

## **The American Tapeworm, Part I**

**by Catherine Austin Fitts**

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- A Tapeworm's Triumph
- The "Break It-Fix It" Subsidy of a Negative Return on Investment Economy
- The Giant Sucking Sound as the Tapeworm Consumes Global Capital
- The Tapeworm Ransacking of Iraq
- Where is the Tapeworm's Brain?

**"And the serpent's food shall be earth"**

**--- Isaiah 65:25**

### **A Tapeworm's Triumph**

The other day, a natural healing practitioner explained the strategy used by a tapeworm to prosper. A tapeworm, she said, injected a chemical into its host that triggered a craving by the host for what the tapeworm wished for its dinner. By managing its hosts desire, a tapeworm manipulated its host to set aside self-interest and please its parasite. And so the tapeworm proceeded to consume its host's energy and health, with the host doing most of the work.

The story of how a tapeworm parasitically eats away at its ecosystem came at a moment when the math lover in me was having an adverse reaction to the description of America as the new Roman Empire that seems to be inspired by the recent occupation of Iraq. The investment economics of American imperial conquest work more along the lines of the tapeworm than of the Romans.

If my rudimentary understanding of the rise and fall of ancient empires is useful, the Roman Empire brought an advancement of science, infrastructure, technology and material progress to many of the poorer lands that it conquered. In essence, Rome's territory grew in part from its ability to increase the 'return on investment' of many of the places it conquered.

While those who believe in self-determination may not approve of the Romans right to do so, or their methods, those of us who appreciate roads, bridges and infrastructure understand the positive investment yields that the introduction of intellectual capital to a place can generate. From one point of view, Rome financed its conquests not just by ransacking them -- but by making places smarter in the material sense.

The tapeworm -- a parasite that over time eats its host -- can more accurately describe the demonic patterns of stripping places of intellectual capital that come with American imperial conquest. The "dumbing down" so often complained about within America's borders is a phenomenon that our military appears to be implementing globally. We seem intent on removing spiritual power and intellectual IQ as we depopulate globally, moving out the

honest and competent and putting the corrupt and bureaucratic in charge.

One of the things that is most disturbing about the American tapeworm is that it has organized its leadership around private banks and defense contractors and its governance and intellectual air cover around think tanks and private universities and their tax-exempt endowments.

In so doing it has done a marvelous job of getting the intellectual resources of the nation disengaged from dealing with what is happening and engaged -- if not financially dependent on -- producing chemicals for injection into the body politic through a highly centralized corporate media that will feed the tapeworm's desire.

The Harvard Watch reports description of Harvard academics creating the public policy justifications for Enron's frauds while the Harvard endowment fed at the trough illuminated a perfect example of how the tapeworm gets the host to act against its own self-interest.

### **The "Break It-Fix It" Subsidy of a Negative Return on Investment Economy**

For several years, I have been studying and writing on the corporate and banking economic warfare model of globalization. Just from a case study of one private investor, Pug Winokur, and his investments in and with DynCorp, Enron and Harvard, examples abound.

- US neighborhoods are overrun with narcotics trafficking and HUD financial fraud while systematically worked by enforcement, seizure and War on Drugs teams supported by DynCorp and generating profits for the Harvard Endowment;
- Latin American pipelines, water and other assets are sold for significant discounts to market value to Enron and other multinational investors while DynCorp helps War on Drugs military teams move peasants off the lands;
- Russian banks and pension funds are emptied out by organized crime and laundered through NY Fed member banks while Harvard as financial advisor helps privatize Russian oil companies over to their endowment investment network;
- DynCorp personnel supplying police and aircraft maintenance are active with local mafia in Eastern Europe and practice buying and selling children as slaves which they use for sex;
- \$3.3 trillion is missing from the Department of Defense and the Department of Housing Development where Lockheed, DynCorp & AMS are active managing computer systems and Harvard supplies appointees and contract services.
- Manipulation of the gold markets by the US Treasury and NY Fed member banks are led by Larry Summers, Secretary of the Treasury, and now President of Harvard and his predecessor Robert Rubin, Secretary of Treasury, and now member of the Harvard Corporation Board.

These shenanigans are well documented by a series of courageous reporters and market commentators, including Anne Williamson, Greg Palast, Kelly O'Meara, William Murphy and Chris Sanders.

This tapeworm operates globally. It has been winning at economic warfare because those opposed to it cannot see it clearly and are not yet networked globally to move people, places

and capital out of its reach. My pastor, Bishop Alfred Owens, says, "If we can face it, God can fix it." Indeed, divine authority is hamstrung -- waiting for the necessary global networks to align around a common map of the real deal about global consolidation of economic and political power -- and the resulting liquidation of wealth.

This tapeworm is managed tightly by the cartels that syndicate around central banking and warfare and it has four phases:

- **Phase One - Break It**

Private syndicates make money destroying a place through organized crime, covert operations, warfare or a variety of both;

- **Phase Two - Buy It**

The profit generated from breaking it is used to buy or seize "legal control" at a discount;

- **Phase Three - Fix It**

Government funding, credit and subsidies are then used to "fix it" while harvesting remaining assets, including with narcotics trafficking, sex slavery and any other form of liquidating the human, intellectual, environmental and physical capital in a place;

- **Phase Four - Declare Victory**

Victory is then declared and a flow of foundation and academic grants funded by the "break it-fix it" profits generate awards, photo opportunities and official archives and documentations for the perpetrators to be admired for their bringing of advanced civilization to the natives.

What emerges from an investment banker's analysis of billions of transactions involved in situation after situation, in place after place, in year after year, is surprisingly simple.

We are watching a global first world economy that has a negative return on investment.

For example, in 1997 I lead an analysis of US federal expenditures and credit activities in the Philadelphia area for a group of US pension fund leaders. After analysis of the detailed data resulting from \$10 billion of government reengineering and \$400 billion of federal credit portfolio strategy managed by my company, the evidence was overwhelming -- the federal investment in Philadelphia had a negative return on investment. In short, government budgets were rigging profits and income for companies and people in the area. After each year of government investment, Philadelphia spent more time doing things that were fundamentally not productive and so had been paid to grow "stupider."

The deterioration in environment, culture, infrastructure and quality of life in Philadelphia that was obvious from walking around the city matched the numbers rather than the spin in the corporate news that the economy was doing well. Equity yields were falling steadily and only cooked government and corporate books could make it look otherwise. The primary thing on the rise was the smugness of the leaders of Philadelphia institutions as their success at covert management and personal "personnel benefits" grew ever stronger.

### **The Giant Sucking Sound as the Tapeworm Consumes Global Capital**

Another way of saying this is that the banking and corporate model as currently constituted does not work. Banks and corporations are entirely dependent on rigged government budgets, government contracts, federal credit arbitrage and corrupt regulation in way that

generates a negative return on investment for taxpayers. In addition, as corporations and banks become dependent on such government intervention they become progressively less able to function in a free market. Their culture becomes progressively soviet.

The combination of negative returns to taxpayers and increasingly non-market worthy private organizations is steadily lowering productivity. Add to this the increasingly power of organized crime as a % of GNP and a determinant of who sits in power on Wall Street and Washington, and fundamental productivity does not have a chance.

This state of affairs can go on as long as it can be financed. Hence, as long as America can continue to export dollars, export Treasury bills and mortgage backed and other federally supported credit, and lead in global organized crime and warfare, a negative return economy can continue.

Another way to say this is that rather than let markets adjust in a manner that would hold banks and corporations accountable, the central banks and military and enforcement machinery will guarantee markets by offsetting ever less productivity with ever greater amounts of debt and the liquidation of planetary assets -- people, places, and all living things.

Which leads us to Iraq.

### **The Tapeworm Ransacking of Iraq**

The economic desperation that lead up to the invasion of Iraq has been eloquently described by Chris Sanders of Sanders Research Associates and fits the patterns that SRA colleague, John Laughland and his colleagues at the British Helsinki Human Rights Group, have documented in Eastern Europe. Assuming the patterns that we have seen throughout the world apply, that tapeworm's economic desperation will feed on Iraq as follows:

- The first meal to be harvested on Iraq is the profits of invasion -- from government contracts and arms trafficking to media coverage.
- The second meal to be harvested on Iraq is the resulting control of assets, including gold, oil, bank accounts and antiquities. Iraq will be stripped, shipped, or otherwise switched to new ownership. Occupiers will use Iraqi assets to leverage more debt that generates more contracts and business for the inside companies. The antiquities in Iraq and this area of the world have a special meaning and attraction for the American and British leadership networks so don't underestimate the value of these. The gold bugs at LeMetropole Café reported that the Americans have captured \$1 billion of gold which was quite relevant as the NY Fed Banks particularly JP Morgan, Goldman, Citibank, are running significant short positions to suppress the gold price. Such a replenishment of their stocks (or the US Treasury who they may be trading on the account of -- they usually simply move the shorts over to the taxpayers on all these types of situations) will be quite refreshing.
- The third meal on Iraq to be harvested will be occupation management. If Eastern Europe is representative, America will partner with local and global organized crime and other intelligence agencies to significantly increase organized crime profits from the place. Attractive children will be culled from the population for shipment to Europe and other areas for sex slavery and pedophilia. Narcotics trafficking will increase as it has in Afghanistan. The award to CSC DynCorp of a \$500 million sole source contract to run police, courts and judiciary in Iraq is an important signal. My question after years of research is whether CSC DynCorp's core competencies relates to enforcement infrastructure designed for places with growing financial fraud, narcotics trafficking, sex slavery and

control of leadership through "control files." These are the talents that America needs to strip mine the assets to feed its economic desperation.

- The fourth meal to be harvested on Iraq will be fixing it and declaring victory. This will involve significant government contracts to bring Western Civilization as defined by building those things that ensure the assets that the private corporations and investors have now acquired have the largest increase in value at no expense to themselves. A careful analysis will show expenditure rations in the soviet style~that's we will spend much more than necessary to get anything done. The banks will acquire an entirely new market. Critical to the fixing it phase is the financing of the occupation with the requirement that Iraq use the US dollar. We will print dollars and the Iraqi's will use them. This is free financing for us. Next will come the payback for the not for profit groups. Because Christianity is an essential political support base for legitimizing the de-population of the Moslem territories, a flow of resources to the right church groups to support an expansion of their missionary ministries is likely. Progressive groups will bid for contracts to bring the rule of law and economic development and things like "the rights of women." There will be a flow of money from foundations and universities to study how to help Iraq and to justify what we are doing.

As the corporations and banks are digesting Iraq, the American tapeworm will be setting its sights for the next meal. The money will be flowing to the right think tanks, academia and media apparatus for the preparation of the next injection into the body politic.

The lethal combination of a debt based financial system, falling productivity and the absence of meaningful feedback systems means that the magic of compound interest will dictate that the American tapeworm's hunger for more capital is accelerating.

### **Where is the Tapeworm's Brain?**

The great mystery in all of this is who is really in charge. On one hand, we are watching an official action of the American governmental apparatus. On the other hand, that governmental apparatus is now run by the private companies and banks that operate the apparatus accounts and systems and finance its ever-growing debts. The investors behind these entities are global, not American. This is not a picture of a sovereign government or leaders loyal to the American people. A review of global insurance risk positions, debt and capital markets would show more about who is managing what than American politics. Indeed, Greg Palast of the *BBC* has proved beyond a shadow of a doubt that Bush lost the election -- something of no practical consequence thanks to the Supreme Court and the corporate media.

The tapeworm is in control and eating into the people of America as it is eating into the people of Iraq. Federal accounts are missing \$3.3 trillion, pension funds have been stripped by pump and dump stock fraud and neighborhoods are overrun with narcotics trafficking. There are increasingly numbers of American citizens who have more in common with the people of Iraq than with the leadership of Wall Street and Washington.

With the takeover of American digital data by defense contractors and banks managing governmental functions, economic warfare takes on a whole new meaning. What is supposed to be private is not as those in the know have total access. What is supposed to be transparent is private, except for those in the know who are free to use it to advantage. With total defense contractor information awareness, people can be adjusted to ensure that markets do not have to adjust.

The American tapeworm is a symptom that the central banking-warfare model that has created the supremacy of the English-speaking people since the time of Queen Elizabeth I is dying. It is dying not because it is wrong but because it is weak. It is dying because -- like a tapeworm -- it has begun to create a rapidly weaker system. Hence it is incumbent upon the English-speaking people to reinvent themselves by engaging globally to invent a new model.

Yet, the opportunity to move to a new model requires the ability to see where we are and to outline a vision to those in the system that there is hope. Doing so becomes progressively more important as who is in charge is less important than how many of us are dependent for our bread and butter on a negative return on investment economy as it tapeworms its way towards planetary extinction -- and all of us with it.

In short, the primary problem is not that the folks in charge are centralizing wealth in a destructive way or that some have too much money. That's a problem -- but a secondary one. The problem is that from the point of view of the dolphins, the plants and the trees, the planet is worse off for the presence of humans.

All solutions are found when we realize that this is something you and I can correct without wasting more time trying to find someone in charge of the tapeworm to persuade them to change its ways. It can't change -- its too busy finding food to feed all of us.

Part II of this article, "The Solari Solution" offers an explanation about what we can do to combat The American Tapeworm.

### **Related Materials:**

- Harvard Watch
- CSC DynCorp & the Economics of Lawlessness (including links to Sanders Research on the economics of the American occupation of Iraq)
- Solari Rising: An Illumination of Economic Resurrection for My Neighbors at Easter Time

Catherine Austin Fitts is the President of Solari, Inc. ([www.solari.com](http://www.solari.com)), a founding member of UnAnsweredQuestions.org and member of the Advisory Board of Sanders Research Associates. Ms. Fitts is former Assistant Secretary of Housing-Federal Housing Commissioner in Bush I and a former managing director and member of the board of directors of Dillon Read & Co. Inc. She is currently litigating with Ervin and Associates (acting on behalf of the US government) and the Department of Housing and Urban Development related to John Ervin's efforts to stop responsible financial management in the US government mortgage insurance portfolios. To support Catherine's litigation efforts: <http://www.solari.com/vote.php>. Ten percent of all donations are tithed to an Independent Media Fund managed by Venture Collective.

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