie so much to slice the pie.

So they insisted, “We must have 25% of the pie,” but the pie was so shrunk that their 25% was less than if they had said, “We’ll take 20%.”

Richard Dolan: Catherine, I can tell you that I’ve recently been reading the works of Frederick Hayek, the great economist of the 20th century, and I’m really turned on by this guy. One thing that he pointed out is that to have a functioning economy, it is so unbelievably complex and I think you pointed it out to me.

To read something as simple as a book – an old-fashioned book with pen and ink. What are the things that go into making a book? What goes into making ink? My gosh, thousands and thousands, and maybe even millions of interactions to create the kind of ink that we need, and it’s the same with the paper.

In other words, there is a level of complexity that it is impossible for a command economy to manage. So what you have to do for a functioning economy is need to maximize freedom for the people to be able to create the goods and services on an individual basis, based on profit and return. There is no other way you are going to get it to happen.



So what I think you are saying is what this ‘Breakaway’ privilege economic elite has done is create more and more command structures into the economy. They are using the freedom of the economy to make their money, but are imposing so much of their own will and distorting the economy so much that they are inhibiting the creation of wealth and thereby, in the long run, inhibiting their own operation as well.

C. Austin Fitts: I will tell you that the existing wealth is 1% of what it could be if we were free to optimize.

Richard Dolan: Wow! Yes. I think you are probably right because even someone who doesn’t look at the covert aspects in our world, looks at the utter bureaucratization and the stifling of initiative that is going on, and it has to be true so our capability to create a truly great civilization is so much greater than what we are doing.

C. Austin Fitts: Right. They are trying to use digital technology software and total surveillance combined with artificial intelligence to try to get the kind of optimization you could with markets. It’s never going to work.

Richard Dolan: Exactly. I’m sure you’re right.

C. Austin Fitts: It is never ever going to work.

Richard Dolan: With AI they will make their money, but it won’t be what it could be.



C. Austin Fitts: Right. So let's go to Trump's budget. We look into the budget, and here is what is interesting about the Trump campaign and his first 30 days: Trump has a habit of busting through. There is an official reality, and he has a way of punching holes in it – on vaccines, on Common Core. He keeps on punching holes, and has to be careful.

Richard Dolan: And on 9/11 he has inched his way towards that, and on ISIS.

C. Austin Fitts: Right. He punched a hole in that, and he keeps punching holes. It is getting America to the point of saying, "Okay, we can leave the official reality."

So now they are starting to talk about different aspects of the official reality. I don't know if you saw this, but Robert DeNiro did an interview with Sharyl Atkisson.

Richard Dolan: She is amazing.

C. Austin Fitts: Right. They are both amazing. He said, "Look, the science is not clear."

That man, in my opinion, risked his life, and he knew it. If you looked at his face, you knew that he was risking his life by doing it. But I don't think that interview would ever have happened if Trump hadn't started it.



Anyway, you are seeing that in all of these different areas, and people are getting so much energy from being free to talk about whatever it is that they want to talk about; it might be Common Core.

Richard Dolan: Absolutely.

C. Austin Fitts: They are getting so much energy from it. You just can't kill everybody.

I think the conversation has begun. Now, that brings us back to the budget because all the different issues that Congress is fighting about goes back to the budget. In Washington, reality is decided by what happens to the budget.

Last week we saw the budget director finally confirmed as well as the Treasury secretary. So now there is no excuse not dealing with the budget. Here is the question, Richard: We have this growing national security state, we have a President who is punching holes in the official reality, so how are we going to deal with it? We have a group pushing for a Constitutional Convention because they don't want to give back the money that they stole, and they certainly don't want the general population – the 'deplorables' – having stock certificates in the UFO hardware.

Richard Dolan: What a way to put it!



C. Austin Fitts: We own those UFOs. We paid for them, we own them, and if you assert a common law right of offset and say that we want the ownership rights to those assets, then we own those UFOs flying around.

Richard Dolan: So the question is: Where will all of this lead? We are one month into this new Presidency and we are seeing a full-scale covert/not-so-covert war breaking out in the elite. It's almost like what you saw with ancient Rome with Caesar.

C. Austin Fitts: Right.

Richard Dolan: I will point out that a great interest of mine is studying ancient Roman history. When Caesar came into power, he was a full-on populist. He was a member of the aristocracy, but he was a populist. He believed in, either making the people believe in the power, or actually giving a little more power – depending on how you interpret it – but he was definitely the darling of the masses. They loved him, which is why the Roman senate hated him, which is why the Roman senate declared war against him when he was coming back from Gaul.

We look at Caesar, and sometimes people say, “Oh, he was a dictator,” but in reality he was fighting for his survival against an utterly corrupt senate that was only interested in maintaining its grip on power. That is the reality, and Caesar ended up winning that civil war, and then they killed him.



So ruling elites throughout history have had these divisions and disagreements that have sometimes erupted into civil war. I firmly believe we're seeing that right now in American history. We are at that point where Trump has the same position as Caesar.

Whether you're pro-Caesar or against Caesar will affect your position on Trump. The old aristocracy wants him gone.

C. Austin Fitts: I would say that there are two factions in the establishment – one that wants to rebuild North America at the cost of the empire, and the other, primarily being Hollywood, Silicon Valley, Washington, and New York who want to keep the empire going at any cost.

If you look at the four centers of those 'keep the empire going' they all deal with invisible assets, not concrete assets. They deal with financial assets. It's all data that you can do on a computer.

Everybody who does 'concrete stuff' knows that you can't keep the empire going. They have to fight the war; they have to grow the food, and they have to dig the energy out of the ground. The people, who are doing the 'concrete stuff' and understand the 'concrete stuff' and make the concrete go, know that it's over. "That's over. That is not going to work. We're not going to go out and commit suicide for you for four more years pretending to keep it going. It's over."



Richard Dolan: That's a really good way to put it.

C. Austin Fitts: It's actually the concrete guys against the intellectual capital. So I think you have those two factions.

The problem you have in re-engineering the budget is you have a whole group of people in Washington – in Congress or in the bureaucracy – who have control files. The people who hold those control files work for the other team.

Richard Dolan: Working for the Trump team now? Is that what you're saying?

C. Austin Fitts: For example, let's imagine a senator and call him 'Bill'. Senator Bill has a control file that the Mossad has and the CIA has, and they have dirty pictures of Bill having sex with eight-year-old boys. Bill's wife did the dirty deal, and they have that.

Because of that, the last ten years Bill has done a variety of things that he doesn't want his family to know, let alone his constituents. Bill has gone along, and he feels bad about it.

If you try to corner him on this, you remind him of how bad he feels about the whole thing, and he wants to feel good about himself. He wants to go to the latest rally and have everybody clap for him.



So the new Administration comes along and says, “We’re going to stop all this stuff.” In the meantime, he has to do what he’s told. The last thing that he wants is something happening that is going to out all of this detail.

Richard Dolan: Yes. He has a major exposure problem. He and much of the establishment has this problem.

C. Austin Fitts: Right, and to win his next election he has to raise a great deal of money. The only way he can raise money is if the companies who fund him get more capital gains out of whatever happens in the budget.

Richard Dolan: Right. It’s a matter of survival.

C. Austin Fitts: Right. His constituents want their stocks to go up, so he has to do something – whether it lowers their taxes or increases their revenue – makes their stock go up or he’s out.

Richard Dolan: Got it.

C. Austin Fitts: So why is he going to embrace ‘Making America Great Again’? He just wants to make his constituents stock go up.

Richard Dolan: And we can see this throughout the entire political establishment. Both political parties are absolutely hostile with all of their strength to everything that the current President is doing and proposing.



I don't think they will ever have a situation where they are not hostile. So this is definitely a civil war.

The only question is: Is this a civil war that is taking place within the establishment and is having a spillover into the population? You have a media which is part of this. They have demonized Trump to make him look like Satan 2.0, and half of the country believes it. So you have half the country energized.

It's similar to a standard color revolution type of model or a Soros color revolution. We have now seen that model literally taking place in the United States. It's a civil war taking place within the establishment that is spilling over into the general population and into the resistance hashtags and so forth.

I don't know the answer to this question, and I don't know if anyone knows the answer to this: How far will this go? How far will this nation's civil war develop?

C. Austin Fitts: One thing I did in the 1990's was build a software tool called Community Wizard which allowed everyone in the country to look at the Federal budget for their neighborhood. So you would be able to see the money going to the government. In fact, I recently published a new letter to my congresswoman that I wrote last year saying, "Look, put all of the data online by country and by congressional district, so rather than us grappling with re-engineering the Federal budget, we deal with how to optimize the pie in our place."



That is where the solutions can get figured out. The general population needs to change their behavior in millions of ways.

Richard Dolan: Yes.

C. Austin Fitts: The way to deal with it is called ‘participatory budgeting’ where everybody takes responsibility for something that they can walk around and see and understand. So you bring it back to a very concrete level. But the challenge with that, back to you Richard, is: How do we get – whether it’s the color revolution or whatever – either side of the equation to understand the connection between the gridlock and facing the truth of where the money has really been going?

Richard Dolan: Essentially off-worlding the money and off-worlding the civilization – both physically and metaphorically.

C. Austin Fitts: Right.

Richard Dolan: It seems that we have layer upon layer of deception that we are dealing with. The older I’ve gotten, and I’m sure it’s the same for you, the more we look at the layers of deception and the more awe-inspiring it actually becomes.

It’s one thing when you look at regular corruption – financial deficits and such – and that is bad enough, but when you start getting into realities that are so far beyond what most of us are willing to consider, which is the UFO reality or the truth behind 9/11 or any of these other things that are completely always dismissed by the official narratives, it is so impactful.



When I wrote *A.D., After Disclosure* it really came home to me. What would a recognition of the UFO reality do to our society? I concluded that it would probably be the single most revolutionary development. This was in 2010 that I came to this conclusion. It would be the single most revolutionary development that I could personally imagine. It would transform every single thing about our society, and I'm still unable to fathom all of the ramifications of ending UFO secrecy. Then it became clear to me that that is why the secrecy is in place – because it is too big. It will never be relinquished without a fight.

C. Austin Fitts: Here is my suggestion: I think there is an enormous opportunity in the gridlock that has started and that is going to continue for us to be part of the dialogue. For example, when Charlie Schumer says that the intelligence agencies run Washington, not the President, and the President has to do what they want, it brings up the governance question of, “Who is really in charge here, and why are the intelligence agencies more powerful than the President? And how did that happen, and why did that happen?”

Then you go on from there. So I think there are many opportunities for us to help shift the dialogue in an unbelievably positive direction because I think there are solutions but they start with transparency. But here is my suggestion: After having this conversation, I think we should do a Part II. I think you should digest, and come back and say, “Okay, where in the budget politics dialogue or the stupid idea of the Constitutional Convention dialogue do we pick up the thread and help people to see the connection to this parallel universe?”



Richard Dolan: Right. That is the great \$64 trillion question. Does this happen from citizen-generated research, like what you and I are doing, among other people? Will this come from a hole punched into this situation by President Trump, or is there some other way that it will happen?

I'm a great believer of citizen-initiated disclosure initiatives like this. Frankly we are dealing with increasing levels of disempowerment at the hands of this neo-fascist totalitarian system that is just sucking the life out of us. The best way to defeat it is by re-empowering ourselves, it seems to me. The best way to do that is, not to just have the President say, "Here is the truth, people," but rather for us to actually fight for the truth and to win it back and to break open the narrative, and to have a messy situation for a period of time where we really fight it out in terms of: What is the truth?

I think that is the only way we can do this to clear the table. It's like having the most messy dining room table. You simply take your arm and throw everything off onto the floor and clear it off. It's the only way for us to do it.

C. Austin Fitts: When people say to me, "What do you think this is going to do to the stock market?"

I say, "Look, our choice is human or inhuman civilization. Frankly, all you care about is that it's human. Whatever you have to do to make it human, that is what you do."



But unless the stock market can make friends with people and we can have a win-win between what I call the Popsicle Index and the Dow Jones index, you don't really care what is going to happen to the stock market because if you are microchipped and mind-controlled, it doesn't matter.

Richard Dolan: It's as if the mainstream media is not our friend; the political establishment is not our friend; Hollywood is not our friend; the stock market is not our friend.

C. Austin Fitts: I argue that if you could create a system where you re-optimize, the stock market would be much better off.

Richard Dolan: Absolutely.

C. Austin Fitts: If it cost you 1%, it would be 100%.

Richard Dolan: Yes, in a true free market – a truly free market – a free enterprise system – which I don't think we have anything close to that. So I would agree with that.

C. Austin Fitts: I think there are a large number of people in the establishment and in business who would love to have a pathway to go there; they just don't know what to do. They are stuck. In other words, they are the prisoner of the system.

I don't see the establishment as being the bad guys. If you see the corruption, it's throughout the society. It's just as much in the general population.



If you look at the people who are absolutely dedicated to freedom, between my subscribers and clients, we have people who are homeless and read me from the library and people who are worth more than \$100 million, and they are all passionately committed to freedom – period. That is first for all of them.

How do they find each other and feel effective? They all feel like they're prisoners of the system.

I have one more question before we leave the budget: What is going on in Antarctica?

Richard Dolan: This is becoming more and more interesting the more we look at it. The stories were leaking out back in November. It's odd; I was in Australia at the time these stories were coming out. Both John Kerry and Buzz Aldrin were there.

I have to ask why the heck these people would be going to Antarctica at all. The short answer is: I don't know. The long answer is: I could speculate that there is a significant covert story here. That story could have something to do with advanced technology, or it might not, but it might.

C. Austin Fitts: Right, and it brings us back to what happened with Byrd.



I don't know if you ever heard Peter Beter say that the Falklands War was the Brits having a war with the Nazi base in Antarctica.

Richard Dolan: There are a number of rumors about the Falklands War that I have also heard. I heard what you are saying, and I also heard another one with some really far-out scenarios – advanced technology and alien technology that the Brits had to get control over. I have no way of confirming any of these. They seem more like interesting stories than anything else.

C. Austin Fitts: The only thing that I can say is that right in the middle of the final election, if you have the Secretary of the State of the United States in Antarctica at that change of control moment, why?

Richard Dolan: Right. Why? It does seem very bizarre.

C. Austin Fitts: I used to think that they sent Prouty to Antarctica and New Zealand to get him out of town during the assassination, but now I'm beginning to wonder.

Richard Dolan: Right. There could be another agenda there.

C. Austin Fitts: So I want you to digest and think about this because the budget process is going to be uniquely painful. For one thing, the swamp is stuck and doesn't want to have to reinvent themselves. Secondly, the entire military-industrial complex is stuck with trying to manage two parallel universes and keep them secret and separate when we're talking in the trillions.



Richard Dolan: We may want to consider just how radical Trump may be and how much of this is just talk and buster and how much of it is real. I think that is a fair question to be asking. Conventionally speaking, he has said a number of things that are, in fact, quite radical. Wanting to be friendly with Russia is a radical statement, and it really flies in the face of the entire national establishment. On the other hand, wanting to be enemies with Iran plays right into their hand. And cozying up – as much as Hillary Clinton would – to Israel, it’s the same thing.

So there are many things where he seems quite radical and dangerous to the system, and there are other areas where it’s not so much, and he seems like business as usual. I don’t have a complete handle on where he stands, but I do know that this is a man who, unlike any President before him – maybe since Kennedy – clearly has an antagonistic attitude towards some of the establishment. More than that, he is obviously friendly towards some of what we would call ‘alternative media’.

I don’t know of a single recent President who we could say that about, but with Trump we can. So he is looking from a different perspective than prior Presidents, and he is not willing to hide that fact.

C. Austin Fitts: Let me give one very important insight about Trump, which is important. You know my concept of the Popsicle Index.

Richard Dolan: Yes, indeed.



C. Austin Fitts: The Popsicle Index is the percent of people in a place who think their child can leave their home, go to the nearest place to buy a Popsicle, and come home alone safely.

What you will discover when you dig into real estate is that one of the most important variables driving the value of real estate is the perceived safety of the real estate and the environment that the real estate is in.

Richard Dolan: Right.

C. Austin Fitts: So if I owned a building and suddenly the crime rate went up in a way that was understood by everybody, the value of my building goes down.

Richard Dolan: Right.

C. Austin Fitts: So if you're in the real estate business, particularly the hotel business or the casino business, you are a nut about safety – both in the building and around the building. If it's not safe, your business could be destroyed. So you tend to get these Trump-like characters, and their ego is very personal to the building and the safety in and around the building.

You see increasing safety as a way of making you money. You get energy from increasing safety.

Richard Dolan: Wow.



C. Austin Fitts: Thirty years of making money in the real estate business, it's a very deep emotional tie. You are like a pigeon who has been trained. It's a deep engrained habit.

Richard Dolan: So are you suggesting that Trump will want to increase the Popsicle Index and make that higher?

C. Austin Fitts: Yes. As I watch Trump dealing with all sorts of different issues, I'm looking at this guy and I'm thinking, "This guy thinks that the United States of America is his building."

Richard Dolan: I get it.

C. Austin Fitts: He is trying to make it safe. He's not thinking of the Popsicle Index or whatever, but he's been trained to believe that the well-being of the general population increases the value of his building, and he's thinking, "It's the same for America. How can we possibly make America be successful?"

He is into optimization at a concrete level whereas Hollywood and these other people are optimizing invisible digital assets. He is optimizing the concrete. In his brain, the health and well-being and safety of the people – whether they are his employees working for him or whoever – and he can't imagine a world where somebody wouldn't feel that way. He is an empath.

Richard Dolan: That is one of the most interesting insights into Trump that I have ever heard, and I think it sounds very powerful.



C. Austin Fitts: It is very powerful. For him, it is a very important urge. It has nothing to do with fascism and totalitarianism. What he knows is that the 325 million people here can't be safe unless there are immigration laws that are enforced – whatever the laws are. You have to have boundaries. You can't just have open everything.

It's not a fascist impulse; it's real estate developer impulse.

Richard Dolan: Very, very interesting. Every way that you've explained that makes perfect sense to me, and I'm glad you did.

C. Austin Fitts: So when it comes back to the budget, he is going to be looking at 325 million people and saying, "How do I optimize well-being on that budget?" Of course, he is going to run into this basic liquidator that says, "Those people are expendable."

Richard Dolan: So we will have to see how that develops.

C. Austin Fitts: Right. Richard, this has been a fabulous conversation.

Richard Dolan: We always go in directions that I could never predict, and this is one of them. I so enjoy our conversations. That is really what these are. I don't know how the quality is with your other interviewees, but I always feel that we have what turns out to be a great conversation. I'm really glad that I was able to participate in that with you.



C. Austin Fitts: When you're ready, I would love to do Part II. I used to have a deputy who would say, "In the destruction of the old, let there be the creation of the new," and I think that in the craziness of the budget process, there are going to be opportunities where all of us – you and your radio show or your speeches or me on The Solari Report – can plunge in together or separately and say, "Now let's tie back to this."

We are going to see opportunities shift the whole conversation. The natural impulse for most people in any walk of life, whether it's the general population or the establishment, is to want to make the pie bigger. So that is where we have to find a way to dive in. It's like a surfboard. We have to dive on the surfboard and say, "See? Here is why you ought to think about UFOs."

Richard Dolan: Exactly. Hopefully when we reconvene I'll be rid of this cold. When we do Part II I will be perfectly healthy, and I look forward to it.

C. Austin Fitts: Thank you, Richard. Have a great day. We will look forward to Part II.

Richard Dolan: Thank you, Catherine, and thank you to all of your listeners.



MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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