

Catherine Austin Fitts: And so with that, Jon, are you with us?

Jon Rappoport: I am, indeed.

Catherine Austin Fitts: Well, welcome for this conversation. I hear you said you've changed your books from our conversation last night.

[Laughter]

Jon Rappoport: Radically. I thought I'd just slip one or two new ones in before I was done. It was pretty much a whole new list.

Catherine Austin Fitts: Well, ladies and gentlemen, Jon and I last time each chose five books and you can find them listed for the best books for the 21st century part one, and tonight we have five picks each, so we'll do ten total each. I'm going to post, Jon, my list of all the runner-ups that got close but didn't make it into the top ten on the blog post for tonight as well, and you're invited to send the list of all the ones you wanted to do but finally threw out.

Jon Rappoport: Okay.

Catherine Austin Fitts: So if you want to post them, we'd be delighted.

Jon Rappoport: Great.

Catherine Austin Fitts: Okay. So you're the guest, so I think you should go first.

Jon Rappoport: Okay.

Catherine Austin Fitts: Okay?

Jon Rappoport: Well, as it turns out, my list has to do with giants.

It didn't start out that way and the difference between what could be called, I guess, sane giants and insane giants. It all comes back to the individual. What is the individual? What are the capacities of the individual and how do you differentiate someone who has gone over the edge into a kind of fascism or someone who is simply exercising their creative power to exceed any possible limits as a human being? That's the way it turned out, so I'm going to start off with – actually, I've included several choices here under my number one. This is all about Wilhelm Reich – R-E-I-C-H.

Catherine Austin Fitts: Oh, and he was a giant.

Jon Rappoport: Yes, who was a student of Freud's, a psychoanalyst who eventually broke with Freud and decided in the early part of the 20th century that everything was energy and that if there was going to be any therapy of any kind that made any difference, it would have to be all about energy. And so he developed a form of therapy, which attempted to get rid of what he called body armoring and succeed in releasing the potential of energy within each human being. *Fury on Earth* is a biography of Wilhelm Reich written in 1983 by Myron Sharaf. That's spelled S-H-A-R-A-F, as in "Frank".

You can also find *A Book of Dreams* about Wilhelm Reich by his son, Peter Reich – R-E-I-C-H. And another book by Wilhelm Reich himself, which is really hard to find, called *Contact With Space*, which details his little-known experiments and experiences with UFOs in 1954, the beginning of which was May 12. Wilhelm Reich was an amazing guy. His major flaw was that he was naïve about science. In other words, he thought that no government could challenge science because that was truth. Governments were involved with other things.

And eventually this led to his arrest through the FDA by the US government and imprisonment briefly for transporting or selling energy devices for healing that he had invented across state lines. They were called orgone accumulators. He named what he said was the basic particle of energy in the universe the orgone and he built strange instruments called orgone accumulators in which you would sit. These were merely alternate layers of organic and inorganic matter and he claimed that the energy from this would be healing.

He also developed instruments called cloud busters, which he said could change the weather, and these were collections of tubes that were aimed up at the sky. And, in fact, he was hired by blueberry farmers one summer in Maine when they were experiencing a drought. And he was paid money to make it rain and, according to the story, he did with his cloud busters. So this was a fantastic man and his version of orgone energy – he claimed that when it was really alive in a human being, you could see it stream off the human being in great plumes that were a kind of bluish purple in color. His imagery was quite fantastic at times.

He wrote about what he called the emotional wasteland, which was the kind of life that he claimed most people were living, in which their emotions were really buried. It's wonderful to become acquainted with him and to read any of these books, or all of them, and also some of his own writings, which are much more difficult. I highly recommend learning about Wilhelm Reich if you don't know about him because he was one of those giants who made a completely independent path for himself in scientific investigation and also in therapy, and illustrates the point that when you stop being part of the collective and begin paying attention to your own ideas and visions, the possibilities are really limitless. So that's my number one.

Catherine Austin Fitts: Yes. Studying Reich is very much like studying Royal Rife, and I don't know if you realize this, but someone made a documentary on the life of Wilhelm Reich. I think it was about ten years ago and it's not that great, but you get the whole story and they walk you through everything. It's worth watching.

So let me start with my first. If your whole focus is on giants, my focus is on helping the individual build the power to create their world. And so helping each person become a giant if they want to become a giant; and then how do we do that together? So that's very much my focus, is on building power.

So my first book is – and I told Jon earlier that I've always wondered how exactly I would explain why this book I love so much for the same I love Jon's writings. And if I can finally explain it to Jon Rappoport then maybe I can explain it to my subscribers. My first book is the *Bible*. I'll start by saying I started to study the *Bible* very carefully in 1998. I found a wonderful church in Washington. It was a little bit like joining a secret society because it was one of those grassroots churches that sort of pass on a tremendous amount of hidden knowledge and use the *Bible* and religion to kind of reverse engineer the top-down control.

So they've figured out a way to take the top-down control coming through organized religion and sort of take the words and the scripture and reverse engineer it to send the force back. It's kind of interesting to watch. Now, technically the *Bible* is one of any one of collections of many different religious texts, of Judaism and Christianity. The one I love is the King James Version. The *Bible* is a very long book and it's a huge collection of stuff, but my focus is particularly on the power of faith to create your world and using faith and using your imagination and using the power of divine laws to access a greater power than whoever the local bad guy is, and a lot on the power of love.

When you read the *Bible*, one of the things you want to understand is the reality of dealing with paranormal intelligence. So in the *Bible* it's called spiritual forces or spiritual wickedness or angels or devils. But what they're talking about is intelligence that's not in the material world but is very real. And there's a lot in the *Bible* to teach you about how not to get tricked by it. There's also a lot in the *Bible* about teaching good habits. We live in a very corrupt culture and there's a tremendous amount that focuses on the importance of working hard, being grateful, being worthy.

Finally, the *Bible* is rich in unbelievable numbers of stories, and they're stories that are used in very subversive ways. One of the things you'll find throughout America is preacher after preacher who knows how dangerous it is to say and do certain things about what's going on in current events. But they will use stories from the *Bible* 2,000 years ago to basically say what they want to say about current events but do it in a way that's quite safe. I've found across America that there are two sets of stories that people share and work to communicate all sorts of meaning and ideas.

It's kind of like a compression communication technique. One is movies and the other is *Bible* stories. So it's a book that's a very, very rich book and it's a book which a lot of Americans haven't sat down and really studied carefully because there's a lot of stuff in it for everybody. Jon, I'll never forget when I was taking First Year *Bible* class and it was an amazing class. We had amazing teachers. One of the first things they did is they taught us the history of everything that had been edited out of the *Bible*, and you got a real history of all the different politics of what's in and what's out and why they threw it out.

[Laughter]

Which is kind of like a history of cultural control. But you start reading the *Bible* and they've got space ships and alien technology and genetic engineering and you're realizing, "Oh, my God. This book is a lot more rock and roll than I ever dreamed." So there's a lot there. Okay, so that's my first one, Jon. You're next.

Jon Rappoport: Okay. I remember when I went to Sunday School as a kid and the stories – how they entranced me. I mean, just fantastic. The story of Moses, the story of Old Testament Joseph, which I kept coming back to. In fact, I was once going to write a play about Joseph and his brothers and the Coat of Many Colors and his being taken to Egypt and becoming an advisor to the Pharaoh. What was that all about? And his dreams and visions and just was completely entranced by these stories that I read in a children's version of the *Bible*. Quite amazing, quite amazing.

Well, my second book, to go completely over the edge, it's a very rare book. I have a copy of it sitting here, and this is about a giant who – let's put it this way. He pretended he was a giant. It wasn't that he attained that stature. It was that he desperately tried to promote himself into being that, and because he had arrived at a certain moment in history of desperation, he was able to put himself over and then became a mad murderer. And the name is *I Saw Hitler Make Black Magic* by Kenneth Walker, a.k.a Thane – T-H-A-N-E – who was associated with an organization out of Los Angeles called the Prosperos, also located in Hawaii.

And I got interested in this group for some reason I can't even remember in the 1990s. And I went to one of their meetings just so I could see the books they were selling and I saw this one and I had to pick it up. It's a pamphlet. It's about 35, 40 pages. On the Internet it sells for about anywhere between \$100.00 to \$200.00, but you might be able to find one in a used bookstore somewhere. I don't know if it's true, but Kenneth Walker claims that working in intelligence in 1938, stationed in Europe as a stage magician. He put on a performance and Hitler was there.

They began to talk and Hitler eventually began to talk about his version of magic and invited Walker, which was like a command performance, to come to Adlerhorst in the Bavarian Alps, which was this extremely remote retreat of Hitler's. And it was cut in a way into the mountain where the approach was on top of a mountain and Walker recalls going up in an elevator with Hitler and several of his aides, and what he saw astonished him. This was before Chamberlain entertained Hitler and made the fatal compromise with Hitler as a representative of the British government. This was just before World War II broke out.

In this retreat, Walker saw men sitting in front of images, large, very clear photographs of Czechoslovakia – homes, interiors of apartments and houses, public buildings and so on in Czechoslovakia – that had been altered to show pictures, photographs of Hitler in living rooms. This was before the invasion. Many details changed as if the invasion had already occurred and was successful and these men, whoever they were – psychics, whatever – were meditating and contemplating and visualizing on these photographs as a way of manifestation. He also saw a photograph of Chamberlain and Hitler on a staircase in a certain position, where Hitler was on the upper stair.

And they were talking, and Chamberlain had a kind of acquiescent attitude, which the author Walker claimed was nearly identical to the photos that were later released in the press when Chamberlain and Hitler did, in fact, meet. And all of this – and there were astrologers and who knows what in this strange retreat. They were all about trying to manifest the success of Hitler in war and it confirmed what Walker suspected, which was that Hitler was completely engrossed in his version of “black magic” and that he thought that this was going to be his most powerful method of attaining unlimited power.

What can one say about this? It was criminally insane. Whether it was effective or not, who knows? But it kind of mirrors people who try to obtain power by losing contact with themselves, as if you could reach out and become something else and leave yourself behind. That's the way I see it and I've met people like this, who have gotten so wrapped up in the whole idea. I mean, to such an extent with the idea of manifestation as their only way out of some untenable situation in their own lives that they have nothing left of themselves, that they want to lose themselves, depart from themselves, no longer be themselves as individuals.

But just sweep themselves up in this construct that they make of bringing into being that which they truly want. And whether or not they succeed, there's nobody home really left to appreciate it or enjoy it. And in the case of someone whose character is like Hitler who was really, in one respect, a failed painter you get absolute madness. Absolute madness. So it's a cautionary tale but it's a fascinating book, which you can read in an hour and a half and make up your own mind about. *I Saw Hitler Make Black Magic* by Kenneth Walker.

Catherine Austin Fitts: You know, it sounds a little bit like voodoo.

Jon Rappoport: Yes.

Catherine Austin Fitts: During the late '90s and early 2000s I spent a great deal of time and energy researching what I would call cointelpro. So what are the tactics used to interfere and manipulate with various groups politically. And I've had multiple members of the intelligence community, Jon, tell me that literally you have teams of contractors who are basically paid to engage in psychic warfare and energetic warfare. So you literally hire scores and scores of people who are not just jumping on the web and hacking websites. They're literally sitting in a room trying to psychically and energetically compromise targets.

Jon Rappoport: Hmm. Wow.

Catherine Austin Fitts: And I heard it from enough people, from multiple sources, that I believe there's a reasonably good chance that it's not just the Nazis who were doing this. This is something that's probably happening today.

Jon Rappoport: One of the interesting things about the book is that Walker at the end talks about his own experiences with certain methods of manifestation and expresses that he was able to succeed in certain ways. But there were downsides to it, and I think this is what he's talking about. The idea is that you focus so much of your energy on trying to make something come into being that you lose the greater part of yourself, and therefore, no good will come of it because you're out of balance to begin with.

It's not as if there's nothing that could be manifested; quite to the contrary; but there has to be a greater context of understanding behind it. And just as you're talking about these operations, these would be people who were hired to be completely manic and demonic about what they're trying to do and that would just simply scrape away any vestige of who they were before they engaged in that kind of activity.

Catherine Austin Fitts: You know, I've always believed that all knowledge is available to us through time and space, but what I've found is that it only comes if you're in alignment with the greater intelligence. The more you're operating from the highest and best interests of all concerned and with a certain kind of dispassion, the more it is going to come your way. So there seems to be a relationship between our intent and our ability to access this power.

Well, let me go to my second book, which is a combination of *The Secret of Secret Societies* by Jon Rappoport and *The Matrix Revealed*, which among other things, includes your collection of interviews. I go back and forth whether *The Secret of Secret Societies*

had a stronger influence on me than the interviews, and I frankly can't decide. A lot of why I love your work, Jon, is it goes right at the heart of what I also get out of the *Bible*, which is this understanding of the invisible realms and the power that we each have and the responsibility we each have to create our own world and the role of imagination and faith.

Tonight one of our subscribers posted a question on the webinar. I just wanted to read it. "I just wanted to say that the most important book I've read recently is Jon Rappoport's *The Secret Behind Secret Societies*. From the very first, when he describes this particular healing method, I was intrigued. He helped to clarify some of the confusion I was experiencing regarding the seemingly contradictory ideologies among the global elite. But most of all, it kindled a desire in me to experience the creativity he writes so eloquently about. I want that in my life. This book has had a profound impact on me and I thank Jon from the bottom of my heart."

Of course, one of my favorite comments on your work was the subscriber who said, "You know, I've gone to all these New Age workshops that told me I could create my world. Then when I listened to Jon talk about *The Matrix Revealed* and how Ellis Medavoy and his pals were inventing my world for me I realized, 'Well, if they can invent my world for me, I can invent my world for myself. I don't need them.'"

[Laughter]

Jon Rappoport: Right.

Catherine Austin Fitts: So I think one of the things that frees us from the matrix is, in fact, understanding the nuts and bolts. It's funny because I'm going to be talking about morphogenic fields in the next book coming up. But one of the things I discovered when I was litigating with the federal government and sort of dealing with their various dirty tricks is what I discovered is they believe all this stuff. If you reverse engineer their behavior, they're very focused on the power of winning the crowd and winning the sort of higher moral authority and winning, if you will, the spin game and the power of ideas.

And they're terrified that people will suddenly realize we can invent our own world and we don't need you and we're going to go off and do it. And it was really by reverse engineering a lot of their behavior that I came to understand how much of this is really true. For the people listening, if you haven't read *The Secret of Secret Societies* or Jon's interviews in *The Matrix Revealed*, Jon has spent a lifetime trying to unpack both how things work and how we get talked into a very diminished view of our world and our own powers. So that's it for me. The second is *The Secret of Secret Societies*. Your turn, Jon.

Jon Rappoport: Okay, thank you. That's a great review. Actually, just to comment about imagination as it appeared in the book, I've had people over the years e-mail me or talk to me and say, "You know, I'm in a situation I just don't see my way out of. I don't see what I can do." Or, "The situation that we're all in – it just seems to get worse. I don't see how we can get out of it." What I mean by "imagination" is, among other things, the capacity to figure a way out of exactly that kind of situation. And then people will say, "But what is the way out?" and I say, "It may not be exactly the same for you as it is for me. That's why I write about imagination, because this isn't one size fits all necessarily. I'm not in your shoes all the time and neither are you in mine."

And this has led to frustrating, interesting conversations with people, and one of the exercises that I recommend for people. I actually gave this to a political activist once. I was doing a conference call and she said, "I'm working on this problem and I've been trying to find a good answer for this for years and how to solve this. It involves more than just myself," and whatever. I said, "Well, it seems to me what you're telling me is that everything you've tried and your friends have tried hasn't worked. So you need to come up with an idea that nobody's thought of – a strategy and an idea." She said, "Yes, that's right," and I said, "Okay. So make a list, right? At the top of the page write the most absurd solution that would never work to this problem."

And start writing a little squib, bullet point, long paragraphs, pages of what is obviously insane and absurd and couldn't possibly work. And I said, "That's one function of imagination. It's what we keep locked up in ourselves because we have all sorts of wild ideas, you see, about all kinds of things that don't fit into what we subscribe to in daily life and it all gets locked up in the bullpen of imagination." But I said, "I'd be willing to bet you that if you could force yourself to continue to make this list, eventually some idea is going to pop up out of the hopper. It'll just occur to you spontaneously and it will be an answer. It will be a strategy that you had never thought of before, that you could concoct or stage, and that it would work to get the objective that you want."

She said, "I can see exactly what you're talking about already and don't say anything else to me because I'm going to go do it right now," and it absolutely works. So I said to her, "For example, suppose you said, 'Well, the way to solve this problem is, first of all, all my friends and I fly to the moon and we eat McDonald's and then we come back to Earth renewed. And we walk to the capitol building of the state and we talk to the governor and he agrees and we have the answer.'" I said, "Suppose that's number one. Go wild with this, the craziest things, you know? I ate a piece of cheese from Mars and suddenly I became aware of my power." All of the things that absolutely would be absurd that you would be imagining. And then eventually something is going to pop up that isn't like that, but it's going to be a new idea that nobody thought of before.

Catherine Austin Fitts: When we created Hamilton Securities, before we moved into our new office, we were cluttered for space. We were all crowded in and so we created

rooms in our imagination, and the first room was the Invention Room. If you came back from dealing with the federal government and you were all toxic psychically, you had to go into the Detox Room before you were allowed in the Invention Room. And in the Invention Room we had two rules: you weren't allowed to say anything meaner than I think we could come up with something more wonderful.

So it was very 'woo-woo', and so you could say every crazy idea in the world. And you weren't allowed to make a decision and no one could be held responsible for anything they came up with in the Invention Room, and that was it. We'd just start going crazy and we'd do all these completely ridiculous things. And then, of course, somebody would say, "Well, wait a minute. That could work. I mean, it sounds ridiculous, but that could work."

[Laughter]

Jon Rappoport: Exactly.

Catherine Austin Fitts: Okay, so your book next.

Jon Rappoport: Okay, my book next. *Atlas Shrugged*, Ayn Rand, 1957. I read this in college. I was talking to Catherine about this off the air, so to speak, and I couldn't stop. What is it, 1,200 pages, and a lot of it is very tough going

Catherine Austin Fitts: I love this book.

[Laughter]

It's a fantastic book.

Jon Rappoport: I look at this as sort of a science-fiction book. She would say that it's horrible and absurd and, "I never want to talk to you again if you say it's science fiction." But it is in a way science fiction, and if people could read it that way I think they would find a much more adventurous sense of participation in the story and in the characters and so on. And, in fact, near the end of the book John Galt, the hero, who is the inventor of this motor that has never before been seen on Earth, very much like Tesla, but who has a much different political sense, and ends up with his colleagues withdrawing completely from society and thereby crashing the system utterly, which was going to be crashed anyway.

He is captured by the CIA and tortured and they apply all manner of strange devices to his head and shock treatments and everything. They're trying to sort of a combination of destroy his mind and also convince him to be part of the establishment. Most people don't see that. I mean, this is MK-Ultra in action somewhere around Page

800 or 900. The thing that's wonderful about this book is that everything is writ large. The issues, the struggles, the characters, the divisions between the individual and the state, between the individual and the collective, between pursuing one's own dream and bending to the will of what is supposed to be the good of humanity but actually turns out to be simply another con job.

A system whereby people are told that they will be helped and attended to and cared for as wards of the state, but what's in the cards is just extreme poverty. And so it's very current in that way and I don't know that I could pick out a favorite character from the book. It's a little less sympathetic than her earlier novel, *The Fountainhead*. But you do get the sensation of giants walking upon the Earth with their own motives. And eventually, I believe you come to understand that the whole idea is that they are going to return, and they do at the very end, or they say they're about to. Here we go.

To return to society and try to put things right finally so that people can be weaned away from the notion that a fake version of the greatest good for the greatest number is what is supposed to rule the world. And the genuine kind of system can emerge from that, where people can live their lives and attain their dreams. So if you haven't read it, I strongly recommend it.

Catherine Austin Fitts: YesYes. I love it because you see the power of the inventor and the incredible generosity of the inventor. Somebody invents an incredible machine and it lists the productivity for everybody, and you see that. You also see how you have a whole world of people simply using political mechanisms to harvest and drain it, and if you look at our economy, that's the drain in our economy from that kind of harvesting is so immense right now. It's incredible how productive and wealthy we are that we can carry such a drain. One question that came in from a subscriber, Jon, that I just wanted to answer was, "Do you know of any books about the history of everything that was edited out the *Bible*? It sounds like an interesting subject." It would surprise me if there was one, but I haven't seen one and certainly nothing of the kind I got at the Greater Mount Calvary Holy Church. What I would recommend is I would start with the "Book of Enoch," which is really the book. I don't know if you've read the "Book of Enoch," Jon, but it's the one that says, "It's really important to be knowledgeable and get educated."

And, of course, that went but if you start with the "Book of Enoch" and read the histories of how it got edited out. I'd also look at the work of the Essenes and how that got edited out, and you'll probably bump into the scholars who've done a good job of talking about all the stuff that's gotten edited out.

Jon Rappoport: Yes. That's my best recommendation, too.

Catherine Austin Fitts: Really? Okay, okay.

Jon Rappoport: I've read some of the Essene work and it's quite interesting, to say the least.

Catherine Austin Fitts: What's amazing is how long it's taken for the Dead Sea Scrolls to be published and that information to get out. It's such a controlling kind of force behind all of this. Okay, so my next one – my focus, Jon, with your work and with the *Bible* is very much on, "Okay. We have the power to invent our world. We have the power. Faith is the substance of things hoped for but not seen." One of the books that really gets into, "Okay. How do we do this together? How do we draw on this power together?" is a book called *The Presence of the Past* by Rupert Sheldrake. And for the people who want the easier read, it would be *The Field* by Lynne McTaggart.

In the '90s I was working with enormous databases of economic data and real estate mortgage data, trying to see if I could figure out how we could finance places in the stock market and literally reengineer the financial system so that our financial ecosystems could align with our environmental and living ecosystems. And so you don't have this win/lose relationship between living things and people and money, but you get down to a situation where your financial system will build up life because they're aligned. So I was looking at these vast amounts of data and slowly beginning to learn the extraordinary damage that was being done by centralized control and government credit money, and I couldn't find a way to explain the data.

When you looked at economies by place, if you looked at the economy of a county or the economy of a city or the economy of a town, it didn't add act the way I'd been taught at the Wharton Business School or macroeconomics and the University of Pennsylvania. And then I came on this book by Rupert Sheldrake, and it's about his theory of morphogenic fields. Basically what Sheldrake is saying – and these are my words, not his – is that our brains are processors and our databases are not on us. They're out shared in invisible fields that we share, and so he has all sorts of ideas and theories about how knowledge works on a network or a community basis.

And it was only when I read his theories that I said, "Oh, my word. This explains what I'm watching because economic activity is optimizing around knowledge and culture and different ways of sharing knowledge. It's not optimizing purely around money whatsoever." And it's when I started to understand the relationship between shared knowledge and these phenomena and the economy, it really unleashed enormous creativity and I began to understand the power we have to create our world, and I'll never forget. I was at a meeting with Global Business Network out in San Francisco after I discovered this, and I was learning a huge amount from the databases.

It was very rich, and I started to talk to Stewart Brand, who was sort of a guru around San Francisco, and started to talk to him about the power of communities with higher learning speeds to really create their own worlds. And Stewart said, "Well, you

know, that's what they're afraid of," and I said, "What do you mean?" And he said, "Well, they're afraid that people will come to a conclusion and lock and then they won't be able to move them, sort of like a herd of cows who get determined not to move off the hill. That's what they want to make sure can't happen, that people will come up with an independent lock that they don't want." Stewart kind of said this as though it was perfectly reasonable, and that's when I saw the cell towers go up and all the little entrainment devices – the cell phones. I said, "Uh oh. Uh oh." "This is not good." Anyway, so *The Presence of the Past*.

Jon Rappoport: I love that concept of Sheldrake's: the field. The brain researchers for years tried to discover or say how all of the memory could be enclosed in the brain.

Catherine Austin Fitts: And it can't.

Jon Rappoport: They failed just one time after another and they would postulate these ridiculous ideas just because they had to, because that's where they were making their hay, was with the brain. Everything had to be brain, brain, brain, brain, brain. Then you have this beautiful idea of field – the field of information, the field of images, the library, so to speak, that can be tapped into, that doesn't exist in the brain. It exists in other spaces and that's what I liked so much about what he was doing because it opened up so many possibilities that people could begin to understand. They didn't have to be so focused on biology, so I think it's great stuff and I'm intrigued by how you were able to relate this to economic data. Wow.

Catherine Austin Fitts: I couldn't conform the real-world experience of what I was seeing in the numbers with any theory I'd been taught. It didn't conform and I remember when I was a regulator you would get this industry group coming in and basically lobbying you heavily. Their business was shrinking because the markets were changing and so they wanted you to pass all sorts of rules that would guarantee them continued profit. And you would say, "Well, why don't you just learn how to do the new thing?" and they would look at you like you were mad. They couldn't possibly go learn a new thing, even if it meant making much more money.

But no, you had to rig the profit for them, and a lot of that is the problem you see in Washington. You have unbelievable pressure to rig things so that people can make money doing what they know. They don't want to go and learn a new thing. It's kind of interesting.

Jon Rappoport: I have to compare this with the situation in media because I've known for a long time that certain stories that I was working on and other people were working on as independent journalists – if newspapers like *The New York Times*, *Washington Post*, etc., *Nightly News*, whatever – they're all going broke. It's staring them right in the face. *The New York Times* keeps shrinking and shrinking, and they're so deeply in debt and

they've refinanced themselves twice. If they would cover these stories, and not just cover them once but pound on them to the point where people began to come out of the woodwork and confess their sins, which is what happens after a while when you keep on repeating different versions of the same story.

Somebody finally says, "All right. Yes, I was involved in that. Let me talk to you. Let's meet. I'll tell you what happened," and then other people chime in. Pretty soon you've got Watergate to the 500,000th power on some really significant story. These newspapers would be suddenly enormously profitable. *The New York Times* would be able to print two, three editions a day. People would be grabbing them off the newsstands. They could print part of it online and the rest you would have to get in paper, and people would buy it and they would just be entranced by this stuff; but, as you say, they can't do it. It's just like their marching orders are, "No. You have to survive economically by staying within the limits of what you're supposed to write about, period. Figure it out," and they can't and they won't.

Catherine Austin Fitts: They can't. Yes, they've run out. It's running out.

Jon Rappoport: Yes, it really has. Okay. Well, my next books is a real science-fiction novel published in 1940 by an author whom I met once with his two Afghan hounds: A.E. Van Vogt – V-O-G-T. "Van" is a separate word. A very celebrated, fairly early science fiction writer, and the book is called *Slan* – S-L-A-N – which was serialized originally in *Astounding Science Fiction Magazine* in 1940 and then it was published in 1946 in hardcover. This was about an evolved segment of humans who had apparently, although it's unsure, been actually created by a human; and this race is called slan. Some of them can read minds. As the Wikipedia entry says, "Limitless stamina, nerves of steel."

They can go into trance and heal themselves. So this is a kind of science-fiction novel the likes of which had rarely been seen before, and we have a hero. Jommy Cross is a slan who is trying to save his race of slan from being hunted down and killed into genocidal extinction. So this is a reverse take on the whole idea of what people are now trying to call transhumanism. In other words, it's already been done. The engineering has already taken place long ago and, lo and behold, as it turns out the slan are not what you would call horrible, horrible, distorted, terrible people. They turn out to have virtues and they themselves have become the object of a war of terror to destroy them.

And so the conflict is, "Can they save themselves from extinction? Is this going to work or is this not going to work?" So it's fascinating from that point of view, that as early as 1940 Van Vogt had already foreseen that this kind of engineering was going to develop, but he took a completely different angle on it and illustrated, in fact, that it really doesn't matter what humans become or how they become that way. Don't assume that they're going to be the undefeatable masters. They can become the sufferers who are hunted down and killed by everybody else.

They can become like every other group in the history of the world if the rest of the human race is insane enough to look at them that way. So there are many ironies and interesting pieces here, and Van Vogt is not the most fluid of writers but he has a very sort of choppy, plain, down-to-Earth style; a very interesting early science-fiction take on giants walking on the Earth. So that's my number four.

Catherine Austin Fitts: Okay. So my number four is a 1984 book. It was published in 1984 by Robert Axelrod, who's the Professor of Political Science and Public Policy at the University of Michigan, and it's called *The Evolution of Cooperation*. It's a very short book. It's very simple, well written, easy to read. Axelrod sat down as a young public policy economist at Michigan and said, "Okay. Let's take these new things called computers and let's simulate games and let's see what kind of conditions are precedent to getting people to cooperate instead of killing each other. In other words, how do we create the conditions where peace is more profitable than war?"

It's a very basic, important, interesting question. He did all sorts of simulations and he discovered that the winning player was tit for tat. A tit-for-tat player played as follows. They always cooperated except if you fail to cooperate with them. If you'd attack, they'd attack back and strongly, but then they didn't hold a grudge. They'd forgive. They'd go back to cooperating. And what he discovered was that they didn't always win the battle, but they always won the war because they attracted the highest-quality players to them. But one condition had to be precedent for tit for tat to win, and without this condition basically the organized-crime players would win, and that was transparency.

If you could be respected in your hometown and yet go across the world and do horrible, terrible things that made you lots of money and bring that money back, if there was no transparency about that then crime paid. But with transparency, in fact, markets would lead to cooperation because the cooperators were the ones that would build the greatest wealth. It was very interesting. Needless to say, Axelrod never got promoted or taught anywhere but all the way from *The New York Times* to sort of the different ways that these people get promoted because, obviously, the powers that be did not want that kind of transparency.

And in his later years Axelrod's gotten a little bit more recognition, but you really don't hear this promoted very much but it's a remarkable book to inform real decisions; and so I go back to what we've been talking about from the beginning. To the extent that individuals understand their power and they understand the power of intention and the power of fields, and then they can add to that transparency – well, then you're talking about potentially huge evolutionary shifts in everything with each one of us just doing what we can. In fact, as long as we're all willing to shun the dirty players, it's amazing what can happen and you see the power of that when you read Axelrod. I would say if

you read all the books I've just described and then you come down to Axelrod and you say, "Wow." "It really can change. There really is a pathway to change." So Axelrod – that's my fourth book.

Jon Rappoport: Mindboggling. You know, what this makes me think of is, in business, you want customers. So no matter what you do, whether you own your own business or you're working for a business, there have to be customers, okay? So then the question becomes, "How do I get these customers? What do I do in order to sell whatever I have to sell?"

And there is always the sense of, "Well, you know, I sort of see what people want and I'm not sure that I want to deliver that because, as I estimate what seems to sell the best in this society, I'm not all that happy about it. I wouldn't want to really spend my life producing that, marketing that, selling that. "On the other hand, if I try to sell something that I really want to stand behind, then maybe my customer base is going to shrink." And this is sort of, to me, where the rubber meets the road in what you were discussing with Axelrod. It's kind of like the transparency has to include this notion of, "Look. You see what I'm trying to do here."

"What I'm trying to do is give you something that I really stand behind and I understand that it may not be the most familiar thing to you. It's not like a rubber duck or a triple cheeseburger at McDonald's, which I know I could sell a lot more of. But try to bear with me here as I try to explain why I think it's a good product and as I'm being transparent with you, in other words. And can you be transparent with me and say, 'If you really want it, that you do want it, that this means something to you.'" There's a kind of exchange here, a cooperation that needs to take place among people, where they admit to each other that they really would like to find something that goes beyond television.

That goes beyond the most gross version of buying and selling. And if we could become transparent in that way to each other, wow. I mean, who knows what might happen? This reminds me of one private currency called Ithaca HOURS that runs out of New York, founded by a guy that I was acquainted with, Paul Glover, which is a private currency that he's been running and has other people running now for 15, 20 years. And they release a certain amount of it – I don't know how they figure this out – and if you join in you get a certain amount that you can spend. And they've got a couple of banks, a hospital, merchants by this point in town, local farmers, et cetera who will accept this money because it's circulating and they know that they can spend it, too.

It's quite amazing what he's been able to do, but one of the offshoots of this was that people began to think that somehow, "With this kind of money, maybe I can do exactly what I want to in life and maybe other people will buy it." On one level it doesn't make any sense. You could say, "Well, why can't you just do that with regular money?" But on the other hand it does because they've established a kind of island off of the grid,

in a sense, off the financial grid and everybody who plugs into that thinks, “Yes. This is different. So if that’s different, maybe we can do commerce with me doing what I really, truly want to do and finding people who will buy it with this new money.” It’s worked out. It’s quite fantastic.

Catherine Austin Fitts: If you look at all the economic activity that wants to happen in that way, it can not possibly happen with the fiat currencies. You need to have local currencies, and one of the reasons they’re not allowed is to stop that kind of – to a certain extent, the leadership doesn’t want people going into the Imagination and the Invention Room. The two are related and Ithaca HOURS helped to prove that.

Okay, so the wonderful Dr. Michael Linton wrote in and recommended *The Text of the New Testament: Its Transmission, Corruption and Restoration, Fourth Edition*. It’s available in paperback. Let me say it again: *The Text of the New Testament: Its Transmission, Corruption and Restoration*, and that’s in response to the question, “Is there a good book that describes all the editing of the *Bible*.” Anyway, okay, your turn, Jon. Next book.

Jon Rappoport: Last book is a thriller, a novel that was just released written by Brad Thor called *The Black List*. Thor is one of the heaviest-selling thriller crime spy writers around. He started off with a basic premise, which he’s kind of maintained: a fight against terrorism, a lone secret agent operating out of a secret cell. The president has determined that we need to have a small unit that goes out there outside the law because otherwise America’s going to fall down and disappear, et cetera, et cetera. But in this book Thor is a smart guy and he comes up with this idea of a corporation, which is at least as big as the National Security Agency, and does what they do and works with them to gain untold amounts of information on everybody all the time everywhere through spying and surveillance on many different fronts and so on.

And on his site, bradthor.com, he lists the open-source materials that he discovered that allowed him to come up with this premise and to write about it – news stories, et cetera. And somewhere around Page 116, 118 somewhere – I quoted this in a recent article that I wrote called “Do Black-Budget Ops Steal Their Money From the Stock Market?” – he proposes the following. That since the early 1980s this corporation has been involved in intensive spying in financial markets and on people who know about financial markets and insiders who have information, hacking their e-mails, their phone calls, just doing a total blanketing of the inside financial world.

In other words, looking over the shoulder of the manipulators who can steal billions and even trillions of dollars in trading markets. And catapulting their knowledge of all of these people, this corporation then knows exactly how to invest, make untold amounts of money for themselves, which they then go on to invest in hard assets all over

the planet in fantastically creative R&D projects that they later sell to the CIA and the military and, in all possible ways, reinvest in the stock market.

And, as Thor puts it, they basically have a license to print money and thereby it makes them the most powerful corporation certainly in America and probably in the world, and they are completely secret. That is their mission: to remain secret. And then this novel is about the discovery by the good guys of this corporation, which I thought was a pretty fantastic revelation from what you could call your basic best-selling thriller writer. I mean, he really steps out of the box on this one. And you mentioned to me in a conversation we had, Catherine, that when I said this corporation you said, “I think it’s real.” So anything you want to say about it?

Catherine Austin Fitts: When I worked in the Bush administration I discovered the power of place-based data. In other words, when you, Jon, look at the United States’ budget you see the information organized around functional areas. So you see the budget for transportation. You see the budget for housing. You see the budget for the military, but you never see the budget for your Congressional district or your state or any area that you vote for political representation or that you walk around and see. And one of the things I discovered was we would regularly get these lists of foreclosed properties and I’d go to an area and it says we have ten foreclosed properties on this block and there’d be no houses there. It’d just be land. You’d say, “Well, what’s this about.

Oh, yes. No, no. And one of the things I realized – I said, “You know, this is government money. This is taxpayer money. If every American could see the money contiguous to the areas that they vote for political representation, a lot of this fraud would just not happen.” I go back to the transparency and what Axelrod said in *The Evolution of Cooperation*. So we created this software tool called Community Wizard and you could dial in and say, “Okay. My neighborhood is my zip code or it’s my Congressional district.” And you could download all the federal data about sources and uses of money and credit and appropriations and even contracts in your place, and I’ll never forget it.

I had a partner who had been my partner at Dillon Read on Wall Street who came down to Hamilton in 1995. I described Community Wizard and he said, “This is stupid.” I said, “Okay. Let’s pull up your neighborhood. Where do you live?” He lived in an area in Westchester and we pulled it up, just his town, the Comprehensive Annual Financial Report. And we just started to show him the numbers on his town and he looked at the first number. It was \$4 million in flood insurance and went ballistic and started screaming in Spanish. He was Cuban and I said, “Well, what’s the matter?” He said, “Do you have any idea how corrupt this is?” I said, “What do you mean?”

And he said, “You know, we live on a hill. We don’t have floods. We haven’t had a flood in 100 years.” And the insurance programs traditionally were just rife with black-budget kind of fraud. Anyway, so the next morning I was supposed to have a conference

call with him. He flew back to New York and he was late. Finally I got hold of him and I said, “Where have you been? We had a conference call at 10:00.” He said, “I’ve been on the phone with the mayor of my town for four hours. We have gone through every number item by item and all this corruption’s going to stop.” I said, “I thought you said it was hopeless?” He said, “That’s before I had the numbers for my town.

Anyway, as you know, the Department of Justice seized our offices, seized the software. It took me six years. I was supposed to get it back, and when it came back the most valuable pieces had just disappeared. They’d been stolen forever, and it was interesting the Department of Justice put in charge of that project as their litigation contract CACI which is the number-one contractor that does GIS software and data for the federal government. And CACI was the firm that was implicated in the torture in Iraq. C-A-C-I, and in fact, I wrote an article. If you do a search for CACI plus my name you’ll get that article where I make the connection between, “Why is a GIS software contractor involved in supporting torture operations in Iraq?”

Anyway, as a result, I started to go in and look at, “Okay. Who controls government databases? Where does that data really go?” because when most people look at the federal government – and I’ve written an article about this called “The Data Beast” and I recommend it for anybody interested. If you look at the federal government, most people will see 21 different agencies. I don’t. I see three defense contractors who control all the databases, and those are being sucked back into the operation you’re describing.

And what I started to get into was the fact that you had this parallel database operations that had grown up – and I was also tracking the money that was going to finance it – literally became this operation that you’re describing. And not only did it become that, but it linked into a control-file operation. So if you want to go in and lobby a state or a local area or lobby that up into Washington, you can literally say, “Okay. Who do we have a control file on in that court system or this court system?” And if you watch a documentary like *Hot Coffee* and see the speed at which they moved and then sort of got reform on tort liability, it’s that kind of relational database operation that was operating.

And then the other thing I saw when I moved to Hardeman County, I started to watch the relational database marketing that was being used on credit cards and financial stuff. And literally what I started to see were patterns where the same people who were targeting a household would get fired and then suddenly the drug dealer would show up and then suddenly the credit cards would show up. You said, “Look. If you look at this, this is a relational database and these things are related. They’re harvesting this household and they’re connected from a knowledge-management standpoint.”

So anyway, a wide variety of going back and looking at all of this and I said, “This corporation you’re describing – it really exists and I think it’s one of the real

underpinnings of the breakaway civilization.” They have a knowledge-management operation the likes of which you can’t imagine and the two scariest things is they’ve just added to it Facebook and all the social media because that’s feeding that operation integrated with all the financial data they have. And now what they want is they want to add to it a healthcare database. Imagine all healthcare data digitized in this country and integrated into that database.

Jon Rappoport: You’ve got it. That’s exactly what they’re aiming at.

Catherine Austin Fitts: Right. It’s total control.

Jon Rappoport: So now on every single person they have all the medical records, everything and they can infer many things from those medical records.

Catherine Austin Fitts: I keep looking for the movie story about somebody decided they wanted a kidney and so they just went out, figured out who had the right blood type and the right patterns, and sure enough, they went and killed them.

Jon Rappoport: Yes.

Catherine Austin Fitts: So don’t think that that’s not going to happen if you’re in that database. So that’s why when people say, “It’s okay. I can give that data to the government,” that’s not a secure data operation and that data, in my opinion, is integrated with every other ounce of data that comes off of your life. What’s amazing is if you look at the average person in the globe, Jon, they don’t begin to have the comprehensive financial data on themselves that the breakaway civilization does. So it would be a lot easier for you to analyze your financial information and sort of budget your life if you had access to your database on you that they have.

So with that chilling note, let me tell you my fifth book. My fifth book is very much related to this topic, and that is a Comprehensive Annual Financial Report. It’s called *The CAFR*. It’s a set of government financial statements comprising the financial report of a state or municipal or other governmental entity that complies with a variety of different accounting standards. And everybody’s got ‘em, and if you sit down with a bunch of friends – you want to get a fair amount of beer or wine – and you unpack the financial statements for your place, you can start with a Comprehensive Annual Financial Report. But you can get lots of financial budgets and financial statements for all sorts of government entities and agencies, and then you add to that the federal budget.

You will be absolutely amazed at what you learn about what’s going on in your place. It’s kind of a learning journey, and it’s interesting, Jon. After Community Wizard got seized and they’d had it for a couple years, I got a call. I used to get all these calls from members of the Council on Foreign Relations. They’d call me up and say, “Let’s

have lunch,” and you knew you were about to get the message. So I showed up, and they’d already had Community Wizard and all our software tools and database for a couple years, and they’re always big on the Royal We. The person said, “You know, “WE” think it would be a great idea for you to proceed and go ahead and make a new version of Community Wizard.

And that’s when I realized, “Oh. Now that they’ve got control of the whole thing and they’re ready, they want everybody to digitize their data and put it online.” This was before Facebook.

[Laughter]

Jon Rappoport: Oh, man.

Catherine Austin Fitts: So I tell everybody, “Look. Keep these records on the back of your kitchen table. There’s no need to put them on your computer.”

I could tell a couple of stories, but one was up on the blog. In California they were planning on closing a series of state parks or leasing them out. And then somebody dug in and started to go through all the financials and realized that they had \$50 million sitting in reserve and it was a bunch of hooley that they were broke. And my prediction is, now that we’re talking about real money and people are really getting that we’re down to the nitty gritty here, people are going to start digging in.

And whereas most people have not been interested in reading the Comprehensive Annual Financial Reports or digging into the money, as incomes fall and expenses continue to rise I think there’s going to be a lot more interest in saying, “Okay. Let’s get the numbers and let’s start looking at what’s on the budget and what’s on balance sheet and on budget and what’s off and why, and let’s start looking at where all the money’s going.” My message is, in theory, if we could get hold of all the government money and do what was done in Latin America, which is called participatory budgeting, and start really participating in taking responsibility for the money, there’s a great deal of money that can be found.

I cannot tell you how many communities in America, Jon, are sending money to Washington to pay a corporate contractor \$150.00 an hour to do something that they could do in that community for themselves, and at \$25.00 plus healthcare. So there’s tremendous reengineering opportunities, but it’s never going to happen unless the citizens get in there and start to unpack how the money works. It’s going to have to come bottom up. If it happens, there are amazing opportunities to be found.

So *The Black List* is true, but I come back to the fact that they are few and we are many. And I will tell you if you can get enough local CPAs and bankers and business people and interested parties chewing this data and talking to each other offline, it's quite amazing what could happen. So I continue to be an optimist, and partly because I've read all the Ellis Medavoy interviews.

In *The Matrix Revealed*. Okay.

[End of Audio]