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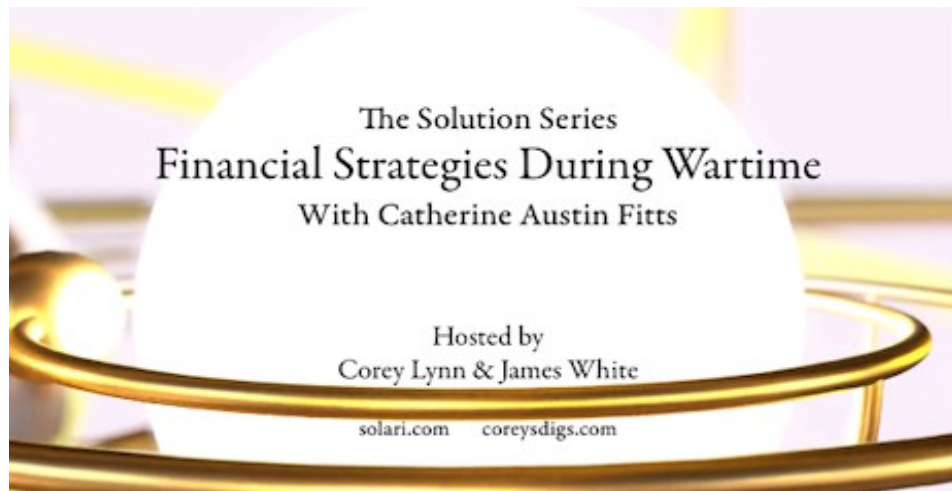


The Solari Report

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Solution Series: Financial Strategies During Wartime with Catherine Austin Fitts

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James White: Hello! I am James White once again for the *Solution Series*, sponsored by *The Solari Report* at *Solari.com* and *Coreysdigs.com*. I'm delighted to be joined, as always, by my wonderful cohost, Corey Lynn. Corey, It's good to see you today.

Corey Lynn: It's good to see you, too.

White: We have been so excited for this interview. We are excited to have Catherine Austin Fitts with us , and I will give Catherine a proper introduction.

Catherine Austin Fitts offers *The Solari Report* subscribers a unique perspective on how to navigate the opportunities and risks in the global financial system and political economy. Catherine is the president of *Solari, Inc.*, publisher of *The Solari Report*, and managing member of *Solari Investment and Advisory Services, LLC*.

Catherine served as managing director and member of the Board of Directors of the Wall Street investment bank, Dillon Read & Co, Inc. She was also Assistant Secretary of Housing and Federal Housing Commissioner at the United States Department of Housing and Urban Development in the first Bush Administration, and was the president of Hamilton Securities Group, Inc.

Catherine has designed and closed over \$25 billion transactions and investments to date and has led portfolio and investment strategy for \$300 billion of financial assets and liabilities. We are so delighted to have Catherine Austin Fitts joining us today on the *Solution Series*.

Catherine, thank you for being here.

Catherine Austin Fitts: Oh, it's great! We're going to talk about solutions.

White: Indeed we are.

Lynn: The entire hour is going to be solutions! I can't wait!

Earlier, I was putting together some shelving in my garage while watching your three-part series on building family wealth. I said, “These are key points that we definitely need to ‘hit on’ as far as all the financial tips.”

There are so many different areas that you hit on that are so important. Maybe it’s not even about financial management, but time management and all the organization in these other areas that are equally as important.

Fitts: One of my taglines is, “It’s not an investment strategy; it’s a war strategy.”

If the three of us were to talk through all these issues on how you manage your financial life and your resources, and if we were in a peace time, it would be a very different conversation. Now we are in a very high-friction environment, and we are literally at war. We are in a spiritual war, a financial war, a legal war, and a political war.

A war strategy is different than just a plain-old investment strategy. That is what you have to understand. This is not only financial planning; this is war planning.

Lynn: Exactly! And you have some great risk management and navigation tools. So, this might be a good place to start.

Fitts: I want to keep the risk management part of this simple. Think of that as putting milk in a bucket. If you have a hole in the bucket, you are never going to fill up the bucket with milk. Without good risk management, you basically have a hole in your bucket. We are in a war, and we are dealing with very dangerous predators. There is plenty of financial fraud.

It’s exceptionally important that you do two things: The first is have a good map. If you are going to California, you don’t just drive there from Philadelphia without a map; you get a good map. Many people are roaming around the financial world, and they don’t have a good map of what is happening in the world and what that means to the exercise of their resource budget, so to speak. It’s not only your money; it’s your time. Your time is your most precious asset, and your health is an equally precious asset.

You need to have a good map. I assume that if they are listening or reading this, if they don't already have a good map, they probably are on their way to getting one. Investing in a good map and investing the time you need to get a good map is really important. Don't try to drive to financial California without a good map. That is number one.

Number two is that you can lose so much. You don't want to put milk in a bucket with a hole in it. Let me give you an example of the cost of poor risk management: A mother dealing with a severely autistic child in *Vaxxed II* estimated that a severely autistic child was going to cost from \$1 to \$5 million present value over that child's life. Part of that is you are going to have to provide for that child's care beyond your death. If you look at the time it will take the parents to care for that child-the time commitment, in addition to the money- is extraordinary.

So, one poor healthcare choice can result in wiping out 100% of an entire family's net worth.

I once had quite a squabble with a grandparent who said, "It's not my decision whether or not my child vaccinates my grandchildren."

I said, "Really? Does your child have \$1 to \$5 million?"

He said, "No."

I said, "Do you?"

He said, "Yes."

I said, "If your grandchild is vaccine-injured, are you going to pay the \$1 to \$5 million to take care of them?"

He said, "Yes."

I said, "Did you work your whole life and build your own business and 'kill yourself' for that business to be successful simply to fund your grandchildren's vaccine injuries?"

He said, “I see your point.”

Lynn: That’s a good point!

White: No kidding!

Fitts: I’m saying that if you spend your whole life putting your milk in the bucket, but you don’t plug the hole in the bucket, you will have a problem.

Back to war strategy: You need to understand the risks in the environment, the predators in the environment, and there is nothing like ducking a SCUD missile to save your money. So, good risk management is important. Corey, I know you have a lot on your website about risk management, and we have an abundance on *Solari*. So, we don’t need to hang on that, but I want to stress the importance.

Don’t kill yourself your whole life to get milk in the bucket if you don’t make sure that the bucket doesn’t have a hole in it.

White: I have a question for you. In my younger days. I helped my uncle start a couple of medical clinics and worked with him there. He was a great clinician; he was terrible at doing books and financial matters, but a great clinician.

Do you recommend people come to terms that they may need to have some of that financial items farmed out to a third party? My uncle is brilliant when it comes to being a doctor, but not so with financial matters. How would you recommend people who have that differentiation proceed?

Fitts: For someone like that, I would ensure they find two absolutely trustworthy people – a really good bookkeeper, an external CPA, and probably an external lawyer. You want two people checking everything. You want to ensure that you and the bookkeeper are signing all of the checks. I don’t care how terrible you are at that; you have to take a couple of hours a month to sit down and review your cash flows monthly, review your financial statements, and take the time to have a budget.

So, you have to spend time on it. You don’t have to be good at it if you have a

good bookkeeper and a good CPA.

I'm going to say something that I will say constantly throughout this hour, and that is the single most important thing you need to focus on in your financial life is to associate with people of integrity. If you have a bookkeeper who has great integrity, you are in great shape. If you don't, you are in terrible shape.

I'll give you an example: I'm an investment advisor, but I don't do individual clients now. Once upon a time, I had a client who was going to hire a bookkeeper without doing background checks. I said, "You can't do that."

She said, "She comes highly recommended," and went on and on.

I said, "Look, this is best practice. I want you to run a formal security check on her. Tell her you're doing it. No secrets, but it is best practices." Financial planners and investment advisors are huge on best practices. So I insisted. She did, and sure enough, it turned out that the woman had been indicted for fraud at one point for embezzling. Of course, when the woman found out there was going to be a security check on her, she departed.

One mistake people make in terms of integrity is not ensuring that the people you share or give responsibility to have integrity. That is the most important function.

You want to invest in building those relationships, maintaining those relationships, and ensuring that you have great people. You are going to need to depend on a good bookkeeper, and you are going to need to depend on a good CPA. You are probably going to need a good attorney as well.

I know that he understands because it's the same thing as getting a 'lousy' doctor versus a great doctor. Not all doctors are great doctors; there is a wide variation in quality.

Lynn: Especially right now with some of the things that are being rolled out. Those are going to become key.

Fitts: Another thing you want to do is keep the data on your servers and use open-source software to keep the privacy of your data protected. I'm trying to

get our conversion going so that we can do all of our accounting software on open-source software instead of using many of the providers who are very invasive about data. The more you can do that, the better off you are.

So take the time. It would be great if you have a bookkeeper who knows how to deal with the systems as well. If not, you are going to have to spend money on people of high integrity.

What you have to do in any business – no matter how small it is – is invest in having people with great integrity.

Lynn: That falls under ‘organize’ under the living equity section you talk about. I like that section, especially when you get into spiritual grounding, prayer, and intuition, because that is so important right now.

Fitts: When I talk about building wealth, I talk about living equity and financial equity. Many people just think about money.

The people who run the planet, some of whom trained me long ago, can print money out of thin air, so they don’t care about money. And they understand that all financial wealth begins and ends with real assets and living with life and people.

You always want to start with living equity and getting the living equity issues right. For example, one of the documentaries I often used to recommend to clients is called *Divorce Corps*. I don’t know if you’ve ever seen it. If you are ready for something more terrifying than the worst horror movie you’ve ever seen, watch *Divorce Corp*. It describes how the US divorce industry and courts destroy people and families and ‘rip off’ all their money. It’s frightening.

I’ve been through a divorce, and I was fortunate because I refused to fight and have the lawyers take me down. It’s a perfect example of what happens and how much money you can lose when you get the living equity questions wrong.

Living equity is about building up your health, your life, and your skills, and investing and encouraging the skills and the same in the people you love around you and the people you deal with.

One of the reasons I love your work, Corey, is that you are constantly trying to help people protect and build their living equity. That is what you do; you try to help them protect their financial equity.

Lynn: Without realizing it!

Fitts: You're like a passionate mama bear screaming, "Don't do that!"

That is trying to protect and help people protect their living equity. Our most precious asset is our time.

Let's start with the one I love, which is prayer. I think we are in a spiritual war. I also believe that if you are connected to the divine – and I love the founding documents of the United States because they remind us that our freedom comes to us by divine authority – all intelligence is accessible through time and space to you, particularly if you try to get into and stay in a divine mind.

I had heard this many times from some of the great preachers who I admire, but I never really believed it until I was in a period when I had no other access to intelligence but prayer; it was prayer or nothing.

I tried it, and it worked, and I couldn't believe it. I think it saved my life because during the times I would have to go to the hospital, I couldn't; instead, I went to prayer, and I got the answers. The answers were far more economic, and they worked.

They say that only drowning men can see Jesus. I would never have discovered this if I hadn't been forced to. But I do think that we have a way of accessing intelligence, particularly if we can use prayer, but also if we can work with each other in sharing intelligence or praying together.

I think one of the things that you know is if you are going to build living equity and financial equity in this environment, you will have to 'cut away from the herd'. The question is: How do we do that? Part of that is helping each other do it.

I'm huge on prayer and intuition. I've discovered that for building a better map

and for navigating an increasingly dangerous physical environment – I grew up in a poor neighborhood and had to do a lot of running and ducking and fighting – I think our intuition can guide us. So, part of this is learning to trust your intuition, and listening to your intuition and exercising your intuition.

I start in living equity with prayer and those navigation tools.

One of the things you learn when you become an investment advisor is that it's all about the process. The second thing is organizing. A lot of sound financial planning and the things that build wealth depend on spending time. Every week you want to sit down and budget two hours to spend time on your financial life. You want to commit to investing in the process.

For example, one of the things I encourage everyone to do is to archive. You can't depend on other people for your documents; you have to take time to archive your documents and make sure that you have a record.

For example, after Katrina, the people who had all of their insurance documents got their money and came back up. If you couldn't find your documents, you were in trouble.

Part of organization is taking the time to invest in managing your life. Even if you delegate all of your work out to bookkeepers and CPAs, and asset managers and bankers, and other people, you are the Board of Trustees; you have to govern.

Lynn: Organizing and having documents as good as saved your life. Given how we are moving forward with some of these things, I think that is going to become more and more important.

Fitts: One of the groups that trained me was the Bushies. They used to say, "He who archives writes history."

White: I've heard to stay away from the safe deposit boxes because those can be seized, and they have been seized in other cases. Do you recommend a good, secure home safe for those documents that are indispensable?

Fitts: When you are in the kind of war that we are in, nothing is completely

safe. I think of a squirrel. I like things in multiple places on the theory that if two get taken out, the other two might make it. If you go to *Solari* and put 'archive' in the search box, you will find an article that our general counsel did this year on archiving. Here is what I like to do: Have multiple digital records in multiple places, but then I like to have a fireproof home safe.

I was always concerned about the normal fire. If you look at what they have been experiencing in California and some of the places around the world, we are talking about much higher temperatures. So, when you get a fireproof safe, you need to ask yourself: Do you want to beat a California fire or a regular home fire? Just caveat with that.

Even with an exceptional fireproof safe, I don't think that you want to depend on one location. I also don't think you should depend on one jurisdiction. So, I like to have multiple back-ups in multiple jurisdictions.

Lynn: That's hard.

Fitts: Especially if you are in a bad jurisdiction. If you are in a bad jurisdiction, you need to have multiple back-ups in good jurisdictions.

One place that is quite important to archive, of course, we just saw congress provide \$80 billion for IRS enforcement. For many, many years I keep beating the drum for anyone who trades in crypto, keep independent copies of your record, including offline. Regarding the pumps and dumps; during the dumps the tax auditors come 'piling in'. If you've been depending on exchanges to have your records and the exchanges go down, you could be in real trouble. Ensure that if you are trading crypto, you have independent copies of all your archives.

I've seen situations where, essentially, the tax enforcement in some jurisdictions have announced draconian, serious audits going in the crypto space. Don't wait for them to knock on your door. Please make sure that you have your archives in great shape.

Lynn: Investing in people. We've talked about this before, but I think this is really key – not only in families, but in communities.

I know some people who are fortunate in that they have money, but they are not quite sure where to put that money right now. I think I would be paying someone to do my food gardens and getting gardeners to come over. Paying the local farmers is an obvious one to me. I think that is quite important.

Fitts: I'll be blunt: I'm a people investor. That is my favorite thing to invest in.

The best way to explain this is with stories. The famous story that I tell constantly, but I think you can't hear it enough, is I spent eleven years in very ugly litigation with the Department of Justice. It was a very immersive process. The black neighborhoods used to call it the 'beatdown'. So, I spent eleven years in beatdown and then another four years in tax 'hell'.

Going into the litigation, when things got really tense the first year or two, a real effort was made to cut off all my income and all my credit. I was a very wealthy person, and money was 'rolling in'. I was always very good at making money; I was a successful investment banker.

Suddenly, I went from having an overhead of \$1 million a month for my business and personal life, to having to do it all on \$2,000 a month. That was fun!

One of the things I realized is that I had lent or gifted to other people \$250,000. So at that point, a variety of friends and family either had received gifts or owed me \$250,000. I had a wealthy uncle who was very supportive, and he decided, "Well, she helped everybody else, so we are going to help her and pay her back."

Over the next eleven years, friends and family gifted or paid back \$250,000 – almost exactly to the dime. It was like the big wheel of karma. I realized it was the one source of money that the 'bad guys' could never cut off from me.

In other words, they couldn't steal it, they couldn't take it, and it was quite amusing because they had put my 401(k) under audit right before they hit me with a big round of subpoenas, so I couldn't use it to finance the effort. I busted the 401(k), and paid \$225,000 in taxes. When the litigation was over and we settled, I had a large amount of money come in, my CPA said, "Let's fund up the 401(k)."

I said, “Nope. I’m never making that mistake again. I’m taking all of that money, and I’m bonusing it out to the people who helped me or lent me money. I’m going to pay them all back.”

“I’m putting that money back in the people’s bank because it’s safer out there in the people’s bank than it is sitting in my 401(k). My 401(k) had been at T. Rowe Price. I don’t want to pick on T. Rowe Price, but it’s safer than back in a 401(k) at T. Rowe Price. I would rather have it out there in the people’s bank.”

I used to encounter this with clients. I would have very wealthy clients who would come in, and they would have children and grandchildren who were struggling and not making it in an environment that was very difficult, like the financial crisis. They would tell me that their financial advisor said, “If you don’t have \$25 million, you’re not secure. So, you can’t afford to help your child buy a house because you have to keep it in the National Defense infrastructure, paying dividends and working towards getting that \$25 million.”

I said, “That is the most ridiculous thing I’ve ever heard. When the ‘you-know-what’ hits the ‘who-knows-what’, who is going to be there for you? It’s going to be your daughter and your grandsons. So, stop financing the National Security State and start backing the people who are watching your back.”

Lynn: That is one of the concerns I have, and it is one that many people have expressed to me. I’ve known some people who have completely drained their 401(k)s now because of everything going on, and I know other people who are contemplating doing that. But then they are concerned because of that tax hit. It’s the same with portfolios in that regard. “If we take money out of this, then we are going to get hit with these taxes.”

I think, “Gosh, you are kind of playing against a corrupt house right now, and you are gambling that this money is still going to be there, and you are going to keep taking these.”

Fitts: Right, but here is the thing, and I can’t stress this enough: Everybody is unique. Never give or take generic advice.

People ask, “What percentage of my assets should I hold in precious metals?”

I say, “I know nothing about your situation.”

At *Solari*, there is actually a blogpost called ‘What Percentage of my Assets Should I Hold in Precious Metals?’ and it walks you through the algorithm of how to figure that out for yourself. In that case, you can give somebody an algorithm and walk them through it. But each person is unique.

When I was an investment advisor, I would have clients who I would tell, “Yes, pull the money out of the 401(k),” and I had other clients to whom I would say, “No, don’t.” Much of it depends on fees and taxes and when and how.

I do think that we are in an environment where, clearly, if you look at the amount of times in a year that the Federal government is breaking the law, we are looking at an increasingly lawless situation. So, you want to remember that you are in partnership with someone who doesn’t necessarily keep their word. We may wake up one day, and they may say, “All 401(k)s are converted to annuities that have to be invested in US Treasuries,” and there you go. So, I would rather not get close to that date.

White: I would like to interject for a moment if I could: The wealthy, from what I understand, form trusts, and they have their money in trusts. That seems to be something that insulates them a little more. That could be something we discuss on another show, but is that something that you would recommend for people at a certain level of wealth to look at – developing a trust to protect your wealth?

Fitts: It depends on how much money you have. First of all, you want to look at trusts for the purpose of avoiding probate and passing money to your beneficiaries. Anybody can do that with any amount. It’s worth investigating trusts as a way of handling the process of managing your estate. That is good estate planning.

I would say that the one rule I have in this environment is to never give up control. Many of the vehicles that you have to engage in to protect intergenerational capital from wealth using trusts run into a situation where you

have to give up control. And I would never give up control to save money on taxes.

Solari is a C corporation. One of the reasons I created a corporation was so that I could build an operation in a certain way pretax. There are ways of doing this if you create your own company. One of the things that I love about building a company is that you have a way of building wealth through essentially unrealized capitalized gains if you have a company that you are making and that company is successful.

Let me keep going on people. One of the things you will see is that there are many opportunities that you can exploit if you are willing to conspire as a family. One of my favorite books on building wealth is called *Family Wealth* by Jay Hughes. It's technically 'James Hughes'. Hughes and his father were lawyers who served very wealthy families, and the book is focused on how to protect wealth from deterioration over time so that the third generation doesn't destroy the family wealth. But interestingly enough, if you look at how Hughes talks about how a family can conspire together to help each other be successful – not only financially, but successful as people helping each other live their dream – those same tactics help you become wealthy.

It's a book I would recommend to people, and it encourages families to go to work in an intentional, complicit way to focus on what they want to achieve in their life, and how to help each other attain that.

One of the things that amazed me was that I came from a world where we were always engaging in conspiracies from the time I can remember. Conspiracies were how you invented your world. Conspiracies were considered good; they were wonderful things. We would say, "Let's get together," and we would do this deal, or we would come up with a plan.

There was a person who was very high up in the municipal government in New York, and then he went to work for one of the top CEOs in New York. There was a developer who was going to ruin a park. He called me and said, "He's going to ruin the park."

I said, "You're kidding!"

He said, "Let's stop them! Let's 'screw it all up' without him being able to figure

out who we are. We could get into real trouble if they figured out who it was.”

The world was basically built by conspiracies, and we thought conspiracies were wonderful things. Then I got ‘booted out’ of the establishment, and I discovered that everybody thinks that conspiracies are terrible. They don’t seem to understand that that makes us powerless.

If you build your world through transactions, whether it’s starting companies or financing companies or starting projects and on and on, that is how you do it – with conspiracies.

If you read Hughes’ book, it will give you a sense of how to start thinking about that. In starting your children’s businesses, those can be the best businesses in the world. I had a wonderful step-grandmother – and I won’t bore you with the particular details and keep it confidential. For years, she invested in one of her grandchildren who wanted to be a painter. Everybody thought he was as ‘mad as a hatter’, having graduated from the best schools in the world, and then decided he wanted to ‘trip around to India and then become a painter’. She bought his paintings for years to keep him afloat.

He hit it big, and became a very famous and successful painter. When she died, one of the most valuable assets in her estate was her collection of her grandson’s paintings. You see that a great deal. Many businesses are financed by families who want to help their children succeed.

One of the most tragic things I used to see in families – and we have an article called *Gifting to the Children We Love*, which you can find at *Solari* – was having people in the family who had money and people in the family who had time, but they couldn’t figure out how to get together, and some give time and others give money to help the children and their family. It was a perfect example of the absence of a good conspiracy or conspiracy thinking.

Another one of my favorite stories is I had a friend of one of my relatives who I liked very much. He said, “The stock market makes me really nervous.”

He had five children, and this was a family of fine character. I said, “Do your kids have mortgages?”

He said, “Yes, they all have mortgages.”

I said, “Why don’t you refinance their mortgages out and keep all of the money in the family?”

He said, “That’s a great idea!”

I saw him many years later, and I said, “Did you do it? How did it go?”

He said, “Yes, I refinanced all five kids out of their mortgages. I get a check every month, and it’s great! I miss the up in the stock market, but I sleep like a baby.”

The beauty of it is that they will get the capital anyway when he dies.

Lynn: That’s smart!

Fitts: If you lend money to a disreputable, no-good member of your family, you are going to get ‘burned’. So, there is a real craft to investing in people. Traditionally, I do a lot of investing with people.

Another one of my favorite stories is after COVID-19 started, I had a wonderful former client who called me and said, “I just sold a big piece of real estate. Should I put it in precious metals or real estate?”

I said, “What is the point of owning assets if you don’t have an army to protect it? You should take all that money and give it to litigators to protect yourself and all of us.”

In fact, she made some big donations to some litigation operations, and we have a crowdfund called ‘*Take Action*’. If you go to ‘*Take Action*’, you can see some of the litigation groups we support. One of the big ones is the Farm-to-Consumer Legal Defense Fund, which was started by the people at Weston Price to help small farmers get legal teams to defend them and defend our local food supply.

When investing in people, the question for each one of us is: When the ‘you-

know-what' hits the 'you-know-what', which it already has but is going to get worse, who can you count on? Who is going to be there for you? Whether it's your time or money, who are you investing in, and who is going to invest in you?

Lynn: I have a question. We see many people using cash, which is great, and we keep encouraging that. But we are also seeing a lot of people either taking a big chunk out or draining their bank accounts because they don't trust the banks at all. I'm wondering what your thinking is. I know that you will say, "Get your money out of the bigger banks and the central banks and find a local community bank or credit union," but as far as people having cash on hand, and this will vary depending on how much cash people have, what would you say, as far as where people's minds are, how much money to keep in a bank versus how much money to keep in a safe at home? Do they want to pull all of their money out of the bank, or just move it over?

Fitts: I'm a squirrel; I have pots all over the place; I don't believe in having all your money in one place.

Everything has risk, and there is no such thing as safety. I want to underscore this. When there is no law, nothing is safe except what you can protect with a gun. If there is no community and no civilization, nothing is safe.

White: That's a great T-shirt!

Fitts: Okay! There's your opportunity!

James at *Solari*, asked me to record that rant which I give almost weekly on 'Ask Catherine'. He put it up on 'Ask Catherine' as a separate item because he said that this is one thing that we have to highlight. Our problem is that without national or individual sovereignty, and with our taxes financing an operation which increasingly conducts itself in a way outside of the law and thinks it has sovereign immunity from the law, nothing is safe.

I go back to the chessboard. You array your players and try to protect your queen. So, I did a show called *Ways to Stash Your Cash in 2022*, and I think I had 24 different ways. So, I won't go through all 24 now.

Lynn: Is that a public article?

Fitts: Yes, that is public. It was a financial rebellion, and Mercola published it. I've listed in one of the commentaries in *Solari* the ways of doing it.

We also published a commentary called *Using Cash* that goes through how you use cash. You want to make sure that you save your receipts; you want to make sure that you are doing the record-keeping that you need to support doing cash.

I have money in the bank and I have money in the safe because I have places both in Europe and in Tennessee. I increasingly am leaving money with people who are around. I call them 'nodes'; they are the '*Solari nodes*'. A friend of mine is holding \$2,000 for me. If I come through, I can use it.

I encourage everybody to put as much money as they can in building nonperishable inventories. There is no reason not to have two or three years of office supplies if you are sure you are going to use it.

Check out *Ways to Stash Your Cash in 2022* because there are many different ways that you can stash cash all over the place, but you have to be prepared if you have money at home. If you have a home invasion, how are you going to deal with it?

We have a great interview in the library. It's public, and it's called *Hidden Safes with Dan Perkins*, who runs one of the best safe companies in the United States. He tells the story of how he has 1,000 different ways of hiding multiple safes in your house. But you need to think through the security issues of how you are going to protect cash that you have at home because there are risks. There are also risks if you have it in the safe deposit box or if you have it deposited.

I have tremendous confidence in my bank; I never worry about my bank. Can the government come in and shut my bank down? Yes, but they can come into my house and shut me down, too.

White: I'm a big fan of those common, everyday items that are used to hide cash and valuables. They look just like everyday items. People who have to go

through every item in your house to find some of these things sometimes. You know what I'm talking about.

Fitts: The important thing to remember is that the number one way that people lose precious metals – in my experience – is they forget where they put it. So, I would recommend that in your safe, you have a little code book, and you write down where you put it.

I remember once I had 20 Krugerrands in socks, and I couldn't find them. It took me a day.

Lynn: When it comes to precious metals, how do you compare having tangible in-hand versus keeping them where they're held through (I don't know the terms for it)?

Fitts: If you own precious metals, you can hold them in securities form, which they are essentially a bank IOU priced in gold or silver. You can also hold them in a depository in an allocated or unallocated account. You could have that depository be in many jurisdictions, some of which I would describe as terrific and others I would describe as lousy. So, there is wide variation on the depository. There are digital services where you can interact, essentially with a depository through digital means, which is another one. You could also hold them in your physical possession or put them in a safe deposit box. Obviously, you can put them into a depository that is close to you. So, there are wide variations in all the different possibilities.

Any time you put precious metals with a business, whether through securities, through a depository – either directly or through an IRA – or in a safe deposit box, the government can come in and grab it. So, we know when the gold was seized, and everybody who had their gold at the bank lost their gold, and everybody who had their gold at home kept it.

The reality is that you may want to worry about your government, but you also have to worry about your neighbors. I had one former client who forgot that she had a large amount of silver in her basement when she sent the plumber down. A couple of months later, she realized that it was gone.

Lynn: That's not good! What about stocks and mutual funds and portfolios? This is not my area, but I have friends who are heavily invested. I know what

you are going to say about moving it around and not being in with the 'bad guys'. I don't recommend investing in the bad companies, but what about older people where they have money sitting there, but know that for a while they are most likely not going to see it come back up? We don't know what all is going to be pulled on the bad front there with the corrupt.

Fitts: With money you have in the securities system, my expectation is that a long-term bull in equities is likely to continue, but not without wild swings. We are clearly in a major correction.

Here is the reality: The negative on the securities market is that you don't trust the operation of it, but that is true for every system we deal with from the weather to the post office. I once had a precious metals dealer say, "The securities system is corrupt."

I said, "Really? What do you think happens with the postal system that your precious metals mails through?"

We have to live in this world, and increasingly, all of the systems we depend on are corrupt. At the same time, I believe that if we are going to have a successful human future, we need a liquid stock markets. The question is: How can you have a liquid stock market without ending up with SPECTRE? Do you know what I mean by SPECTRE?

Lynn: No.

Fitts: In the James Bond movies, SPECTRE is the 'bad guy'. SPECTRE is a transnational organized crime syndicate that is trying to run the world through satellites. So that is my vision of what they are. Many people call them 'globalists'; I call them SPECTRE.

When you deal with securities markets, the question is: How can we build liquid equity markets without SPECTRE?

One of the things that I do with my job is study and look at companies every day worldwide. There is an entire portion of the economy globally that is run by great companies; they are great people. They get up every day, they go to work,

and they do something really important.

One of my favorite companies – and I won't name them – has a huge market share globally of bicycle components. I love bicycles. I'm always on the search for great bicycle companies. If you look at what they do, they have worked for decades to build great bicycle components. It's not something that you read about in the newspaper, and it's not something that you and I write big headlines about, but they are great people. It's a great company; they have a nice dividend. I love them!

I look at what they have accomplished, and I believe a great company is a beautiful thing; a great company is a living equity miracle. It's a little culture; it's a little world.

There are great companies all over the world, and there are great entrepreneurs all over the world building great companies – new ones and old ones, too.

I want to invest in them. Part of the problem is if you are an American citizen and are encouraged to invest in the stock market, you don't know what you are investing in. They put you in a big index, and it's full of all sorts of things and companies that you want nothing to do with. It's a nightmare.

That is not what I do. Right now, I'm on a savings plan, and I put money in every month. But I'm putting money into stocks that I love, and my portfolio is hedged. In this environment, I would always want to be hedged.

One of our equity overviews is on what a hedge portfolio is and how to manage it so that if you do get a huge down in the stock market, your down is very much modified from what it would be otherwise.

White: I would like to ask you about the dollar if I may. I had David Morgan on my broadcast about a year ago. I think you know David.

I asked him specifically, "David, everybody talks about the dollar collapse. Is there really another alternative currency right now that is positioned to be the world reserve currency?"

He said, "No, not now." That was about a year ago. Do you think that has

changed in the last year, and do you recommend that people invest in dollar-denominated investments? Or are you looking more at emerging markets perhaps?

Fitts: I far prefer real assets. When I say ‘real assets’, to me, a good company is a real asset. I always use railroads as an example. The stock may be denominated in dollars, but it is pricing a real business and real assets, just like an ETF in gold is being priced in gold; it’s not being priced in dollars.

In this environment, I do not like fixed income for a variety of reasons – one is credit. But the currencies are all being debased. So why buy a fixed income denominated in a currency that is getting debased?

I think the dollar is still what I would call ‘dangerous and dominant’. There is nothing on the global stage that can compete with it right now as a currency. That’s not to say that the BRICS don’t have a chance of putting something together that could take away real market share.

White: That is what I’m thinking, too.

Fitts: They can take market share, but they can’t supplant it. Part of why they can take market share is not because of the dollars graded by the Federal Reserve; it’s because of the Eurodollar deposits. You have banks in the UK and Europe who have created huge amounts of dollars that are ‘floating’ around the world.

I think for now, the dollar is dominant and dangerous, but what I would be very concerned about is the continued debasement of all fiat currencies globally. That is why I would much rather be in a hedged equity than bonds. In fact, if you look at long treasuries, equities have outperformed long treasuries this year, and hedged equity has outperformed both of them.

I would much rather be in a hedged equity product than in a fixed-income product. Part of that is the debasement, and the other part of that is credit. If you look at all of the bonds on the planet, there is not enough equity right now. It’s like a house that is underwater; the house is worth \$200,000, and the mortgage is \$1 million, and the equity is negative \$800,000.

The logical thing to do is for the family to get together and say, “Let’s do all the things that we need to to make the value of the house go up.” Instead of doing that, we have a few people saying, “No, we would rather centralize control and destroy the house.”

We have a global economy where we are paying an enormous price to support organized crime centralizing power.

Lynn: Here is something that I often ponder that I’ve actually never talked with you about: Let’s say that hypothetically, we are seeing the ‘writing on the wall’ and we know that sometime within the next month they are going to ‘flip that switch’, and they are going to move completely to digital currency- they’ve already been working on the digital IDs, of course. At that point, if we all say, “Everybody pull your money out of the banks. Everyone get all your cash,” but everything is being run on a digital system.

Fitts: They can outlaw cash.

Lynn: Right. So, what happens in that predicament?

Fitts: Let’s say in that environment, you have two years of food, two years of nonperishables, two years’ worth of items you can trade, and you have some land and water, you have a wood stove, and you have your own energy. The question is: Do you have a group of 100, 200, or 300 people who you can trade with and start a local currencies? Or you can use your gold and silver.

If you go to *Solari.com*, there is a *Silver and Gold Payment Calculator* that can help you to start trading using gold and silver. You can create a community currency on the ‘Just Do It’ method. You don’t need to plan or do anything; you just need to start using your gold and silver. In the states that have canceled the sales tax on gold and silver, it’s quite feasible to do.

There is much that you can do with your state legislators to make very healthy liquid financial markets – both currency and equity – happen locally. On our *2nd Quarter Wrap Up*, we wrote an entire piece to our legislators. Pete Kennedy and I will do an interview on all the different things you can ask your state

legislators to do.

Here is what I do want to say: You have spent a good deal of time understanding the control grid. The central bankers have been working for decades to build a control grid, and there are thousands of different pieces of that control grid in place. But you know when they add the vaccine passports and CBDCs, that is when you put the last two pieces in place that convert the whole financial transaction system into digital concentration camps. That is what we have to stop. That is why, if you are not out of the big banks and using cash as much as possible, and keeping your receipts (I don't want you to get in trouble with the tax people) already, you want to start doing that now. Every time we increase the market share of cash and we operate in paper (filing your taxes in paper if you are willing to do that and you are able to understand the issues), the more we dial back our dependency on the digital system, the harder it is for them to do that.

Apparently, Japan announced that they are not doing CBDCs because people don't want it.

Lynn: I know you said that in Ireland, they were trying to push something, too, and they backed down.

Fitts: Right. One of the big banks tried to cancel cash, and you had many people dependent on the euro. I've heard so many stories. Apparently, they just revolted.

One person said that he was on a train where someone was taking the train to Dublin to read them the riot act. He had been banking there his entire life, and was canceling his account because he was so furious.

When your grandmother walks into the middle of the bank and starts screaming at you, you know you have a problem!

Lynn: That's right!

White: Do you see a move towards decentralization? I know that even though a financial system may collapse, I don't think that local economies would.

People like you bartering with your neighbors, and you knowing how to chop down a tree and bartering with a dozen eggs, I think that economies will still go. I don't think it's as much 'doom and gloom' as people think.

Fitts: I see a tremendous move to decentralize. The best investment you can possibly make is to invest in your own resiliency. I always tell the story of how I had a client who was complaining that the yield in her stock market was falling and her water bill was going up. She lived in a rural area. I said, "This is really simple. Sell your stock and drill a well. What is it about this that you don't understand?"

We've been intermediated by large corporations; we need to disintermediate. Look at your financial statements and your balance sheet. Where is every economically intelligent way you can disintermediate so that you shrink your balance sheet?

I don't know if I told you this, but I just paid off my mortgage. We did something on *Money & Markets*, and John Titus was talking about the Bank of England's move to pull in legal tender and issue notes without saying that they were legal tender. The issue is: If you don't have legal tender, then your creditors can reject the money; they don't have to accept it.

I said, "I don't even want to have to worry about this. That's it!" And I paid my mortgage. I didn't have much left, but I said, "That's it," and I paid it off. That is shrinking your balance sheet. This is an environment where you don't want to have debt.

I was wildly successful when I got slammed with the litigation, and I didn't have a lot of debt, but I still had debt. It was a real food fight; they can put you in a debt trap.

Your CPA may tell you that it's smart from a tax standpoint, but I'm telling you from a war strategy, it may not be smart. So, don't be afraid to pay off your debt.

Lynn: Absolutely. Is there anything else that we want to cover before we close this out? There is plenty of good information here.

Fitts: There are a couple more things that I want to point out. We have a great article on how to find a good local bank. You don't want to just find a local bank; you want to find a great local bank; you want to find a bank where the governance and the management has high integrity. There is nothing better than having your financial transactions managed by a group of people you can talk to, you can trust, you have a relationship with, and they know you.

I'll never forget getting to Romania and my ATM card wouldn't work. I got on my phone and called the bank. They all know me, and they said, "Where are you? At the Romanian airport? Really?" They stayed on the phone with me and worked it through.

Another time I was in Verona to see Beethoven's symphony in the open air. I was walking down the street with friends. We had just stopped and gotten lemon gelato, and the phone rang. It was a wonderful person from the bank saying, "We just got a charge on your credit card for \$500 at Paris Disneyworld. We don't think that's you."

I said, "You got it! Shut down the card." They knew there was no way that I was at Disneyworld.

Having your financial transactions managed by people who know you and who you can trust is such a gift. So, you deserve a great local bank. Find one, open an account, make sure that you get to know them, and make sure it's working. Don't close your other accounts until you are through at least one tax cycle just in case you need records. That is number one.

The second thing – and this is something that you can tell them about as much as possible- beware of your terms and conditions. If you look at financial payment systems now, especially online, and you get to a point like I did where I had to read over 150-page tiny print terms and conditions; finally, I just said, "No, I won't sign it."

Lynn: It's exhausting work having to do this, but we have to because they sneak so much 'crap' in there.

Fitts: The financial people are now sneaking in frightening things. If you have a small business and are taking payments online, you need to budget some time, take a deep breath, and say, “This week no movies. I’m going to spend time trying to stay awake while I read the terms and conditions and get my ‘mind around’ what is really going on here.”

I have to tell you that we have a great general counsel, and she lived through eleven years of litigation, and then four years of ‘tax hell’ with me. Sometime I will tell you the full ‘shaggy dog’ tax story. I had to spend \$150,000 on attorneys and CPAs, and I owed zero dollars in taxes.

The settlement came in. I went to my accountant and said, “I don’t want to wait. I want to pay my taxes right away. I want to get this over with before I bonus money out.”

She called me back two days later and said, “You won’t believe this. We can’t find your files; they’re gone.” It took me six months to put the files back together.

I’ll keep going because there are a couple more things. There are plenty of opportunities for local investment. Local investment takes time and a lot of care. You can lose significant amounts of money if you don’t do it right. There are many ways to find smart people locally – either really excellent local businesspeople or local people in real estate and property management who you can come in behind and finance with them. But there are many great opportunities. I would look for them because the way to get local resilience is to finance local energy options and finance local food options.

Many of the outstanding food coops around the country have opportunities to loan or bank the food coops. Network around quietly and discreetly and look for the real people who know what they are doing in terms of managing resources locally who you can come in behind. You are going to find opportunities over time.

The other thing that I wanted to mention is insurance. You can waste plenty of money on stupid insurance. You can also spend a large sum of money on insurance very, very wisely. Insurance is an area where you want to back the

people of integrity. You want to find a great insurance broker who can explain insurance, and you want to ensure – especially on health or life – that you have accident coverage. Having proper insurance for any liability that may be associated with car accidents and traffic fatalities is so important. Car accidents and traffic fatalities are rising tremendously.

You want to take time to ensure that you have your transportation liabilities and healthcare and accident and general liability taken care of. If you don't know much about insurance, you will have a much more successful life if you take the time to get good people in the insurance area who teach you and help you. Don't be afraid to spend money on insurance.

One of the reasons I like precious metals is I divide precious metals into two kinds of holdings: One is your core holdings, and the other is your investment holdings. The core holdings are actually insurance. It's central bank insurance, and it is for periods of real chaos or when people lose faith in the government. I think they've already lost the faith in the central bankers.

I always say to have enough gold to bribe the border guards, but I'm serious.

White: That's true.

Fitts: I had family friends who would tell you that the only reason they were able to get out in time was that they had gold coins buried in the backyard. They dug them up and got them, and that took them out.

White: Don't think about using your currency because that is going to be valueless. It has to be gold or silver because your local currency is probably not going to have any value at the border.

Fitts: Right, but I will tell you the currency that will do you the most good when that happens, and that is friendships; it's alliances and friendships. That is why I get back to people investing.

I'll never forget my first two trips when I had to drive around the Netherlands without QR codes. The first thing I learned was that the world was dividing up. It was kind of nice because we were kicked out of all the bad places by the bad

people, and we were welcomed into all of these wonderful places. The world was separating, and it was good to be on that side.

On one trip I was with a friend studying the water system here in Friesland, which is quite amazing. I realized that the number one issue was: Where were the friends who had let us use their bathroom? There was no going into the restaurant and using the bathroom, so it was either the forest or people you can trust.

The question was: Where were our friends that we had ‘dotted’ all over northern Netherlands who had let us use their bathroom? A node is a place where you can pick up some cash, but it’s also a place where you can use the bathroom.

Lynn: That is important!

Fitts: Yes, this is a war strategy, not an investment strategy. The question is: Who are the people who are going to have your back? You want provisions and resiliency planted all around in many places. If you don’t know where to stash your cash, check out the *Financial Rebellion, Episode 31*; it’s very useful.

I have much more to say, but I know that is plenty for now.

I want to thank you both very much for doing the *Solution Series*. We have plenty to do, and we have to keep chipping away at it. I always talk about turtling. I think the *Solution Series* is helping people get going, and that is what we all need to do. As we do, we create much more opportunities for each other together.

Lynn: Absolutely, and we appreciate you immensely for working on this project with us.

White: Indeed, it’s an honor to work with you.

Fitts: I’m homesick for Lake McDonald in Glacier Park.

White: Come by any time. Of course, you know Montana very well. It’s beautiful here.

Fitts: It's so beautiful.

White: I think that's going to be the end of our podcast for now. What a great podcast this was. There was plenty of great information and great solutions.

Corey, is there anything that you wanted to say before we close out the video?

Lynn: No, I think we covered a wealth of information. Thank you so much, Catherine. That was fantastic! This was a good one!

White: That's a wrap! I'm your host, James White, along with my cohost, Corey Lynn, for the *Solution Series*. You can tell your friends about it by going to *Solari.com* or *CoreysDigs.com*.

We want to thank our special guest, Catherine Austin Fitts, for all of her valuable information. Until next time, this is James White for the *Solution Series* saying goodbye.

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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