

BUILDING WEALTH IN CHANGING TIMES



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# The Solari Report

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OCTOBER 2, 2014



**3rd Quarter Wrap Up**  
with Catherine Austin Fitts



# 3rd Quarter Wrap Up

October 2, 2014

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## INTRODUCTION

Good evening. Welcome to The Solari Report. Today is October 2, 2014. I'm Catherine Austin Fitts, and I'm delighted you could join me this evening.

Events have been busy. We just had a great lunch with subscribers in Albuquerque on September 24. I want to thank everyone, particularly The Solari Report subscriber who helped organize it. It's a perfect example of somebody saying, "Come on into my town."

We've gotten some invitations from some wonderful subscribers and we're going to be doing more this year and next year as well, but this was one that was particularly wonderful and I just want to thank everyone involved. It was remarkable to see how many wonderful subscribers we have in that area. People came in from Colorado and Arizona, so it was quite lovely.

We have mailed invitations to our Menlo Park event. That is south of San Francisco, right next to Palo Alto and Stanford University. It's going to be on the weekend of November 8<sup>th</sup> and 9<sup>th</sup>. You can access your invitation if you're a subscriber and you're listening to this by logging into the blog. You'll see the logo and the post up on the left at the top of the blog. If you're interested, please take a look. This is going to be an amazing event.

We still have some places open, but what is remarkable is that the most fascinating and knowledgeable people in our network are coming. We have people coming from Australia, the UK, and Holland. Jeroen Van Straaten who was the organizer of The Secret Space Conference is coming all the way back over. That's going to be amazing. A subscriber from New Zealand, Illinois, Massachusetts, Wisconsin, Michigan, Tennessee, California, and several members from the San Francisco Bay Area Solari Circle are coming. It's a remarkable group of people. I'm very thrilled about that.

Finally we're working on organizing a dinner – a Christmas dinner – in New York on the second Saturday in December. If we pull it off Richard Dolan will be our guest speaker. I'm also going to try to get Eunice Boston who did our wonderful Solari Report on cleaning, and I'm trying to get some of her partners to come and join us for dinner. I'm hoping that gets organized. That will give



you folks on the East Coast a chance to come together and meet.

That's the best thing about these events – all the subscribers getting the opportunity to meet each other and network together. It's always remarkable to see their faces when they find out there are so many attractive, intelligent people just like them.

## THEME

Our theme tonight is the shift to 3.0, and we're going to be looking at twelve trends. This is our 3<sup>rd</sup> Quarter Wrap-Up. As you know, every quarter we step back and try to get the long view. I think that's very important.



This was inspired because we decided to do for November our Equity Quarterly Overview a discussion of investment strategy for Global 3.0. Then part of that was going to be the top trends. As you know, I think it's important to try to align with the primary trends where it makes sense to. (It doesn't always make sense, and it may not always be what I find the responsible thing to do.) But I think it's important to know what the trends are and to align with them where you line up.





We decided to do that for the Wrap Up. I'm very glad I did because it has been a tremendous effort to pull together what we normally do each Wrap Up – a comic book with pictures and graphs and other information.

If you go to the blog you will see on the blogpost for this evening's wrap-up a link to the 3<sup>rd</sup> Quarter 2014 Wrap Up Comic Book, and I would really encourage you to go there and follow along using the comic book because I think it will help tremendously.

This Wrap Up is one I'm very excited about. I have gotten some input on it. When I was driving to San Francisco I stopped and visited with Dr. Joseph Farrell, and we had quite a conversation. I just went through the outline with him. It was before I had the comic book finished. We went through the different areas, and it's very integrating when you step back and look at the long-term trends and where things are going. Suddenly lots of different stories in the news that seem sort of weird and incoherent come together and you see where these things are going.

What was very exciting for me was walking him through the outline helped him do that. He posted a blogpost several days ago about it, so I thought I'd just kick off and read you some of what he wrote because it's one of the most important things I really want you to understand from the Wrap Ups this year, including this one. It's where the technology is taking the global currency system.

Anyway, he titled the blogpost – and I'm only going to read excerpts – *Asteroid Mining: US Congress Considers Bills, and Some High Octane Speculation*. He writes:

Recently I had a fascinating conversation with former Assistant Secretary of HUD Catherine Austin Fitts, and the subject of our conversation was – as it often is – space, and global finance, and the links between the two.

Then let me jump into:

“If the US wants its private space industry to jump into the fray,”



argues so-and-so, “legislators must create a more predictable environment in which companies can enjoy the rights of their extraction or to extract without interference.”

In other words, like it or not, we are entering the age of space commercialization. Over the next two to three generations, this will dramatically transform the culture we live in.

Excellent point.

So how can we minimize risk and protect investment?

Then he goes into the currency system. Here is the important part. I want you to listen to this carefully:

There are basically two routes here, and here’s where Secretary Fitts’ insight comes in. As we worked our way through the conversation and her charts and graphs, we both became rather speechless and breathless at what might possibly be going on.

One way would be the way of international treaty and negotiation, a long and tiresome process, as the principal problem to be encountered is what standard of law would be the ultimate arbiter of such commercial ventures?

He means in space.

The other way would be the creation of a global government brought about, perhaps, by a tender for the global population which would be the Chancellor Kohl scheme for the reunification of Germany writ large, and on a global scale. You’ll recall that the scheme was both cunning and shrewd in its simplicity as the former Democratic Republic of Germany, East Germany, began to fall apart, Chancellor Kohl allowed a one-for-one currency tender of East German marks for the much stronger West German D-Mark. As East Germans began to use the D-Mark, the economies elided together. The deal was done.



Now, how might one go about doing this on a global basis? Think Chancellor Cole plus smart phones, Apple pay, and other virtual currencies – global tender. Voila!

So he saw the play. Let's step back a little bit and revisit where we are in this discussion of Global 2.0 to 3.0. As I described in the Annual Wrap Up – and there are links in the comic book to both the Annual Wrap Up and the two Quarterly Wrap Ups so far this year – I talked about a shift in the economy.

Let's go back to the beginning of the 1990s and the creation of the World Trade Organization and the decision using very much new telecommunications and digital technology to rebalance the global economy, shift capital out of the G7 nations, reinvest including in the emerging markets, and shift capital into what Joseph and I refer to as the Breakaway Civilization.

What that does is it kicks off a process where we really are becoming one global economy despite all the fractiousness that you're seeing, and we're creating a world where literally everyone is on the internet and can connect directly with everyone else. I describe one of my favorite quotes from Michael Ventura describing what this means. He said, "The human psyche is one of the great forces of nature, and what is most frightening about this space/time technology is that it exposes us to this force within us as nothing else ever has. We are standing in the storm of our own being."

Well, the psychic storm is now growing to 7 billion. We're about halfway to 7 billion in people all connected online and able to communication directly with each other. That's quite a psychic storm, and step one is a global psychic storm – and as part of that a global economy and all sorts of global things happening and going on.

What that means is we're going from an industrial economy where G7 ruled the roost and the emerging markets provided our natural resources to G7, which we then controlled, to something much more balanced, where productivity and production and consumption is much more balanced globally. We're going from an industrial economy 2.0 to a network to an economy 3.0 now. To be perfectly honest, nobody quite knows what that's going to look like.



What I will tell you is during the financial coup d'etat – which was basically the 90's through the bailouts – what you had was a great deal of capital shifted out. Now that capital, with the bailouts over and the trail gone cold – the liability is shredded up and the paper trail is certainly shredded – that money is free to be reinvested, and it's an enormous amount of resources. Of course, the question for all of us is: Where is it going to be reinvested?

Let's dive in, open up the comic book, and let's walk through the 12 trends and see if we can't get our perspective on some of that.

I started off, of course, with the most important question to me, which is: How can you live a free and inspired life in a world that is complex and rapidly changing?

I've been very struck to see so many people in my generation – I'm a baby boomer – who are very angry about the change that's happened to date. One of the reasons our poster for this year and our theme for this year was Breakaway is again and again and again I want to keep bringing you back to the fact that the change we've seen in the financial coup drawing the capital out and beginning the rebalance of the global economy is a small portion of the change we're about to go through.

I keep telling everybody, "You ain't seen nothin' yet." Put on your seatbelts. Strap in because we're about to hit warp drive, and I hope these twelve trends in this Wrap Up and all the Wrap Ups we've done this year help you make that shift successfully.

Anyway, my goal with this is to give you a better map so that you can sort of find and create your unique pathway because there are a lot of opportunities. Let's just dive in.

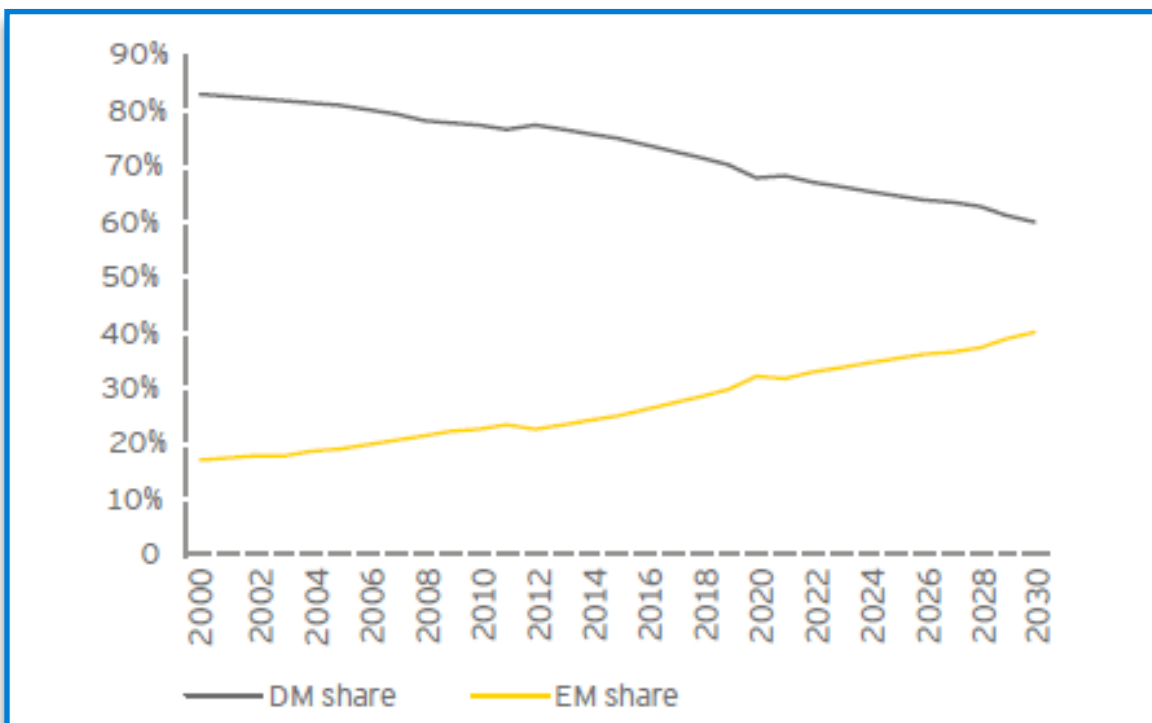
## REBALANCING THE GLOBAL ECONOMY

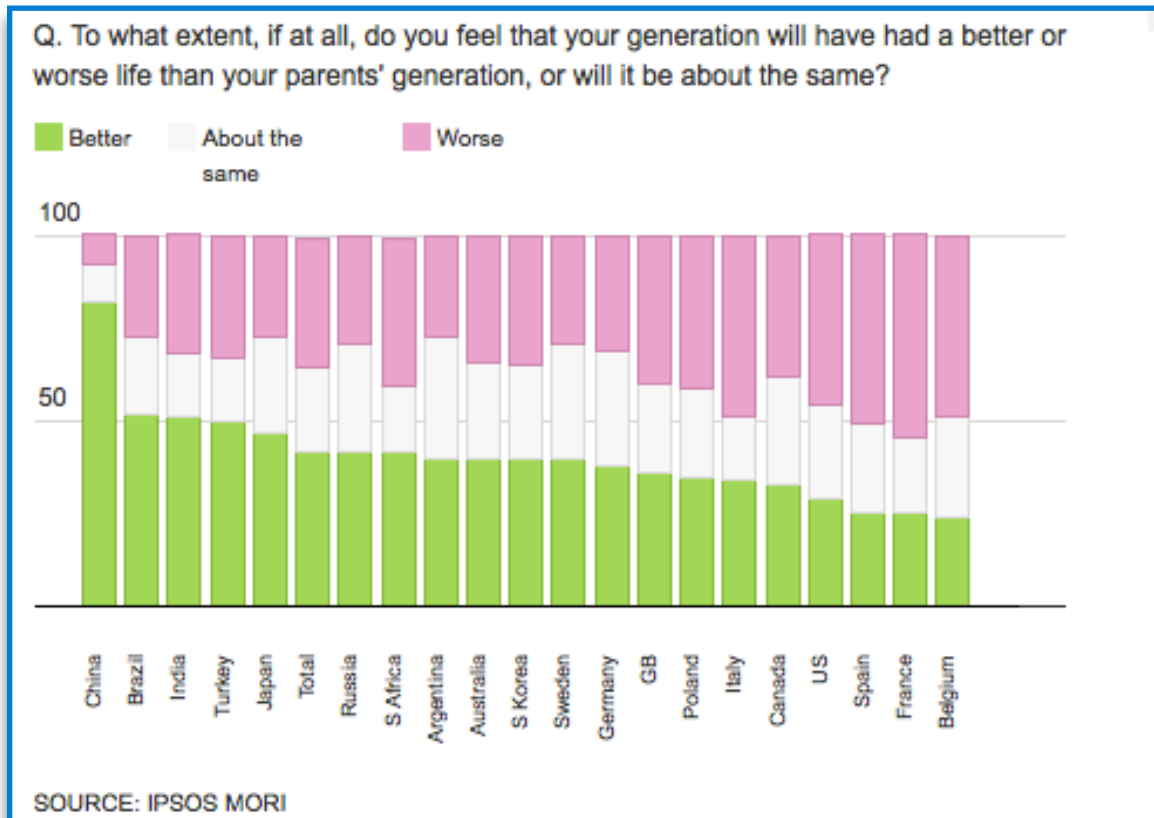
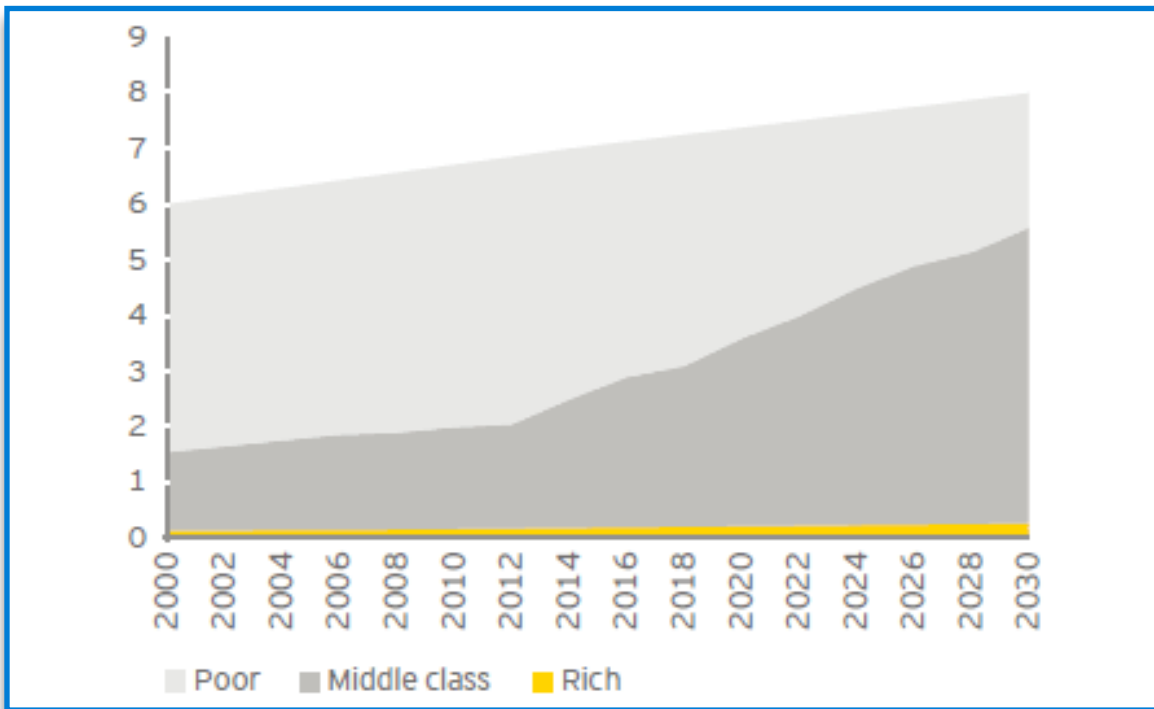
It started with the creation of the World Trade Organization, but it's far from over. I show a couple of great charts that show we're now at 7.2 billion people globally, and what you'll see is the births are significantly greater than the deaths despite the fact that it seems like the leadership is doing a lot of things to increase the death rate.

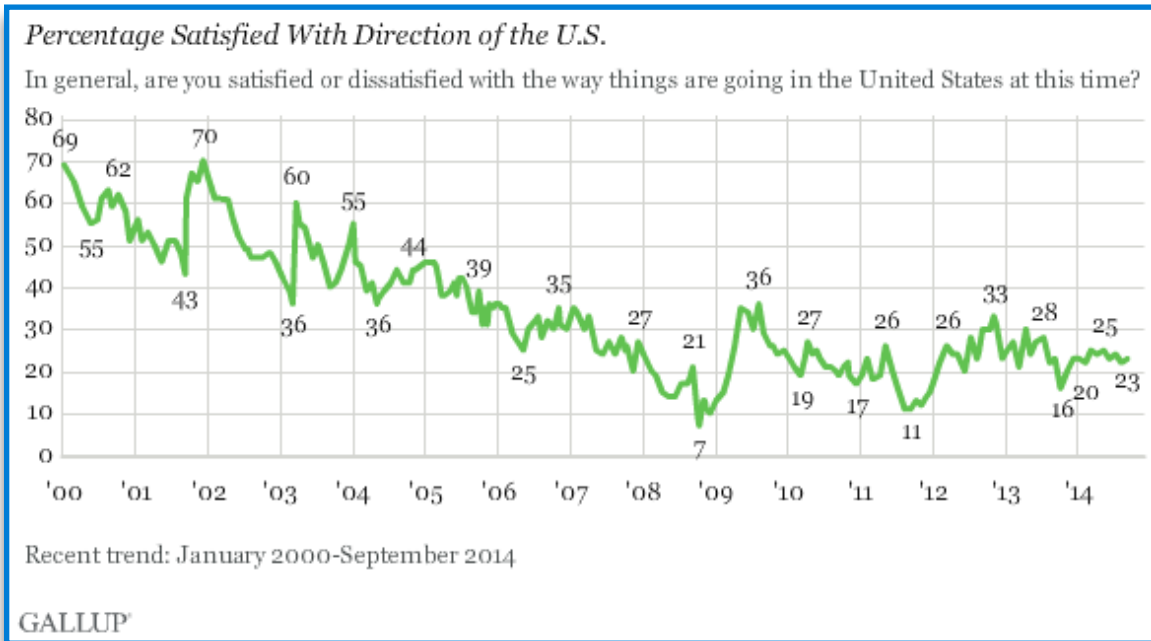




What you'll see is in the developed world our percent of consumption is shrinking, and it is expected to continue to shrink. Of course, some of us sometimes find that depressing. I showed two polls that show in the emerging markets everybody thinking, "Oh, they're getting better off," and they're all excited and happy for the next generation whereas you look in the developed worlds and we're thinking, "Oh, the next generation is going to be worse off." I showed one Gallup poll in the US about how dissatisfied we are.



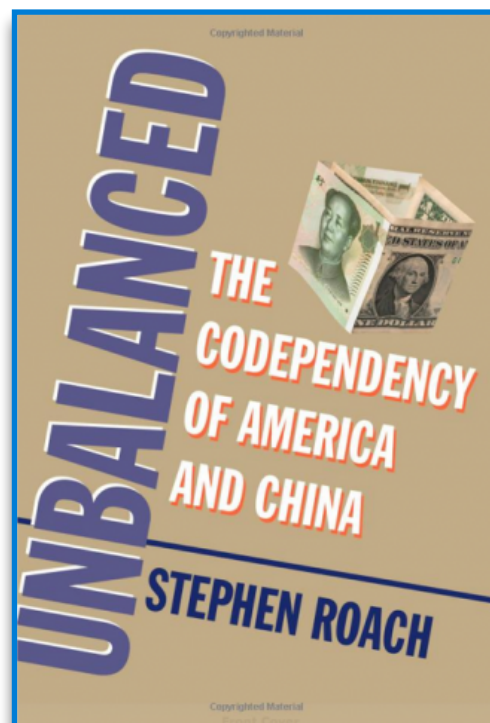


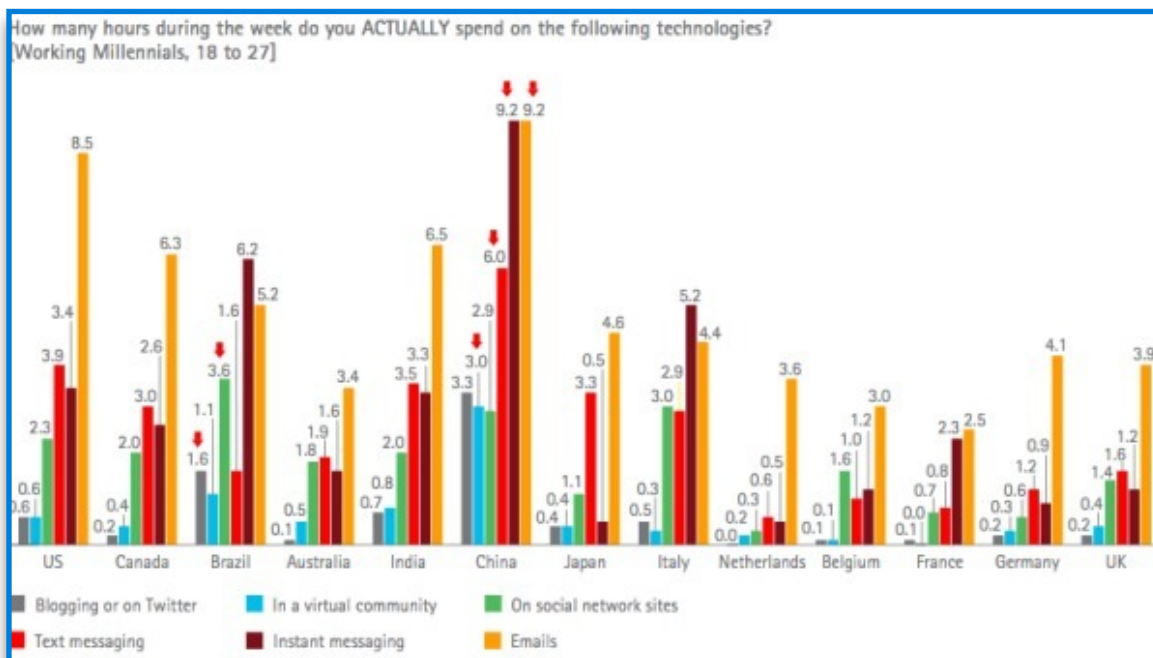


If you want to get a perspective on the rebalancing, the best book I have seen for a long time – and we did an interview with the author and I recommend it strongly on the blog – is Stephen Roach’s book, *Unbalanced: The Codependency of America and China*. It’s a great way to get your perspective. I have a wonderful member of our network who was flying to China and is going to be in China for a while. I said, “Please read this book on the plane.”

We Skyped after she got over there and she said, “Great book! Great perspective. I can really see the events in context.”

Part of this global rebalancing, which is new and I think is now going to have a traumatic impact on what’s ahead, is we now have a new generation coming into leadership positions everywhere from the late teens into the 30’s – the millennial generation. We had Neil Howe on The





Solari Report to discuss the millennial generation, and I encourage you to go back and listen.

We now have a generation of young people who are global. They are savvy with digital technology. They can connect and transact, communicate, and travel globally. They are a whole different generation than Gen X and the baby boomers above them. They are now coming into leadership positions, and this is our first big global generational shift. I think it's going to make it very interesting. Watch for their impact to start to really be felt in both the consciousness and the marketplace.

So the rebalancing the global economy, remember it's far from over. This is going to be decades, and it is going to be quite interesting.

## RELATED SOLARI REPORTS

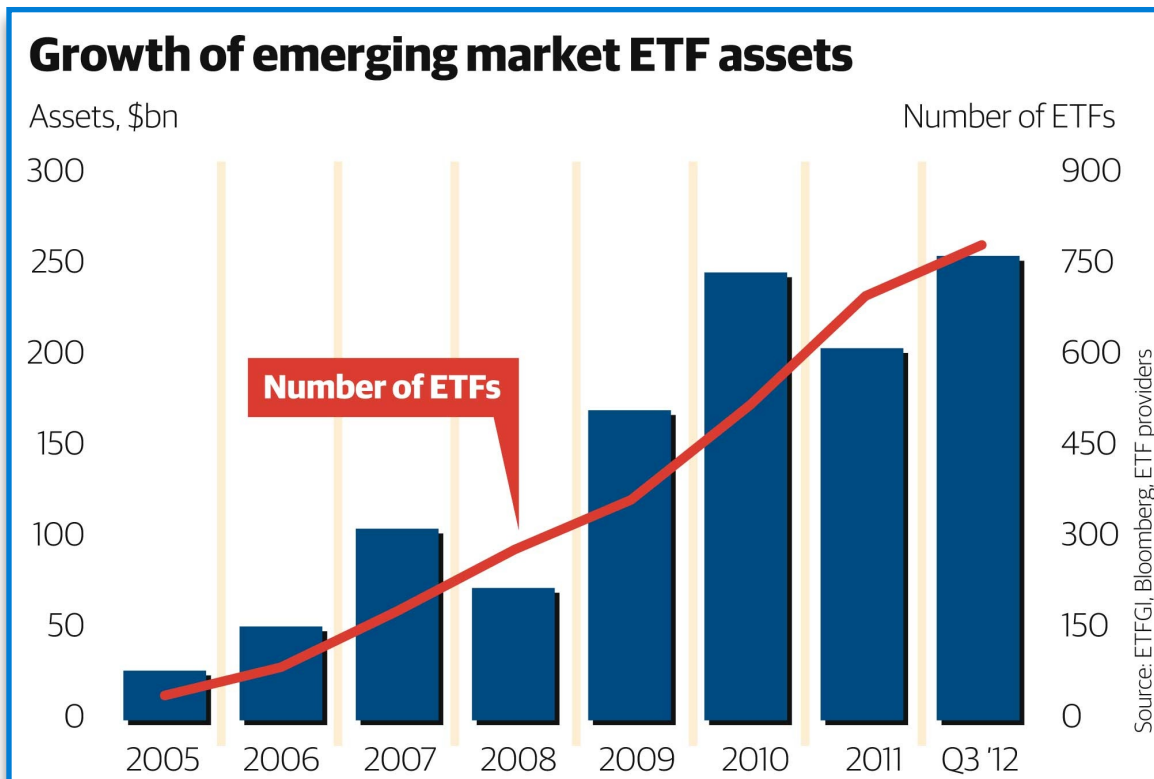
**HOW THE YOUNGEST GENERATIONS WILL CONTRIBUTE**

**SEEKING US-CHINA BALANCE  
EMERGING MARKETS 101**

## FINANCE & INVESTMENT: TRANSFORMING TO 3.0

We are transforming to 3.0 and it's going to be quite dazzling.

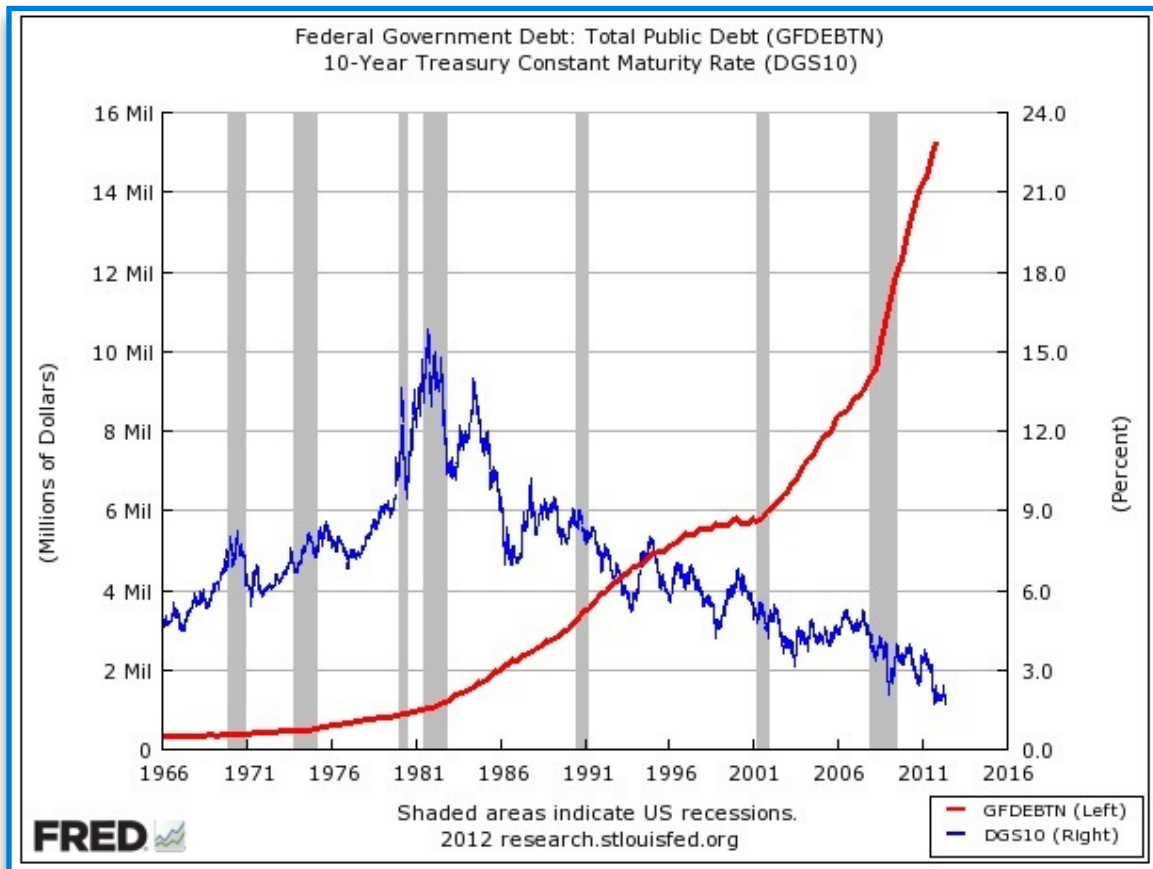




The first part of this is I pointed out that the World Federation of Exchanges have reported that global equity market capitalization has now risen to almost \$70 trillion. It's important to remember in the beginning of the 90's that it was only \$9 trillion, so it's multiplied by over almost 700% or more, and it's important to remember that back in the 1990's many countries didn't have stock market exchanges, or if they did they were quite tiny in amount.

We are going through a process where in 1990 a very small portion of the financial assets and the actual assets and economic activity – we are going from a world where a very small percentage of that is expressed and traded in the stock market to literally a very high percent around the globe that will be. Part of that is now exchange-traded funds have now created liquid access for Western investors to invest in a broad selection of emerging equity markets.

If I want to invest in companies in Vietnam or Indonesia or Singapore, buying the individual stocks would be to a liquid. Buying funds in that country could be very cumbersome for a variety of reasons, but exchange-traded funds allow me to invest in a broad selection of the companies in that market and do it on

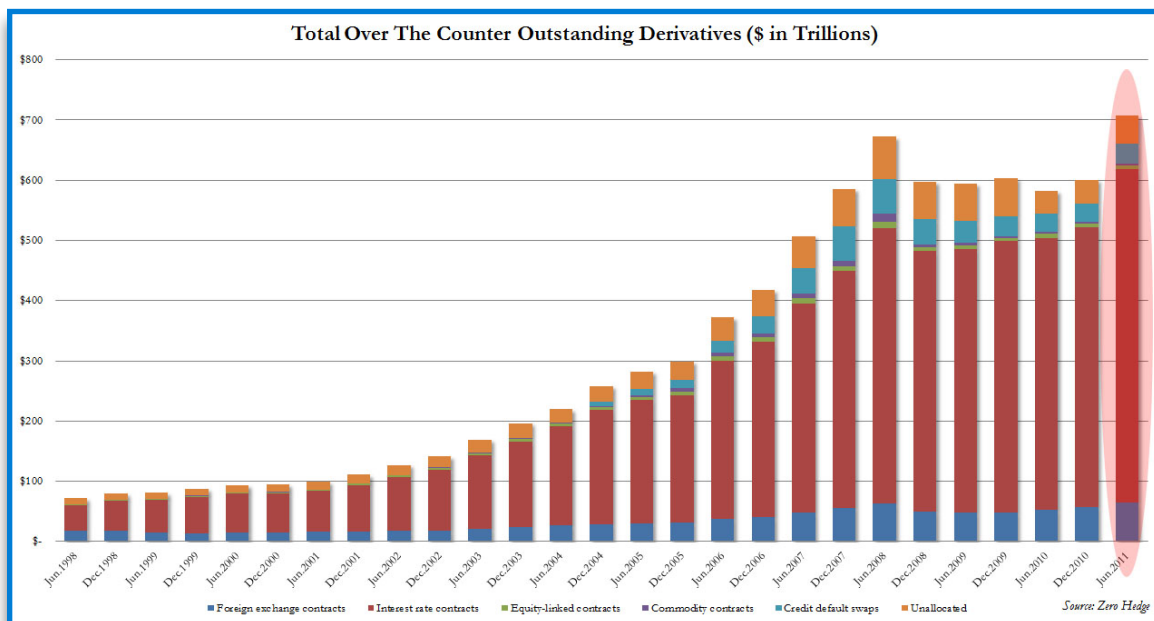
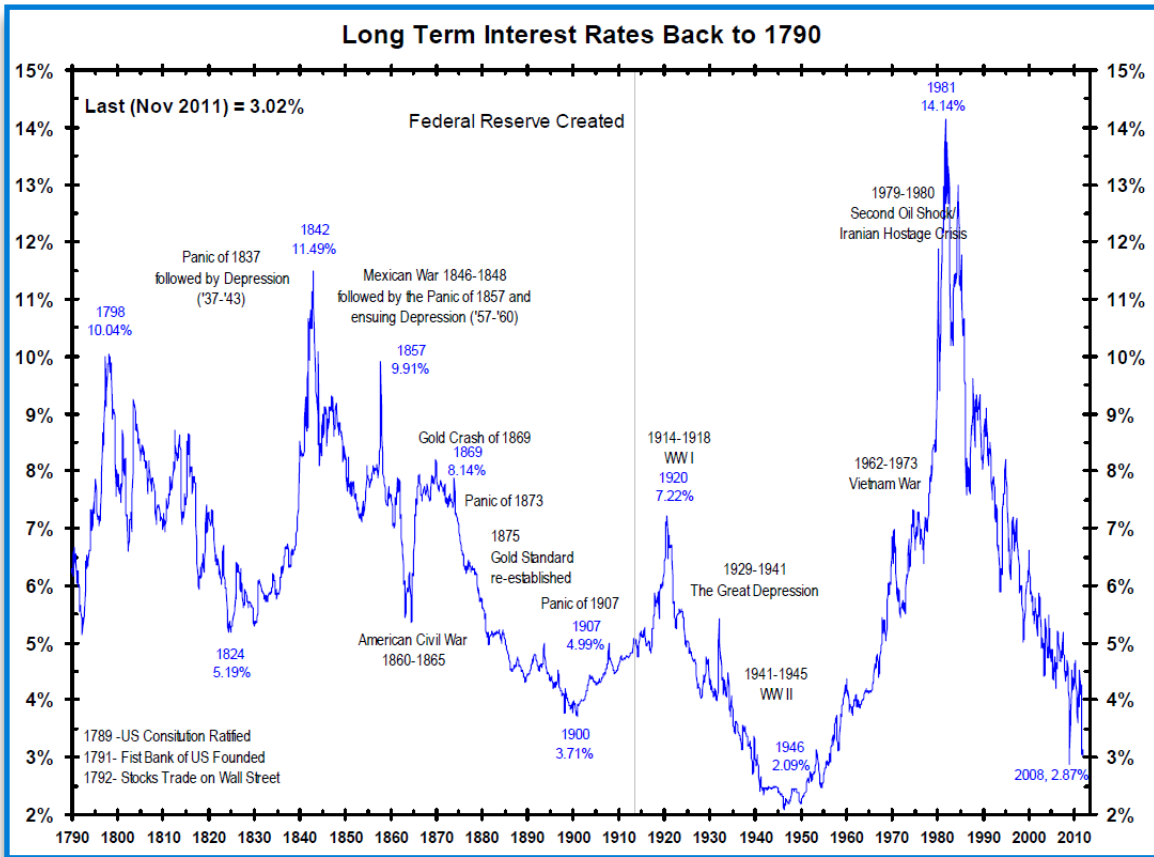


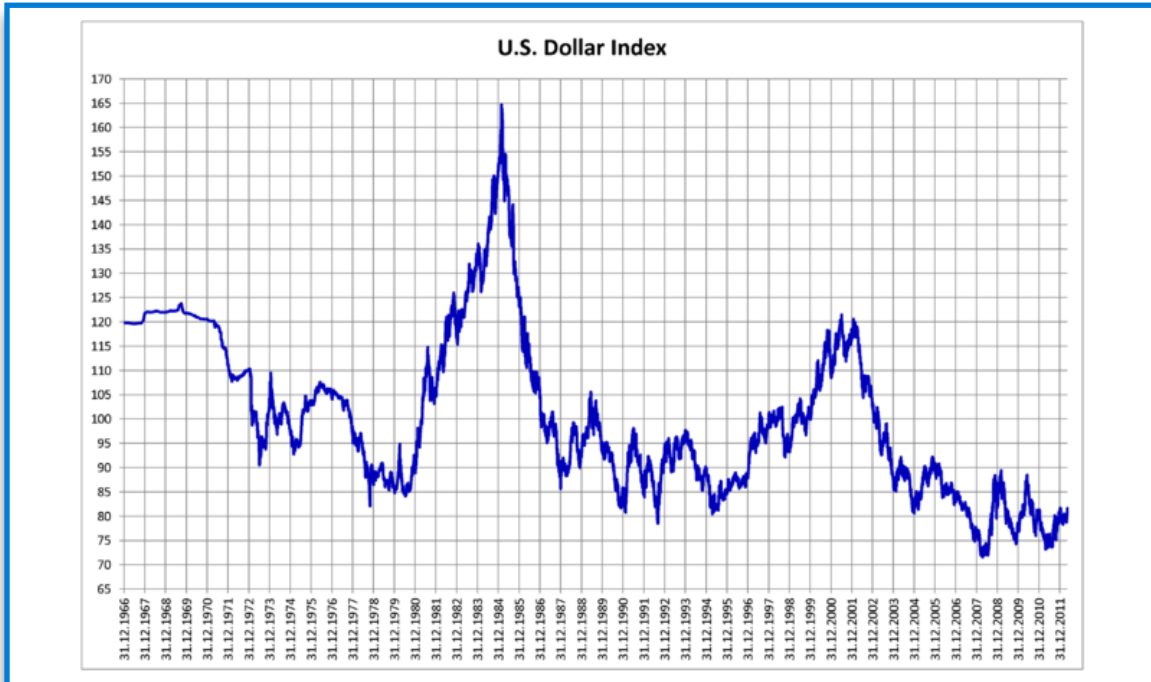
a much more liquid basis.

That liquidity is growing, and it's moving us to a world where we can literally trade places. I can buy Singapore, go short Hong Kong, etc. and expect that trend to continue and go to more granule levels.

We've talked both in the equity overviews as well as the Wrap Ups about falling interest rates to our shock and amazement. The best performing asset class of the year so far is bonds and treasury bonds. Right now we're living in a world where the US dollar is flying up, but we continue to look around the world and look at the debt and derivative loans and think, "How can this possibly continue?" But it does. It's quite a weight on the world, and it's quite a weight on growth. Part of what you're seeing with growth is a world struggling under that debt and derivative.

Anyway, one of the things that is happening in the finance area which is most





interesting is if you look at the move to get global citizens on smart phones and on the internet. Of course, what follows is the effort to get them transacting through those vehicles – mobile payment systems – and moving onto the internet to do transactions.

The reality is the emerging market cannot possibly afford the spreads that are







charged by whether it's developed world banks or credit cards or services like Paypal. We see with the IPO of Alibaba the intense interest and the amount of float that Alipay – which is not part of Alibaba; it's held off and separate and private – the amount of business that it does and how it transacts. It's not surprising that as Alibaba comes out and raises with a very successful IPO \$25 billion. We see Apple announce Apple Pay, and then suddenly Paypal cutting its terms to compete with Apple, and finally eBay throwing in the towel and spinning off Paypal.

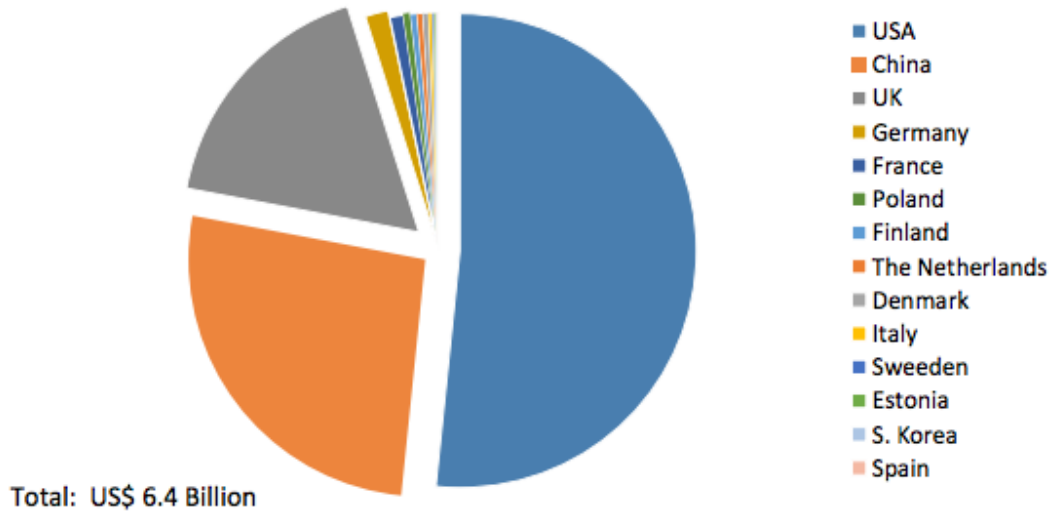
In terms of mobile payment systems and internet payment systems, the last two weeks have been very, very interesting.

The reality is that if you look at what's happening, as Google launches satellites and puts out its Google Wallet or Apple puts out Apple Pay, as Joseph said, we're looking for a variety of parties to tender for the global population through the smart phones and through their wallets or payment systems. What we're trying to do is bring those transaction costs way, way down razor thin.

That's part of what is happening with the rise of Bit Coin and digital

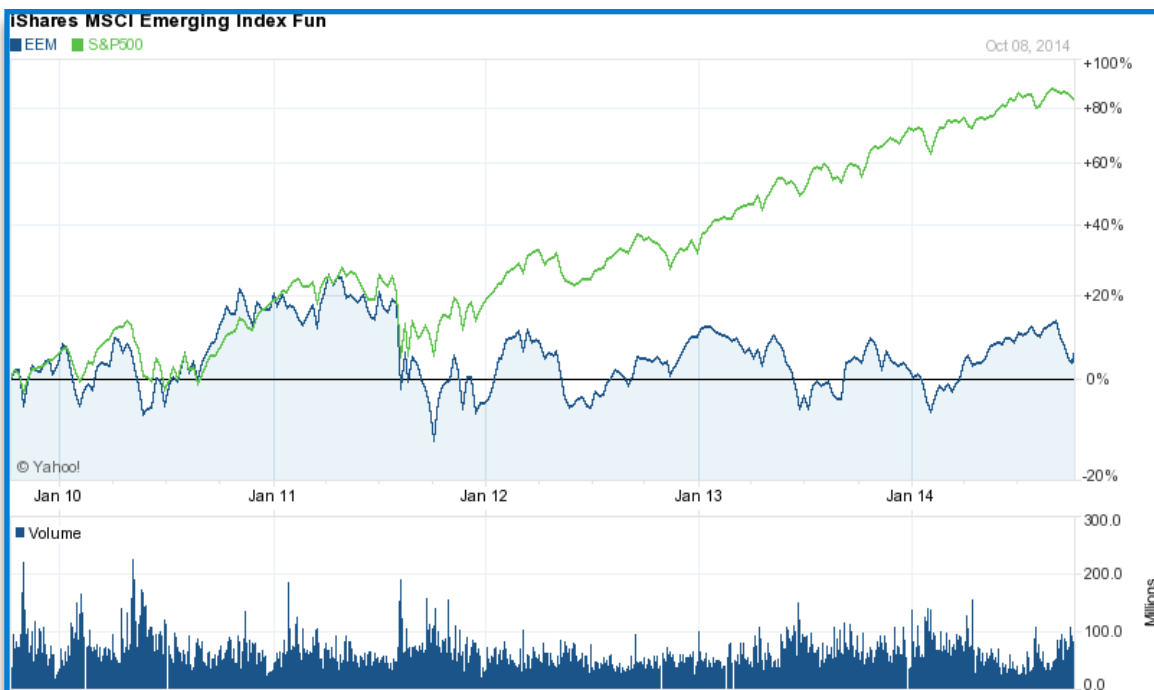


**Figure 4: Pie chart showing peer-to-peer and equity crowd-funding market by country in 2013**



Source: IOSCO Research Department; Based on figures from selected peer-to-peer platforms within each country

Notes: 1) Peer-to-peer lending data is sourced directly from the websites of the largest providers. It therefore represents a lower bound estimate of the global loan pool. 2) Data as at 30<sup>th</sup> September 2013





currencies. We're looking for ways of reaching that, and it's not surprising now with the squabble in Russia that you see Putin and some of the bricks now talking about creating their own systems because there are real questions about the integrity of the online currency clearance and exchange systems. I think everybody knows you are trying to tender for the global population through the currency. Anyway, the online platforms are popping up everywhere.

One of the things that has been most interesting in the last couple of years is the US market has just taken off up against the emerging markets. The emerging markets started to move up this year, and they've now backed off and kind of broken down again as the dollar has risen, which means the central bank intervention has certainly spread a lot of money that could go into securitizing the global equity markets, but certainly the US market has been the greatest beneficiary of that process.

The hard thing for many of us – as you watch many of the commentators looking to explain what's going on – is when you have a financial system that is this centrally managed and highly leveraged. The variability of feasible scenarios – both for the markets and for the currency systems – becomes wider and wider. In essence, you don't have price and pricing in different markets regrounding into fundamentals through the daily market action because you have so much intervention.

So there are a lot of big questions that could dramatically impact the pathway that we take to securitizing the whole planet and moving to a global currency system. I laid out some of the questions in Trend #2: Where will the Breakaway Civilization reinvest their growing capital? How will the new global middle class invest their savings? Will Asian emerging market countries develop pension fund systems, and how will these institutions invest?

Certainly in the last couple of years we've seen enormous amounts of money flowing into the equity markets from both G7 and G20 institutions – both the sovereign wealth funds and central banks and big governmental institutions. That has clearly supported the strength in the equity markets.

Then, finally, will growing cyber warfare and online

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financial fraud threaten the fundamental integrity of the financial system because, as we're rapidly getting more and more dependent on these systems, their integrity is becoming more and more under question.

I also posted a round-up for the global markets for the year to date. Just to mention, in the recent week or two we've been correcting in the US stock market. As the dollar rises commodities in emerging markets have taken a pounding. My belief is that the long-term trends, certainly in the US markets, is up and this is way overdue for 10-20% correction. I don't see anything on the horizon that would change this from being just a correction. There has been a lot of scare talk. I would be very careful. I would be taking all of that with a grain of salt.

Certainly the guys in the commodities market are having a hard market, and I'm hoping that Franklin will join us next month and we can talk a little bit more about precious metals and what is happening in commodities.

I think the big question is: How much will the settlement systems be bifurcated and how much will the bricks insist on getting sovereign control over their digital systems and digital cloud.

## **BUILDING OUT THE GLOBAL NETWORK**

Behind all of this is the infrastructure – whether it's the smart phone that you and I use or it's the digital telecommunications or the cloud – one of the things that is happening with this much going online and not just the individuals getting connected but all sorts of devices and things getting connected (the internet of the things) is that it is giving tremendous support to the growth of what is called 'the cloud' which is storing your data out there in primarily corporate entities providing these services. It has all sorts of ramifications. The questions about integrity and cyber warfare just get that much worse.

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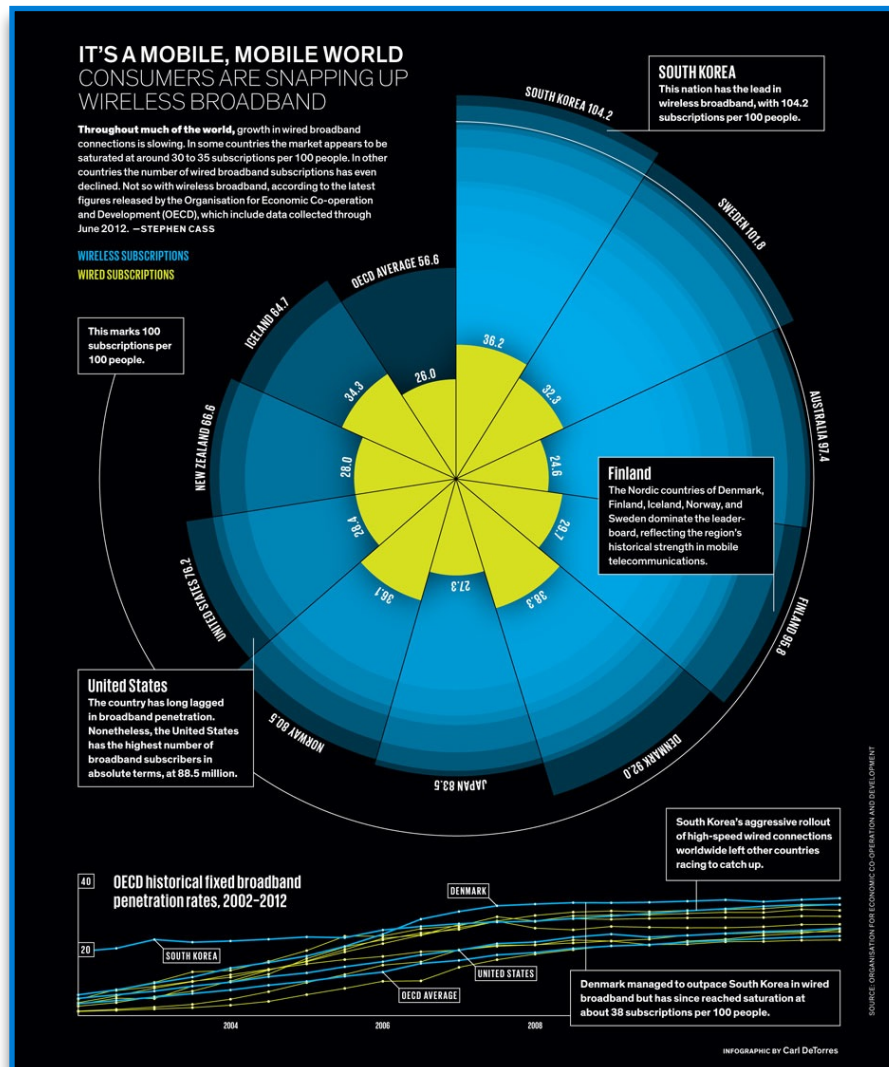
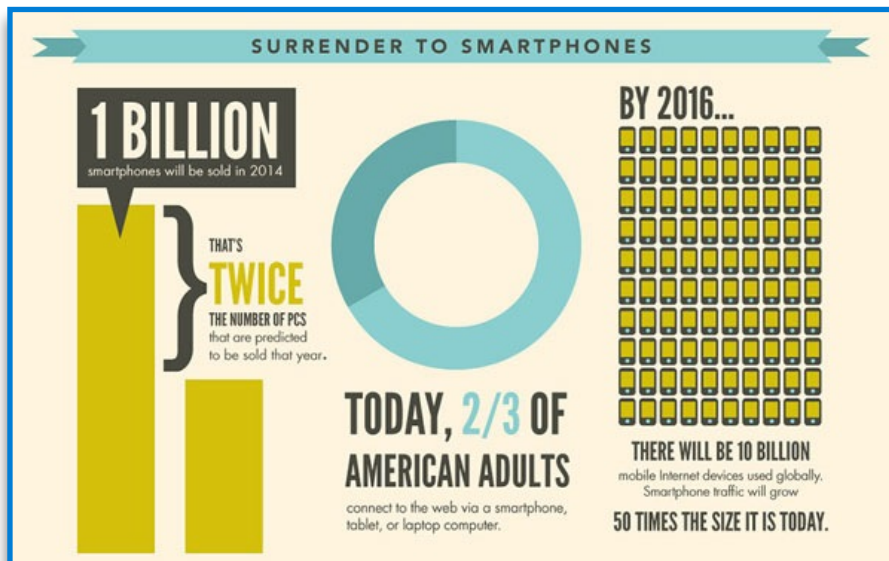
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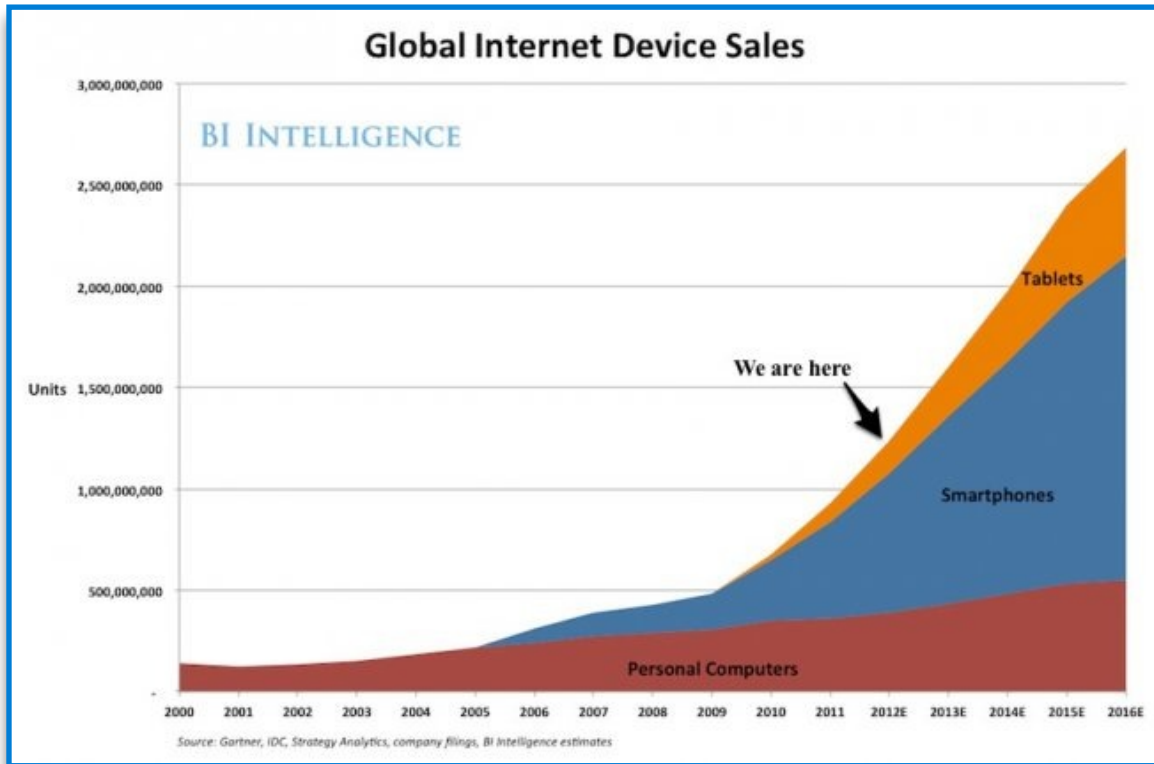
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One of the things that is clear is that social media is going to play a very significant role in intermediating out there on the internet. If 7 billion people are going to talk to each other, they are probably going to talk to each other through social media, although indications are that millennials still prefer email as a way of communication to social media.

What you'll see if you look at the charts and some of the numbers that I've provided is that social media is particularly explosive in China. It's very interesting to see how well the Chinese internet stocks have done – Alibaba being now the most famous.

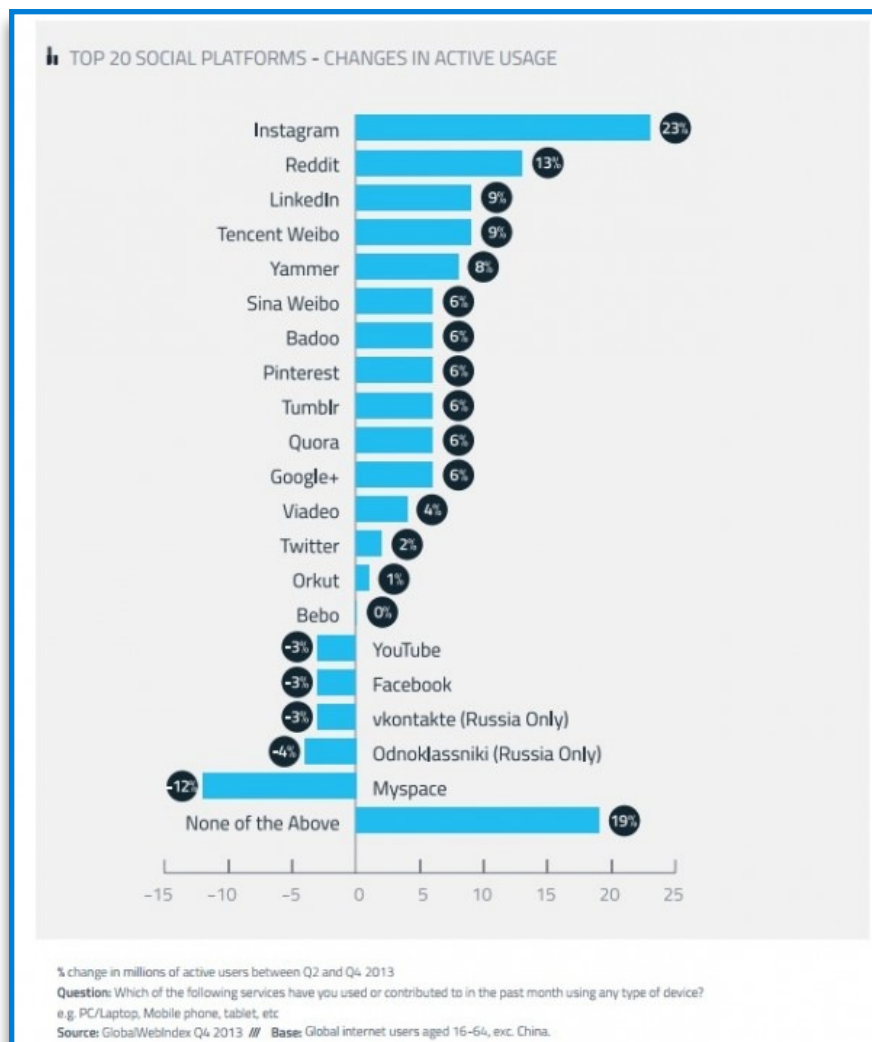
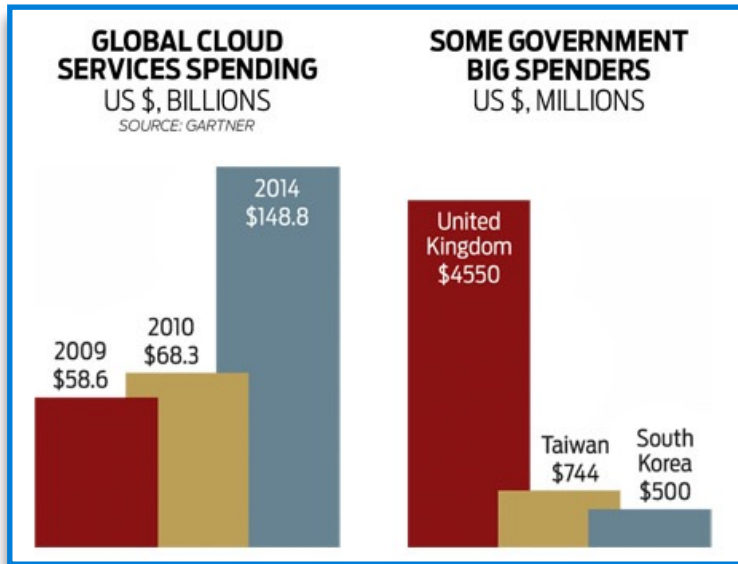
The power of this network – of everything and the internet of things and people being connected – is going to be turbocharged as we start to find different ways of accessing. I put up an article about Samsung demo-ing a way for a table to be controlled by your brain. If you can imagine communicating telepathically with your smart phone or your tablet, that will give you an idea of what's ahead. Obviously the

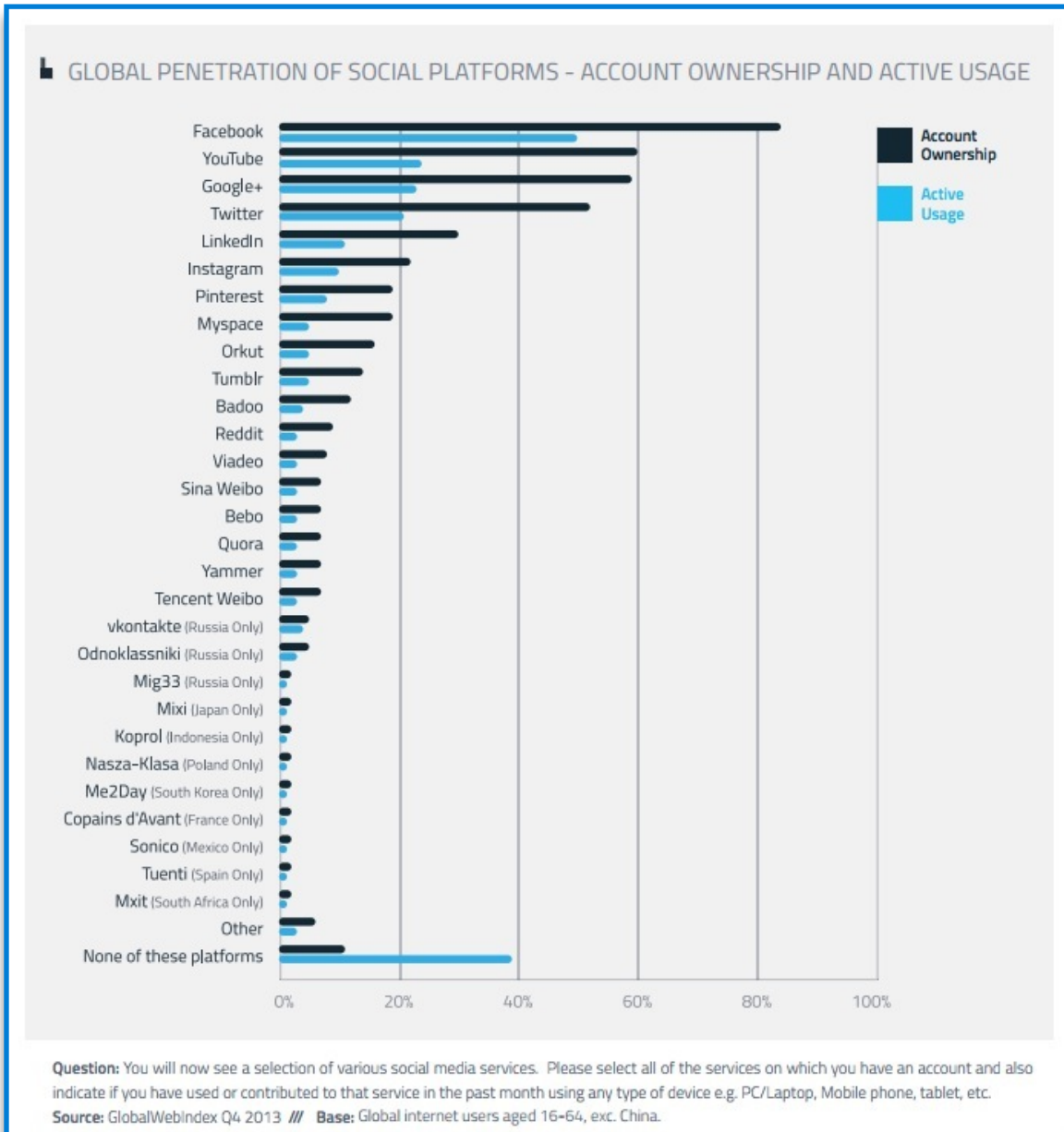
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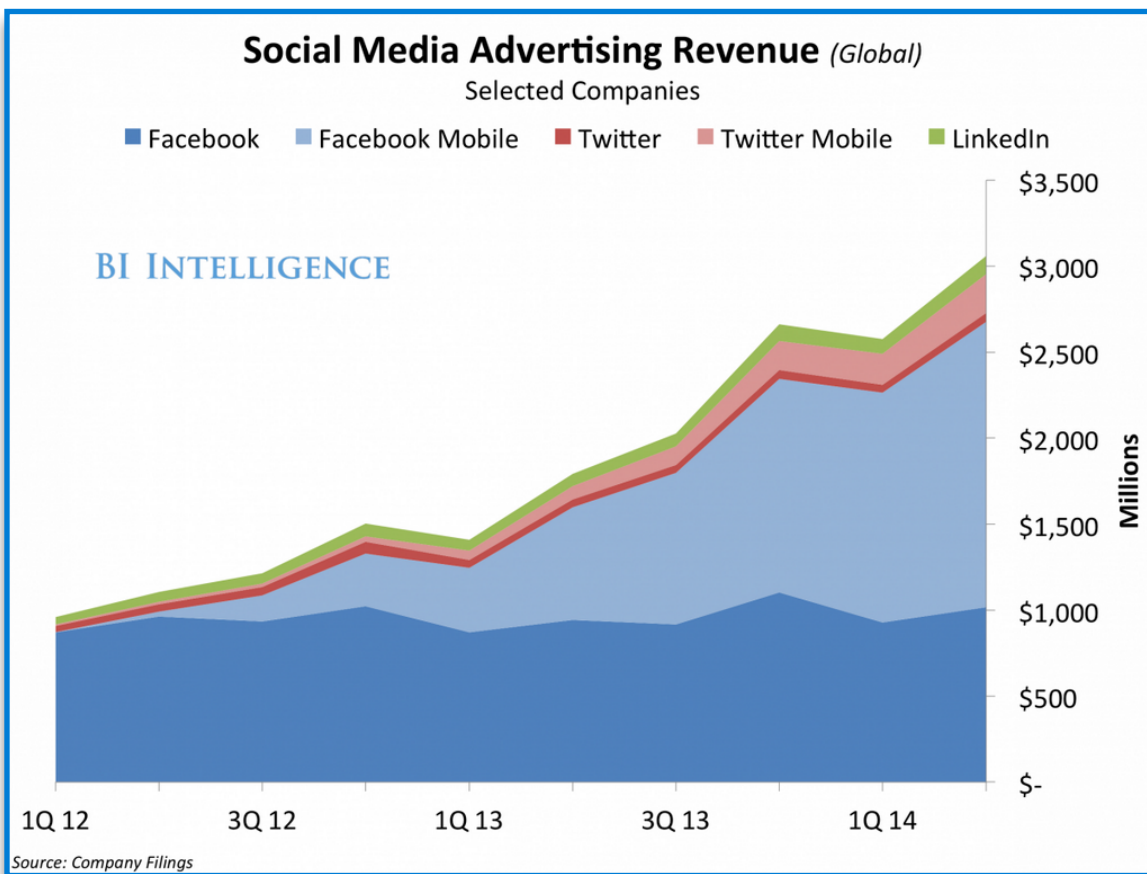
[SAMSUNG DEMOS A TABLET CONTROLLED BY YOUR BRAIN](#)





implications for privacy, for systems integrity, for the integrity of your own mind is dramatic – not the least of which is a big concern of mine.

Whenever I want to buy a book and I really value the book I buy a paper copy. I don't buy a digital copy because I think the combination of the cloud and these kinds of systems raise real questions about the possibility for manipulating knowledge and changing the text in books and Lord knows what else. These are very big, troubling questions.







Also, if you look at the numbers of where we are in the process, I think the train has left the station. A lot of the debate is going to be the kinds we are seeing with the brick nations and Putin demanding digital control and sovereignty within the cloud within their territory.

## REENGINEERING DELIVERY: SUCCEEDING AT ATOMS & BYTES

I keep pounding the drum about this idea of bits and atoms. Let me just read to you the beginning.

As people and objects are networked, the ways in which goods and services are produced and distributed are dramatically reengineered. Increasingly people can make things for themselves, producing a tool or artwork on the 3D printer, or publishing their own book in a digital file, or simply reading it on a tablet from the digital file.

They can also speed up communications about what they want made or about finding and pricing what they want and having it delivered from the producers' store. At the root of the matter is the speed at which bits can be transformed into atoms, and atoms can be transformed back into bits.

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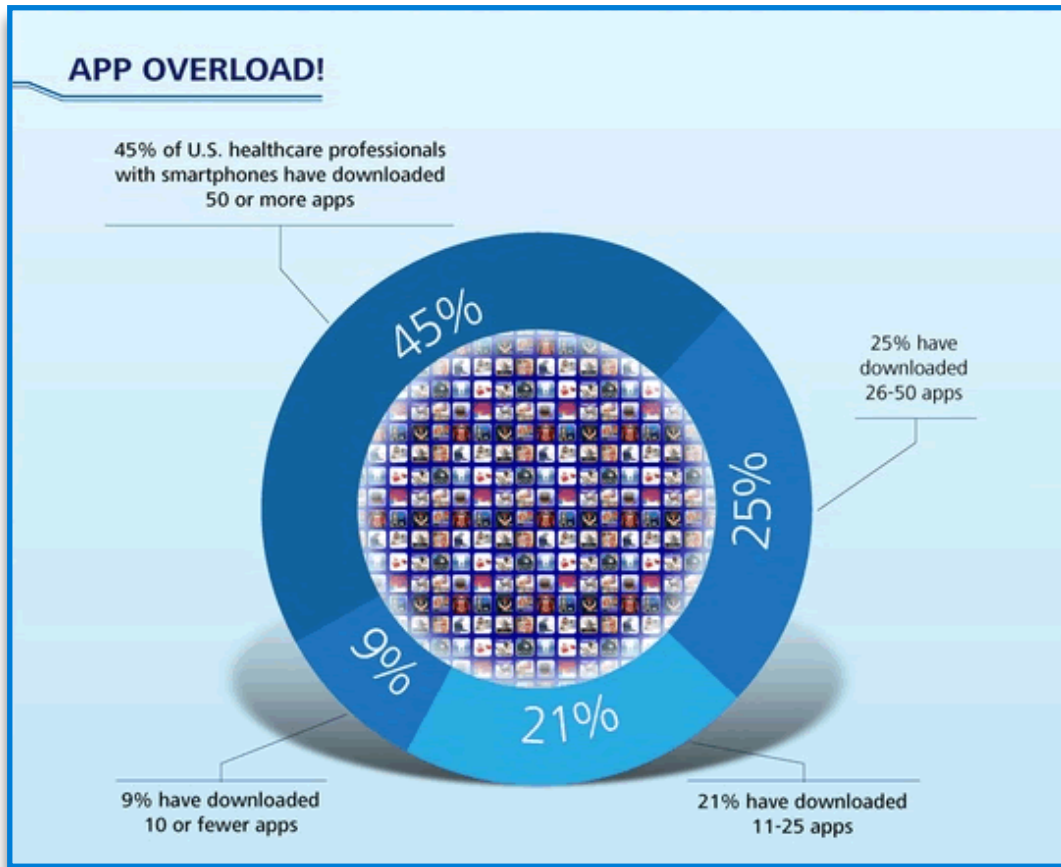


I point out that Whole Foods stock is down about 40% so far this year. They are taking tremendous competition – a lot of it is high tech competition – and I posted one of the examples I used, which is Good Eggs. It's a website operation that operates here in San Francisco and in several locations in California among others. What it does is it aggregates local farmer offerings and then delivers to the customer who orders online so there's no need for a storefront, everything is fresh, and it's clear from demand that the market is willing to pay quite a premium for fresh, healthy, local – including organic – food.

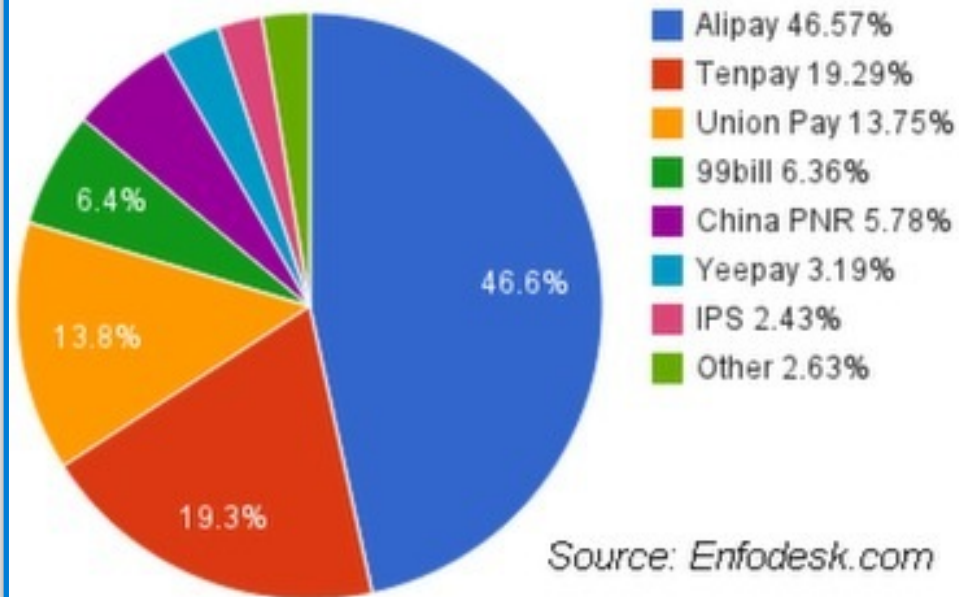


Whole Foods is taking competition from a variety of different places, and you can see something like this – if it catches on – could really be quite a competitive force. Then, of course, there is Amazon who plans to deliver to your door with drones. The FAA has not approved that, and that could take some time. I think 2020 the real race is on.

The expectations for reengineering healthcare costs are very significant. I've pointed out that I think that the Silicon Valley and the technology industry think they can reengineer out over \$1 trillion of labor costs in using healthcare apps and remote sensors and all sorts of different technologies. That's a very interesting question because one of the big drivers that has provided



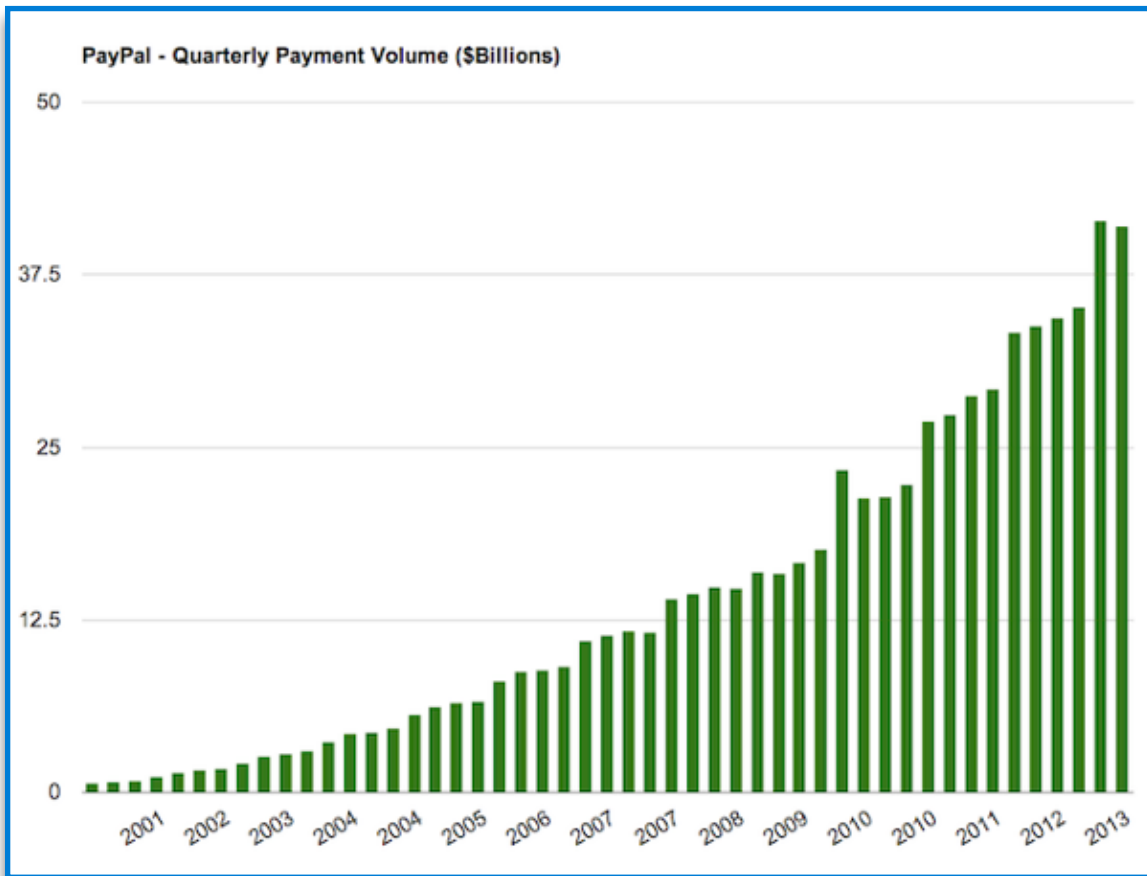
### E-Commerce 3rd Party Payment Market Share 2013





employment over the last two decades is healthcare, but that's another example.

Another example is the payment systems. I provide more information in the comic book about some of the numbers on the different payment systems. I think the big, big push there is going to be the emerging market demand, and China's demand for razor-thin spreads is going to be a tsunami that slaps back into the Western world. We're all going to be the benefit.



I know certainly if you look at what we're doing at The Solari Store, we've been the beneficiary of Paypal having to cut in response to what Apple is doing in response to what Alibaba is doing. I look forward to some more cuts in our spreads.

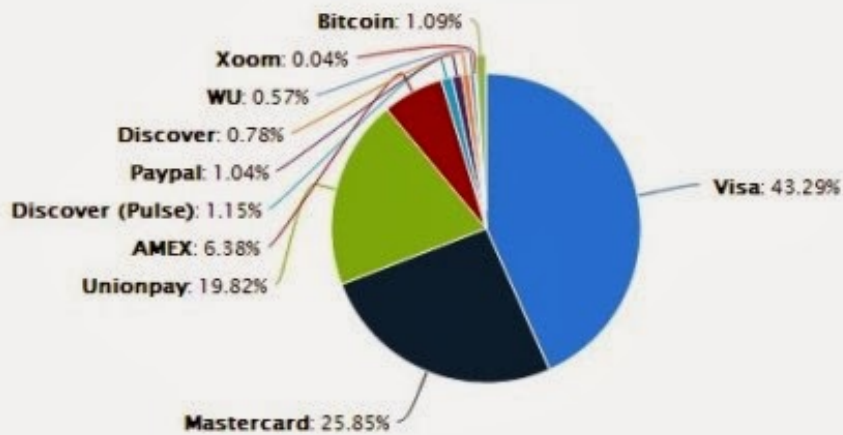


<u>Processors</u>	<u>Ticker</u>	<u>Market Cap</u>
Visa Inc	V	112,253.2
MasterCard Inc	MA	97,689.6
Alliance Data Systems Corp	ADS	12,615.1
Total System Services Inc	TSS	6,213.4
Global Payments Inc	GPN	4,821.6
Euronet Worldwide Inc	EEFT	2,325.4
Heartland Payment Systems Inc	HPY	1,814.3
Netspend Holdings Inc	NTSP	1,158.0
Green Dot Corp	GDOT	912.2
PLANET PAYMENT	PPT.L	N/A
<b>TOTAL</b>		<b>239,802.9</b>
<b><u>Payment Hardware</u></b>		
NCR Corp	NCR	5,837.3
MICROS Systems Inc	MCRS	4,390.5
VeriFone Systems Inc	PAY	2,898.5
Diebold Inc	DBD	2,118.8
Outerwall Inc	CSTR	1,903.5
INGENICO	ING.FR	1,454.2
WINCOR-NIXDORF	WIN.DE	1,005.7
RETALIX LTD	RTLX	731.6
Agilysys Inc	AGYS	333.2
ON TRACK INNOVATIONS LTD	OTIV	115.7
<b>TOTAL</b>		<b>20,789.2</b>
<b><u>Bank Software</u></b>		
Fidelity National Information Services Inc	FIS	15,435.9
Fiserv Inc	FISV	15,117.8
Jack Henry & Associates Inc	JKHY	5,115.3
ACI Worldwide Inc	ACIW	2,432.7
S1 Corp	SONE	576.8
Online Resources Corp	ORCC	145.8
<b>TOTAL</b>		<b>38,824.2</b>
<b><u>Money Transfer/ATM Outsourcing</u></b>		
Western Union Co	WU	9,421.4
Euronet Worldwide Inc	EEFT	2,325.4
Cardtronics Inc	CATM	1,935.6
MoneyGram International Inc	MGI	1,061.3
<b>TOTAL</b>		<b>14,743.8</b>
<b>TOTAL BASKET</b>		<b>314,160.0</b>



Rank	Network	Avg. Volume (millions \$)
1	Visa, Inc.	16,518
2	MasterCard Inc.	9,863
3	China UnionPay	7,562
4	American Express Co.	2,434
5	Discover (PULSE Network)	438
6	<b>Bitcoin</b>	416
7	Paypal	397
8	Discover (Discover Network)	299
9	Western Union Company	216
10	Xoom Corp	15
11	Ria/AFEX	-

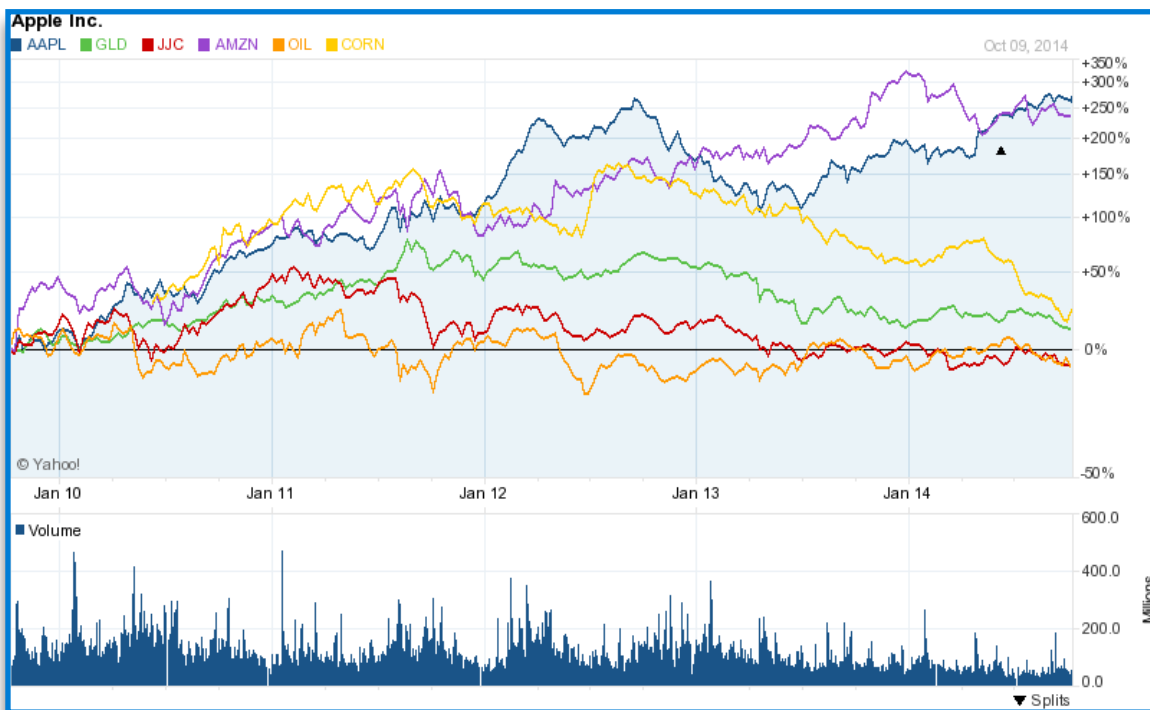
Volume Market Share





## COMMODITIES VS. TECHNOLOGY

This is really stepping back and looking at the big picture. I described in the title 'More Atoms Versus Bits'. We have a real dramatic tension in balancing between forces in the economy, which are inflationary, and forces which are deflationary. Literally every week and every month you'll see a variety of financial gurus debating: Is this all going to be inflationary? Is this all going to be deflationary?



Let's just walk through it because it's really a question of us having more people putting more stress on a limited or a finite space and shrinking natural resources. That ought to be inflationary, pushing the price of commodities up. To make that even worse, we have the central banks printing money. That ought to be more money and monetary policy again pushing inflation up, but we're not seeing inflation. If anything we're seeing deflation.

Part of that is a combination of factors. One is we have technology that reinvents how we use and distribute resources, and that makes it possible for us to go around the world and securitize all the different assets and flows. All of those things soak up the cash and make tremendous deflationary forces,





Technology in a variety of ways can really offset. We're watching this back and forth about whether the stress on commodities is going to be offset some or more than these changes in technology and the globalization and the rebalance globally.



I put up a link of a wonderful example. Technology does not have to be high tech; it can be very low tech. A story of three 16-year-old Irish girls who won a 2014 science fair for coming up with an enormous breakthrough in a planning technique that could really produce fantastic productivity in cruces in crop yields. It's quite amazing. It's an amazing story. That's an example of a small, low-technology change that could have a very dramatic impact on lowering our footprint on the land and agricultural commodities, but it's a perfect example of all the innovation that is going on.

## RELATED LINK

**[16-YEAR-OLD IRISH GIRLS WIN SCIENCE FAIR 2014 WITH WORLD-CHANGING CROP YIELD BREAKTHROUGH](#)**

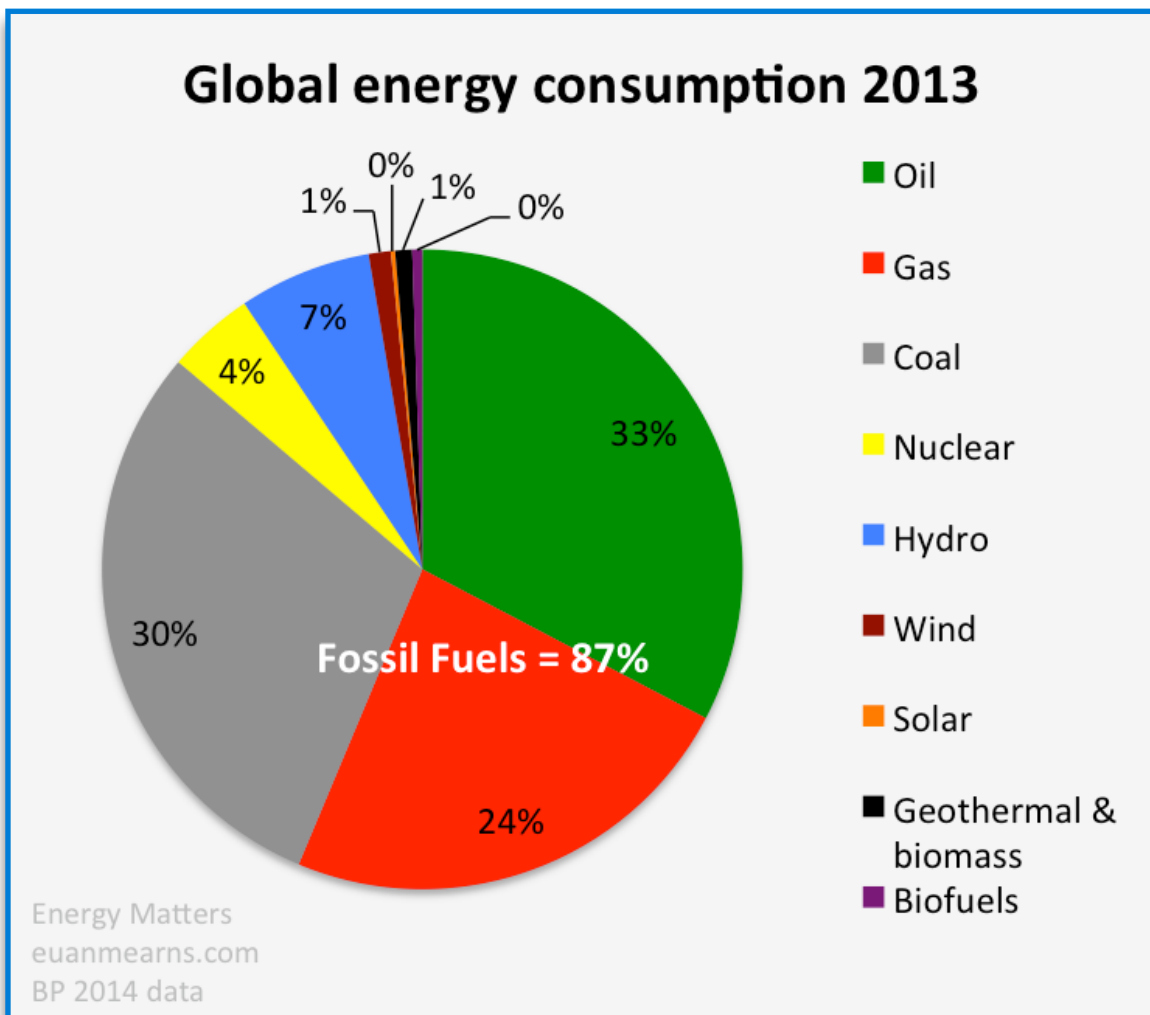
I put up a chart in Trend #5 to show you the pricing on a group of different commodity ETFs. I used copper, gold, oil, and corn up against Apple and Amazon. What you'll see is the companies who are centralizing flow

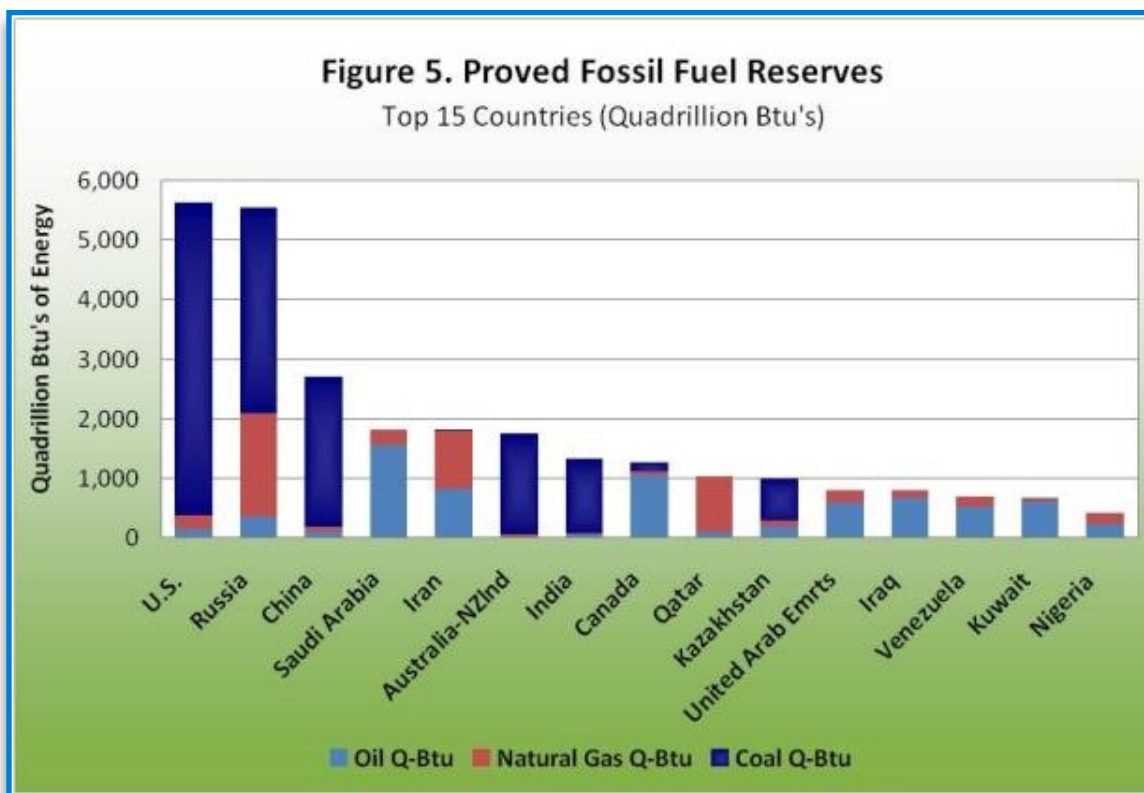


tremendously into a few hands are getting a lot more stock market value than commodities. If anything, commodity prices have really gotten clogged in most sectors – not all sectors, but most sectors – this year to the surprise of many.

## ENERGY

Energy continues to be a very, very important variable in the global economy. I put up a chart to show fossil fuels is still 87% of global energy consumption. We had a lot of interest in the last couple of weeks in renewable energy. We had Al Gore out saying that renewable energy is going to replace oil and gas. Another Rockefeller family got a lot of family because the Rockefeller Brothers funds said it was going to divest itself of fossil fuel investments. A lot of pressure and noise about the university endowments disinvesting from oil and gas.





The reality is that I would be amazed if they are really going to disinvest or if they are going to put their money in a variety of other vehicles that then turn around and do the investment for them. I think a lot of this is window dressing to appeal to young people, and I would also bet that some of this is designed to try to raise the cost of capital to the Russians because right now the United States and Russia are in quite a little squabble. Part of it is that the US – by a very tiny amount – is the number one owner/controller of Peru fossil fuel reserves globally and Russia is a very close number two. The reality is that as the arctic becomes available, thanks to changes in the weather, there is a risk that Russia ends up as number one – which the US is absolutely not going to tolerate.

There is a big report out recently that the Russians working with Exxon have discovered more arctic oil. The arctic is going to be a big area of competition. It's part of the politics of what is happening between the US and Russia right now. I put up a chart of the proved reserves, and you'll see how close it is.

## RELATED LINKS

[ROCKEFELLERS TO SWITCH INVESTMENTS TO CLEAN ENERGY](#)

[ROSNEFT AND EXXON DISCOVER ARCTIC OIL](#)



One of the greatest series we've done on The Solari Report is with Jim Norman of *The Oil Card*. If you haven't listened to that, it's one of the best series I know to make sense of what's really going on in the fossil fuel world around the globe. Add to that the interview we did with Anne Williamson, a wonderful investigative reporter who was in Russia in the 90's and watched much of the back story of the current politics and the Ukraine unfold and does a marvelous job of explaining that.

If you listen to the series with Jim Norman and Anne Williamson you will really understand what's going on with Russia. Add to that the story of the fracking technology moving into Europe now, and both what fracking has done for the domestic supply here and what it is going to do in Europe is dramatically going to change the politics of the Middle East.

Everything we're doing is trying to bring Europe closer to us, so don't be surprised after the elections if there is a real push to get the trade agreements between Europe and the United States finished and bring them much, much closer.

Now despite the importance of fossil fuels in terms of total market share, there





is no doubt that renewables are growing. Some very exciting things are going on in renewable technology that could really get solar, geo, thermal, and wind – all of them - really into the game of competitiveness. I would say between now and the next five years you're just going to see renewable grow. Of course, on the margin that's just clobbering the utilities cash flows and stock market capitalizations both in Europe. Utilities have done well in the United States in the beginning of this year, but I think there is real pressure on the utilities to try to use regulation to protect real monopoly business models and pricing. It's a losing game; it's an ugly game if you're one of the customers in the middle.

The reality is that utilities are stuck with a lot of expensive 2.0 technology and sunk costs, so expect for the big electric utilities to suffer. I put up a chart so you could see who the big guys are both in Europe and the United States.

Part of moving away and taking advantage of new technology and renewable energy technology is just doing it on a local level. I put up a story we had on the blog about a German village that decided to just go out and do it. There's no reason we can't do that in America. Forget all the regulation. Just go do it, and yet it's been almost impossible to organize local groups to do it. Buy why? You and I can only pause it, but as the slow burn eats away at the muscle of our economy, the local guys who figure out how to do that are going to get a lot done.

Watch the evolution of energy technology. Of course, the question always is: How much breakthrough energy technology is going to be applied? We see examples around the world of cars that run on water and air. I put up a little video of the Tata's Airpod car, which is very interesting.

*Wired Magazine* interestingly enough had an article on coal fusion. The breakthrough energy technology seems to sort of peek through every once in a

## RELATED LINKS

**[THE WORLD'S LARGEST ELECTRIC UTILITIES AS OF APRIL 1, 2014, BASED ON MARKET VALUE](#)**

**[GERMAN VILLAGE ACHIEVES ENERGY INDEPENDENCE...AND THEN SOME](#)**

**[OR THIS LOW COST SOLUTION WHICH IS A PARTICULAR FAVORITE FROM BRAZIL](#)**

**[TATA'S AIRPOD CAR](#)**

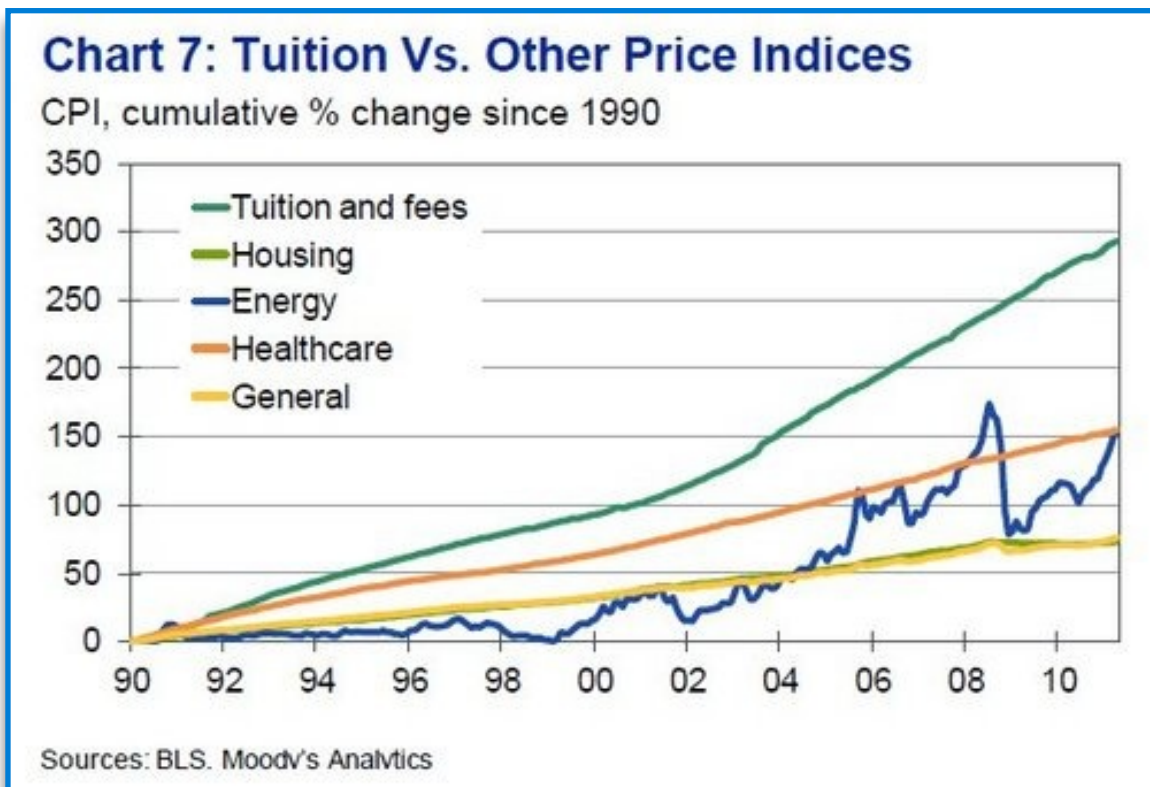
**[WIRED MAGAZINE: COLD FUSION SLOWLY CREEPING INTO THE MAINSTREAM...AND BUSINESS](#)**



while. The reality is that even if the powers that be let that cat out of the bag, our infrastructure is deeply, deeply entwined into fossil fuels and it will take one or two or several generations to sort or leapfrog. But keep an eye on what comes out because it could be rather dramatic when it comes.

## EDUCATION

There is absolutely a revolution going on in education, and this is in a funny kind of way very much like when I said there was a tsunami coming back – a slap back – from the emerging markets on financial spreads and payment systems. We're going to see the same slap back in education, and when it's coming it's going to be a tsunami.

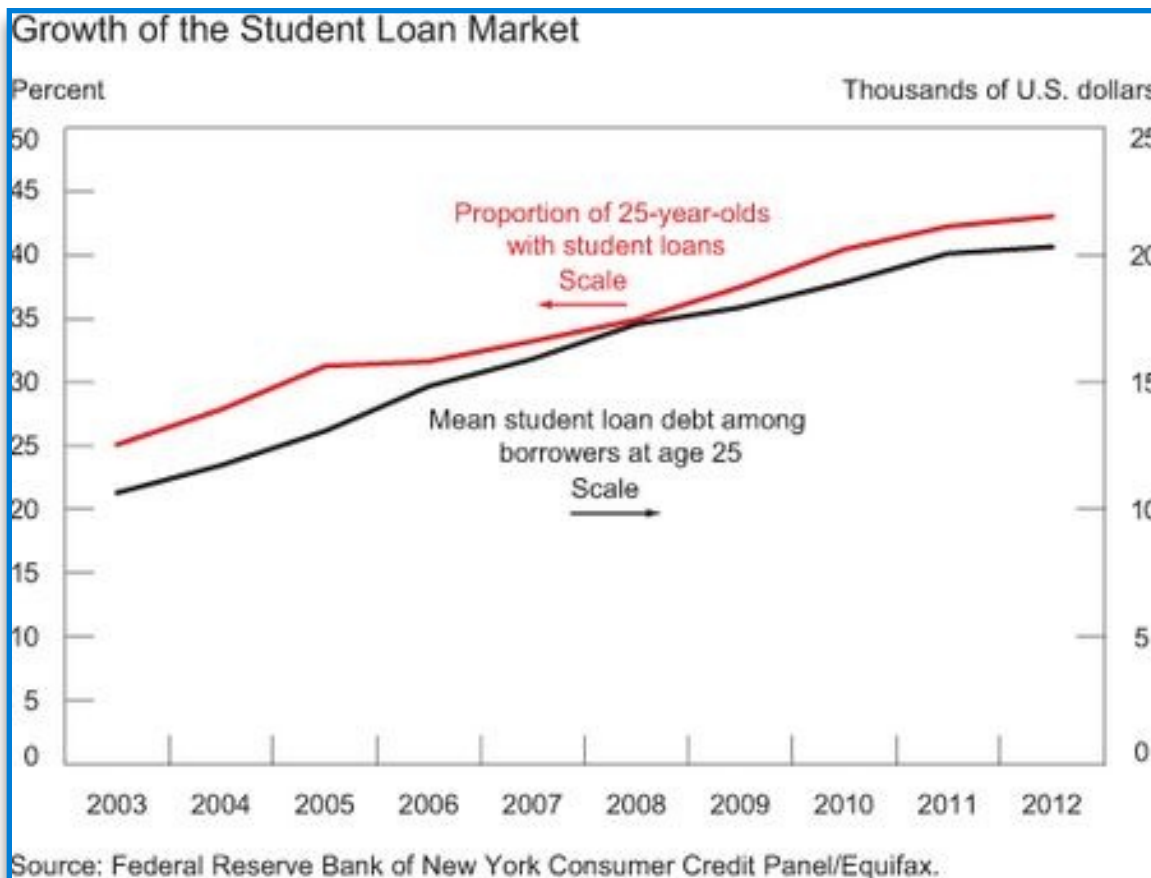
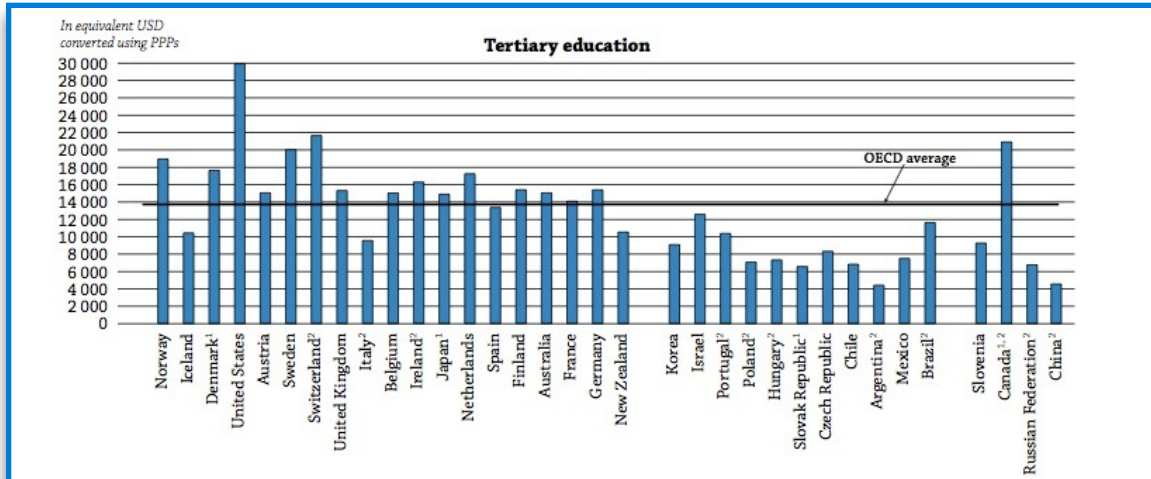


Here's the reality. I put up a chart of college tuition and fees versus other prices, and the reality is that education in the United States – and in some parts of the developed world – is one of the most outrageous monopoly in regulatory schemes that mankind has ever created. People are spending a fortune in time. I mean, forget the money. Kids are spending a fortune in their time sitting in





classrooms and getting disinformation and curriculum that doesn't help them be successful in the world given the way it's going. No one can afford to spend this much time and money having their desire to learn killed and not learning what they need to be successful in this world. It's just not possible.



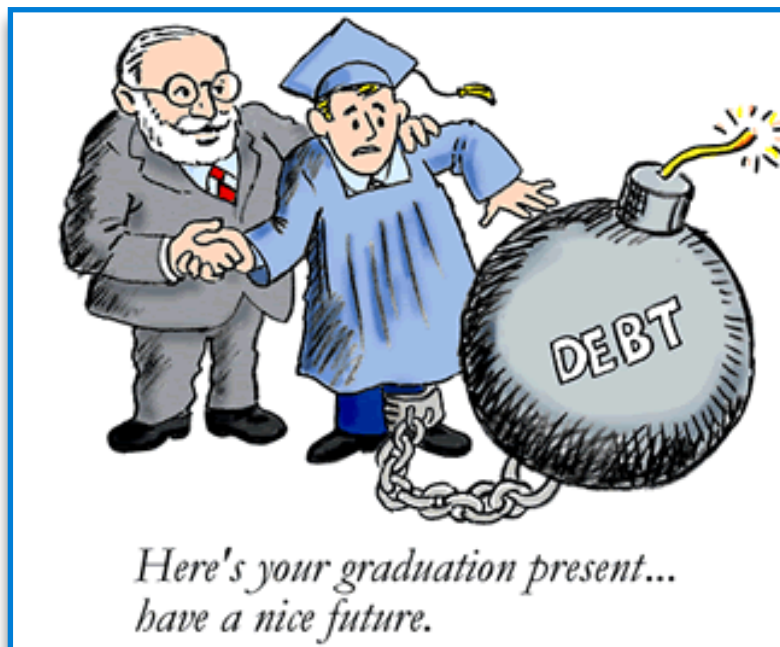
Source: Federal Reserve Bank of New York Consumer Credit Panel/Equifax.



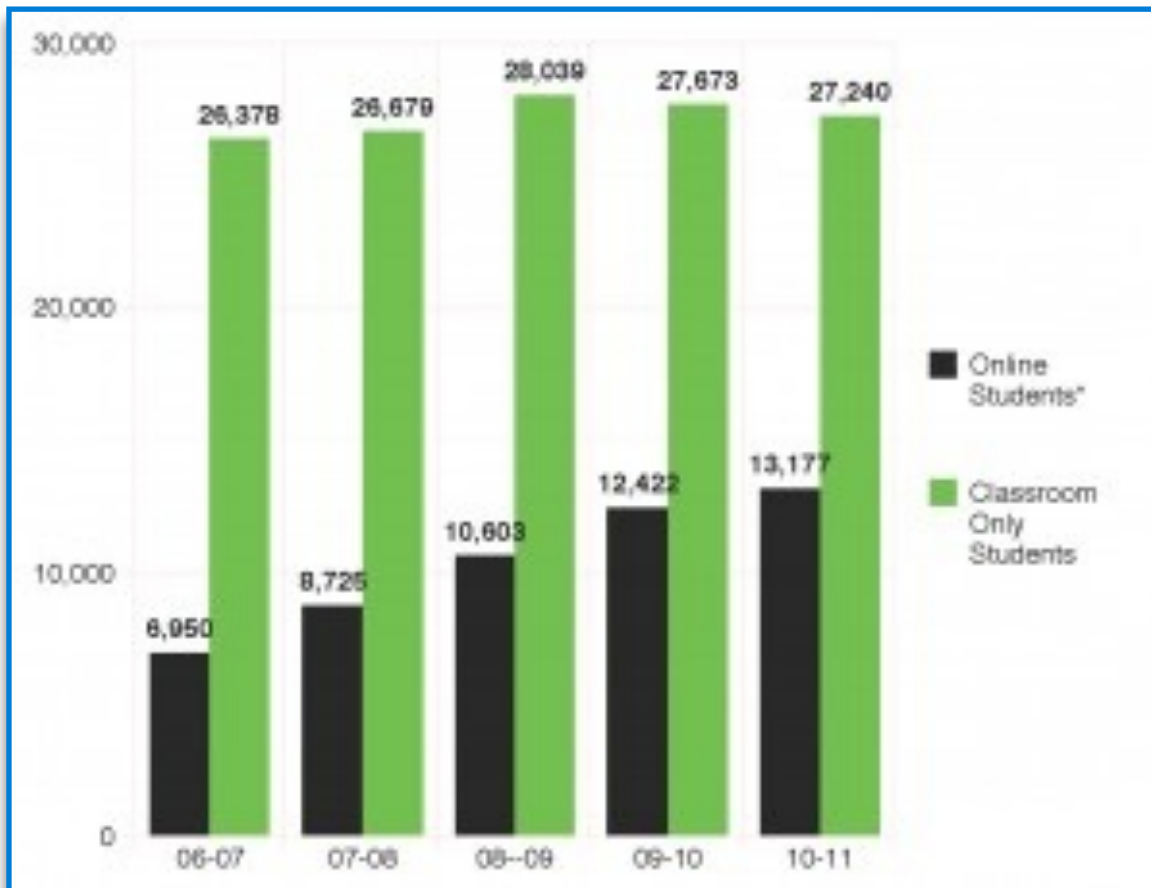
If you take a look at the numbers and the charts up on the blog, it's absolutely amazing. Then when you add to it that students are being asked to take on loans, and not just any kind of loans but loans that cannot be extinguished in a bankruptcy, they're being asked to do it when, in fact, they are being encouraged to study things for which there are no jobs that are going to be available. This is politically engineered entrapment, and I just had to put up the article I wrote on my former partner, William Diefenderfer, who I believe is absolutely guilty of financial genocide in connection with helping to engineer this political engineered entrapment. Anyway, the link is there.

## RELATED LINKS

**WILLIAM M. DIEFENDERFER:  
THE FINANCIAL HIT MAN OF  
STUDENT LOANS**



Here's the reality. We are building a global internet and we are seeing websites go up that provide fantastic access for free to education. We have a variety of the big brand universities in the United States putting up their curriculum for free online. That means teachers all around the world can get access to that and use it to teach whatever they want whenever they want. It's what Stewart Brand said, "Information wants to be free." If you look at the quality of the materials that are now available, and available at a regular cost advantage, what it means is that the opportunities for revolution in education have never been stronger.



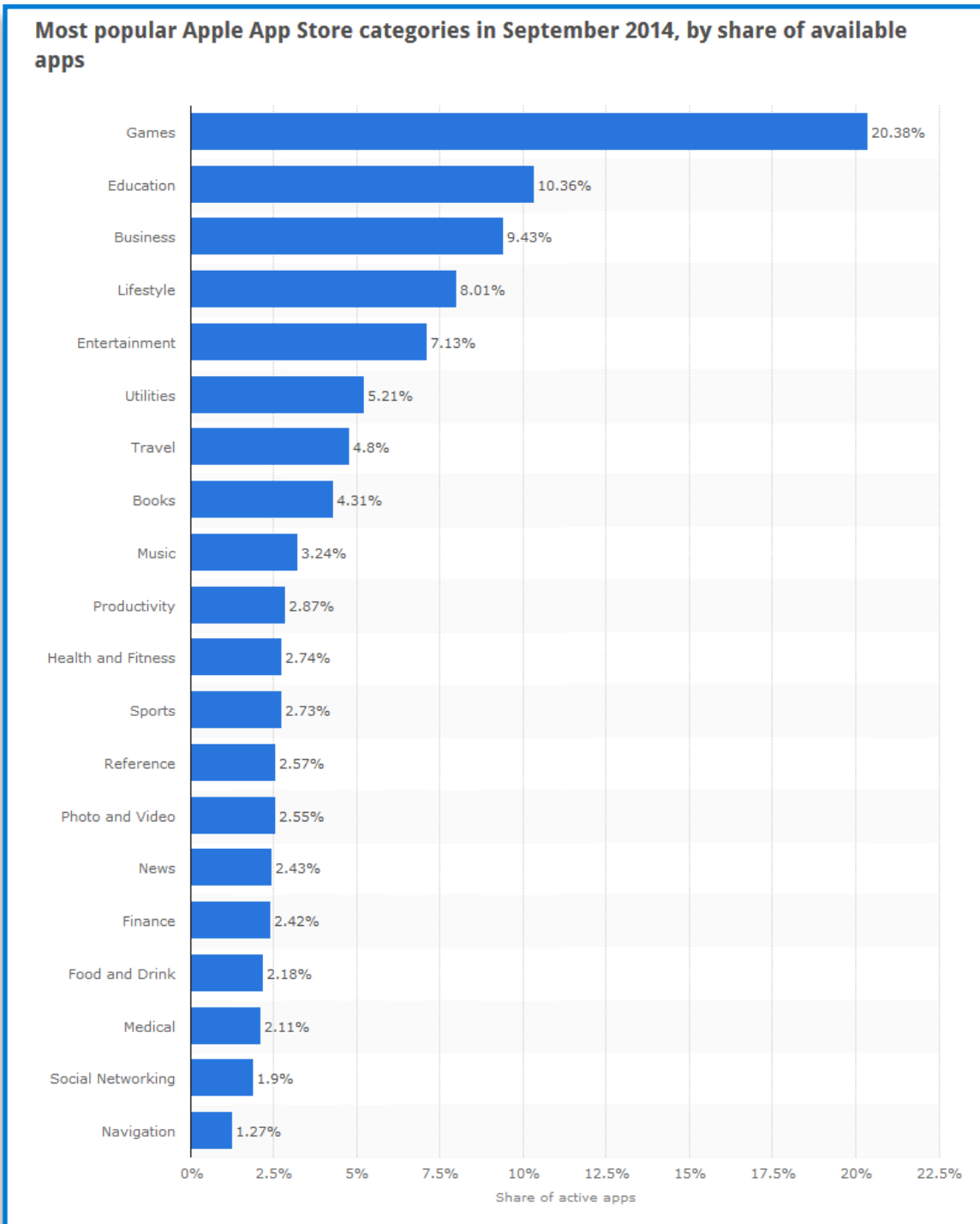
Now, I showed one chart that shows you in September 2014 – just last month – the number two category in terms of popularity at the Apple App Store for downloads is education. Games is number one, but education is number two – bigger than business. That’s amazing!

In Apple if you look at what they’re trying to do in education, the opportunities for them are quite amazing.

I put up this stock chart of two Chinese education companies that are publicly traded and how they did versus the S&P. They are going gangbusters.

I also put some of the articles about western universities who put their curriculum up and a little bit about some of their experience.

Now here’s the profound question: If you’re the G20 and your kid is in a remote village and you can get – for free – all the education at a place like



Conn University online. You can get the curriculum at Harvard or Stanford or Wharton online, and you can proceed to use the curriculum to spend your time and your resources as efficiently as possible to get whatever it is you need



to be competitive in this world.

That means you can go right around the monopoly whereas your counterparts in America are spending 10,000 and 20,000 hours in their lifetime being dumbed down with curriculum like common core.

You in the emerging markets don't have to waste your time on that. We have a real situation where the kids in a poor village can be in a much better educational circumstance and get a much better education than kids in the wealthiest neighborhoods in America. That's not good, and one of the things you have to know about mothers is they're not going to tolerate their kids being put at that kind of disadvantage.

If you look at the statistics on home schooling, we've gone from a couple of hundred thousand in 1988 to over 2 million just in 2010. My guess is – and I haven't seen the numbers after that – that it is skyrocketing because parents are not going to put up with this. They want their kids to be successful.

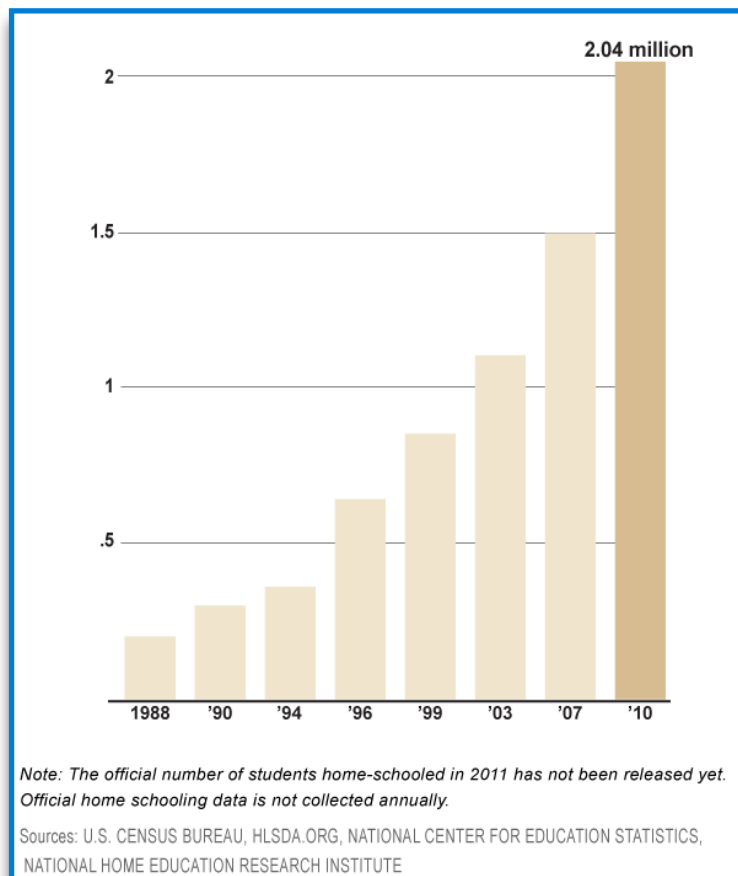
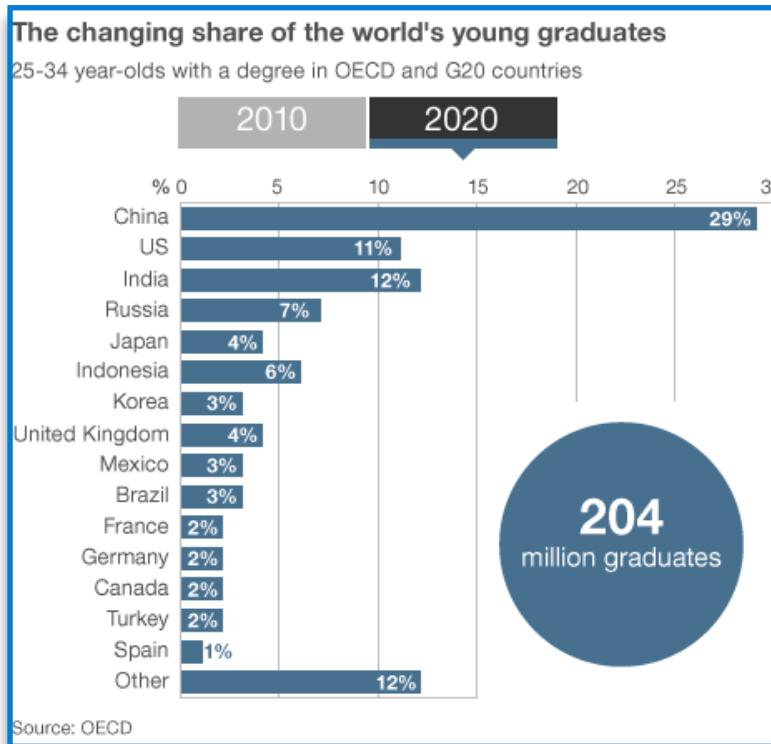
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[OPEN SOURCE EDUCATION](#)

[GIVEN TABLETS BUT NO TEACHERS, ETHIOPIAN CHILDREN TEACH THEMSELVES](#)

[FOR THE LOVE OF LEARNING: BEYOND MAIN CORE, COMMON CORE AND THE DATABASEAST](#)







I addressed this on my commentary called ‘Cotton Candyland’. Parents do not want their children to be naïve if they’re going to go out in the market and compete against the kids of oligarchs from the Ukraine and mobsters from the Chinese triads and the Japanese Yakuza. Those kids are going to know how the world works. Parents in the United States do not want their kids to be dumbed down, waste enormous amounts of time in common core curriculum, and come out naïve and get mowed down by kids around the world.

The last chart I put up was an example estimate of how many college graduates are expected in 2020. What you’re going to see is you’re going to have three times as many college graduates in China as you are in the United States. You’re going to have more college graduates in India than the United States.

The competition is on, and the reality is I really encourage you to take a look at some of the charts and graphs in the education section. Whoever you are, whatever you’re doing, you need to rethink education for you and the people you love because if you look at what is accessible globally, if we’re going to stay competitive, we’re going to have to rethink education. We’re going to have to find ways of blowing by the monopolies or reinventing the monopolies in our life. We can’t afford to spend 20,000 or 30,000 hours digesting irrelevant disinformation. It’s not going to work.

## **WAR: THE BIGGEST BUSINESS**

I wanted to walk you through the different defense spending. We’re now spending almost \$2 trillion a year for global and military expenditures. If you look at what’s going on, it’s clear the ‘divide and conquer’ politics are hot and heavy to make sure that there is plenty of foreign purchases and plenty of wars for defense spending.

If you look at any measure of defense contractor stocks, they are outperforming the S&P, particularly since 9/11 like no tomorrow. The reality is as we move to try to create a global empire – a global government – the role of force becomes bigger and bigger and more profitable.

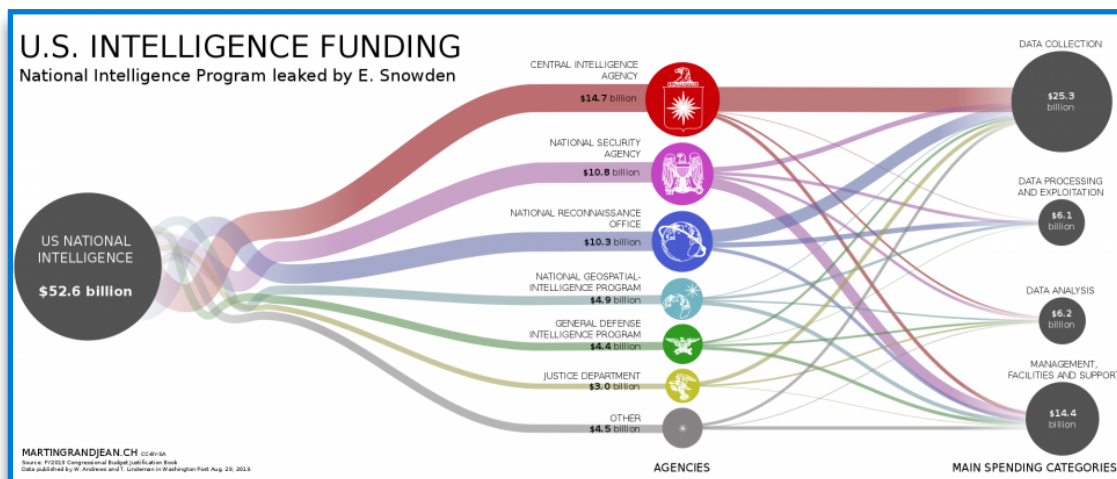
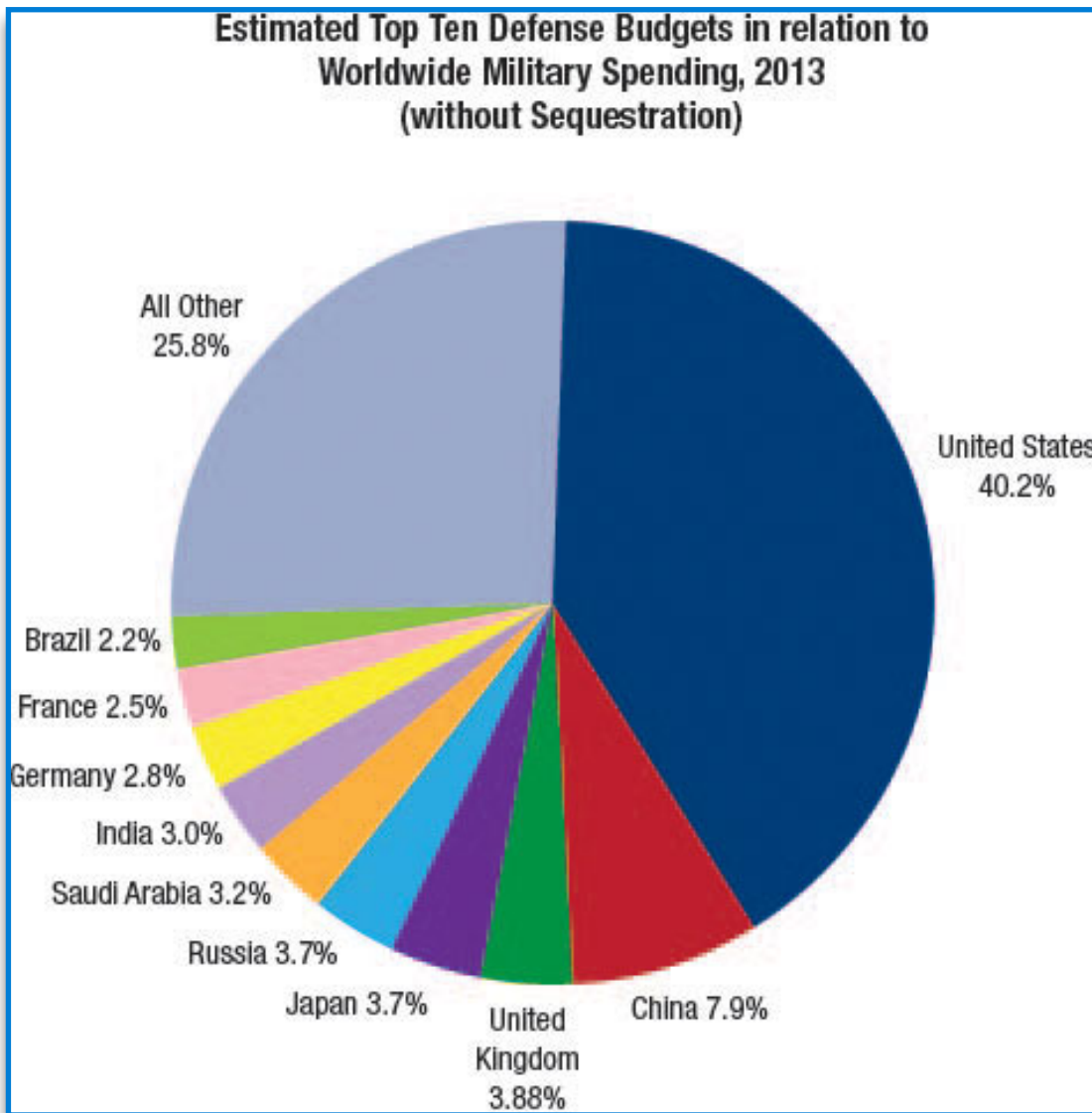
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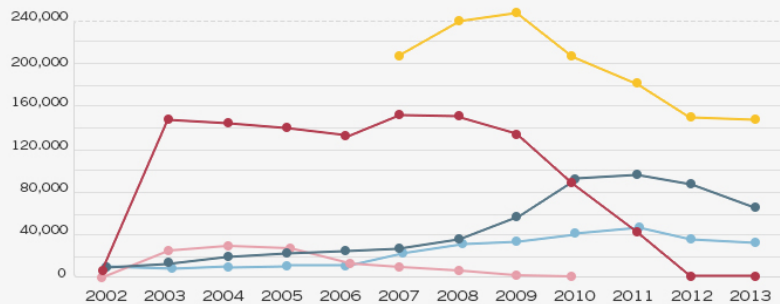
**LIST OF YEARS AND WARS FROM 1274 BC**

**TOTAL COST OF WARS SINCE 2001**





## US TROOP, COALITION, AND CONTRACTOR LEVELS IN AFGHANISTAN AND IRAQ



- Total US Private Contractors
- US Troops in Afghanistan
- US Troops in Iraq
- Foreign Troops in Afghanistan
- Foreign Troops in Iraq

[1] Contractors, Iraq and Afghanistan: Numbers from April 2008 onward: Office of the Deputy Assistant Secretary of Defense, 'CENTCOM Quarterly Contractor Census Reports,' (January 25, 2013), [http://www.acq.osd.mil/og/PS/CENTCOM\\_reports.html](http://www.acq.osd.mil/og/PS/CENTCOM_reports.html), accessed 5 April 2013. Numbers from July 2007 through March 2008: Moshe Schwartz and Joyprada Swain, 'Department of Defense Contractors in Afghanistan and Iraq: Background and Analysis,' (May 13, 2011), Congressional Research Service, <http://www.fas.org/sgp/crs/natsec/R40764.pdf>, accessed 13 September 2012. \*Contractor numbers available by quarter. The most up-to-date source is CENTCOM, but the CRS report also goes three quarters earlier into 2007. So, I combined them.

[2] US and foreign troops, Iraq: Michael E. O'Hanlon and Ian Livingston, 'Iraq Index: Tracking Variables of Reconstruction and Security in Post-Saddam Iraq,' (January 31, 2011), Brookings Institute, <http://www.brookings.edu/about/centers/saban/-/media/Centers/saban/iraq%20index/index20120131.PDF>. Annual figures are averages of each year's monthly figures.

[3] US Troops, Afghanistan: Brookings Foreign Policy, 'Afghanistan Index: Tracking Progress and Security in Post-9/11 Afghanistan,' (2012), Brookings Institute, <http://www.brookings.edu/about/programs/foreign-policy/afghanistan-index>, accessed 3 August 2012. Afghanistan numbers, January-December 2012: Ian S. Livingston and Michael O'Hanlon, 'Brookings Afghanistan Index,' (August 22, 2011), Brookings Institute, <http://www.brookings.edu/-/media/Programs/foreign%20policy/afghanistan%20index/index20120822.pdf>, accessed 5 April 2013. The US and foreign troop levels for 2013 have been taken exclusively from February 2013. That is the only month for which a figures are available as of April 2013.

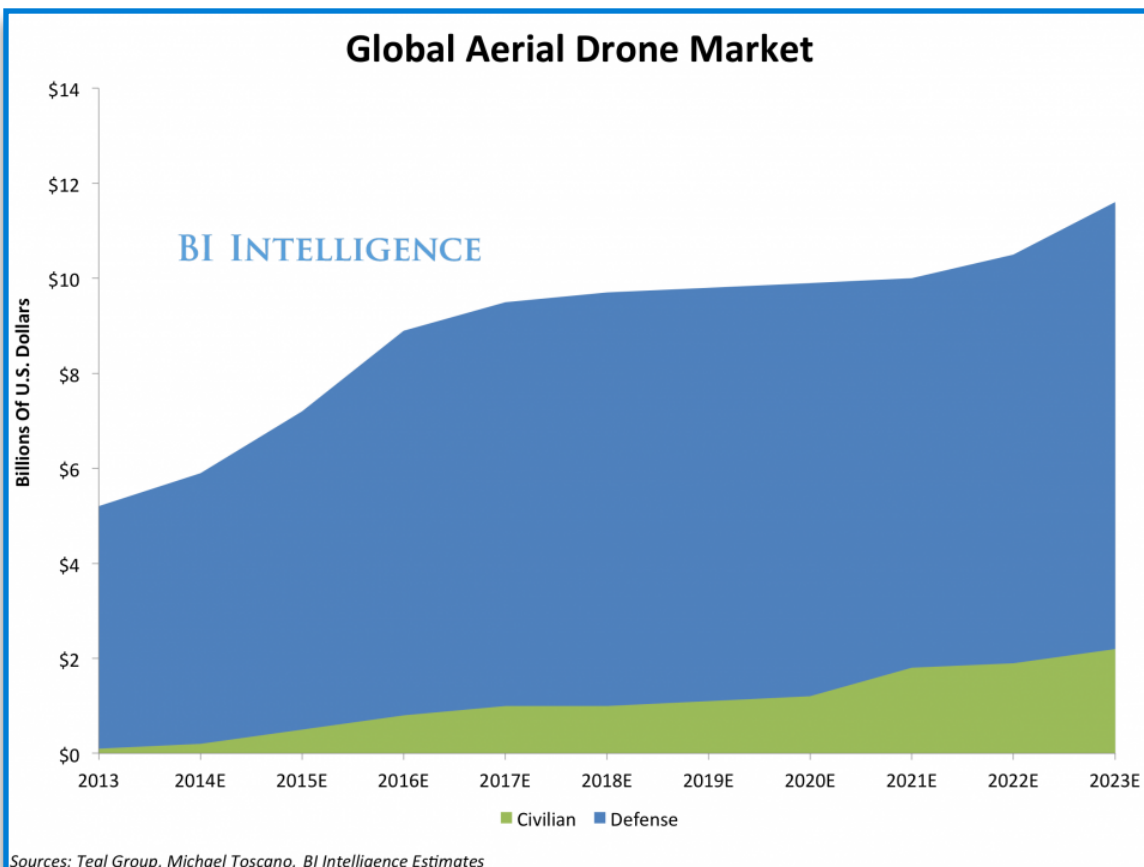
[4] Foreign Troops in Afghanistan: Ian S. Livingston and Michael O'Hanlon, 'Afghanistan Index(also including select data on Pakistan),' (February 2013), <http://www.brookings.edu/-/media/Programs/foreign%20policy/afghanistan%20index/index20130228.pdf>, accessed 5 April 2013.

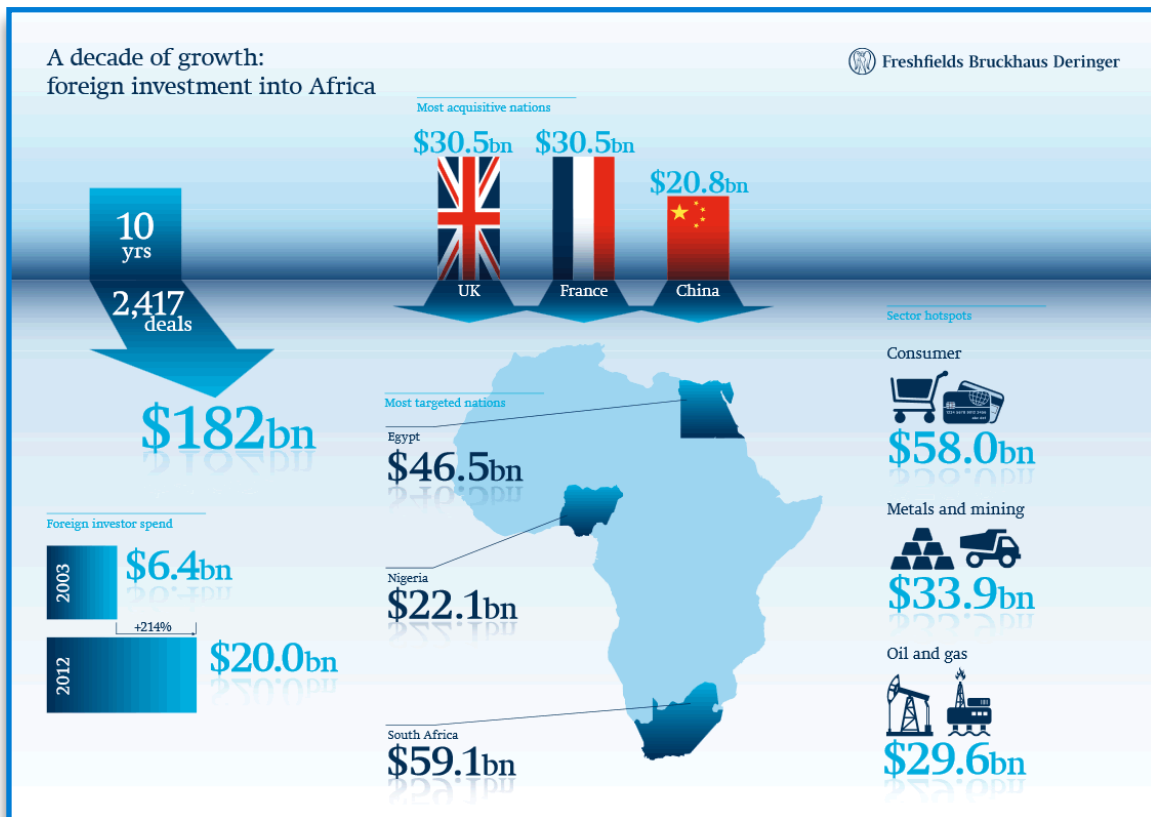


This is going to be made particularly gruesome by technology. I put up some of the numbers on the global drone market. One way to cut costs is to do more and more with robots and drones.

Then, of course, there is all the covert wars and now what is called ‘soft revolutions’. We see it now with what is happening in Hong Kong, although it’s clear from the way the Chinese are dealing with it they are much more savvy about how entrainment technology can do this and how to manage it. It’s quite interesting to watch.

We had a Solari Report this year with Charles Smith on soft revolutions because I think it’s such an important topic, but we’re seeing war in all different forms now with the sanctions of the US Treasury developed and applied to Russian leaders, even to members of the Chinese army. But I think the one that takes the cake is the military invasion of Africa to attack the Ebola virus.





Even though there has been a flag waving about Ebola in the United States and the possibility of an outbreak, I still expect this to be a primarily African phenomena as the United States moves to make sure its dominant in the investment interests in Africa. In many respects Africa is the last big pile of natural resources to compete for and a lot of frontier markets that are going to be very valuable over the next 20-30 years. The competition is on, and I think the effort to make a big deal out of Ebola is very much an excuse to send in military forces and do a variety of other things to make sure that the United States comes out number one. I'm sure everybody in the Bohemian Grove is very, very happy that they engineered somebody in the presidency who looks like he's half African.

Anyway, the question about war brings up the age old question of the central bank and warfare model and the dependency of the US dollar on the success of the military and the costs of that in many different

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[OBAMA TO SEND 3,000 MILITARY FORCES TO FIGHT EBOLA IN WEST AFRICA](#)

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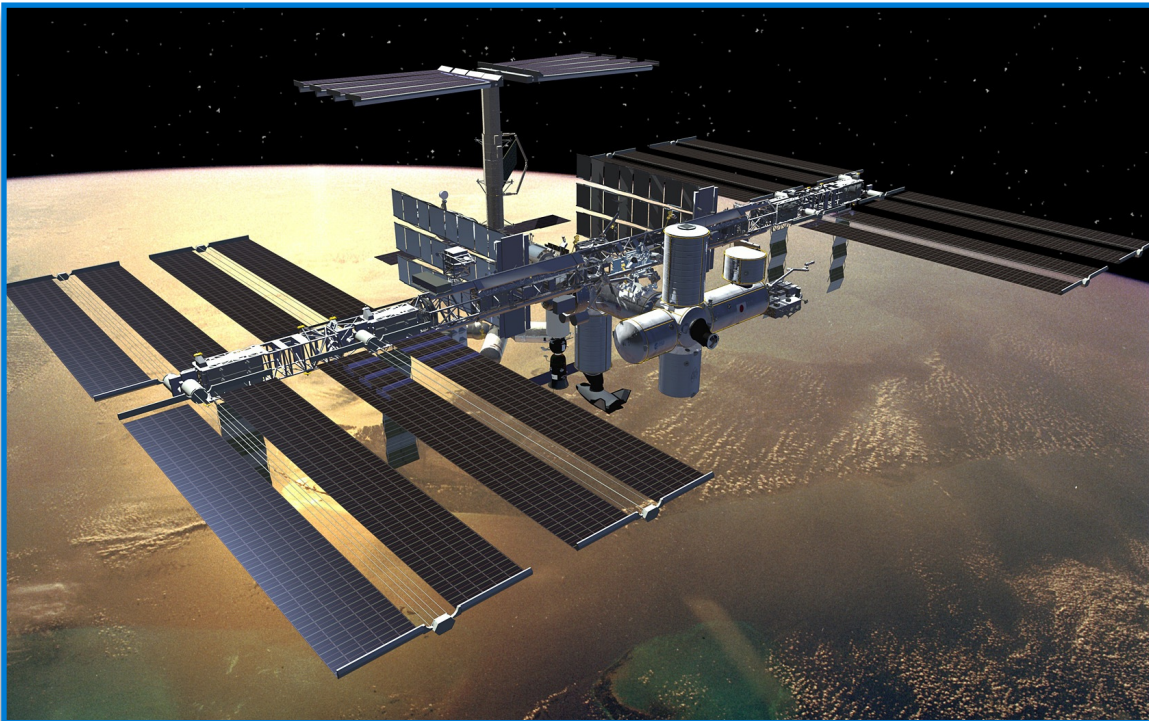
ways. This brings back the old question for which Solari was created, which is: How do we come up with a more virtuous model? We're clearly going to have to, and that means a shift in global consciousness and efforts by multiple people in multiple countries to bring transparency, including to the black budget and the UFO issues.

One of the primary concerns about the war machine is the war machine trying to control the human race, or are they concerned about controlling someone or something else? You can't answer that question until we start to really answer the questions behind the black budget.

War continues to be a big business, and all indications are for the near future it is going to get bigger. So hold on to your hat.

## SPACE: THE FINAL FRONTIER

I want to read a story that I love from Warren Buffet. Warren Buffet has often pointed out that airline investors have, on the aggregate, never made money at



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**2ND QUARTER WRAP UP, 2014**

**THE ART OF WAR**

**NATIONAL SECURITY**



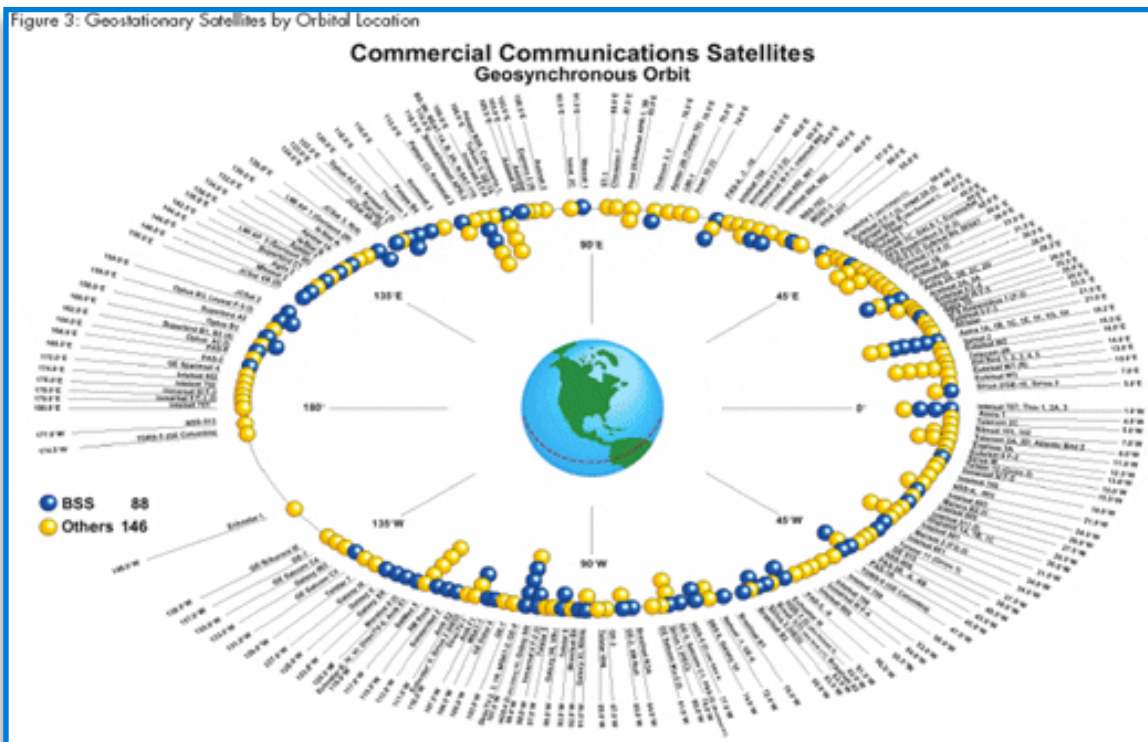


man’s success in flight. “Thanks to Wilbur and Orville Wright and their adventures on the Outer Banks, North Carolina is known as first in flight.” But Buffet didn’t let that history stop him from making a sarcastic remark about investors’ attitudes towards the Wrights.

“If there had been a capitalist down there, the guy would have shot down Wilbur,” Warren Buffet said. “One small step for mankind and one huge step for capitalism.” That’s a referenced fact if you go back to the days of Wilbur and Orville Wright and you look at the collective gains and losses of all investors since then, we really haven’t made any money on airlines.

So here’s the question now that we’re going into space. As an investment matter, is this a chance for the investors to finally turn a profit, or is this simply a way to double or triple down on losing money on flight as we go into the next phase?

Whatever the economics are, space investment is first and foremost about facilitating and controlling the politics and economics down below on planet Earth. One of the most important reasons for that is as the money and





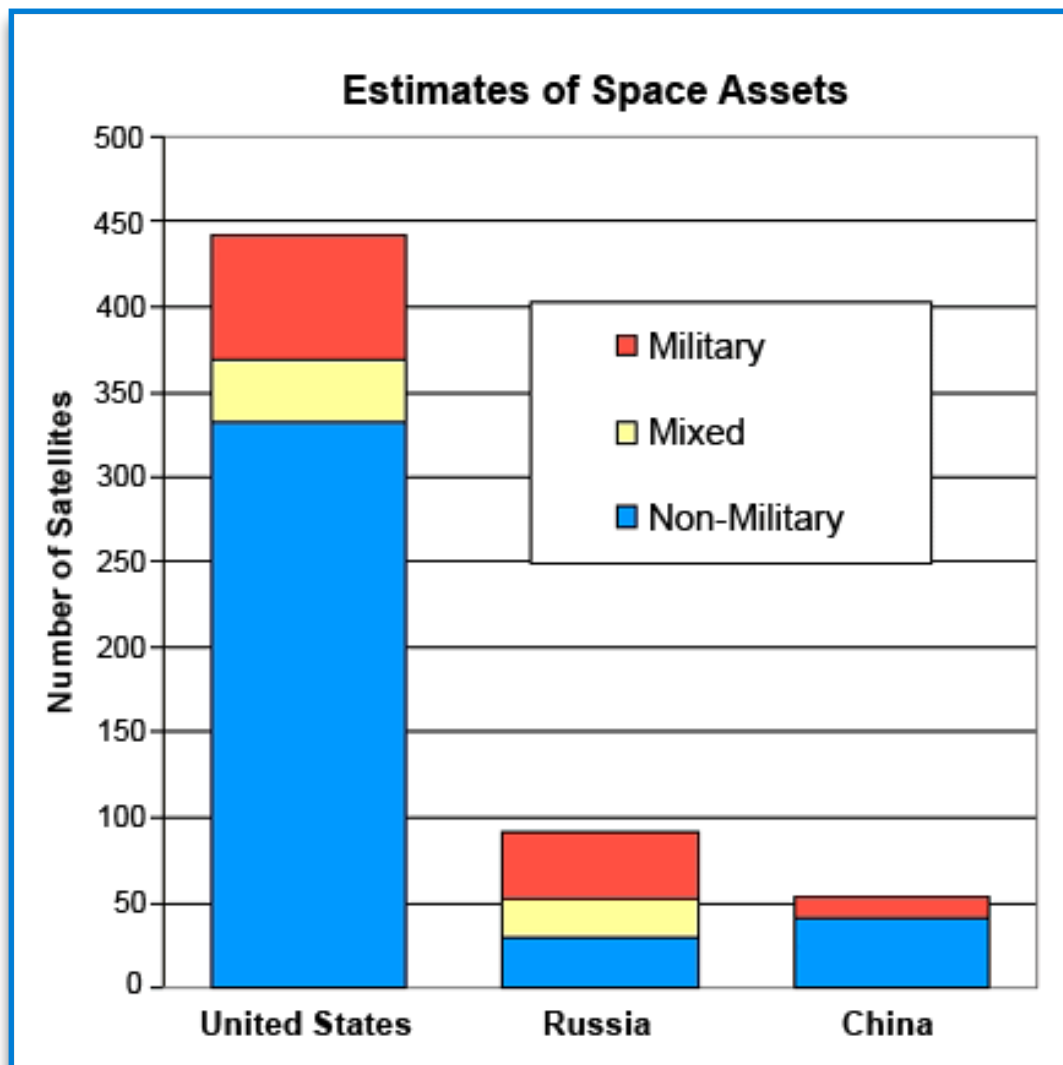
transaction moves onto the internet platform and more and more people have smart phones and are dependent on telecommunications, the importance of the satellite system grows.

## RELATED LINK

[STATE OF THE SATELLITE INDUSTRY REPORT](#)

A lot of the transactions that are flying around on planet Earth are, in fact, flying around in space around planet Earth. That is what is making the satellite systems – the management, governance, ownership and control of the satellite systems – so important. You're talking about the train tracks for the development of new digital currency and payment systems.

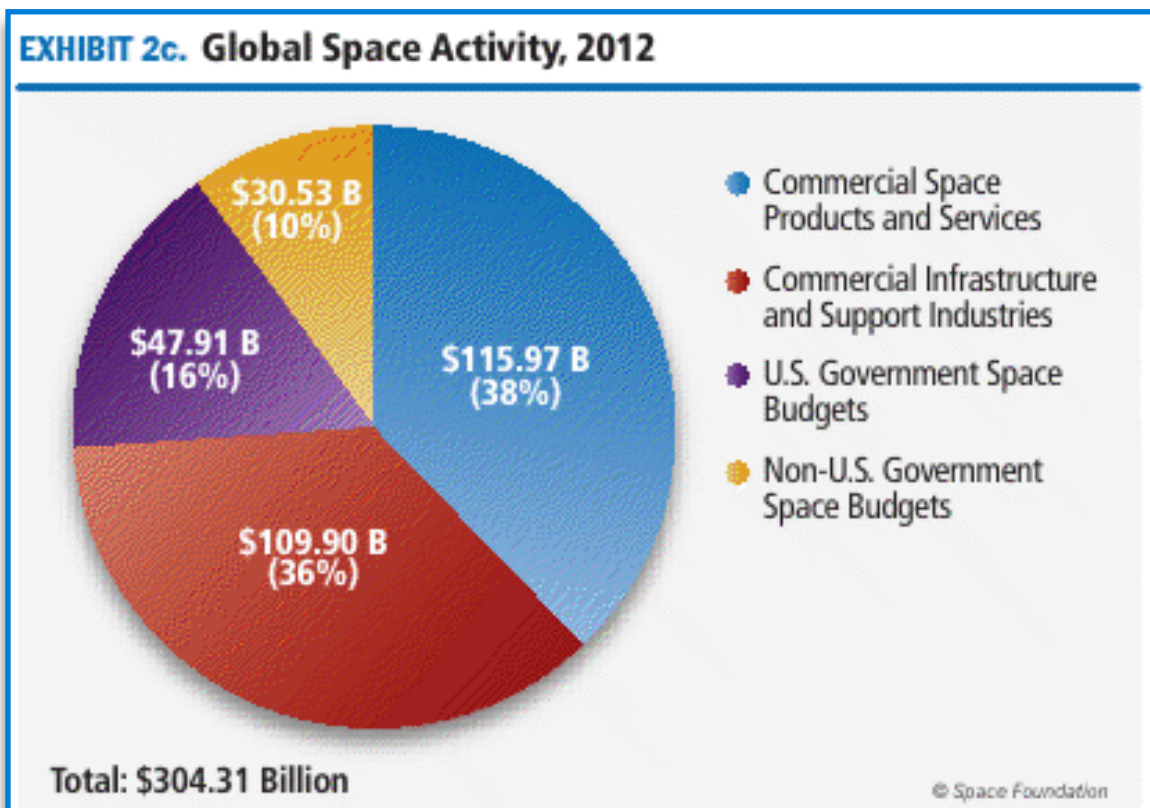
There are some very interesting charts to give you a sense of the satellites. I think part of the United States' power is its clear dominance in that area.





You can also see – and this is an important point both for defense spending but I put up NASA spending as well – it is so significant the dependence of every economy in every state on military-related government agency spending. You want to keep that in mind.

You're seeing more and more announcements of corporations indicating their interest to participate in space. We now have seven space ports around the country, but it's scheduled to go up to 17 in several years. Of course, more and more private companies are providing services and proposing to provide tourism services into space.



There is a big article in the *Wall Street Journal* the other day announcing Japan's tech giants turning to outer space for growth. NEC retreating from smart phones and semi-conductors is expanding its satellite business, and a Japanese firm announced that it was going to build a space elevator by 2050, made possible – of course – by the expected developments in graphene and other material sciences that are quite interesting. Japan is very much a leader in that area as well as the South Koreans.



## NASA Dollars Boost the Economies of Every State in the U. S.



■ All 50 states and the District of Columbia participated in NASA procurements in FY '03

■ Grants and awards went to various educational institutions and non-profit organizations in 50 states and the District of Columbia

Information obtained from NASA Procurement Management Service Online Query  
Web Page: <http://prod.nais.nasa.gov/cgi-bin/hpms/map.cg>

One of the big areas is going to be creating a legal framework for the commercial exploration of space. It's really not in place, and the management and enforcement issues, I think, are going to offer a lifetime of opportunities for attorneys and tax experts.

One of the most sensitive issues, of course, is space weapons. I put up a link to an articles on the Top Ten Space Weapons. So not only is space the place where you provide for some of the telecommunication networks that really drives the global payment and currency systems and communication systems, but you also have weaponry that can determine who really controls in space. They are also talking about solar farms and all sorts of other stuff.

Keep an eye on the efforts to start human colonies on Mars; the efforts are clearly underway. I put a link up to one of the areas on NASA's website: Mission to Mars.

### RELATED LINKS

[OUR NATION NETWORKS OF SPACEPORTS](#)

[JAPANESE FIRM TO BUILD A SPACE ELEVATOR BY 2050](#)

[TOP 10 SPACE WEAPONS](#)

[MISSION TO MARS](#)

[PACK YOUR SPACE BOOTS: PEOPLE WILL VACATION TO THE MOON BY 2024](#)

[REALIZING TOMORROW: THE PATH TO PRIVATE SPACEFLIGHT](#)





If you look at the interest that is being generated by the corporate and popular media trying to interest young people in space, we are clearly on our way. I remember when the Kennedy administration was promoting space travel. We really thought it was going to happen then in the 60's and 70's, and of course it got shut down after the Kennedy assassination – or wound down after the Kennedy assassination. But we're seeing it really rev up for the first time since then.

One of my favorite quotes from Bob Dean is, "It's the destiny of the children in my family to travel the stars." I think it's a good thing. I think it's time to get out there and see what's out there.

I put up a couple of articles on the opportunity for us to start to vacation in space. I ask the question of all of you to help you get ready for the kind of change that's coming up. Are you ready to plan your first trip to the moon? If you want to take one, the opportunity is going to be there.

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## RELATED SOLARI REPORTS

**2013 ANNUAL WRAP UP**

**UFOS FOR A 21 CENTURY MINDS**

**ADVANCED TECHNOLOGIES OF THE BREAKAWAY CIVILIZATION**

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## CONFERENCES

**SECRET SPACE PROGRAM CONFERENCE, JULY 2014**



## TRANSPORTATION & INFRASTRUCTURE

Rebalancing of the global economy means there is a lot more movement around the planet – both of goods and services and people – and particularly business travel. We're seeing tremendous increases in world air traffic. Remember you've got 4 billion people in Asia. If that's where the strong growth rate is, you're going to see a lot more air travel. We certainly are seeing it.

I put up a chart with one of the estimates of where we're going to be in 2029. It's quite remarkable.

Remember, as the global middle class grows, then you have more people who can afford to do that kind of travel. In particular, you have more people who can afford to purchase cars.

This is a big problem because if you look at the projections on urbanization and the so-called trend of mega-cities, we've got an explosion of urban areas with more than 10 million people and there's no way that you can handle the traffic if everybody can afford to and wants to buy a car. You can imagine the

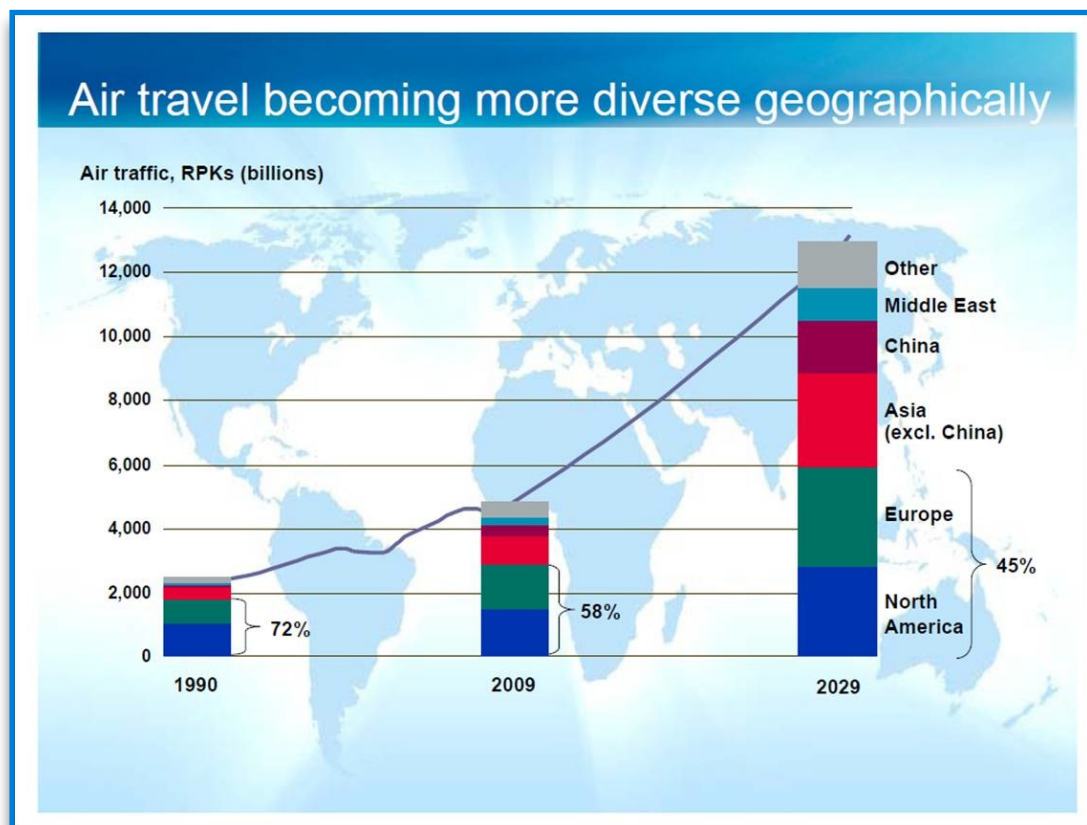
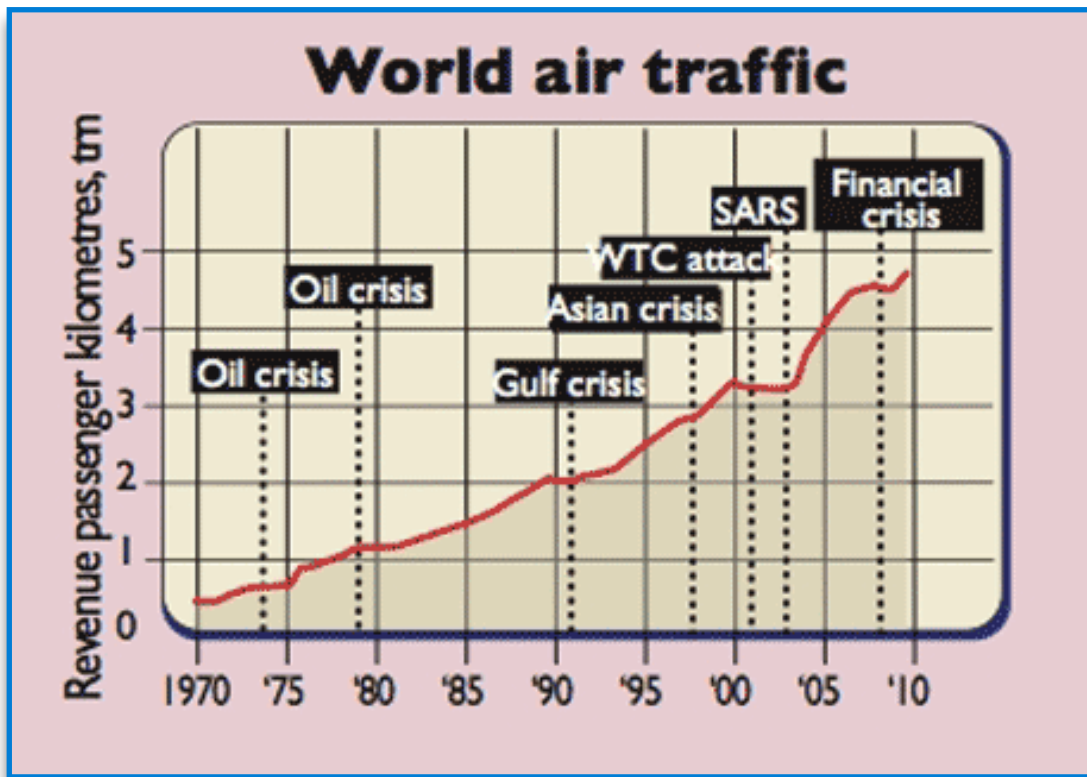
### RELATED LINKS

[\*\*BOEING: CURRENT MARKET OUTLOOK 2014\*\*](#)

[\*\*MEGACITIES: CITIES WITH A PROJECTED 2030 POPULATION OF MORE THAN 10 MILLION\*\*](#)









steel piling up all over the planet.

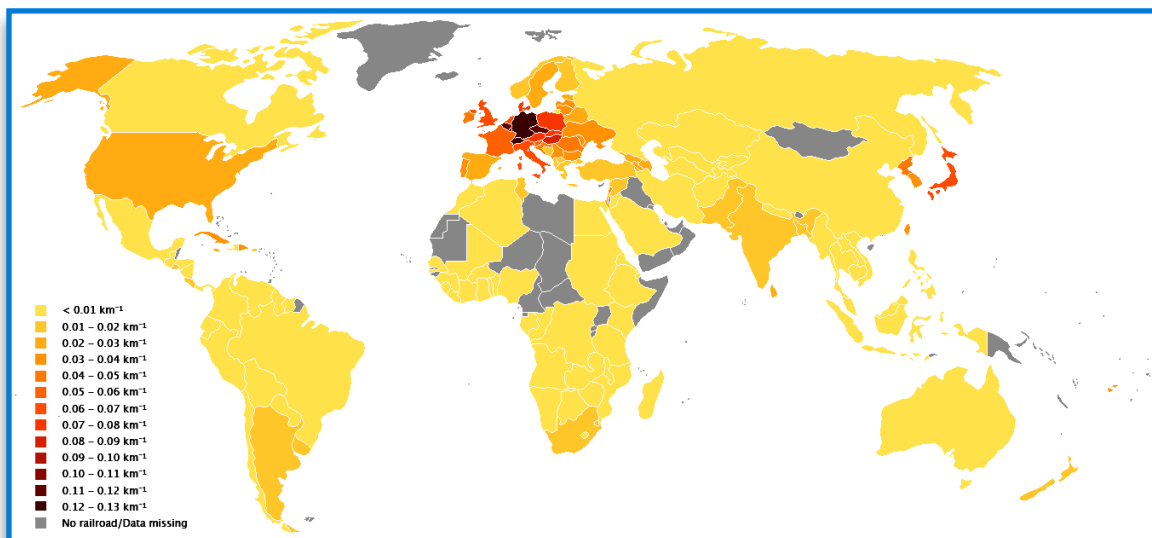
The question is: What are we going to do about this? I put up a fabulous cover from *Popular Science* on the future of the car that came out. It's the October issue but it came out last month. You just see enormous discussion and innovation around cars from cars that run on water and cars that run on air that are tiny or driverless cars or networked cars or sharing cars like Zipcars or sharing rides. Uber is just taking off. I've been amazed at how many very financially secure, successful people I find who love taking Uber.

If you haven't done it or if you don't know what Uber is, it's sort of the Airbnb of taxi cabs. Private parties give rides. They're vetted by Uber in a variety of ways, both the car and the people, and they give rides to people in lieu or in place of taxi cab services. It's become quite popular.



Anyway, I noted how well Tesla has done – or the Tesla stock – compared to the car ETF or the S&P. That graph is up.

Railroads, I believe, have real potential to be the workhorse of Global 3.0. Certainly we see the beginning of reinvestment in the train network in the United States. Part of that is, of course, the use of the trains to carry some of the oil and gas coming out of the Bakken. I think there is tremendous potential for global train.





The Japanese offered to lend the US half the cost of a super-maglev train that was after the Tesla founder, Elon Musk, proposed we needed maglev trains in the United States.

China is intimating they may build an undersea train to America. That would be amazing. If you could get the 4 billion people in Asia being able to take high speed trains back and forth to America that would have a very dramatic impact.

I must tell you that I think those kind of high speed underground rail operations already exist. If you haven't seen Richard Dolan's presentation on underground and under-ocean operations, I really recommend it. I think it's a very critical part of the Global 3.0 infrastructure that is already in place.

You hear much in the press about the fact that in North America we didn't invest in the infrastructure and we haven't invested in the infrastructure. I disagree. I think we've made fantastic investments in the infrastructure; they're just secret. Dolan's presentation based on Richard Sauder's research is quite interesting. It was up on the blog and you can link to it from the discussion of this trend.

The global infrastructure spending is really under-pacing commercial development, so you have investment in all sorts of commercial enterprises. They need a good infrastructure platform to operate, and they're pushing. They're constantly pushing beyond the infrastructure, and the infrastructure is trying to catch up.

The other thing that is happening is we need real investment infrastructure that is restorative of the environment. There is an incredible opportunity to restore the environment in a way that can create enormous equity values, particularly as we securitize the economic activities globally. I would love to see that happen. If we have to, we may even have to crowd fund it. I put up the link to Solar Freakin' Roadways, one of our most popular crowd funds that we participated in this quarter.

## RELATED LINKS

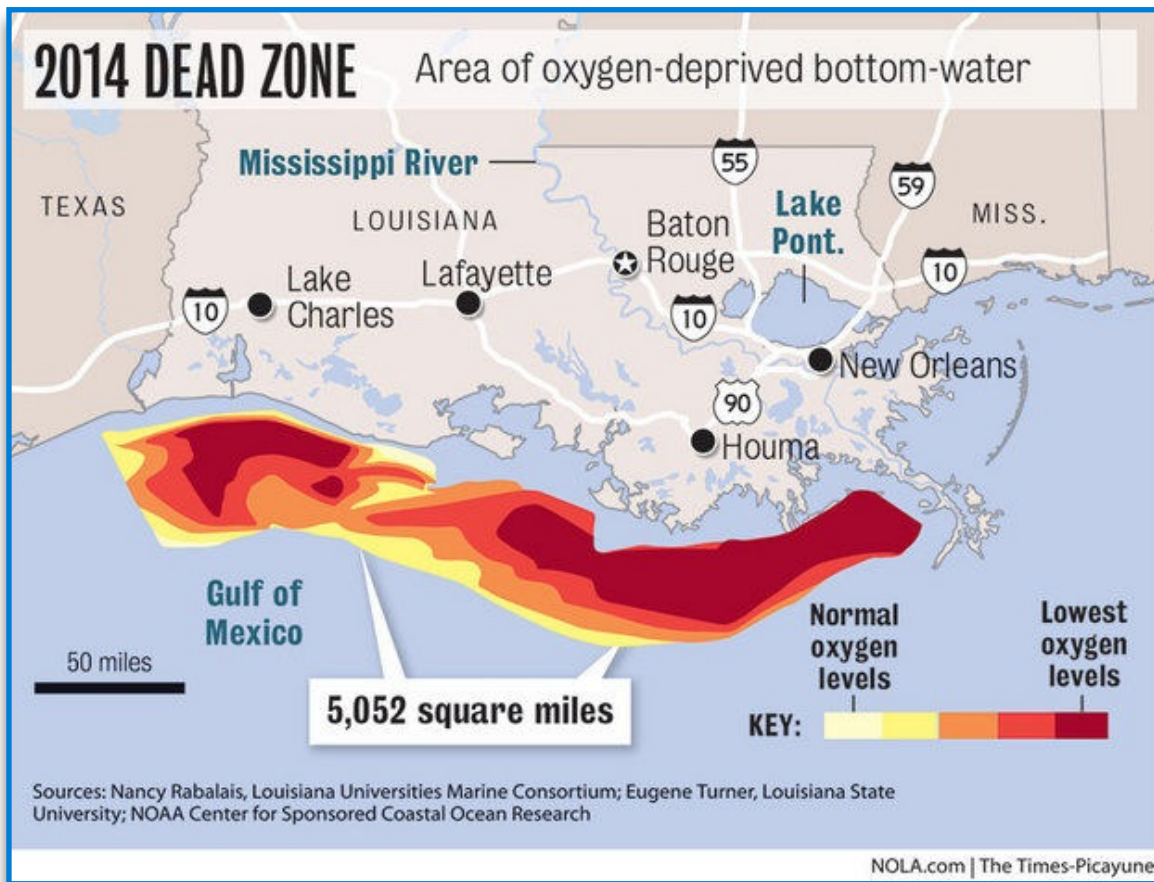
**SIR JAMES GOLDSMITH**

**JAPAN OFFERS TO LEND US HALF THE COST OF "SUPER MAGLEV" TRAIN**

**CHINA MAY BUILD AN UNDERSEA TRAIN TO AMERICA**

**RICHARD DOLAN ON UNDERGROUND AND UNDEROCEAN OPERATIONS**

**GLOBAL PROJECT AND INFRASTRUCTURE SPENDING: OUTLOOK TO 2025 - SPENDING TO REACH \$9 TRILLION BY 2025**



We participated in a fair amount of crowd funding and Kiva campaigns. A lot of good stuff, but Solar Freakin' Roadways – if we have to crowd fund it, we will.

## MANUFACTURING RENAISSANCE

I covered this in my interview with Jim Puplava on mega trends and I've done a lot with Jim Norman talking about what domestic energy and technology is doing to help really bring manufacturing back into the United States. It's very exciting. Unfortunately it's not going to create very many jobs.

You're talking about something where labor is very highly automated, but again, it's this concept of atoms going to bits and bits going back to atoms much, much faster.

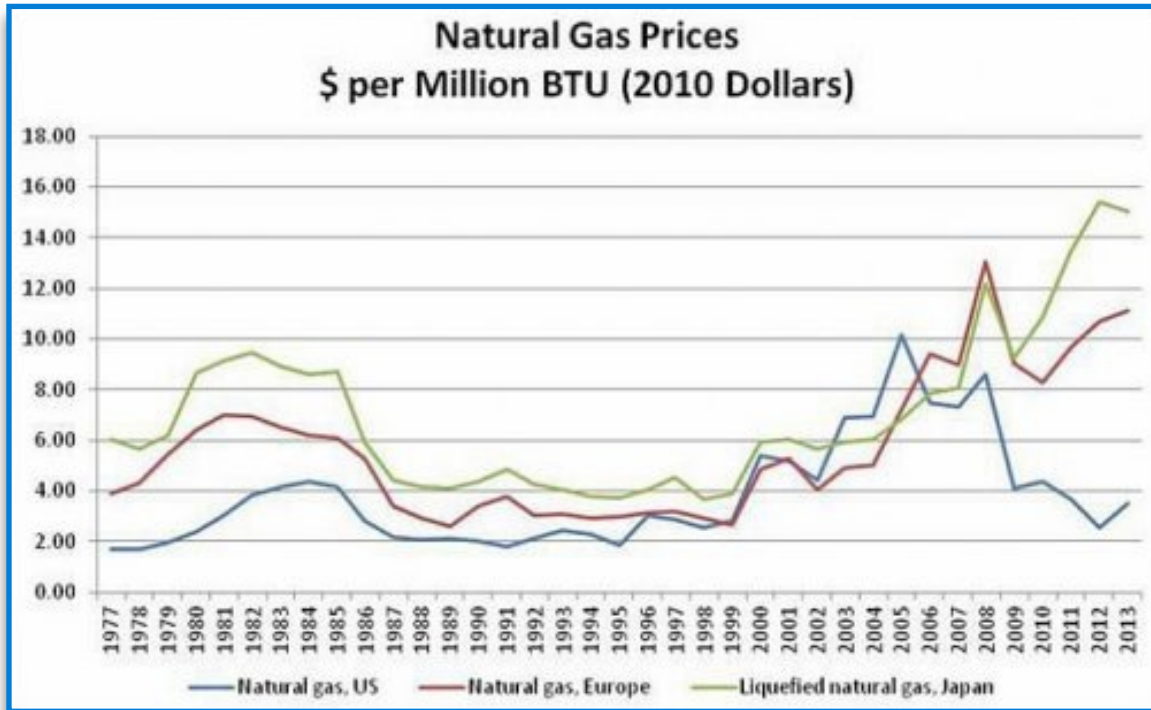
## RELATED LINK

[SOLAR FREAKIN' ROADWAYS](#)

## RELATED SOLARI REPORTS

[ANNUAL WRAP UP - 2013](#)  
[EMERGING MARKETS 101](#)





Nanotechnology is a part of that. We need to do a Solari Report on nanotechnology so I'm not going into it tonight. There is a lot going on in this area, and I think part of it – Joseph Farrell and I – believe that part of the manufacturing renaissance is if you look at the black budget issues, the Breakaway Civilization issues, the national security issues, and all sorts of intellectual capital issues there is a decision to bring things back into North America and the Anglo-American alliance for much, much tighter control and not necessarily share them with Asia as the competition gets sterner and the Chinese manufacturing companies really mature and grow into serious global competitors.

Some of this is just pulling that intellectual capital back into home base and being much more careful, particularly, I think, with space-related investments. I think things are going to be brought a little bit closer to home, and companies are not going to want to take the kinds of risks that they have to

## RELATED LINKS

[MANUFACTURING: RETURNING TO THE US](#)

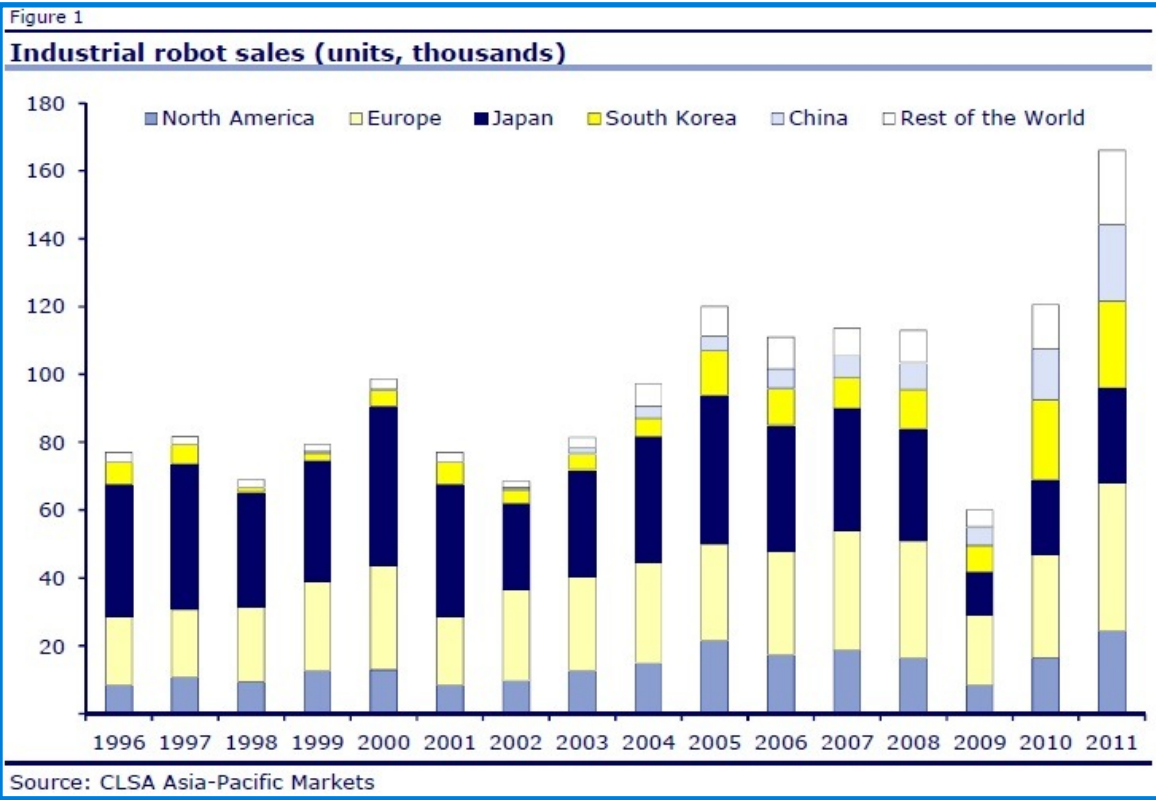
[OPEN SOURCE HARDWARE](#)

[THE MAKER MOVEMENT](#)

[MAN USES 3D-PRINTING TO BUILD A CASTLE IN HIS BACKYARD](#)

[A 3D-PRINTED ASTON MARTIN](#)





YouTube



take in terms of long supply lines when the geopolitics can get tense. Manufacturing renaissance trend #11 is very interesting.

## SO MUCH LIFE

One that we're going to be talking a lot about at the event in Menlo Park. Let me just read it to you. The most powerful war on planet earth is occurring in the spiritual realms and it spills into our cultural wars and the choices we make in everyday life. The Old Testament in Deuteronomy says, "I call heaven and earth to record this day against you that I have set before you life and death, blessing and cursing; therefore choose life that both thou and thy seed may live."

We're seeing life and death struggle. The war is coming down to the most intimate level and we're all struggling with it every day. The question is: Are we going to eat GMO food that could seriously make us sick and ensure that our children may not be fertile, or are we going to resist and focus on really fresh food?

Are we going to resist the toxicity levels and mind control that can come through vaccines, fluoride, pharmaceutical drugs, or instead choose natural nutrition and preventative methods and do everything we can to maintain strong immune systems and low toxicity levels?

Are we going to incorporate and digest a lot of brainwashing from corporate media or entrainment technologies that come through certain kinds of media – both TV and internet – or are we going to try to find authentic sources of information?

Obviously I know where you stand on this already because you're listening to The Solari Report, but you see this choice of life and death in so many of the actions that we take every day. It's very much a new environment in the last 20 years for many Americans to face the fact that there are so many efforts by government and large corporations to market things to you which are basically significantly – or have the potential to significantly – lower your life expectancy. It feels like a very predatory environment because it is.

## RELATED SOLARI REPORTS

**A BEGINNERS GUIDE TO 3D PRINTING**

**INDUSTRIAL ROBOTICS: AN INTRODUCTION**



Part of this is technology gets much more invasive so we have some pretty truly gruesome and fantastic visions of where things like biotechnology or trans-humanism can take us. It's this intense competition between choosing life and death and the marketing of life and death that is making our environment so unusual.

I wanted to come up with a title for this trend. I chose 'So Much Life' and I'll tell you the story where I got it. It comes from one of my favorite Bear McCreary songs from Battlestar Galactica called So Much Life.

## RELATED LINKS

[BEAR MCCREARY - "SO MUCH LIFE"](#)

At the very end of Battlestar Galactica as they have successfully led their people to a new home on earth, Admiral Adama asks his love (once upon a time his colleague) President Roslin if she wants to see the wildlife of the earth closer. They get into a raptor – a small spaceship – and fly across the African continent at a very low altitude, right above the ground so they can see all of the wildlife. It's quite beautiful. During the flight as she's admiring the abundance of earth she utters her last words, "So much life."

And, indeed, on planet Earth that is what we have. We have so much life and so much truly beautiful life. Ultimately the question of life and death and what happens on this planet comes down to what each one of us chooses. Of course, one of the reasons we're gathering in Menlo Park is to talk about, "Okay, how do we choose to live a free and inspired life?" As each one of us chooses that, we give life and possibility to all the other life on earth.

## CLOSING

Those are our 12 trends. Let me just go through them again quickly. This is the shift to Global 3.0:

1. Rebalancing the Global Economy
2. Finance and Investment transforming to 3.0
3. Building out the Global Network
4. Reengineering Delivery: Succeeding in Atoms and Bits
5. Commodities versus Technology: More Atoms and Bits
6. Energy
7. The Revolution in Education



8. War: The Biggest Business
9. Space: The Final Frontier
10. Transportation and Infrastructure
11. Manufacturing Renaissance
12. So Much Life

At the bottom of our comic book we put links to the other two wrap ups – the Quarterly Wrap Up and the Annual Wrap Up at the beginning of the year. I think those comic books can also inform you about these and some of the other trends.

We also put up links to the reports that we published in the 3<sup>rd</sup> quarter. We're adding links for the commentaries that I wrote or some of the other members of the team wrote during the 3<sup>rd</sup> quarter. All of that is designed to help you build a map that can help you navigate this environment and really find the pathway to build your free and inspired life.

I will tell you again, as I said at the beginning, the changes we've seen in the last 10-20 years are just the beginning. Strap on in. Get ready to take off on warp drive because the changes are going to accelerate. But in those changes there is plenty of opportunity for you and me, and I think what we all have to ask ourselves is: How can we be of service to the people around us and our fellow humans around the planet? Where is the opportunity for you?

I hope that this 3<sup>rd</sup> Quarter Wrap Up has helped you think about it and ultimately will help you to find it and take advantage of it.

That's it for the Wrap Up. Let me just talk a little bit about what's coming up. We have gotten tremendous requests – it's been growing for about a year. When I was in Albuquerque I got a chance to talk to a lot of subscribers about it – to address the topic of spiritual warfare. We're going to do so with Franklin Sanders next week on October 9<sup>th</sup>. I'm very excited about it. Franklin is my pastor at Christ Our Hope Church. He's promised me that we're free to disagree. We debate these issues, so that is going to be a lively one. Franklin and I really believe we have had the opportunity to be overcomers in a great deal of spiritual warfare so it's a topic very near and dear to our hearts and one we enjoy talking about.



Then the following week – it’s very exciting – a wonderful chef in the San Francisco Bay Area and an expert on fermentation and nutritionist, Karen Diggs. She has had a remarkably successful Kickstarter campaign, and it’s a great opportunity to talk about what are the ingredients of the successful campaign to crowd fund and how to do it. Of course, this is the non-equity give a donation or sell a product kind of crowd funding, but we need to start there. It’s as remarkable story. I don’t want to give it away, but it just shows you what can be done. You never know until you try, and this one was Karen going in and looking for \$38,000 and came out with \$186,000. It’s quite remarkable. The Kickstarter campaigns one of the campaigns we participated in in the 3<sup>rd</sup> quarter.

The following week I asked Jon Rappoport – it was his quarterly turn – I said, “Everybody wants to talk about spiritual warfare, and what amazes me is that I, as a Christian, always come out in exactly the same place as you, but we use different terminology and come at it slightly different. So would you do one on spiritual warfare, but completely from your point of view.” I’m sure he’ll come up with a different name for it than that. So we’re going to do some spiritual warfare in October – first with Franklin and then Jon is going to do one on his own.

Until next week with Franklin, please remember: Don’t worry whether or not there is a conspiracy. If you’re not in a conspiracy, then you need to start one.

Ladies and gentlemen, good night and good luck.

#### **DISCLAIMER**

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