

Solari Rising

by Catherine Austin Fitts

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"The Latin American drug cartels have stretched their tentacles much deeper into our lives than most people believe. It's possible they are calling the shots at all levels of government."

- William Colby, former CIA Director, 1995

The Solari Index is my way of estimating how well a place is doing. It is based upon the percentage of people in a place who believe that a child can leave his or her home, go to the nearest place to buy a popsicle and come home alone safely.

When I was a child growing up in the 1950s at 48th and Larchwood in West Philadelphia, the Solari Index was 100 percent. It was unthinkable that a child was not safe running up to the stores on Spruce Street for a popsicle and some pinball. The Dow Jones was about 500 and the Solari Index was 100 percent.

Today, the Dow Jones is over 9,000 and my favorite hairdresser in Philadelphia, Al at the Hair Hut in West Philadelphia, and I just agreed that the Solari Index is in the tank -- both in the streets of Philadelphia and throughout America.

Life on the street isn't sweet any more. I watched the slide of the Solari Index as a child. A lot of it had to do with narcotics trafficking and the people that narco dollars put in power on our streets -- and in City Hall, in the banks, in Congress and the corporations and investors that surround the city.

Once a month I drive to Philadelphia from my home in Hickory Valley, Tenn., to attend a board meeting. I stay in a lovely little apartment in the first floor of a rowhouse owned by my friend Georgie, not far from where I grew up in West Philadelphia.

Georgie is one of my favorite people in the world. One day, Forest, my dog, and I were up in Georgie's apartment to enjoy a fresh plate of scrapple that Georgie had fried up that morning. The conversation turned to narco dollars. Georgie said that looking at the big picture was simply too overwhelming. Couldn't I explain this in terms of a neighborhood in Philadelphia? So we got out a blank piece of paper and started to estimate.

We assumed that two or three teenagers on a Philadelphia street corner dealing drugs could theoretically do \$300 a day of sales each and work 250 days a year. We guessed that their supplier got 50 percent, and maybe ran his net profits of \$100,000 through a local fast-food restaurant that was owned by a publicly traded company. Assuming that company had a stock market value of 20-30 times its profits, a handful of teenagers could generate approximately \$2 million to \$3 million in stock market value for a major corporation, not to mention a nice flow of deposits and business for the Philadelphia banks and insurance companies.

OK, that is what a handful of kids can do. Let's look at all the organized crime profits, narcotics trafficking and everything else. If the Department of Justice is correct about \$500 billion to \$1 trillion of annual money laundering in the U.S., then about \$20 billion to \$40 billion is a reasonable estimate for what should move annually through the Philadelphia Federal Reserve district.

Assuming a 20-percent margin for organized-crime profits and a 20-times multiple on the stock of the companies being used to launder the money, the stock market value that could potentially be "addicted" to organized crime profits flowing through the Philadelphia area from \$20 billion to \$40 billion in narco- and organized-crime revenues could be as much as \$160 billion. If you add all the things you could do with debt and other ways to increase the multiples, you could get that even higher, say \$250 billion.

Imagine what would happen if all these teenagers in the Philadelphia area stopped taking and dealing drugs? Now do you understand what Philadelphia mothers and dads are up against when they try and make sure their children are safe?

Last summer, I made a presentation called "How the Money Works on Organized Crime" to a wonderful group of about 100 people at an annual conference for a spiritually focused foundation in Philadelphia. This is a group committed to contributing to the spiritual evolution of our culture.

After about an hour walking through the various profits generated by narcotics trafficking, financial fraud and other types of organized crime, as well as the intersection of this money with the stock market and campaign fundraising, I asked the group what would happen to the stock market if we decriminalized or legalized drugs?

The stock market would crash, they said.

What would happen to financing the government deficit if we enforced all money-laundering laws? Since most bank wire transfers are batched and run through the New York Federal Reserve Bank, this should not really be that hard, right?

Their taxes might go up. Worse yet, their government checks might stop, they said.

I then asked them to imagine a big, red button at the front of the lectern.

By the power of our imaginations, if they pushed that button they could decriminalize narcotics trafficking or whatever actions were necessary to stop organized crime and stop all money laundering in the United States.

Who would push the button?

It turns out that in an audience of approximately 100 people committed to spiritually evolve our society, only one person would push the button.

Upon reflection, 99 would not. I asked why. They said that if they pushed the button, their mutual funds would go down and their government checks might stop. I commented that what they were proposing is that an entire infrastructure of people continue to market narcotics to their children and grandchildren to ensure that their mutual and pension funds stay high in value.

They said, yes, that was right.

Which is why I say that America is not addicted to narcotics as much as it is addicted to narco dollars.

Can we face our addiction to narco dollars? Can we do it in a way that entrepreneurs like me can build successful businesses and transactions that profit from getting the Solari Index and the Dow Jones Index to go up together while getting debt to go down?

It's quite possible. Helping the Solari Index rise back to 100 percent is the biggest capital gains opportunity in the Philadelphia area, on real estate as well as what is possible from re-engineering government investment and pooling small-business equity in a manner that provides competitive access to the stock market. Generations of accumulated narco dollars could do very well investing successfully in such a capital gains opportunity.

The creation of a solari, a local knowledge manager/databank that publishes neighborhood financial statements and information and tracks the Solari Index in your place, can make it possible for your neighborhood to create pools of private equity that could channel capital to the profitable opportunities in your area. That is a lot of capital that local entrepreneurs can use to create jobs and to build their businesses -- even start new ones.

It's time to face our addiction to narco dollars and to grapple with how to reverse our incentive systems. It is time to figure out how publicly traded companies and our banks and insurance companies can make more money from our kids succeeding than from them failing. Indeed, it can be done.

So here is my message on our addiction to narco dollars. Now that we have run the Solari Index down to near zero percent and increased our dependency on debt while fueling the rise of the Dow Jones about 20 times since I was a kid, the new opportunity is going to be the fortunes to be made on businesses and investment vehicles that fuel the Solari Index rising.

Wouldn't you pay for streets to be sweet for your child once again? Especially if it made you a whole bunch of money on an initial public offering of your neighborhood mutual or venture fund in the stock market?

My money is on Solari rising.

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See Also by Catherine Austin Fitts:

- "Narco-Dollars for Beginners - How the Money Works in the Illicit Drug Trade", 2001, <http://www.ratical.org/co-globalize/narcoDollars.html>
- "The Myth of the Rule of Law," November 2001, <http://www.ratical.org/co-globalize/CAFmrl.html>
- "A Conversation About The Popsicle Index," 1/26/03, <http://www.ratical.org/co-globalize/popsicleIdx.html>
- From "The Rise of the Rule of Law," September 2002:

<http://www.sandersresearch.com/html/MappingtheRealDeal/CAFAugust02/CAF080802.htm>

The ability of the net energy plus people in the US to understand what is happening and how and why has been surprisingly poor. This general ignorance has been helped along by corporate control of the media (which, for this reason, I call the 'corporate media,' to distinguish it from the independent media), 'info-warfare' and covert operations. The more public form of information warfare promotes divide-and-conquer tactics and incentives (men vs. women, rich vs. poor, black vs. white, Christian vs. non-Christian, Republican vs. Democrat and so forth). The more private form of covert operations includes targeting by tax and regulatory authorities, blackmail, financial and sexual bribery that support 'control file' systems, assassination and the use various other forms of covert operations that diminish a more general communication about what is happening and why.

A review of the economics helps us understand why and how. If we can presume that 10% of revenues is a reasonable advertising and marketing budget for a high-margin industry, then organized crime in America as measured by the Department of Justice's estimate of \$500 billion to \$1 trillion in annual money laundering through the US financial system has about \$50 billion to spend annually on 'marketing' in ways more subtle than explicit Madison Avenue T.V. and magazine ads. Add that amount to the government budgets that can be used to police franchises, and the amount of money spent on controlling and influencing the 'official reality' is stupefying. When an understanding of the amount spent to mislead is combined with an understanding of our intentional failure of disclosure regarding government investment and performance, particularly place-based disclosure, the intentional and increasing centralization of economic and political power by unlawful means can be much better understood.

The advantage of such a system to current US leadership is clear. By centralizing the holding of equity in local institutions or in outside institutions that affect local matters (whether through McDonalds franchises or national telecommunications companies) and denying equity to those who do not support the centralization process, the few at the top can amass the political base of operations and resources they and their global investors need to dominate global political and economic power. It is fair to say that that if we could eliminate narcotics trafficking and the so-called 'War on Drugs', the US political and business leadership would be more likely to resemble a representative sampling of the US population than a G-7 gathering of global financial elites.

As new technology promotes meaner and far more subtle and invisible forms of economic warfare and social control, the centralization of political and economic power in the US continues with the latest transformation from the War on Drugs to the War on Terrorism. The latter moves the targeting of continuous 'clamp down' supported by sophisticated relational database technology and digital surveillance to whiter, wealthier and better-educated populations at the same time that this population's economic and political power and resources are diminishing.

The Solari challenge is to create a transformation out of the current win-lose situation in which we find ourselves. The key is to provide a trustworthy flow of information locally that -- when combined with equity incentive systems -- promotes and incentivizes high standards of responsibility and accountability going forward. Only a system that creates significantly greater amounts of wealth can do so. The fundamental principle that all humans want more energy -- not less -- along with the mysteries of freedom and intelligence tell us that it is possible.

Making it possible starts with increasing the flow of energy to the net energy plus people and moving them back into leadership positions locally. This can happen in a model in which a portion of the resulting capital gains flows to the capital that was amassed through organized crime and government corruption. In exchange for offering the leadership of organized crime a 'double' on their ill-gotten gains, the local 'net energy plus' people can buy back control of their local areas. This alignment is necessary to achieve breakthroughs in reengineering place-based government investment. Without it, the risks to both sides are significant.

This is why the Solari Stock Plan is at the very core of the solari model. The economic productivity that can be unleashed when the high performance people are in control subject to traditional conditions of fiduciary accountability and performance are so extraordinary that 'buying' our way into such a system turns out to be surprisingly economic for all concerned.

<http://www.ratical.org/co-globalize/solariRising.html>