



**THE SOLARI PAPERS #2**

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**U.S. State Bullion Depositories**

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# Contents

<b>Introduction</b> . . . . .	<b>2</b>
<b>Ownership</b> . . . . .	<b>3</b>
<b>Jurisdiction/Choice of Law</b> . . . . .	<b>3</b>
<b>Governance</b> . . . . .	<b>5</b>
<b>Electronic Systems and Security</b> . . . . .	<b>6</b>
<b>Facilities Management and Security</b> . . . . .	<b>6</b>
<b>Disaster Recovery Plan</b> . . . . .	<b>7</b>
<b>Management Issues</b> . . . . .	<b>8</b>
<b>Products and Services</b> . . . . .	<b>8</b>
(a) Purchases of gold and silver . . . . .	8
(b) Storage . . . . .	9
(c) Key tax issues . . . . .	9
(d) Liquidity . . . . .	9
<b>Long-Term Supply</b> . . . . .	<b>10</b>
<b>Relationship with Other State Bullion Depositories</b> . . . . .	<b>10</b>
<b>Other Custodial Services</b> . . . . .	<b>10</b>
<b>Reporting, Disclosure, and Education</b> . . . . .	<b>11</b>
<b>Audits and Quality Control</b> . . . . .	<b>11</b>
<b>Involving Private Parties</b> . . . . .	<b>12</b>
<b>Unanswered Questions</b> . . . . .	<b>13</b>
<b>The Most Important Risk: The Rape of Russia 2.0</b> . . . . .	<b>14</b>
<b>Conclusion</b> . . . . .	<b>16</b>

## Introduction

A state bullion depository provides a state and its residents with a secure, in-state location to store gold and silver. The goal is to improve financial resiliency in a manner that protects the sovereign powers of the state and its residents by providing or supporting:

- A reliable way to own gold and silver as a hedge against deterioration of the global market share and/or inflation resulting from debasement of the U.S. dollar
- Transaction alternatives that protect against efforts to centralize control of financial transactions by banks and private parties outside of the state's jurisdiction, including through such mechanisms as central bank digital currencies (CBDCs) and Fast Payment systems
- A secure in-state custodian that can make it easier for residents to use their gold and silver in daily transactions

In establishing bullion depositories, most (if not all) states will want to involve private parties to build, operate, and/or provide services to or through the depository.

The purpose of this paper is to address issues related to integrity of operations, including, importantly, those involving private parties. The goal of achieving such integrity *is to ensure that the depository enhances, rather than compromises, state sovereignty and financial resiliency.*

It is essential to underscore that inadequate state controls and oversight and inappropriate delegations to private entities could negate some or all of the benefits to be derived from establishing a state bullion depository. Further, an operation that lacks strong integrity has the potential to detract from the state's reputation and credit. In short, an important step in authorizing a state bullion depository is to define the terms and conditions that support a successful, high-integrity operation and to provide, in detail, how private parties may be involved and how conflicts of interest may be avoided.

A secondary purpose of this paper is to inspire comment to be shared among the groups working on state bullion depositories to combine intelligence on best practices in providing authorizing legislation and creating and operating state bullion depositories successfully.

Solari Report subscribers are invited to share comments and questions here or in Subscriber Input. Non-subscribers and others interested in submitting comments by mail may use the following email address: [FT2Freedom@solari.com](mailto:FT2Freedom@solari.com).

## Ownership

Ideally, the state should own the property comprising the depository outright and use its authority and resources to ensure that the facility and its confidential information are both physically and digitally secure, using the services of state and local law enforcement under exclusive state jurisdiction. This does not necessarily mean that private security firms cannot be used as state contractors in the performance of selected functions. However, if private contractors are employed, the contractors' contracts must include provisions to ensure, among other things, that:

- All operations are backed up by the sovereign powers of the state and are audited by state-selected, independent auditors without conflicts of interest.
- The contracts can be canceled by the state for breach.
- Strict confidentiality is assured and onerous sanctions follow security breaches.
- Little, if any, exclusivity is afforded in connection with key state functions.
- Systems sovereignty can be established.
- The contractors are not subject to conflicts of interest.

The state should seriously consider co-location with state trooper or police headquarters or with a leading sheriff's office.

It is important for the state to be the core depository customer—with a significant and enduring position in gold and silver. Such a state position in precious metals creates a significant early inventory that helps to fund the fixed costs of the depository. More important, it establishes a strong commitment to the depository and its operations.

The presence of a strong state bullion depository in the state can be expected to play a role in the decision of some investors and enterprises to establish residences or facilities within the state. They want to see an enduring commitment to the use, strong management, and financial stability of a state depository—conditions that are perceived to exist when the state owns the depository and has a major position in gold and silver.

The state can hold precious metals from multiple operations and funds within the state, including state reserves and state employee pension funds and those of state subdivisions and municipalities.

## Jurisdiction/Choice of Law

It is essential that the depository facility, the operations, and all electronic systems therein, whether financed by resident taxes or user storage fees and whether owned and operated by the state or private contractors hired by the state, be subject to the state's legal jurisdiction. Thus, in any contract and in all "terms of use" and similar provisions applicable to contracted arrangements, state law must be specified. The state

also may choose to delete any mandatory arbitration provisions in such arrangements and contracts.

One of the ways that both the U.S. federal government and state and local governments have lost sovereignty is by losing information sovereignty as the result of automation, digitization, and outsourcing (in addition, in the case of states and localities, to their agreement to accept federal funding subject to conditions that subject them to control pursuant to multiple laws and regulations). Dependence on Big Tech and large telecommunications companies results in a compromise of operational literacy and control and can impair access to essential data and intelligence and result in a loss of privacy, which, in turn, can compromise decision-making authority. These companies tend to operate in front of a one-way mirror, so to speak, that gives them access to confidential state information while providing little or no transparency into their own operations, especially when contracts and usage terms and conditions provide for out-of-state choice of law, impose few sanctions for breach, and are not subject to public records requests filed by the media, residents, and other interests seeking transparency.

The potential for loss of state information sovereignty is exacerbated when outside contractors are financially dependent on their contractual relationships with parties committed to central control that threatens state, local, and individual sovereignty, and when the contractors' business models include profits derived from data collection and exploitation. In some cases, the companies themselves, their financial incentives, and/or their lead investors are deeply committed to centralizing political and economic power and using the information to which they have contractual access to advance the interests of the control grid. (For an excellent overview of the control grid, including financial transaction control, see the recent documentary, *State of Control* at <https://debunkproductions.com/>.)

The loss of state information sovereignty leads directly to the loss of financial sovereignty. Most states and their residents in the United States have become financially dependent on U.S. federal government funding. Because the Federal Reserve controls monetary policy (i.e., creation of money) and the Treasury Department controls fiscal policy (i.e., federal expenditures and taxes) through the legislative branch's appropriations and laws and the Administrative State's regulations, states and their residents are effectively "bought" with money that is created by the issuance of debt in their name and often financed by the investment of their retirement savings—including state, local, and private pension funds—in government securities.

The interests involved in compromising state and individual information sovereignty in turn are deeply involved operationally and financially with the banks that are key players in the compromising of financial sovereignty. Banks and non-bank financial institutions (including providers of payment and credit card systems) and Big Tech firms (in which category we include providers of various computer applications, services, and equipment covering all aspects of information technology, including but not limited to communications, cloud and other data storage and retrieval services, Internet services, and so on) are working together to centralize all financial transactions, be they individual, local, state, federal, or international.

As an example, Amazon Web Services (AWS) serves as lead cloud contractor to the CIA and 17 U.S. intelligence services as well as providing a meaningful portion of the Department of Defense cloud data services. This single company appears to have a major position in cloud services to the U.S. banking industry as well.

Consequently, it is best if the state and its depository do not hire companies and banks with significant conflicts of interest and potential inconsistent loyalties. Let us be clear: Companies and banks that provide a significant level of services to the federal government and Federal Reserve banks should be presumed to have *irreconcilable conflicts of interest* with the welfare of the state and its residents. These conflicts exist as well for companies, contractors, and vendors that are materially dependent on such companies either directly or in using them as subcontractors.

And regardless of protestations and marketing speeches to the contrary, it is of the utmost importance that all companies hired, banks used, and electronic systems employed are subject to the state's legal jurisdiction and enforcement powers.

This potential for conflicts of interest in the financial sector is another of many arguments in favor of the creation of a sovereign state bank. Such a bank could provide banking services to the bullion depository, helping to maintain more confidentiality regarding its operations.

## Governance

One of the most important questions in the establishment of a state bullion depository is how the depository will be governed. Who decides? State laws and practices in organizing and governing state-related entities will have an impact on governance of the depository in a given jurisdiction.

One possibility is to have the state bullion depository controlled directly by the state treasurer. Another is to create a separate governing legal entity with a board of directors consisting of state officials such as the treasurer, comptroller, attorney general, and heads of the departments most knowledgeable about and experienced in electronic systems and both electronic and physical security. The board could include residents appointed by the state based on their expertise in depository functions—for example, precious metals, electronic systems, security, and so forth—as well as leaders representing networks of enterprises (e.g., banks) important to the marketing and use of the depository by residents.

Alternatively, representatives of private interests could participate through membership on an advisory board rather than the governing board, which would shelter them from personal liability or the depository having to fund errors and omissions insurance. The liability of the state officials would be that of the sovereign government under the doctrine of sovereign immunity for acts within their official capacities.

## Electronic Systems and Security

Electronic systems include all information data systems, Internet systems, telecommunication systems, and payment and transaction systems. This includes hardware, firmware, operating systems, software, databases, and related peripherals.

As discussed above, it is essential to design and operate the electronic systems to protect the privacy of the bullion depository operations and to ensure that all of its operations are under the state's exclusive legal and enforcement jurisdiction. This means that the design of the facilities must reflect an understanding of how to prevent hacking access to the facilities through external electricity, Internet, and cellular and Wi-Fi systems. In some cases, the state may choose to use analog alternatives or back-ups or to create its own freestanding systems or subsystems that do not communicate with any centralized electronic system.

All internal depository data should be stored on the depository's own dedicated stand-alone network and servers (with back-ups maintained in one or more additional locations). The facility should be shielded to allow no electronic signals in or out. Regular electronic security system maintenance and testing for security breaches and malfunctions should be conducted as recommended by a consultant with the highest signal intelligence experience possible. Former National Security Agency (NSA) signal intelligence expert Bill Binney (<https://constitution.solari.com/bill-binney-litigation-to-hold-the-nsa-accountable/>) is an example of the type of uncompromised, high-integrity, experienced individual who may be retained for this purpose. Note that all electrical cables can be breached. A "Faraday cage within a Faraday cage" is the type of system that is needed. Alternatively, every electrical signal may be encrypted.

## Facilities Management and Security

Most states have significant experience with contracting and with overseeing private contractors that design and construct or repurpose various types of facilities. What will be unique about the depository are the features that ensure security of both the electronic systems and physical precious metals inventory as well as authentication of the metals themselves.

Consequently, the state would benefit from learning about the "best practices" of other depositories, particularly with regard to those features that ensure that the depository is both economic and secure. This will require tight oversight of the construction (or retrofitting of existing buildings) by state personnel knowledgeable about the issues involved and with access to the necessary experts. Because the depository should be protected from unauthorized access and hacking, including through air gaps, it may be necessary to keep it off of and protected from Wi-Fi and not Internet-accessible in whole or in part.

Two phenomena that are of relatively recent concern are fires and extreme weather events. Fire-related events as occurred in Paradise, California and Lahaina, Hawaii have reportedly involved much higher temperatures than those characteristic of normal building fires, and there have been reports of melted glass and metal. Precautions should be taken to ensure that the facility can withstand fires of this kind.

In addition, recent surveys of global leaders indicate their number-one risk issue for the next ten years is extreme weather events. Many states in the United States are subject to floods, tornadoes, and hurricanes. Depending on the state, special attention should be given to ensure that the depository can withstand the types of extreme weather events likely in the relevant jurisdiction.

## **Disaster Recovery Plan**

In light of the fact that electronic, information, communication, Internet, data storage and hosting, and payment and transaction systems—including hardware, firmware, operating systems, software, and peripherals—are subject to threats to integrity, the imposition of state disaster recovery systems is an important step in achieving and maintaining financial transaction freedom for the state.

Threats include surveillance, interruption, and insecure or compromised performance or failure, including but not limited to:

- Interruption of power supply or critical infrastructure as result of:
  - ▶ Operational failure
  - ▶ Severe weather, tornadoes, hurricanes, and other natural disasters
  - ▶ An EMP event (such as a “Carrington” event)
  - ▶ An EMP attack
- Cybersecurity attack
- Sanctions or other terms and conditions and controls imposed by governments, banks, and financial institutions, payment services, or corporate and technology entities owned and controlled external to the state and/or not subject to the state’s jurisdiction
- Extreme economic disruptions, including dislocations of the global dollar currency system
- War and other natural disasters and acts of God

It is of the utmost importance in the event of an interruption of the aforementioned systems that the state and its agencies, pension funds, municipalities, and subdivisions be able to transact freely and efficiently with their respective banks, credit unions, other financial institutions, key vendors, contractors, and residents by physical and



analog means or through state-owned and state-controlled systems to ensure no interruption of:

- Payments to residents of and entities doing business with the state
- Payments to utilities and critical infrastructure operations
- Collection of state revenues and taxes and other amounts owing to the state
- Payments to and from the federal and other governments

The involvement of the state's bullion depository will be a factor in developing the necessary analog and other back-up systems to achieve state financial system integrity. We recommend state action, therefore, whether legislative or otherwise, to engage various state departments that are involved in material banking and other financial transactions, which would include any state bullion depository and state bank, in developing written plans stating how they plan to conduct financial transactions and related communications in the event that electronic transactions by existing means are compromised, restricted, or not possible and issue a report on their plans by a designated date certain. The report would be made available to key officials like the state's governor, treasurer, and comptroller, revenue office and office of finance and administration, and each member of the state's legislative bodies.

## **Management Issues**

Depository management can be provided by the state, or management (or certain aspects thereof) can be outsourced to private individuals or companies. If management functions are outsourced, it is essential that the state or the depository board prequalify bidders for expertise and absence of conflicts of interest and restrict contract bidding to those who will agree to their operations being subject to state jurisdiction and enforcement and to provide a legal opinion to that effect.

## **Products and Services**

Authorizing legislation or regulations can define the scope of products and services needed in the establishment of a state bullion depository. The management can launch the offering of some or all of the following to various constituencies (e.g., the state, state banks, state corporations, state residents, and possibly out-of-state residents and enterprises) as it builds operational capacity.

### **(a) Purchases of gold and silver**

Among the questions to be resolved are what gold and silver the depository will take delivery of. (For example, will it be limited to gold and silver the state has purchased from approved dealers, or would the depository also accept precious metals previously purchased by non-state customers?) How does it ensure quality control?

Second, does the state prequalify precious metals dealers eligible to do business with the state and the residents of the state who wish to store precious metals at the depository? A prequalified group of dealers could be helpful in marketing the depository's services, but, in that event, can out-of-state dealers be included without subjecting the depository to federal jurisdiction?

### **(b) Storage**

This would include gold and silver storage for the state, and gold and silver storage for state residents.

The bullion depository probably would not provide storage services to non-state residents and other interests domiciled outside of the state, at least initially, because, in conducting business that crosses state lines, the depository may be subjected to the jurisdiction of the federal government or federal courts in the event of legal disputes.

### **(c) Key tax issues**

If the state accepts payment of state and local taxes in the form of gold and silver, will the depository agree to accept those payments on behalf of the state or other jurisdiction and provide the necessary review and quality control to ensure that no counterfeit metals are accepted?

We strongly recommend that states designate gold and silver as legal tender and remove all state sales and capital gains taxes to ensure that gold and silver can easily be used to transact business and settle accounts.

If liquidation of gold and silver positions subjects the customer to federal capital gains taxes, must the depository withhold and report the purchases and sales?

### **(d) Liquidity**

If there is interest in facilitating the liquidity of gold and silver deposits at the depository (i.e., enabling the customer to make purchases or to exchange deposits for goods and services provided by other depository customers or non-customers of the depository), given economic and other practical considerations, the state may decide to offer a certificate and/or an intra-customer credit/debit system whereby the state issues certificates for account holders to present for payment for goods and services using the value of their stored gold and silver, or enables account holders to transfer their precious metals-denominated credits to the accounts of other depository customers. Presumably, customers would be able to exchange their certificates for specie, net of transaction costs. Note that there are many risks involved in the inclusion of a debit card feature for exchanges outside the depository system using third-party payment systems and, therefore, we would not recommend this feature until and unless state control and jurisdiction and user privacy can be assured. For example, a digital blockchain system subject to third-party control and under the jurisdiction of a different state or country could likely negate the goal of the depository.

There may also be interest in working with private companies and banks that could provide digital payment systems to depository account holders to enable them to transact with vendors outside the depository system using their gold and silver, again using debit and/or credit cards. The key question to be resolved before embarking upon such a course of action is whether such a system can be achieved without involving Big Tech companies and/or out-of-state banks—including those that own the New York Federal Reserve Bank (and therefore have significant conflicts of interest) or involving the systems and software of such Big Tech companies and banks marketed through fintech firms. These options raise serious questions related to data privacy and legal jurisdiction.

Another issue is whether credit and/or debit card services can be offered through multiple issuers and payment processors chosen by the state through competitive bid and still be economic for the depository and service providers. If credit or debit cards are used in other states, will the terms and conditions acceptable to the card company move legal jurisdiction outside of the state and/or subject the entire operation to federal jurisdiction and, potentially, control? Given the issues and risks involved, it is recommended that the depository become operationally and economically self-sufficient first—without digital fintech services. Economic dependence on such services would present a significant risk to protecting state sovereignty.

## **Long-Term Supply**

The depository will have opportunities to lock in long-term supply contracts for precious metals acquisition, either directly or in partnership with qualified dealers, through building relationships with mining companies.

## **Relationship with Other State Bullion Depositories**

We believe there are important opportunities for states to cooperate in building and operating their bullion depositories. One question is whether it is possible for different state bullion depositories to collaborate and coordinate (e.g., by offering integrated services to all residents or companies domiciled within the respective collaborating states) without jeopardizing state jurisdiction by reason of the conduct of interstate commerce. In any case, clearly, coordination on “best practices” will be desirable.

## **Other Custodial Services**

As a depository is successful, it is likely that residents will express interest in additional custodial services, including for non-financial digital assets.

## **Reporting, Disclosure, and Education**

Transparency of aggregate data about depository operations, inventory, and finances, as well as detailed information about state and municipal or county holdings, is a prerequisite for a successful depository. The depository should be required by law to produce quarterly and annual reports and audited financial and operational statements that would be publicly available.

Also recommended is the holding of an annual meeting immediately after the annual report is released that is open to all residents who store metals with the depository as well as all parties, public and private, involved in operations as well as the financial media. Such a meeting can be live-streamed for those unable to attend in person.

As the depository becomes operational, there will be a strong demand for education about owning and using precious metals. Helping build resident literacy about precious metals is a real opportunity for both the depository and its prequalified dealers to explain the production and minting process as well as the history and role of precious metals and currency in the U.S. monetary system. There may be an opportunity to team up with state high schools and colleges, including community and technical colleges and tech centers. Public educational opportunities are worth exploring at the appropriate time, especially for states with universities that have specialties in geology and mining.

## **Audits and Quality Control**

It is essential that the depository be subject to strong independent audit requirements for:

- Its physical inventory of gold and silver—both as to quantity and quality
- The security of its facilities and electronic systems
- Its financial operations

The operations and related knowledge management should be designed from inception to make the audit requirements efficient and economic. It is strongly recommended that those responsible for satisfying ongoing audit requirements be involved at the initial planning stages.

At the heart of a successful depository operation is an investment in documentation and archiving that institutionalizes the knowledge and intelligence gained through operations, facilitates training programs, and captures the knowledge and operations of contractors and subcontractors as well as best practices and lessons learned as the property of the state.

## Involving Private Parties

Within any state government, there is civil service contracting expertise familiar with the state laws and best practices in the use of private contractors for acquisition of property, design, and construction (or retrofitting) of physical facilities, conduct and management of operations, and provision of products and services.

Ideally, those leading the establishment of the depository will have access to this expertise as well as more specialized, depository-specific know-how, since many of the functions involved in establishing a depository are not typically employed for other state operations (e.g., electronic systems and related security, precious metals and related physical security, and the design and construction of secure storage facilities for assets that may attract criminals).

As a result of these unique risks and needs, any bidding or selection process for providers of depository services should begin with one or more prequalification rounds that cull from the bidding process any firms and individuals that do not satisfy predetermined state standards as to trustworthiness, integrity, the absence of past contract breaches and ongoing law enforcement investigations, actions, and convictions (so-called “bad-boy” exclusions), creditworthiness, operating history, and ownership. Preference may be given for state-domiciled contractors and contractors with satisfactory histories of serving state interests. Whenever possible, the depository should employ the services of state banks or at least banks that agree that the state has jurisdiction over their services to the state.

Given the push by the New York and San Francisco Federal Reserve Banks and their members and owners to institute financial transaction controls and, in concert with the federal government, to interfere with First Amendment rights through denial of banking access to targeted individuals and companies, it is appropriate to avoid entering into arrangements directly or indirectly with such banks and their owners, particularly those banks and owners that have:

- Been convicted of financial crimes, such as Citicorp, JPMorgan Chase, Barclays, and the Royal Bank of Scotland (RBS)
- Entered into settlements with the Department of Justice and states’ attorneys general in connection with allegations of criminal misconduct
- Perpetrated numerous banking scandals like those involving Jeffrey Epstein, Bernie Madoff, FTX, and Ivan Boesky
- Engaged in money laundering
- Caused massive losses to the government and taxpayers

In 2019, the Solari Report prepared a document listing all civil money and criminal settlements totaling approximately \$42 billion involving JPMorgan Chase. Readers can view that list here: <https://home.solari.com/blast-from-the-past-week-of-june-20-2022-jpmorgan-chase-selected-legal-regulatory-and-enforcement-settlements-2002-to-2019/>

In conclusion, it should be possible to restrict the bidding or selection process for private contractors to in-state parties and parties that will agree to state legal jurisdiction and to those vetted by the state for characteristics that demonstrate commitment to state goals and the welfare of its residents and companies conducting legitimate business in the state.

## Unanswered Questions

One important question concerns if and how the depository will access insurance. Can the state self-insure? Can the state provide insurance to the residents and businesses who use the depository for a fee? If not, is it possible to negotiate for economic insurance coverage that does not compromise security and provides favorable terms and conditions? These issues rate further research.

Although we have raised the question of legal jurisdiction and choice of law, there is also more research to be done on how to ensure that the state has legal and enforcement jurisdiction over all aspects of the bullion depository and over any private banks and other companies involved in the provision of depository services. Also to be addressed is whether the state depository can avoid being subject to claims of federal legal jurisdiction by reason of its engagement in interstate commerce or otherwise. If not, how can that risk be minimized or managed?

Finally, we should note there is a major move by the drafters (the National Conference of Commissioners on Uniform State Laws and the American Law Institute) to make significant revisions and additions to the Uniform Commercial Code (UCC) as adopted in the states and to incorporate provisions in the model code (upon which most state statutes are based) purportedly to address legal issues regarding the treatment of digital assets, derivatives, and technological processes that are difficult for most legislators and even financial experts and their attorneys to understand. As a result, various states have proposed and in some cases adopted bills that may have questionable efficacy and effect in combating the efforts by lawyers representing the interests of central bankers and large financial institution creditors to serve their clients' interests at the expense of investors, including states.

Numerous of the model code revisions adopted since at least 1994, when combined with amendments to the Bankruptcy Code, could have little-known but profound impacts on state sovereignty and the security of property ownership, including states' ability to implement provisions to protect the interests of state pension funds and other investors. Often overlooked is the effect of UCC choice of law provisions on disputes that may arise in the states. What is good for "harmonizing" centralized institutional banking interests may not be (and often is not) to the benefit of individuals, small businesses, and state interests.

Understanding and managing the model UCC upon which state commercial codes are based is an important part of states' efforts to preserve financial transaction freedom.

## The Most Important Risk: The Rape of Russia 2.0

Our goal is sovereignty. We want state bullion depositories to be successful in a manner that supports such sovereignty. The greatest risk in the misuse of a state bullion depository has little to do with the depository itself, but rather involves the risk of failure of the state to protect residents' primary assets, viz., bank deposits and real estate. A significant portion of the savings and assets of most taxpayers in the U.S. is held in the form of bank deposits, other dollar-denominated financial assets, and residences, farms, and other real estate. Most have relatively few assets in the form of gold and silver.

Now let's grossly oversimplify to make the point:

*If the Fed and its owners—the large banks—were to assert control of dollar-denominated assets (so as to limit or control retail bank deposits and dollar-denominated assets or inflate away their value), retail investors and typical workers and taxpayers (the general population) would lose both assets and the ability to transact business. This would then put them in a position where they could lose (to taxes or other confiscatory conditions) or would have to sell their primary assets of value—their real estate. In such a scenario, the only alternative the state can offer to protect them is the opportunity to transact with gold and silver, which would force these victims of central control to attempt to buy gold and silver at the worst possible time—as precious metals market prices are skyrocketing due to sudden demand. As their dollars become inaccessible, restricted, and/or lose a great deal of value, suddenly they all will have an emergency demand for commodities in a rising precious metals market. This would give a tremendous advantage to those who already hold great stores of gold and silver. And who is that? Our vote is the people who have enjoyed the profits of sustained financial fraud and central bank largesse in recent decades.*

What this means is that there is a risk that state bullion depositories could be used to double down on Mr. Global's winning confiscatory strategy to relieve us of our assets by wiping out the general population's dollars and requiring them to shift into assets purchased in fear and controlled by their enemy. This tragic, little-understood scenario is repeated in similar proposals being played out with Bitcoin. Thus, the general population is given an "escape valve" through a scarce asset as the majority of assets denominated in dollars are being impaired, frozen, debased, or vacated.

This is a phenomenally ugly squeeze play, and it is why it is ABSOLUTELY ESSENTIAL that states take steps to provide financial transaction freedom that support dollar liquidity. This is why a sovereign state bank—whether owned by the state or by in-state banks and/or by its municipalities and counties—that is dedicated to ensuring dollar liquidity for the state and its residents and businesses is an essential component of solutions that build sovereignty.

Proponents of “sound money” theories tell us that fiat currency is the problem. *That is not correct.* Historically, fiat currencies have worked better than commodity-based currencies. The primary problem with the U.S. dollar is not that it is fiat, but rather that it is debt-based and run by a secret governance system that is engineering a financial coup d'état. If we fail to provide dollar liquidity and financial transaction freedom with dollars, the state and the citizens will be left with debt. State residents will be left with the mortgages on their houses, credit card debt, and liability for the growing \$34 trillion-plus federal debt.

Historically, when the bankers steal, freeze, or debase assets, they independently can enforce the debt, even of those whose assets have been lost. That means the large banks are in a power position to enforce against those with debt and to demand that all of our local sheriffs and courts help them do so.

At that moment, proposing that the debtors solve their problem by buying scarce assets (e.g., precious metals and cryptocurrencies) that are primarily held and controlled by the very interests that are destroying the financial transaction freedom of the general population—and that will drive the price of those scarce assets up and, ultimately, bankrupt the general population—is not a solution that creates the conditions of sovereignty and transaction freedom. The illusory “sound money” solution helps to *end* financial transaction freedom.

There have been many examples of this kind of economic warfare in America and around the world. One of the most famous examples is the so-called “Rape of Russia,” which was engineered and led by Harvard University and a group of American private interests partnered with the Russian mafia in the privatization of the Russian economy after the collapse of the Soviet Union. The Rape of Russia has been well documented by journalist Anne Williamson, who lived and worked in Moscow during this period. Her Congressional testimony can be read here: <https://home.solari.com/anne-williamsons-rape-of-russia-testimony/>

Because this “privatization” process resulted in the theft of the assets of the average Russian—both bank deposits and pension funds—and interrupted financial transactions and financial liquidity, it threw the economy into a shocking deflation. In that environment, G7 investors and the Russian mafia were able to accumulate ownership of assets at fire-sale prices. If you look at the investment networks involved, it appears to us that globalist interests are planning to do it again. At the core of their strategy is to use compromised digital information and transaction systems combined with the promotion of investment in scarce assets—including digital systems professing to be tantamount to gold and silver specie, and Bitcoin—to do so.

So, the most important feature of a sovereign bullion depository is that it be paired with an effort by the state to protect dollar financial transaction freedom and dollar-denominated assets of the state and its residents and to stand between the bankers and state interests in the face of the various frauds used to assume ownership and control of residents' real estate.



## **Conclusion**

Given the economic transformation underway, U.S. states will benefit from owning precious metals reserves and a strong bullion depository under state jurisdiction. While doing so is a major undertaking for a state government and involves risks, the benefits of a well-governed and well-managed depository clearly justify the investment of time and money.

Please encourage and support your state officials and legislators in their efforts to start a bullion depository in your state and the additional actions they take to protect your individual and state and local government sovereignty.

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