

BUILDING WEALTH IN CHANGING TIMES



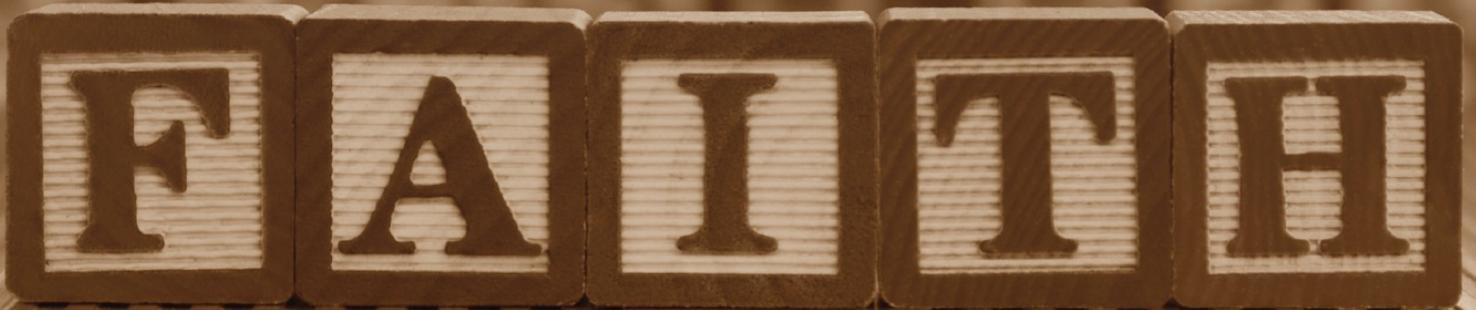
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# The Solari Report

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MARCH 1, 2012

**Living in Faith**  
with Catherine Austin Fitts





# Living in Faith

March 1, 2012

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Our theme tonight is on Faith - Living in Faith. I wanted to quote Hebrews 11:1, “Now Faith is the substance of things hoped for, the evidence of things not seen.”

What that means to me is that faith is the substance. If we are going to build a house, it's the bricks, it's the building blocks. It is not something that is unreal - it's very real. Scripture says it is the substance and it's a very real substance if we are going to build our world.

The reason I wanted to talk about faith tonight is that - as I have said many times - we do not have an economic problem, we have a spiritual and cultural problem and a political problem. The reality is that spiritual and cultural strength and power are the substance of building real economies and real wealth so if we want to talk about rebuilding the economy, which is what we are going to be spending several of our Solari Reports in March on, we need to talk about where we get the substance to do that. It starts with spiritual and cultural matters and that brings us back to faith.

As Scripture tells us, it is as substantive as the concrete material resources we use to build an economy, as real as land, water, and precious metals.

My hope tonight is every person listening will help get something from this to nurture your faith in your spiritual and cultural power to create the kind of world you want to live in.

Our interview tonight is not with someone else. It's just with me. I wanted to talk to you tonight about a series of issues that need to be addressed before we can talk about reengineering money. Because the financial system – any financial system and any economy operate on the foundation of our values, our laws, our cultural practices, and our community and connection to each other.

One of my favorite quotes is from the ice hockey player Wayne Gretzky.



Somebody asked him why he was so successful as a skater, even though he was short. And he said, “I skate to where the puck will be.” I want to talk about these things tonight which are going to be at the heart of the matter in the transformation we’re going through. I want to skate to where the puck will be, in terms of the big issues.

Over the next couple of weeks, I’ll be talking about a lot of nuts and bolts. But none of those nuts and bolts are going to matter two cents, unless we are prepared to deal with the very big issues.

When I was in the Rogue Valley, Oregon I did a series of nuts and bolts workshops – first on household investments, and then on community currency and reengineering both municipal and equity money in a place, and realized, at the final dinner, we needed to talk about the basic issues.

And so a lot of our discussion this evening was inspired by the conversation that we had in Oregon. My comments tonight are organized in five areas. They are faith, freedom, leadership, law, and love. Before I start, I want to read a story that’s cross-cutting. It’s an important metaphor that runs beneath all of my comments tonight.

And it’s a quote – a rather long quote from Carl Jung. It’s up on the blog, under the title “Karma Means You Don’t Get Away with Anything.” And I first heard this story described by a wonderful investment manager in London at a conference. And for many years, tried to find the exact reference, which it turns out is in Jung’s book, *Memories, Dreams, Reflections*.

And a wonderful, wonderful subscriber, who’s a great scholar on Jung finally found it for me, and I put it up on the blog. Let me read it to you.

“I once had a similar case, which I have never forgotten. A lady came to my office. She refused to give her name. Said it did not matter, since she wished to have only one consultation. It was apparent that she belonged to the upper levels of society. She had been a doctor, she said. What she had to communicate to me was a confession.

“Some 20 years ago, she had committed a murder out of jealousy. She had



poisoned her best friend because she wanted to marry her friend's husband. She had thought that if the murder was not discovered, it would not disturb her. She wanted to marry the husband, and the simplest way was to eliminate her friend. Moral considerations were of no importance to her, she thought.

“The consequences: she had, in fact, married the man. But he died soon afterward, relatively young. During the following years, a number of strange things happened. The daughter of this marriage endeavored to get away from her as soon as she had grown up. She married young and vanished from view, drew further and further away, and, ultimately, the mother lost all contact with her.

**“The consequences: she had, in fact, married the man. But he died soon afterward, relatively young.”**

“The lady was a passionate horsewoman and owned several riding horses, of which she was extremely fond. One day, she discovered that the horses were beginning to grow nervous under her. Even her favorite shied and threw her. Finally, she had to give up riding.

“Thereafter, she clung to her dog. She owned an unusually beautiful wolfhound, to which she was greatly attached. As chance would have it, this very dog was stricken with paralysis. With that, her cup was full. She felt that she was morally done for.

“She had to confess. And for that purpose, she came to me. She was a murderess. But on top of that, she also murdered herself. For one who commits such a crime destroys his own soul. The murderer had already passed sentence on himself.

“If someone has committed a crime and is caught, he suffers judicial punishment. If he has done it secretly, without moral consciousness of it, and remains undiscovered, the punishment can nevertheless be visited upon him, as our case shows. It comes out in the end. Sometimes it seems as if even animals and plants know it.

“As a result of the murder, the woman was plunged into unbearable loneliness. She had even become alienated from animals. She had seen people and animals



turn away from her, and had been so struck by this silent verdict, that she could not have endured any further condemnation.”

Now I think that story holds a special meaning for Americans. Because it’s worth thinking, as we shift out of a world where things are assured for us by the wealth of our society to one where we need to be friends with each other, with the birds, with the animals, with all of creation – if we’re going to gather the power to build a new economy, then we need to think about – as I used to call – how we come clean and start to be worthy of the support of the birds.

As the investment manager I once heard tell this story said, “Wherever she was, the birds would stop singing.” And I think the question before us is: how can we make sure that the birds are singing for us?

## FAITH

What do I mean by faith? Spiritually, I’m a Christian. But it’s not my purpose in this talk, or generally in my work, to encourage you to adopt my particular spiritual faith or even to describe my particular spiritual faith in detail. A minister’s goal is to encourage you to have a particular practice. At the root of things, I’m an investment advisor and a money person and not a minister. But I may refer to Scripture, because that is my practice. I hope that if I say anything in my tradition, you will convert it or translate it to one appropriate to your spiritual or philosophic practice.

So having cleared that, let me begin again and say, “What do I mean by faith?” By faith, I mean the ability to create your world, as opposed to buying into or being forced into a different kind of world than the one that you want to live in, by someone who insists they have the right to create your world for you.

So faith is the ability to picture the world you want to live in. And it is the substance, as I said before – from the Scripture, from Hebrews – faith is the substance. It’s the building block that you create to create that world. Faith is something which is invisible. But it is as real and as powerful as the material building blocks that we use, such as land or precious metals or water or any of the other material things.



And I think the time has come where we need to treat it as real and as substantive as we treat those other things. We had a great interview with Jon Rappoport several weeks ago. And I wanted to do the interview with Rappoport because I wanted you to hear and have access to the interviews that really describe the nuts and bolts about how other people try and create and manipulate us into the world that they want.

And a wonderful client of mine sent Jon an email and gave me permission to share it with you. She wrote Jon, “I’m a client of Catherine’s and heard your interview. I bought *Matrix Nuts and Bolts*.” (That’s the name of his collection of interviews.) “It has been so liberating to know about these things. It was a huge affirmation, affirming that I don’t buy a lot of the news stories for quite a while. Because they don’t ring true. I couldn’t explain why, and mostly kept it to myself.

“Now I know why. That these elites have created this reality has actually inspired me that I can create my own reality. More than any proclaiming that creating your own reality is possible by any of the many New Age speakers, I feel it is partly because of your benevolent intent and energy for your readers, that my response was not to get more depressed over this material, which I feared would happen. Also, that the truth will set you free. Thanks for your enlightening work.”

She was referring to the interviews by Ellis Medavoy, who was a very senior PR guy – that’s his pseudonym – who literally used to create propaganda and false realities. But it was inspiring – this email was inspiring to me. Because it was something that had encouraged the person listening to understand the power that is used to create our world for us, and to understand, “Wow. We can do that too.”

Let me tell you two other stories that come to mind about this issue of creating our own world. I had a wonderful friend. We were in Montana in 2005. And we were over in Helena and went into a conference. And there turned out to be a group of energetic healers.

And I had been trying to explain what energetic healing was to my friend, and asked the energetic healers gathered to explain to him. And they tried. They



spent about an hour. And he's a pretty concrete guy. And we were driving back that night over the mountains. And he's trying to sort it out in his mind: what is this thing called energetic healing – this thing called “the field” and this thing called spiritual intelligence and power. It all seemed kind of woozy to him.

Suddenly he screeches his car to a stop. We were driving about 100 miles an hour. He screeches his car to a halt, and he turns to me, and he said, “If what these people are saying is really true, then the good guys can win.” I said, “That's right.” And then he said, “Well, if what they're saying is not true, they're still important. Because people like you believe it's true.” I said, “That's right.”

The second story was – I was driving down – used to work late, when I started at Hamilton. And I had a black Corvette, which I had nicknamed Fred. I was driving Fred down the George Washington Parkway. I had a big glass house overlooking the Potomac in McLean.

So I was driving Fred back home, and I was listening to a tape of *The Dancing Wu Li Masters*. It's a very popular book that is an introduction to quantum physics. The author was describing the experiment in which two particles of light acted in concert further than the distances of the speed and light and sound, demonstrating the properties of a shared intelligence.

It was 11:00 at night. I stopped and got out of the car and walked up and down along the Parkway screaming, “I knew it. I knew it. I knew it.” What they were describing was the kind of shared intelligence that Lynne McTaggart writes about in *The Field*.

And it's one of the reasons I was delighted that Lynne was able to be on The Solari Report. And you were able to get an introduction to both her work on the field and her newest book, *The Bond*. There have been other moments in The Solari Report that are important to underscore here.

And, again, it's one of the reasons I have some of them on – Bill Tiller did an interview where he talked about the power of intention in his scientific experiments, which proved that intention can influence the material world.



We had a great – one of my favorite quotes last year was from Dr. Gwen Scott, who said to me in her discussion on chemtrails – she said, “The most important thing you need to understand is if you look at what’s been happening, we should all be dead. But we’re not, which means something else is going on.”

And we had a conversation about grace and the power of whatever’s going on to compost the evil. And things turn out differently. And, finally, Foster Gamble was an important conversation in this thing. Because one of the things we talked about was the criticality to create a global covenant with respect for the individual and non-violation – the importance of the rights of one.

**“We had a conversation about grace and the power of whatever’s going on to compost the evil. And things turn out differently.”**

We have had, in the United States of America, a covenant coming from the Constitution. And I would say it’s a spiritual covenant, which is one of the reasons I think it’s so important. But we’ve had a covenant of respecting each other’s individual rights. And yet we’ve financed that covenant by not respecting the rights of billions of people around the world.

And what globalization means – we don’t need to destroy the Constitution. Please don’t let that happen. But we do need to extend that covenant, both spiritually and legally, to include every human being on the planet. And that involves the resources and how we govern before we can say we respect another’s human faith. Faith is the substance.

## **FREEDOM**

The Declaration of Independence says – “We hold these truths to be self-evident, that all men are created equal, that they are endowed by their creator with certain unalienable rights, that among these are life, liberty, and the pursuit of happiness, that to secure these rights, governments are instituted among men, deriving their powers from the consent of the governed, that whenever any form of government becomes destructive of these ends, it is the right of the people to alter or to abolish it, and to institute new government, laying its foundation on such principles and organizing its powers in such



as to them shall seem most likely to effect their safety and happiness.”

As a friend of mine says, “Freedom is an inside job.” We are approaching a point where it’s time to really face that what we’re dealing with is not about corruption. It’s not about money. It’s about freedom. Will we live as free people? Or will we live as slaves? Or not? Or dead? I mean that, ultimately, is what this is about.

Because if you look at what’s happening economically, the planet is being harvested. And the single most profitable business on the planet today is slavery. Now there are many different kinds of slavery.

But if you just look at the most concrete form of slavery, it’s bigger than ever. The African slave trade looks like nothing, compared to what’s going on. There’s a new movie out – we’ll do it on Let’s Go to the Movies some time in the next couple of months – called *The Whistleblower*. It’s a fictional version of the story of an actual whistleblower who brought a lawsuit about sex slave trafficking by U.S. and U.N. contractors in Eastern Europe.

And it’s a very reputable movie about what, exactly, is going on today. It’s important to understand – because I’ve lived with them and dealt with them – that the people running things are slave traders. They believe and practice physical slavery. They believe and practice mind control slavery.

Yes, if you look at that review of Aaron Russo’s that I posted in my article “The Data Beast,” they absolutely want to put chips in everybody and make them slaves. So it’s important to understand where some of the leadership is going here. They look at managing seven billion people the way a farmer looks at managing a bunch of chickens. It’s funny - you can understand a lot more about what’s going on if you really read and study livestock management. And the problem that many people in the middle class have, both in Europe and America, but particularly in America, is we don’t have a lot of spiritual and moral standing.

Because generally as a group, we’ve supported the genocide, as long as we could pretend we weren’t doing it, and we benefited financially. I’ve spent my entire lifetime watching drugs and hard narcotics being brought into minority



communities and the game which, in the black community, was referred to as “the beat down.” I mean the beat down game has been going on for many decades with hard narcotics trafficking.

But it was going on with many other things for decades and decades before. And if you want to go back and look at where we got all the land – I’m sure if we did title searches all the way back, what we’d discover is the land was stolen from Indians who were “genocided.”

So whether it was the genocide practice globally to get natural resources cheap, or the genocide practice to get the land we have, or the genocide that’s been used to target minority neighborhoods, the reality is that we, in this country, have gone along with a lot of it, and done and said nothing. So there’s a cycle of disrespect between the leadership and all of us.

Because their feeling is as long as we get a piece of the action, and can pretend that we didn’t do, we’re happy to go along. And that puts us on the – that puts us morally off-sides, and it has created this cycle of disrespect.

It’s funny. I talked to Franklin today. One of the things Franklin and I talk about is how, to a certain extent, the process that we went through in the nineties is the process that now everyone is going through. So the beat down that hit the African-American neighborhood in the sixties and seventies, and hit us early on in the eighties and ninties, as we seemed to refuse to mind our own business, is now something that is kind of spreading everywhere.

And for me, it’s an interesting process emotionally. Because this is a force that I’ve dealt with off and on throughout my life, and tried to warn people about. And to a certain extent, most people couldn’t fathom it, until it really came out of the closet. And now, as the beat down spreads to upper middle class and middle class neighborhoods, and the debasement accelerates, I think it’s much easier for everyone to see it.

But, ultimately, this is about freedom. And what you’ve seen is the time that the crowd sits down and really wins is when they literally decide to draw a line in the sand and say, “No. I’m not going along with that.”



So swine flu was a perfect example. When the swine flu vaccine was mandated, you had a whole group of people draw a line in the sand and say, “No. We’re not gonna do that. We don’t care if you fire us. We don’t care if you fine us. We don’t care.”

And it ballooned, and, sure enough, an incredible effort to get mandated vaccines and to push that vaccine got stopped in its tracks. It’s one of the things Jon Rappoport and I talked about when we spoke.

Another one is homeschooling. Because parents are ferocious about what you do to their kids. And the home schoolers and home schooling has grown steadily. There’s nothing that the powers would be would love more than to control the curriculum and education of all kids. And yet they haven’t been able to do that.

Because literally the homeschooling movement just – you had too many people who were willing to engage in civil disobedience. And so what you see again and again is – the time that tyranny gets backed up is when people say, “Here’s my line. I will not cross it.” And they are very, very ornery.

And I assure you, one of the things that the guys at the top are very concerned about is that people can be very, very ornery. And so that’s why divide and conquer is so important. Okay. So we’ve talked about faith. We’ve talked about the fact that this is about freedom, and it’s really important for you to decide where your lines are and where you’re prepared to stand.

Because, in fact, that’s when the miracles start to happen.

## LEADERSHIP

In a decentralized world, we are the leaders. I’ll never forget, in 1998, sitting in the office with my attorney, and she was talking about – “We really have to get somebody to help us.”

And I turned to her, and I said, “Don’t you understand? Nobody’s gonna help us. We are the leaders.” She looked at me and said, “It can’t possibly be that bad.” And I said, “Yeah. It is.” And I think she would agree with me today. We



cannot let our enemies define for us who our leaders are. And this is a point that I'm gonna make over and over again, because it is so important.

When I first went to visit Franklin, I was looking and doing due diligence on precious metals dealers. And I really needed a dealer I could trust, and so I talked to Franklin, and I interviewed him, and I researched, and I read all those articles about his background. And I got references on him.

So I came to him, and I said, "Okay. I want you to be the dealer who will help my clients. This was in 2004. He said, "Well, you can't possibly refer me, because the Department of Justice came after me."

And I said, "Well, that's one of your strongest credentials. Because you understand what the law is. You're prepared to be the law, because you know we can't depend on the government or the courts to be the law. So I need somebody who understands that and is prepared to hold the line, even in the face of all of that, and who understands their word has to be that impeccable.

"So you'll understand that we have to be our own law. And when you're talking about somebody's money, you're not talking about their money, in that situation. You may be talking about their life. So I need somebody who understands it's about people's lives and not just their money, and that they have to be the law, no matter what."

And Franklin looked at me, and he said, "Well, I just don't think your clients are gonna tolerate anybody who was charged by the Department of Justice." And sure enough, that has not been a problem.

But I have watched literally so many people in my life let their leader be defined by who *Time* magazine says is the leader – or to take a really honorable person who's doing right by them, have them targeted by the bad guys, whether it's the media or the government, and they throw them overboard. And so literally they're in a process where the people they depend on are the ones who are beholden to their enemies or the people who don't have their best

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interests at heart.

Whereas they're constantly throwing overboard the people they can trust. I remember I wrote an article called "The Community Wizard of Sebastopol." And it describes what I'm about to tell you. I did a speaking tour and ended up speaking in Sebastopol. And I kept being told by the various people in the community, "Oh, we don't have people who can help us with that. We don't have people who can help us with that."

And digging down, I discovered that yes, they did. They had tons and tons of great people in the municipal government. In the financial community there, they had great bankers. And I said to them, "Look. Here's this guy who's fabulous. He's knowledgeable. He's honest. He's dedicated. He cares tremendously about the community. He's been on the planning board. He's done this. He's done that."

What came out was: he hadn't been in *Time* magazine. He hadn't gotten an award from Harvard. He hadn't been anointed by the corporate media and the hierarchy. And so the leadership in that community was in a complete double bind. Because if they did what was in the best interest of the people in that community, they would not be considered a hero. Because they wouldn't get any awards or attention from the corporate media, which was interested in making money harvesting the place.

So they were promoting an entirely different kind of leadership, one that didn't have, necessarily, the best interests of the community at heart. So there was a multiple personality disorder in the whole thing that got unbelievable.

Another story. In the summer of 2000 – and I wrote this up in an article entitled "Narco Dollars for Beginners" – I was at a revival for Christian women in Atlanta. And T.D. Jakes brought George W. Bush in by monitor. It was the year of the presidential campaign.

And 100,000 African-American women jumped up cheering, including a minister that I was taking a spiritual warfare class from, who used to work for the DEA. And there's nothing about hard narcotics trafficking in this country that she doesn't know about, including allegations related to both the Clinton



and the Bush family. So she jumped up, cheering for George W. Bush.

And afterwards, I said, “You know I just almost lost my life. I’ve lost my fortune and everything else, trying to stop hard narcotics trafficking by these guys. And you just jumped up, cheering for one of 'em. And I want to know why?” And she said, “Well, he’s gonna be the winner.” And I said, “So I’m a loser, and he’s a winner.” And she said, “Yeah. That’s right.”

Now what I have to tell you is if you’re Franklin Sanders or you’re Catherine Austin Fitts or the hundreds of other people like us, you do what you do, as we would say in Scripture, for the glory of God – not because the crowd will support you.

And this is a conundrum that we all have to deal with. Because we are all susceptible to the trance of what corporate media promotes. And that’s one of the great things about the creative destruction. Because more and more, we can find each other through the Internet. We can find each other through YouTube. We can be our own media. And it gives us the power to start to switch things.

But part of what we need to do is – we need to define our brands, and take our brands from sources that we know and believe to have our best interests at heart. There is nothing more important than that. Because if people who do not have your best interests at heart can define what makes you a leader or define what makes the people around you a leader, then there are no solutions.

And that brings us back to handicaps as well. Because one of the most brilliant things that the powers that be do – is they put enormous handicaps on the true leaders, whereas they do lots of things to put wind in the sails of people who are helping facilitate the harvesting of places and industries for them.

And so literally you can have someone like a Franklin, dealing with just unbelievable headwinds, while someone else is sailing in – not only do they have no handicaps. They have lots of money and help from the powers that be. So one of the things you need to think about, when you judge a horse running around the track, is: how much weight is the jockey and the horse carrying? Okay. What does this all mean to you, in terms of taking action?



One of the stories you've heard from me, on many occasions, is the story of Gideon. It's one of my favorite stories in the Old Testament. And it's in Judges, Chapters 6-9. Gideon is a shepherd in Israel, and Israel has been occupied by these evil, horrible people called the Midianites.

And an angel of the Lord comes down to Gideon and says, "Gideon, we want you to throw the Midianites out of Israel." And Gideon says, "Wait a minute. Wait a minute. I'm the last son in the last family in the last tribe. I'm a shepherd. I'm not a warrior. I have no idea how to do this."

And so the angel of the Lord says, "Well, you're not gonna do it, we're gonna do it. The reason we chose you is everyone will know it was the Lord who did it, because clearly, you're incapable." So Gideon goes ahead, and he calls for an army. And a whole bunch of people show up.

And the angel of the Lord comes back and says, "Well, you got a whole lot of people. But they're not all faithful. They're not all believers. They don't really believe in the power of the divine intelligence to get something done here." So they make Gideon do a series of tests, and send the scared guys home. I used to have a partner who would say, "Before you get together to rob the bank, you need to send the scared guys home." So Gideon sends the scared guys home.

And then the angel of the Lord comes back and says, "Well, you got rid of the scared guys. But now you still have people who are not competent." And Gideon has to put them through another test, and he ends up sending all the incompetent people home, and ends up with an army of only 300 people.

He's apoplectic. How's he gonna throw the Midianites out of Israel with only 300 guys? He comes down the side of the valley in the dark, with lanterns and pitchers – so light and noise. And the Midianites are sleeping in the valley. They jump up in the dark and start killing each other. Hence Gideon's army throws the Midianites out of Israel.

The meaning of that story is: if there's anything you need in this environment, it's people who are both faithful and competent. And I cannot stress that enough. When we're in a stable society or a bubble, when we can count on the system to be reliable, it's easy to get along with a whole lot of people.



In an environment where you're inventing a new world, where the world is very tricky, where there's a lot of risk, suddenly it's not important to have a lot of people. What's important is to have people who have great integrity, and who are competent. And, of course, the way to do that is to do our very best to try and be that ourselves.

If you want to look back on our website, we have an article called "Coming Clean." And part of that is: "Okay. If I want to attract to me other faithful and competent people, how can I be and do more to become more faithful and more competent?"

Another story I wanted to tell is one of the things I used to watch at the Department of Housing and Urban Development a lot. There were a lot of very wonderful – in the bureaucracy – very wonderful civil servants. And they would be doing an excellent job at their work. And then suddenly, whack. The black budget guys would come down and yell at them for doing what they were supposed to be doing.

But the black budget guys didn't want it to be done. And, of course, suddenly everybody would hurdle towards a state of lack of clarity. Because no one really wanted to deal with what was really going on. It was too scary. And suddenly, they would take that portion of what they were doing that they still controlled and could still get done, and suddenly reinvent it as much more complicated.

And every year, the processes involved would get more and more complicated, and more and more complicated, and more and more complicated. And for a variety of reasons, that worked for the black budget guys. But you had a growth in the smallness of mind. You had a growth in meanness. And you had a growth in people attacking each other.

And it was literally as the corruption was moving in on them. They would continually increase complexity, increase smallness of mind, increase the divide and conquer. It was their way of coping with it.

**“The black budget guys would come down and yell at them for doing what they were supposed to be doing.”**



Now as the beat down continues, and the society of cash flows recede in the old world, and people are having trouble moving to the new world, we're seeing the same thing – people making things more complicated, a smallness of mind, sort of a growth in the rate of entropy, more divide and conquer. The Scripture says you can tell it's the last days when the spirit of offense rises, and people take offense or give offense much faster.

Don't fall into that trap. You need to – all solutions come from staying in a higher mind. But you're gonna be watching that in many places. And it's one of the reasons you want to stick with people that both have integrity and are competent in this environment, who do not go down in that spiral.

Because that's a spiral you can't afford to get caught up in. It's one that's gonna get less and less productive. And if anything, you need to get more and more productive. One of the ways you see it is – unfortunately, more and more of our society has gotten highly dependent on government money.

And that tends to draw people into that model. They get dependent on the government money, and then the government money and benefits start shrinking, ratcheting back, and being debased. And, of course, that makes it worse.

One of the reasons I wanted to have Adam Trombly on The Solari Report to talk about entrainment technology is I feel that a lot of the wireless technology and entrainment technology gets in the way of this. Whether it's promoting certain kinds of mind control, certain kinds of moods – it just shuts us off from the divine intelligence and our ability to resonate with each other.

And that concerns me very much. So it's another reason to try to stay in nature, or in trees, or do things in my environment to kind of protect from that. A couple of other comments – faith is the substance things hoped for, but not seen. I would say faith is number one.

And number two, number three, number four, number five contributors to success is habits – good habits. When you have a world that is as corrupt as this one and is changing as fast as this one, it is very hard to maintain successful habits. I know my habits got flattened by my experience in litigation. But think



about that and focus on that.

Because what you will see, over many years, is people who are able to maintain successful habits, even when those around us can't. You know it makes an enormous difference – an enormous difference in this environment.

One of the reasons – the last comment – that I proposed doing circles is that if we're gonna rebuild an economy, we're gonna need trust and a small circle that's made up of only those people you can trust to share confidential financial and personal data - it's a building block from which we can start to build liquidity in a community.

So that way you don't have to trust everyone. A small circle can trust each other. It's like an affinity group. And then circles can do deals with each other, and you can build out from there.

## LAW

Financial systems begin and end with laws. Financial systems are man-made systems, and they are based on the rules that we make about how we make contracts, and how we transact with each other, and how we store value. It's a man-made system. And so no laws – no financial system.

I've often said – and you can read this in the Dillon Reed story – that if you look at the price/ earnings ratio of a stock – let's say a stock is trading at a price/ earnings ratio (P/E) of 20 or a multiple of 20 times. For every \$1.00 of income, it's stock value is \$20.00.

Well, you take away the rule of law and, in fact, the P/E is gonna drop to 1 or something like that. And so liquidity and value depend on the rule of law. And that's why so much money and time has been put into creating the appearance of law. Because if you can combine illegal cash flows with high P/Es and high financial liquidity, then you've really got a money-making machine.

One of the things the financial system is struggling with is: as it becomes more apparent – the level of corruption – how do you keep the high liquidity and P/Es going, when, in fact, there's less and less faith in the rule of law? That's the sort



of MF Global situation.

I mentioned – and it's described again in that article, "The Community Wizard of Sebastopol" – the mandate of heaven, which is the Chinese notion of the support or the credibility of a ruler, and what a ruler needs to do, in the moral order of the universe, to command support from heaven for his rule – the notion being that without that, you can't rule.

What we're watching – and this is part of the reengineering underway – are sovereign governments around the world losing the mandate of heaven. Which raises the question: how are we gonna rebuild the mandate of heaven someplace else, even if it's in our own lives, in our own household, in our own circles, in our own communities.

And it's one worth thinking about. Because that's exactly what we're gonna have to do. I told this story in the Dillon Reed book, and I wanted to tell it again – about something that happened to me. It's one of those important moments in my process. It was 1998, and we had been attacked by – we were under a barrage of 12 different pieces of litigation.

And I needed the insurance company's attorneys because I had litigation in other states and couldn't fund them myself. So I finally met with a group of the most high-powered and high-priced attorneys to brief them, for a day, on what was going on, and the Hamilton litigation.

At one point, one of the insurance company's attorneys who'd been brought in – the insurance company was trying to get us to accept them for representation – ordered me to do something that would have been a violation of a contract that I had made with a subcontractor, and I refused to do it. I said, "I agreed with the subcontractor that if we had a political problem, it was our problem – not theirs. And I'm not gonna abrogate my contract."

And the attorney said, "Well, if you don't do what we tell you, we're gonna withdraw representation. And if we withdraw representation, then you're gonna do to prison. Because you won't have lawyers to defend you, etc., etc."

And I stopped, and I said "Gentlemen, I'm obedient to the laws of God. And



there's nothing you can say or do that will cause me to violate them. If that means I'm going to jail, then I'm going to jail, if only to organize the last group of entrepreneurs I need to run the country when the government collapses. Because if people like me are going to prison, then it's only a matter of time until the government fails."

And it was really interesting. This happened several times in litigation, when I just said, "No. I'm not gonna lie. I'm not gonna break my word. I'm not gonna abrogate a contract. I'm not gonna do that, period, for anything. End of discussion."

Now what was really interesting about this was: here was a lawyer threatening me with the end of the world, if I didn't do what he said. He told me, several months later, that was the first time it occurred to him that we might win. And I said to him, "So you ordered me to do something that, if I did it, would cause you to believe that we were gonna lose. Why would you do that?"

**"What was really interesting about this was: here was a lawyer threatening me with the end of the world, if I didn't do what he said."**

It was amazing. When I said the first statement to all the attorneys, I had 12 different attorneys staring down at their shoes, like little boys. And I said to them "Why did you guys become lawyers? You don't believe in the law."

And one of the things you understand, if you end up dealing with important legal questions, is: there really is such a thing as law. But it is not something that's in books. It's not something that's in a judge's chamber. Law is something that we practice and we live. And if it's not deeply embedded in our faith and our philosophies and our culture, it has no meaning.

And so, as I said to Franklin, I need a precious metals dealer who will be the law. If we're gonna be leaders, each one of us, then we need to be the law. Should it have to be that way? No. But that's the way it's gonna be. We're gonna have to be the law.

I'm not gonna talk a lot tonight about the Solari Model, which is my model of how we reengineer the practices, the important best practices of how we



manage money, including pension funds and institutional capital. But the reality is we're going to a world where we can't just assume: "Oh, government will enforce and take care of that."

And so part of the Solari Model is trying to institutionalize the law into financial protocols, in a world where sovereign governments either go away or can't be depended on. But it all comes down, as always, to the enforcement question. If you look at the laws that govern our pension fund and institutional capital, there are a lot of great laws. And if they were being followed, a lot more things would work.

But the problem is the people leading that money literally – if they don't do what they're told, top-down, they literally can fear for their life or their position or anything else. So it always comes back to the enforcement question: who's gonna enforce? And the reality is if you look at what's going on, there's only one way. And that is if every one of us does, in how we live and how we transact our money.

## LOVE

The first thing I want to say about love is – I want to talk about anger. I wrote an article for the blog – it's up on the blog – about anger. And I tell the story of when I was dealing with litigation again – sort of 1998. So my version of dealing with a beat down. You know it never occurred to me that I couldn't figure out a way to win in the situation.

And, finally, as things got to be sort of long-lived and overwhelming, I sat down, and I said, "You know this is really serious. I could die." And it was a pretty sobering moment. So I sat down, and I said, "Look. Other people have been in this situation. I'm gonna study who else has been in this situation, and I'm gonna study who won and who lost and why. What were the conditions that led to their success?"

And I should just mention we did a wonderful interview with Laurence Gonzales on a book called *Deep Survival*, which gets into many of the same questions I ended up addressing here, and which I recommend to all of you. You really need to read this book.



But one of the things I discovered is many of the people who survived or had gone through the beat down failed because of their anger. They became so angry at what was happening, and their anger literally poisoned them and, if anything, caused physical disabilities. Their anger made them sick. Their anger caused them to drive away the people around them, who they needed to help them and to support them.

And what I realized was I needed to work my way through the situation, and I needed to organize everything, so that when it was over, I had the capacity to love, and that I was building a future defined by who and what I loved, rather than defined by my anger. And it completely caused me to reorganize what I did and how I did it. It was a very different way of going about the process.

But one of the things it taught me was a piece of advice, again from Scripture, from Saint Paul, when he said, “Let not the sun go down on your anger.” There’s another phrase from Scripture I love. “All things work together for the good of them that love the Lord and are called according to his purpose.”

What it means is you never know how things turn out. Once upon a time, I worked for people who I didn’t respect and admire. I’ve worked for very powerful and famous people, who I believed were murderers, who I believed were pedophiles, who I did not respect, and I didn’t like.

And I thought in the world that I lived in, you had no choice. You were a good soldier. And sometimes you got to work for people you liked, and sometimes you didn’t. I serve now – I work with people who are wonderful. As I’ve been traveling the country and meeting with subscribers – and I certainly meet with my clients and some of my investors – these are wonderful people.

In fact, they’re people who hold up the world. And I shouldn’t say “they.” You. All of you are taking care of mothers and fathers and children and grandchildren. You’re holding down the fort in all sorts of different industries. You’re doing amazing jobs under difficult circumstances.

The world is full of people who are exceptionally responsible and really do believe they can build their own world and invent their own world. And you’re doing it, and there are many, many of you. I would never have the opportunity



to know you and work for you, if I hadn't gotten thrown out of Washington.

Which is to say that sometimes when things are going on that feel horrible, they're part of getting you to where you need to go, that's a lot more wonderful. Sometimes what's intended for your evil can be working out for your good. And it's very important to not forget that.

So I would encourage you – I'm often asked from people, "Where can I go, and what can I do, so that I will be safe?" And I'm always saying, "There is no way. The forces or tyranny that we're dealing with are everywhere. And there are different variables that can define which places, for you, might be safer than others." So I'm not saying that is not a worthwhile exercise. It is.

But what each one of us needs to ask is: where are the people I love? What is my purpose? Who do I wish to serve? And how and where do I want to build the world that I want to be a part of? Because the transformation is gonna happen as we all leave the old world and go to build the new world, and there's not enough time to organize yourself against what you don't want to be a part of.

You need to organize everything around what your purpose is. And where your purpose is – that's where you're safe. Because that's where the spiritual and cultural forces are going to protect you. So don't ask where you're safe. Ask who and what you can best serve, and what is your highest and best purpose.

I would hope that you would also organize it so that, no matter what, you don't lose your capacity to love. When we talked with Lynne McTaggart about *The Bond*, that's what we were talking about – the importance of the heart for nourishing and creating the things that we're all nourishing and creating now.

#### **DISCLAIMER**

Nothing on The Solari Report should be taken as individual investment advice. Anyone seeking investment advice for his or her personal financial situation is advised to seek out a qualified advisor or advisors and provide as much information as possible to the advisor in order that such advisor can take into account all relevant circumstances, objectives, and risks before rendering an opinion as to the appropriate investment strategy.