



The Solari Report

September 7, 2017

The Emerging Multipolar World – Cold Wars, Hot Wars With The Saker



Catherine Austin Fitts



The Saker



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C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. It's our quarterly discussion with The Saker, and it's coming just in time. If you look at the geopolitical news, it's been explosive. I know you're hanging on your seat to hear what he has to say, which I certainly am.

I wanted to, first of all say, Saker, welcome to The Solari Report. I can't tell you how much I'm looking forward to talking with you about what is happening. Welcome back.

The Saker: Thank you so much. It's always a real pleasure for me.

Fitts: One of my favorite books in the world on what is happening today is your book, and you have now made it freely accessible online. That is an amazing opportunity. As I said, I regaled myself through lunch and dinner with it. I told you that I made the mistake of telling my assistant to print it out before I realized how long it was!

It's available for free. Could you tell everybody how to find it?



Saker: There are a couple of ways. The simplest one is to go to my blog at www.TheSaker.is (for Iceland). Look for the little Saker book cover and ad. Click on it, and it will take you to www.Archive.org. The full URL is www.Archive.org/details/TheEssentialSaker. That is where you will be able to download the book in various formats – pdf or mobi or epub. You can download it for free, or read it online.

Fitts: I'm a great believer that if you want to understand reality, you have to stay in the state of amusement. One thing that I will tell everybody is if you read Saker's book, you will laugh tremendously.

Also, you have a new development at your website that I want to mention before we dive in, and that is a new community cooperative. Could you tell us a little about that?

Saker: Yes. The idea came to me and to a friend of mine. Her name is Amaranth. I get many offers to put advertisements on my blog because we have about two million to two and a half million pages served to everyone, so advertisers want to come and advertise on our blog. I don't want to do that because I have an allergy to advertisers. But I thought that what I could do as a thank you to The Saker Community, which has helped me an immense number of times; that is absolutely true. I have not done that alone. I've received help at every step of the way.

I've decided to create a separate page which you can click on called the Saker Community Cooperative where people from The Saker Community essentially have a way of freely advertising their goods and services.



They basically come here, and if they make some money, they can pay us a little something back. If they don't, they can advertise for free.

It's a way to make their services known, and they have some good things. It's a way of helping the community and bringing the community together by people discussing these issues. It's a nice thing to make the community stronger while helping it.

Fitts: I thought it was great.

Saker: One example is a fantastic music album called *Watch Your Head* by a good friend of mine, Kevin Henderson. You can download it for free, and their music is absolutely stunning.

Click on the 'Community' logo, and go to the *Watch Your Head* by Kevin Henderson. You can download it for free, and he's a wonderful guitarist/composer from Arizona. You don't have to pay anything; it's only there for you to enjoy.

Fitts: Check out the Community Cooperative at The Saker website.

I wanted to start today with Europe because I recently returned after spending a month in Europe. Whenever I go back and forth, I'm stunned at the differences in the culture. I always think of you because I think, "How can anybody leave this? How could you voluntarily move from Switzerland and live in the United States?" I figured that you did it for love.



I was really struck at how much more human the culture is day-to-day where I was. I was in Switzerland, Germany, Austria, Italy, and The Netherlands and then Iceland. I was struck by how much more human the culture is.

Saker: I might surprise you. First of all, I would tell you that I didn't make that move voluntarily at all because I lost my career there. I was married and my wife was of Russian descent like myself, but she was born in the US so she had a US citizenship. I could get a green card, and I wanted to get as far away from Switzerland as possible because I had many very bad experiences with equivalents of the Swiss Deep State. There actually is something like that in Switzerland, believe it or not.

So, first of all, it was not at all a move because I preferred the human aspects of the US to Europe, but secondly, I would add that I am not at all sure that I would agree that people are so much more human there than here. I'll tell you a number of things that I find in the US, which I truly love and admire.

On average, I find people in the US friendlier; they leave you alone, and society allows you to be whatever you want whereas Switzerland was very policed and make no mistake about it. I'll give you a simple example, which is going to make the American audience laugh.

I didn't have a TV in Switzerland because in Switzerland you pay a state tax for TV. They actually sent the cops to my door with a warrant to establish that I truly did not have a TV and that I was freed from paying the tax because they didn't trust me.



If you declare on your tax returns that you don't have a TV or a radio, you actually get warrant people coming to your door saying, "Open up, I want to make sure that you're not lying." That's crazy!

That's the kind of things that also happens in Europe but there are wonderful things there. The food is great, the cultural diversity is wonderful, and I am personally in love with the Southern part of Europe. My soul is with the Mediterranean Europe. I'm not much of a fan of Northern Europe – with the exception of Ireland, which I truly love.

There are so many good things here in the US that there is no way that I would say that I felt happier in Europe; I feel much happier here than I did in Europe, I really do.

Fitts: I think it was very much the people I was visiting and what I was doing, and that is why I wanted to ask you about it. I wanted to see if I was just being influenced by whom I was visiting and what I was doing.

Part of it is that, if you are a traveler, the transportation system there is much easier to get around.

Saker: That is absolutely true. The transportation system in the US is a disgrace and I agree.

Fitts: I think that if we had a similar train system in the United States to what Europe has, it would feel much more livable here than it does.



Saker: Oh, I completely agree. There are many things that I don't like here. Not only is the public transportation system medieval and 3rd world-ish, but in the state where I live, Florida, people can't drive. I don't know where they get their driver's licenses, but they don't have a concept of what it is to drive on a highway. It really irritates me and it's horrible.

The only place where I feel comfortable driving around is New York. I find New York drivers to be much more aware. You put on a blinker, and they actually pay attention to it. Here it is a disaster.

There are many small things that would get me going and complaining, but to be truly honest, I have found many kind people here. There is a lot of kindness and they have been good to me. I don't have anything bad to say about the people of the United States. I hate the regime obviously, but the people not at all, and I am very happy here.

Fitts: First of all, America has such a beautiful piece of real estate. But I do love the people and they are great. It's true.

Saker: I recently took a long trip across the entire country from Oregon to Florida, and I saw so much beauty and so much kindness. And people who are good people and who are suffering under that regime see no less than the Russian people under the Soviets. I see many similarities between the United States and Soviet Russia.

Fitts: Absolutely. It's people suffering from an overly-centralized system. It's very, very similar and I really appreciate your input on that.



What was interesting was that there was not much conversation when I was there about the new sanctions bill, but I would love to get your take on what you think of the European and Russian response to sanctions.

Saker: I think that the Europeans are finally slowly waking up to the horror of the situation. They just waltzed into that by stupidly agreeing to the most irresponsible policies by the Obama Administration, and now they are waking up to the consequences. So now they are getting cold feet.

I think that the Minister of Foreign Affairs for Germany doesn't want another ice age with Russia. Well, good morning! They already have. It's very hard for them to back out because they are committed in the Ukraine, for instance.

Economically now they are starting to feel that it hurts, but they did it to themselves. I think the sanctions will impact Europe much more than Russia. Now with the new sanctions with the DPRK, Trump actually declared that the US will sanction any country that has trade with North Korea, and that includes China. Then it's going to include all of Europe because they are all economically linked.

Fitts: Right, but now you are talking about a full-blown trade war.

Saker: That is what he said. I think that there is a big difference between his words and what he actually does. But I think that the collapse of Trump really made the Europeans realize that they sided with the wrong party. The US is not in a condition right now to lead anything, never mind a grandiose thing like the West.



Secondly, they are acting so stupid and irresponsibly. We will talk about it later, but the Europeans now realize that they have the wrong ally; they have an irresponsible maverick who they served as subservient slaves for years, and now they are trying to weasel out of it and not fully commit on the side of the US, and they are going to have a hard time doing it.

Fitts: Basically, what we are watching is a reinvigorated version of the neocon agenda. So Trump lasted three months, and now we're back to 'Neocon 101'. If you see where that's going, there is no middle of the road.

Saker: No, there isn't. We can talk about this at length, but I think the United States has stepped on the accelerator straight towards the precipice, and now the Europeans are saying, "We don't really want to jump with you." Well, you're linked at the hip now.

Fitts: Right. Before we dive into what Trump and his Administration have been up to, I want to talk about the Western reaction to the military exercises coming up this month.

Saker: That is laughable, and it's just another example of how utterly prostituted the European elites are nowadays. They are making it sound like Russia is about to invade Western Europe.

Fitts: I don't think most people understand the military exercises. Why don't you describe what Russia is doing this month?



Saker: Gladly. It's actually an exercise very limited in size. First of all, it's a joint effort between Russia and Belarus. That is one thing that annoys them. The exercise is more westward – closer to Europe. Secondly, it's a joint international exercise, which they basically use as a way of creating a panic. The actual force of it that is going to be activated in this exercise is nowhere near what would be needed to try to invade the Ukraine or Poland. It's absolutely ridiculous.

During the Soviet era, exercises were much bigger and nobody freaked out that way. I know because I used to work in electronic intelligence, and we were remotely monitoring the signals and transmissions etc. of the Soviets. It was an exercise, and some of them were bigger and some of them were smaller, but it was nothing like the beginning of a Russian invasion or a Soviet invasion of Europe.

Nowadays, I would even add something, which is never said in the Western media: Russia simply doesn't have the means to invade. Even if the entire Russian military was put in full alert, Russia does not have the kind of power projection capability that would be needed to present credible threats to Poland or anybody in Western Europe.

There is a reason the Russian military budget is so much smaller than the American one – and also in comparison to the Soviet one. Russia has a purely defensive military posture. I'm not saying because they *say* they're going to do it. If you look at their capabilities, they have the capability to fight a winning counter-offensive within roughly 500 kilometers of their border. That is what they are geared up to do. That is what their hardware, training, personnel allows them to do.



That means that if NATO were to attack Russia, Russia would win that war – a defensive war. But if Russia was to go into Europe and project its capabilities, the geographic advantage would be flipped around, and then you figure that NATO has about ten times more armor or transportation or whatever, and those actually start to apply. Russia doesn't have the means, so their exercise is a limited exercise in size between two countries – Russia and Belarus.

Even if Russia had more force, they don't have the means to present a credible threat to Western Europe. So it's all hot air and it creates more hysteria. That's all it is.

Fitts: I think that Russia's strategy is to make sure that the United States can't deliver a first strike and get away with it.

Saker: Are we talking about a nuclear strike or a conventional strike?

Fitts: Both.

Saker: Russia does not need that exercise to establish itself. I think we've discussed this already, but Russia can strike mainland USA with nuclear conventional systems, and Russia – as a fighting force – the Russian military, I think, in spite of being much smaller than NATO is a much more combat-capable military. It has a much better command, it has much better training, and it usually has much better equipment.

NATO could not attack Russia in a conventional war, and if it turns nuclear, there would be a guaranteed destruction of everything in the West and everything in Russia. But you're talking about mutual sheer destruction.



I think Russia already has that, so there is no need to particularly be concerned about these maneuvers. They don't represent any threats or any new capability that Russia would be adding to her military posture.

Fitts: What I'm getting at is that what it appears to me, is if you saw what happened throughout the Bush Administration, through Obama and into what Trump is up to now, the neocon strategy is a desire to establish a first strike capability that can avoid retribution. That is the point of moving missiles in close to, basically, ring Russia and China. Am I wrong about that?

Saker: I think you are. Here is the deal: Circling China and Russia with missiles is a political action. But in pure military terms, it doesn't make much sense. First of all, Russia has the means of overwhelming and destroying these forward positions and all that forward deployment of NATO.

Remember, we are talking about battalion level which means we're talking about small stuff. All it does is present very easy targets for the Russian system.

Russia has a reconnaissance strike capability which reaches 500 kilometers – well within that distance. Anything in that range entering it would be destroyed. So if you wanted to plan a first strike against Russia, you would be much better off using systems which are deployed further away from Russia and strike from the long range. It would be much safer and much more doable than the constant running around up and down the Russian border.



Politically that looks very threatening, and that obviously irritates the Russians, but frankly, I think that both sides are being a bit disingenuous in terms of presenting a military threat to Russia. I don't think it does; I think it only presents Russia with a list of lucrative targets.

Fitts: Here is the question: What is the neocon goal? Is it only to make money? Is this only weapon generation for the Military-Industrial Complex's business?

Saker: There are a couple of reasons behind that. I would like to use the example of vectors. You take two, three, or four vectors that I'm going to list now, and the resulting vector is what we see.

One of these vectors that would really insist on that is creating a sense of panic that creates a sense of danger. If you could convince the Europeans that the Russians are about to invade, then you get them to be docile, obedient, subservient to NATO, and it gives a mission to NATO and makes all these essentially useless generals get a second life and replay the Cold War that they are nostalgic for.

The second thing, of course, is that it is a military budget.

Fitts: That's big money.

Saker: That is an easy justification. I recently read an article about the 173rd brigade in Italy actually buying equipment off the shelf and going, "Oh my God! The Russians have better electronic warfare. We need to re-equip. We need better transporters. We need better this and better that." So that justifies it again.



It's also a typical neocon thing to do –which we'll come back to when we discuss the consulate issue –trying to prove that they are still the superpower by humiliating Russia. So partially, we are going to stick our forces right next to your border, and, “What are you going to do about it?” is the attitude.

Well, the Russians are going to do nothing about it except introducing the coordinates and the targeting systems. That's it. That is all that they are going to do about it, but I think that is also very much part of it.

The typical neocon arrogance of trying to constantly one-up the other one and prove some kind of superiority, even if it is counterproductive and empty. That is exactly the same thing. Why did Trump send three aircraft carrier battle groups near the DPRK when aircraft carriers don't threaten the North Korean military at all? It's an empty threat; it's only posturing.

I think we're dealing with such a neurotic and out-of-control, incapable regime that they do simply dumb things. We should not try to rationalize them or think, “What is the devious plan behind this apparently stupid move?” It's just a dumb move.

Fitts: Right. To a certain extent, they are running a reality TV show. It's not surprising. We have a former reality TV show host as President.

So let's turn to the amazing about-turns. We thought that April was an amazing series of about-turns, but Trump's announcement on Afghanistan was an amazing about-turn.



What do you think happened? What do you think is driving this? What do you think is behind this?

Saker: I apologize for repeating myself, but I think that the main drive behind all of this is cluelessness. This is not a plan; this is a lack of a plan. He said, “We’re not going to announce any more force levels or dates.” That is fine. I have no problem with that, but that is not a plan by itself.

Putting more forces into Afghanistan – and only marginally more, not dramatically more; it’s not like quadrupling forces – and not announcing dates or objectives, offering to negotiate with the opposition should the opposition behave, and putting pressure on Pakistan is not a plan. That is the absence of a plan. That is basically nothing.

Fitts: Is this really saying, “We’re going to continue to occupy, and we need some more troops to maintain an occupation”?

Saker: There is an expression in Russia. We say that it’s like carrying a suitcase with a broken handle. You don’t want to dump the suitcase and let it go, but you can’t carry it without a handle. So you’re standing there and you’re worrying, “What am I going to do?”

The situation in Afghanistan is a similar one. Getting out is impossible, and staying in is impossible. So you’re stuck between two impossible situations – very unpalatable. What do you do about it? You decide not to decide.



I think they are literally deciding not to decide, and it's going to continue and slowly percolate and get a little worse or a little better.

The only way to deal with Afghanistan would be to do things which the Americans are absolutely not willing to do – which is to negotiate with others. First and foremost, of course, are Russia and Iran. You need to get those two on board, and the Pakistanis, too and you need to get these countries on board for any hope.

It would be very hard in Afghanistan, but if you hope for a long-term solution, you need to have these two countries, at the very least, involved. And they are doing the exact opposite.

In some ways, it's the same situation as in Syria. The Americans don't have boots on the ground that count, they don't have allies that matter, and they refuse to negotiate with everybody who could actually make a difference.

They basically cornered themselves into complete paralysis.

Fitts: In Afghanistan, there is a logical reason that you want to stay in. What is that?

Saker: Not to admit defeat for one thing. I don't remember which one it was who said in Congress, "We're not winning," which are cute words for, "We're losing."

You have to have the clear victory and then leave, but how do you declare victory when it's obvious that you're losing? That is one thing.



The second thing is, of course, Afghanistan is a geostrategic, extremely important country. The location is extremely important. Of course there is the issue of money that can be made with resources.

There are many, many interests that would say that we have to stay in Afghanistan for numerous reasons, including private security contractors making large amounts of money with contracts. All of that adds up to a diverse lobby of interests, which say, “We need to stay.”

Then you look at the actual cost of staying there – the human cost, the economic cost, the political cost – and common sense would say to get out.

Fitts: Ninety percent of the poppy production is now in Afghanistan. Is that true?

Saker: I don’t know. It sounds very reasonable and it jives with what I’ve heard, but I don’t know it for a fact.

Fitts: So under the US occupation, the poppy production has become a very high percentage of the global market. You have other natural resources, and then have the strategic position.

If you don’t want to negotiate with Iran and Russia and if you leave, is it fair to say that Iran and Russia are going to have a whole lot to do with whatever happens?



Saker: Yes, but they are going to be cautious because the Soviets learned their lesson painfully, and the Russians are not getting involved militarily either. It's not going to happen.

The Iranians are too smart. They have their own local allies and have influence. What they're going to do is very similar to what Iran does in Iraq – at best. Even with that, their position is not as big and Afghanistan is even more complicated.

By the way, if poppies are your concern, put the Taliban back in power. When they were in power, production went down dramatically.

Fitts: Right, but that is what they are trying to avoid, I'm assuming.

Saker: I agree.

Fitts: The Anglo-American Alliance now has their global heroin trade dependent on Afghani production, right?

Saker: The thing is that you always have to have your policy and goals commensurate to your abilities. I think it's a sad statement that the Soviets have the wisdom to withdraw. They tried to withdraw nicely. They had their head held high with flags, and the last person who crossed the bridge was General Gromov. They tried to withdraw with dignity, but at least they withdrew.

Getting stuck there without even being able to do that tells me that the regime in DC is more chaotic than the Kremlin was in the Soviet years.



Fitts: I'm looking at patterns, and these people built a global model where, for example, you're running a car company and have factories everywhere. Let's say you consolidate all your factory production into one place. If you're going to run the global heroin trade, you either have to move the poppy production elsewhere if you want to get out of Afghanistan, or you have to hold Afghanistan.

Saker: If you're a politician, yes. If you were talking about typical drug dealers and criminal minds, they would, of course, try to negotiate the deal with everyone to share the cut and get the best possible deal. So if we're talking only about narco cartels, they could strike a deal as they have many ties to different ethnic and national mafias. There are many examples, and I could list some of them if you wish, where they had to deal with each other, and struck a deal to avoid a war. That's what criminal organizations do much better than politicians.

Fitts: Right, but what you're watching is a phenomena which is driving so many different situations. That is, the profits are private and the expenses are public.

Saker: Yes, absolutely.

Fitts: So you have a wide variety of different private interests who are insisting on maintaining strategic control of Afghanistan and, as far as the costs, are getting the profits, but the costs are getting pushed onto the public dole. So there is not a balance. The private people aren't covering the expenses with their profits, and they don't have an incentive to collaborate in the same way.



Saker: But that is only possible because there is, essentially, nobody in the White House. That is the place where those kinds of tensions should be resolved.

Fitts: I'm going to disagree with you now. If you look at those private profits, they have essentially always asserted control of the White House, starting in 1963 when the President wouldn't allow them to assert control, so they simply assassinated him. This comes down to who is in control of US policy. Is it the CIA and the private interests that they represent, or is it the President? It relates to Charlie Schumer saying, "You can't buck the intelligence agencies," meaning the people who work for the private interests. That is the governance structure struggle that we are coming into.

The reason I keep bringing up all the money that is going missing from the Federal government is because the public trough has been so overwhelmed by this since World War II and it's about to break down completely.

Saker: I think that we completely agree. What I meant is, not that the President was in control, but that at least on paper, the executive should be in control of that. Practically, coming back to Trump, that was the promise of why so many people voted for him – to get their country back and to get sovereignty back and to regain control by the majority of the American people over their own country.

I agree with you. In the past it was terrible, and now it's only getting worse.



Fitts: So here is what I find to be the most interesting in this situation: Trump didn't understand all the pressure that could be brought to bear on him by these interests before he was in the White House. If you look at his inaugural speech, he clearly said that he would never do exactly what he is doing now. If you look at the speed at which he turned around, I think he probably got a lesson in how many different ways you can get squeezed – unless, of course, the whole thing was an act to begin with.

Saker: I don't think it was an act but I can't prove it. I really don't think it was an act.

Fitts: I don't think it was an act either. He's received quite an education, and we don't have enough time to talk about it today, but sometime I would love to sit down and make a list of the possible ways he is getting squeezed.

Let's turn to something that I find to be unbelievably important and fascinating, and that is the consulate wars between the United States and Russia now.

In my world, when you compromise diplomatic immunity in a physical space like a consulate or an embassy, that's a declaration of war. You're invading the other countries' property. So tell us a little about the consulate wars now and what's happening and what you think about it.

Saker: I think what we're seeing is truly an extremely serious crisis. I think this is going to be the straw that breaks the camel's back. The Russians, first of all, knew that some consulates would be closed.



They were discussed, and as soon as they expelled the large group of American diplomats in retaliation for Obama's initial expulsion of 35 or so, they knew that it was coming. They also knew that San Francisco was high on the list because that is, indeed, an extremely important political and intelligence hub.

The Russians are not denying it too hard. The officials don't say it, but the observers do say it. They say that this hurts, and if the Americans wanted to hurt us intelligently, closing down the consulate in San Francisco was a good move to hurt Russian intelligence operations – not because they elected Trump or hack anything. That is all nonsense. But do the Russians have an intelligence operation running in the US? Of course, and San Francisco was one of their objectives. So that was fine.

I think that they truly were shocked by the way that it was done. First of all, the way they saw it was they were given two days to leave the premises, and saw that as absolutely obscene – particularly after they gave a full month to the Americans to leave from Russia when they were expelled.

Secondly, they see this essentially as an attack on civil servants – on people who didn't make that decision. It's particularly ugly and petty and nasty.

You don't take on your rage against the boss by being nasty to those who execute his orders. I think they correctly interpreted it in two ways. First of all, the desire was to publicly humiliate Russia. It's the same thing as the marching along the Russian border. It's as if to say, "Look at the contempt with which we can treat you and your personnel."



I think, yet again, the neocons – being basically very, very uncivilized and poorly educated people – are clever, but they are not very intelligent. They overplayed their game because it made them look terrible.

Fitts: Let me dig in a bit here because, if it's a consulate, it's a state department decision. That means it involves Tillerson, and Tillerson is no neocon. He's also probably the most sensible, intelligent, and capable cabinet member and he has approved this.

One of my concerns is that you see tremendous competition between Americans and Russians on weapons and weapons technology, but you also see the Americans in real trouble on high-tech weaponry issues like what has been happening with the ships in Asia.

I think that the Americans feel very threatened, and also there is space. Russia is trying to develop its tech business. Russia is clearly a leader in weapons and high-tech technology, including EMP. They are a leader in space as well.

If you look at high-tech weaponry and high-tech space and high-tech businesses, there is a real competition. I would like to know more about what intelligence the Americans are scared about because, if you look at this action, it's an action that demonstrates and signals tremendous weakness on the part of the Americans and tremendous anger. I think it's more than just psychopathic neocons; I think that there is something happening in terms of the nuts and bolts of where Russia is threatening America and its technological ability.



Saker: Let's take this step by step and let's begin with Tillerson. I agree that he sounds like a reasonable man and an intelligent man, but he is also clearly a weak man. My proof for that is he should resign and he isn't. He can't even deal with Nikki Haley. That tells you the degree of the lack of control that he has over his own departments.

In this case, the order probably came from the National Security Council or somebody around Trump, and all he could do was say, "Yes, sir."

If he was stronger, he would have either prevented it or resigned soon after. But Tillerson, I'm sorry to say, is starting to look like a second Trump. He has good words, no spine, no courage, no personal ability to fight for what he stands for, and he is a doormat. They are walking all over him.

In terms of intelligence operations, it shouldn't be overstated the importance of geography. First of all, the Russians don't need to operate with their own citizens. The fact that the San Francisco consulate is close to the Silicon Valley does not mean that shutting down that consulate will result in less intelligence or less success on American high-tech.

You are looking for a rational motive and I don't think it's there. For instance, you might make the case that closing down San Francisco made sense, and I somewhat agree with that, but what about the 24 hours to leave? That makes no sense under any scenario and it's just plain stupid.



How about sending the people with locks? They told the Russians, “If you don’t open the doors, we are actually going to breach through.” They really said that to the Russians.

The Russians were going around saying, “Do you know what the sons-of-bitches told us? They said that if we don’t, they are going to make an assault on our embassy compound.”

Now they offered the Russians to sell it to the United States. In other words, the desire to insult is so clear and has no rational basis in the high-tech or intelligence realm.

Fitts: It does if you’re trying to start a war.

Saker: If that’s what they are trying to do, they are going to fail again. What the Russians did is opened the gates. They’re not stupid. They’re not going to be provoked by that kind of infantile provocations and it won’t happen.

Look at what Putin’s reaction was. He said, “First of all, we’re going to go through the American court system, and we’ll see how good the court system is.”

That puts the Americans in a difficult position because, either they side with the government, or the court system looks bad, or they side with the Russians, and the executive looks bad. Putin also said, “We might retaliate at a later date.”



They're not going to be provoked by that infantile behavior, but what they will do is call it infantile and basically express their complete and total disgust. I can give you two examples of the kind of language that I hear.

The spokesman for foreign affairs talked of 'hellish buffoonery and stupid thuggery'. Another well-known Russian politician described the kind of people who the Russians were dealing with as 'immoral pigmies'. Then yesterday, Putin declared that, "It's hard to talk to people who confuse Austria and Australia." He actually said that in a public press conference at the BRICS in China while the rest of the world was listening to these words.

This is something that I've never seen from the Russians or from the Soviets. This is something that's unheard of. They're basically expressing their absolute, total contempt for their American counterparts, and that is amazing.

Fitts: In 1998 I had a team from the FBI, the Department of Justice, and HUD who seized my offices. They occupied those offices for a week and trashed them doing number one's and number two's on the floor – among other things – while they tried to frame an obstruction of justice charge. We were able to catch them and prove that they had broken the law.

Of course, the courts did nothing, but what we dealt with were people who literally were thugs. It's hard to imagine that these people work for government.



In fact, we had one person from the FBI who was an FBI tech person. He was quite senior, and he would get so angry with the thugs that we would have to calm him down and help him.

When it was over, he came to me and gave me his card and said, “If you ever start another company, I would love to work for you.” So here is this senior FBI tech person asking me for a job so he can get away from the thugs.

I had one attorney who came to see me. He went to the Hamilton offices, and was shaking. He was a Jewish man, and said, “My family left Germany to get away from these people, and now they’re here. What do I do?”

It was hard to explain, but ‘thug’ is the perfect word. It’s somewhat as if they were the type of people who would walk in, grab a Faberge egg, step on it, and break it and not think about if that made sense. In other words, they were absolutely lacking in the benefits of civilization.

Saker: I agree, and I think that is who we are dealing with. I would not be surprised if the next thing that we do is see number one and number two smeared somewhere on something Russian by FBI thugs. I would not be surprised one bit.

Just as an anecdote to tell you, the Russians reported on TV that the Americans also cut off electricity, which prevented the doors from being unlocked. Then the Russians were observing that when they had to go in and out, they placed a person at the door –



a big, African-American – to physically spend the day pushing the door open and closed. They were looking at him and feeling sorry for him. There were people who were interviewed that were part of the consulate who were saying that the people who were sent into us looked embarrassed.

Fitts: Right. They were.

Saker: They were, and it's interesting that the response for all that absolutely uncivilized behavior by these thugs is farther from provoking anyone in the Kremlin. The people who were ordered to do that actually get a message of sympathy, such as, "We understand. It's not your decision. No hard feelings for you." That's what they're getting on the other side. They will never be able to provoke them by those kinds of methods.

Fitts: That's interesting. I'm looking for logic because there is always a logic. It doesn't mean that people are behaving logically, but there is something happening here, including the demonic behavior that we are all dealing with.

The one thing that I would say about Tillerson is that I don't think that he is weak; I think he is new to government. The reality is that when a strong player goes in – in his position, in his way – it takes a while to build your knowledge and your base, so you are slow to assert. Maybe Tillerson is weak, but maybe he is slow to assert.

As an American, I'm glad he didn't quit.



Saker: I'll tell you this: Can you imagine being him, and then sometime in the future he is likely to meet Sergei Lavrov and look him in the eyes. It happened on his watch. Now if he doesn't quit, he's co-responsible. He should have quit and slammed the door. The patriotic thing to do would have been, not only to quit, but also to slam the door as hard as he could to wake up the country as well as to clear his own name for history. Now he's going down as a nothing.

Fitts: You and I disagree about this one.

Saker: Tell me what he has done since he's been Secretary of State. Where did he show that he was different?

Fitts: If you look at how he has handled the communications with the Russians, I think he has very much tried to reverse the damage that the neocons are doing. I think he has argued for something much more sensible inside. But Tillerson is an insider player. He's the kind of person who is going to talk inside the team. He is never going to make noise outside of the team, so you're never going to be able to see what he is or is not doing; it's going to be inside baseball.

Saker: Fair enough, but I judge by the outcome, and the outcome is under his watch now. The relations between Russia and the United States are worse than ever in history – Soviet or Russian. Even under Obama, it wasn't nearly as bad as what has happened now. I'm telling you that what has happened now is really one step too far.



I was watching Russian talk shows yesterday and listening to people there. Even the pro-Western democrats are outraged. There is a sense that these guys are not even worth looking at.

I think that the real response is one that I have been predicting for a while: The Russians are going to stop dealing with the US.

There is so much happening elsewhere with the BRICS and the conferences of the former Soviet states. All these things are happening, and they are basically going to flush their mental toilets, and I think that they are going to have no meaningful interaction at all. That is going to be their response, not starting World War III.

Fitts: I will say this: When I decided not to settle in 1998 and instead to fight, it was because I believed that ultimately whatever I was dealing with would lose.

In other words, I came to the conclusion that whatever was going on in Washington – the entire deep state American show – they were going to lose, and I didn't want to be a part of the losers.

Saker: I understand that. I can tell you that from the Kremlin's point of view, when they look at the way that this country is tearing itself apart and how the neocons are destroying the executive branch, the Russians are not anti-American. If they were anti-American, they wouldn't be able to do 1/100th of what the neocons are doing in self-destruction in this country. So they are the losers, big time and are the ones who are going to lose and that is self-evident.



Fitts: Let's turn to the question of free speech. You recently wrote an article on this, and if you look at the neocon tactics, part of those tactics is to destroy freedom of speech or bully people out of it where legal action doesn't work but they can just bully. What in the world is happening? What do you think the future freedom of speech is?

Saker: I think that the neocons are fighting the founding fathers – if I can put it this way. One of the big differences that I was discussing with my wife yesterday was comparing Europe in stages to US history. The US history is filled with a lot of bad things and hypocrisy, but at least the ideal of a First Amendment was publicly proclaimed in a way which has no equivalent in Europe.

This right now is the biggest problem for the neocons. Unfortunately for them, these amendments are hard coded in the US Constitution. It's extremely hard to bypass them or crush them or try to choke them under regulation and similar ways.

What they are trying to do is find a 'consensus villain' to develop the legal and technological tools to eventually crack down on free speech. Clearly the neocons don't have the support of the American people and that is obvious. So they need to essentially, make it look like everybody who opposes them is a Nazi or a white Aryan racist.

They're doing that because that would be more acceptable than saying, "We are going after the Libertarians."



Fitts: Right. It's interesting. I did a long article that we're going to publish publicly this week on Charlottesville. What I said was exactly this: "What they needed to do if they are going to continue to do what they do, is crack the Constitution. They want to tear up the Constitution. If you look at the 5-10% of the population who are necessary to protect the Constitution and if we took only those people and put them in a football field, 80% of them would be white men."

If you can do a beatdown and say, "They're racist," or, "They are nationalists," and if you can de-energize them to go ahead and protect the Constitution and the different provisions thereof, then you've cracked the code you need to bring down the Constitution.

Saker: I completely agree with that, and you can argue national security and you can argue that they are agents of the evil Putin – like the Ron Paul foundation is listed as a 'Putin propaganda outlet'. Once you call 'Ron Paulians' 'Putin agents', you are willing to call anybody a Nazi at that point and common sense doesn't matter.

Fitts: The censorship of Ron Paul by Google was a big mistake. That was similar to the Russian consulate. What you did was tell an entire world of people who really want to see America function according to the Constitution and see human and Constitutional values, that what they are dealing with is unreasonable, irrational, dangerous, totalitarian, and demonic.

It's as if, "These guys are not only hopeless, but they are evil, and they just need to be stopped." That was a big overstep.



Saker: Yes, but on the other hand, they are doing something very smart because the Constitution basically protects the people from government abuse, not from corporate abuse. Now they are subcontracting that also to private contractors. We subcontracted intelligence and the jail system and many things to break the law. There was the Olly North issue.

When you want to break the law in the US, you use private interests because there is no ACLU going after the private corporations.

Fitts: Right and that is why I keep coming back to the missing \$1 trillion. Much of 'putting money in the corporate pockets' depends on spending government money illegally and outside of the budget and outside of the Constitution. My theory is to cut off their money.

Let's turn to the Middle East. We've seen new developments now in Syria. Whenever I want to understand what in the world is happening in the Middle East, I always turn to your website. So talk a bit about Syria and what has been happening.

Saker: I think that it is reasonable to say that the Syrians have won the civil war and that the Daesh is militarily crushed. There was a sharp increase in their military capabilities. There is a Russian trace there because they did things which were taught by the Russians. For instance, they had a very successful airborne operation for the first time. The personnel were Syrian; the Russians trained them but did not run the operation for them.



Also, they recently freed a town, which was under siege for three years or more, Deir Ezzor, which was a crucial town. You could say that up to the Euphrates River, most of Syria has been liberated now. So that is a huge development because that is basically a defeat of the Anglo-Zionist Empire. The Israelis are in an absolute state of panic. I think that the Americans are despondent, and they are hoping to use the Kurds to now break up the country, although I don't think that is going to work.

Fitts: It is always the timing of that vis-à-vis the consulate action.

Saker: I think it made Americans hate Russia even more. They clearly know who did it, the Syrians, although they are overlooking Iran, which the Russians helped in a very specific, unique way, but many of the hard battles underground were Iran and Hezbollah – who lost a tremendous amount of people. Many Iranian Generals actually died. So they actually fought and shed their blood to defend their neighbors. I think that we should always remember them as they played an immensely important role.

Truly for the Americans, Iran is not good enough of an enemy and a demon, so it's 'Russia, Russia, Russia'. Yes, the Russians did win the Syrian war. Absolutely, and they were certainly part of it, so that clearly makes them even more hysterical and angry.

Fitts: Right. I wanted to touch on the Iraqi PMU model report.

Saker: That is a wonderful report made by SouthFront and I highly recommend it where you can find it on my blog. It's a very interesting report. It's a development in Iraq where essentially, the Americans train the Iraqi military, and it wasn't very successful.



The Iranians are much more intelligent, and started creating their own parallel militia – a vast coalition of different groups. They are normally Shia, but the Sunnis are welcome there and Christians, and even Yazidis participate. They basically have been pumping advice and money. It appears they are starting to make a very substantial contribution to the liberation of Iraq.

There is a parallel to some degree because I think the Americans are losing control of Iraq more now. Why all of this matters is because these conflicts are slowly headed towards, not a full resolution – because the United States has enough power to prevent peace from breaking out – but to a very substantially qualitative change of intensity. Both of these countries are headed for that, and the Americans aren't even involved in the solution part of it. I think that humiliates them tremendously, hence the need to try to posture and humiliate Russia by harassing diplomatic personnel.

They have lost everywhere else. The Russians have outmaneuvered Americans absolutely everywhere – in the Ukraine, and I think they will outmaneuver them in the DPRK, in Syria for sure, in Iraq it is happening, and in Afghanistan they are bidding for time, but I think that they are going to be the winners eventually.

The empire is crumbling before our eyes and it really is happening.

Fitts: Let's turn to North Korea. Tell us what you think is happening in North Korea at this point.



Saker: I think the North Koreans are correctly assessing that the United States does not have the means of their threats, and they are being extremely provocative. They launched a missile after Trump told them absolutely not to do it on the 4th of July, which is rather like flipping the bird and saying, “We’re going to do it any time we want.”

I personally have a hard time believing that they would have a thermonuclear weapon, but, who knows? I can’t categorically say that, but they are claiming to have one.

There is an interesting dynamic here because both the US and North Korea have the interest in claiming that the North Koreans have no devices that can actually explode, but useable warheads that you can put on multi-stage missiles that are capable of flying a long distance to hit the United States.

I’m not convinced that this is true; I’m very dubious, but they are proclaiming it. Here words matter a great deal. I hope that we won’t – and I don’t think that we will ever – know what they really have. A war would be the only way of finding out. I don’t think that a war would happen, although I do think that the risk of a war is very real but I hope that it’s not going to happen.

Fitts: What is the goal of being highly provocative?

Saker: It’s probably a mixture of things. On one hand, they clearly saw that being conciliatory and trying to negotiate, will result in death like Saddam or Gaddafi.



So they are trying to hide their nuclear capability to a max to make it a regional problem and force the Russians and, particularly the Chinese, but also the South Koreans and Japan to publicly or privately beg the United States to cool it.

So that is not a bad strategy in and of itself. Secondly, propaganda does reach the people in North Korea. They have to show that they are strong and in control.

I think that it is as mixture of deterrents when you try to make yourself look as scary as possible by puffing yourself up and trying to force it to become an international issue. If they don't do that, they're going to stay one-on-one, and there were never direct negotiations with the United States; they refused to do that, but their strategy is rational.

Fitts: It appears that the entire planet is wasting trillions of dollars every year trying to look strong and in control, and in the meantime it's destroying the planet.

Saker: I'm not happy with the North Korean regime. I'm not saying that it's the best thing that they could have done. I think that there are other ways of going about it, but I think that with the reality of the regimes there, somebody said that it's an unreasonable regime with a reasonable plan. I agree with that. What they are doing makes sense but they don't have many options.

Fitts: Here is what doesn't make sense in my opinion: If you look at the extraordinary interdependencies between North Korea and China, I have trouble believing that North Korea could be doing this without China willing to go along with it.



Saker: A historical example I can think of is the Warsaw Treaty Organization called the Warsaw Pact in the US. It was always presented in the Cold War as a monolithic organization, but now that we know that we have access to archives and we have transcripts of meetings, etc., that never was true. All the common regimes in Eastern Europe very much had a say.

I think that we have a similar situation here. To be allied with somebody doesn't mean that you are a puppet and accept every condition. I don't believe the Chinese need that situation at all.

The conclusion that I draw is that the North Koreans don't think the Chinese are enough to protect them, and they're deciding to protect themselves, hoping that will help increase their security.

You could also make the case that there is a good cop/bad cop tactic working, with the North Koreans being the bad cops and the Chinese being the good cops.

Fitts: One fact that is relevant here is that North Korea does not have a central bank and is not in the BIS system. In other words, North Korea is an outlier.

If you're going to build global digital currency, and if you're going to build a one-world government, everybody has to be in the BIS system. You have a couple of outliers, and North Korea is one of them, and I believe Syria is another one.



Saker: But do you think that anybody cares in the Empire that the tiny North Korean economy is not integrated?

Fitts: Yes. You cannot have any leakage and can only afford zero leakage.

A tiny country is a tiny country, but in the financial system, a big leakage through a tiny country can really confuse things. So you need everybody in the tent.

You run the entire thing with the power of central control through digital intelligence and information and the ability to manipulate the digital systems. You can't afford to have any leakage.

Saker: It only adds very bad memories of the Korean War, which was basically humiliating to the United States.

I think that all of that adds up to placing Korea very high on the list of potential US targets, and I think that the North Koreans read that correctly.

Fitts: The way to solve the problem of getting North Korea into the system is just to fold it into South Korea, and then the Bank of Korea becomes the central bank for both.

Saker: Yes, but for that, you would need to solve the fact that there is not even a peace treaty; there is an armistice. Right now, you can't go any further than that.



I think the way to solve it is with what the Chinese and Russians have said: double-freezing. The North Koreans stop their nuclear tests, and the South and the US stop their military maneuvers, but the USA has categorically rejected that.

Fitts: What can I tell you? Currently, in the US, we are running the risk of deflation. I think the US understands one way to keep the economy going, and that is to have more wars.

BRICS and the SCO—we just had a BRICS meeting in China. Talk about the G-20 and the SCO and some of these organizations. Are they beginning to build significant collaboration?

Saker: I think that it is exactly what is happening: They are getting to build and their plans are huge. There is an article by Pepe Escobar, which discusses that, and you can see it on my blog that I published today.

They have big plans, and I think what is happening is the system, which we inherited and was basically built by the US after World War II. All these BRICS countries are trying to build an alternative without entering into a direct war with the old model. That is the real strategy, which is a very typical Asian type of approach. Instead of posturing and looking for a quick solution, they are working for the long-term. They are building up a new international system, which would be independent from the Anglo-Zionist Empire. That is the real goal, and I think they will succeed and bring it down.



Fitts: Much of it is affected by how they organize the financial flows and payment systems on one hand, and then what the weaponry is and how the weaponry works, and whether or not somebody is stupid enough to start a war that destroys the entire planet.

I've been watching the Putin interviews. Have you had a chance to watch them?

Saker: The one with Stone? No, I did not have the time.

Fitts: I saw the first two, and I'm going to watch the second two tonight. It's fascinating, because in the first two you see discussion of what happens with the Cold War coming down and the Rape of Russia. Then there is the reinvigorating of the Cold War by moving the missiles in and the rise of Putin. You really get a history and a feeling for it – certainly in the first two interviews and I'm very curious to see what happens.

We saw Putin make a big announcement – or certainly get interviewed – at the G-20 meeting, trying to warn the world about the extent of the deterioration. Did you see that? I don't know if you have any comments on his remarks at the G-20. It was approximately two days ago, and it was written about in *The Guardian*.

Saker: Is that when he said that the North Koreans are willing to eat grass if it takes that to protect them?



Fitts: Yes. Essentially, what he was saying to the Americans is, “You keep putting people in a corner, and they have no choice.”

It was interesting because you saw this in the interview with Oliver Stone, and it was a very magical moment when he said, “Look, this is not about money; it’s about life.”

Saker: The reason I didn’t watch those interviews is because he has been repeating that for years already. He made it very clear – and I think that’s wonderful that Stone actually did provide him a platform to explain – that if you want civilizational consensus, you need to work a different system and a different world. This has been openly spoken about, both by the Russians and the Chinese.

Fitts: I hate to say this, but as I was listening to these interviews, I felt that he is almost in the same position as I’m in.

In other words, if you’re dealing with the neocons as an American citizen, you’re in the same boat that everybody is in. This is not about money. This is not about the economy. It’s about who we are, and are we going to be a human civilization?

What we’re dealing with is an inhuman force.

Saker: Yes. I completely agree with that. That is very much how they perceive it.



Fitts: We need a mechanism or a series of mechanisms where everybody who believes in a human future can find each other and collaborate to make that happen so that we don't get trapped. Some of us are getting trapped behind the neocons here in the United States, and we need to break out of that.

I think it all comes down to human versus inhuman. I think the positive things that are happening now is that we are essentially seeing how nuts these people are; they are nuts!

Saker: They absolutely are.

Fitts: We are dealing with a demonic force, and the question is: How do we evolve beyond the win/lose that we are sitting in now? How do we make sure that it doesn't get worse? And how do we get these people into rehab?

Saker: I'm not very hopeful about rehab for them, but ideologically, if you call that system demonic, then you have to turn to God for help. If we're talking about a spiritual level, then there has to be a spiritual response.

I think that the civilizational response is also the correct one. We're not talking only money and politics here. We're talking about what it is to be a human being, what it is to develop. I think that the topic is the weapon. Basically, by speaking of this and bringing it up everywhere we can – be it in the United States or abroad – make it happen.



Pretending like the system is just another version of something halfway decent is the danger. ‘Business as usual’ is what we don’t want, but warning is needed.

Fitts: What I’ve been trying to tell people is, “What you need to understand is that the people leading this – the neocons and the private interests that they are stalking for – believe in slavery. They practice slavery. These are slavers.”

So we are dealing with pro-human versus slavers.

Saker: A couple of weeks ago I had an interview with a free radio station in the Czech Republic, which was an absolute delight. At the end, I told them that we have the same enemy. I said that the American people have the same enemy. It’s not an ‘American versus European’ thing; we all have the same enemy, which is this regime.

We’re much more powerful if we can unite our forces. There are many more of us than of them, and they know that and they are afraid of us. So we just quietly and carefully and wisely keep sabotaging their regime and that is all that we need to do.

Fitts: I’m glad that you brought up the Constitution because, I don’t know if you received the 2nd Quarter Wrap Up yet, but I did an interview with Cynthia McKinney, and I’ve been doing a series of interviews on the importance of the Constitution and why a Constitutional Convention is a horrible idea. It gives them the ability to tear the whole thing up and balance the budget without the \$50 trillion that has gone missing – whether through the bailouts or the missing money.



I think that is the one thing they would love to do. They would love to tear up the Constitution.

Saker: I completely agree. For them now, that is their only real enemy. They control the media, they control Congress, they will eventually castrate and destroy the executive branch, they control the judiciary branch, and the last thing that protects the people in this country, is the Constitution. It really is.

Fitts: If you bring that down, it's 'Slavery, here we come'.

Saker: Yes. It will be a different kind of slavery, but that is absolutely their plan – to make the American people serfs of a very small hate-filled, little elite. That is exactly it.

Fitts: Well, we have plenty of work ahead for us. Let's take a moment and look forward to the 3rd Quarter. What should we keep our eye on between now and when we talk next?

Saker: Keep your eye on the infighting, and I still think that they are going to try to impeach Trump. I think that the most important events now are happening in the US and Washington, DC. That is how much the neocons and the deep state are willing to sacrifice in their campaign to destroy and humiliate him. The consequences of having a superpower like the United States headless now – decapitated – there is nobody to talk to. There is a great deal of power and no command in some of their functions.



Fitts: The effort to get the Constitutional Convention is happening in the states. They are trying to get 36 states, and they haven't been able to do it yet, but they are going state by state. That is why I keep telling people, "Please review the 2nd Quarter Wrap Up."

There is a letter in it from one of the subscribers to their state legislators, and that is why the way to cut that off is at the state legislative level. I think that if the state legislatures understand what is happening in the money, then they have much more power, and we have more power at the state and county level to turn the cash flows than people realize, but it's a matter of saying, "Here is where we have a good deal of real power. Here is where we can protect the Constitution, but here is where we can use it to get something done."

Saker: I think the local power and state power is a much more viable alternative and hope for us than the Federal government.

Fitts: Right. The Federal government now is in a real state of –

Saker: Forget it! It's the enemy! By now, it is the enemy.

Fitts: What can I tell you? We've been counting the missing money. We're now up to \$18 trillion, and we've only gone through two agencies. There are 19 more agencies to go through.

Well, Saker, it's always a pleasure. I know you are writing another book and I am anxiously waiting for it, and I'm going to buy it the first day that it's available.



I'll keep you and your book in my prayers because I can't wait for it. I don't know if you want to say anything about it or when we might expect it.

Saker: It's too early. We're well-advanced into the work on this book, but I think that I can make more announcements the next time we talk. By then I'll know where we are.

Fitts: Your website has great information every day. Could you please give your URL again?

Saker: Sure. It's www.TheSaker.is (as in Iceland).

Fitts: On my return trip I stopped and spent three days in Iceland. It was beautiful. Have you ever been there?

Saker: No, but I would love to go there. Talk about an ancient democracy!

Fitts: Yes, and at the top of Reykjavik is a cathedral that is so beautiful, and it has a pipe organ that is absolutely magnificent. If you want to worship in the world's great places, I recommend the cathedral in Reykjavik to you. It was great.

Okay, Saker, what a treat! Have a wonderful day, and we look forward to talking to you again in the 3rd Quarter.

Saker: Thank you so much. It was a pleasure.



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