



The Solari Report

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The Emerging Multipolar World The Unraveling With The Saker



Catherine Austin Fitts



The Saker



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C. Austin Fitts: Ladies and gentlemen, welcome to The Solari Report. I am very excited to welcome back The Saker. As you can tell from the headlines, we have much to talk about. Saker and I have been sending lists back and forth of what we want to talk about, and events just keep adding to that list.

Saker, thank you so much for taking time out of what is an amazing website and schedule to join us on The Solari Report.

The Saker: Thank you so much for having me. It is always a pleasure.

Fitts: Well, Russia is in the news. There is much to talk about in terms of what is happening in Russia – both domestically and internationally. Where would you like to begin?

Saker: There is, indeed, so much to pick from. We could discuss it from any facet.



Fitts: You've had a couple of really great pieces on your website. I was reading one by Dmitry Orlov about the collapse of the empire. We are going to call this Solari Report 'The Unraveling' because it's clear that the unipolar world is unravelling and many respects of the empire is unraveling and we will get to that.

One of the things that they talked about is how centralization is happening globally, and the financial stress is happening globally. It pops up differently in different places, but you can see it everywhere. There were some great comments there.

Why don't we start there because both the United States and Russia are grappling with significant financial problems as a result of the baby boomers moving into retirement? I know you've been tracking for years the pension reforms in Russia. So, let's start domestically and look at the pressures on Putin and the Russian government to deal with the pension crisis.

Saker: First of all, I would completely agree with you that there is an unraveling happening. I would recommend an article by Michael Hudson. In *The Unz Review* he wrote an article called 'Trump's Brilliant Strategy to Dismember the US Dollar Hegemony.' He talks about the dollar hegemony, but I would even say overall US hegemony. The empire really is cracking at all its seams. The list of setbacks and self-inflicted wounds that the empire is inflicting is quite amazing.

In Russia proper about the pension, this is an internal problem of Russia. It still is an action of the old legacy. Some people call it the 'fifth column' and I use the term 'Atlantic Integrationists'.



There is still a very strongly pro-Western segment of the Russian elites, which is pushing typical reforms that you would see from what we could call globally, the IMF types. They are gradually getting Putin in trouble. They tried to change the reform system in Russia, and the main consequence for Russia is that for most of the years when Putin was in power, much of the opposition was hopelessly pro-American. There were people who were defending the 1990's who were associated with the Yeltsin years and the apocalypse of the 1990's.

Now what we have appearing in Russia is an opposition which is basically still pro-Putin. It's an opposition that I would call 'patriotic' in the sense that it tries to do what is best for Russia, but it is an opposition which has become increasingly critical of a lot of Russian actions. The pension reform is something that actually hurts Putin in the opinion polls. There is no doubt about it that he has huge personal credibility, and he has had it for years.

This time, it really took a plunge. He was on record saying that he was opposed to that reform. Now he says that it has to be done.

I'm not an economist, so I cannot decide whether Russia needed that reform or not, but what I can say is that it was presented in a way that was not convincing enough; it was presented at a time during the summer break which looks suspicious. It looks like it was done when people would notice it the least. And I certainly think that the government did not anticipate the strength of the reaction against that reform – which most Russians opposed, by the way.



Fitts: I just want to point one thing out. In Russia, I believe that the life expectancy has been moved for men. The date in which your retirement kicks in is after the date of life expectancy. So basically, what they are saying, particularly to men, is that you don't get a retirement; you get to work your entire life. Is that correct?

Saker: Absolutely. Secondly, there is another aspect of it. That reform has a risk of creating unemployment because people will try to offload older employees. The problem with that is that unemployment in Russia is absolutely not sufficient to survive.

There is plenty of money in Russia. I constantly see articles coming out describing how the Russian economy is doing rather well. The majority of people in Russia are not convinced that this is the way to go.

Keep in mind that Putin specifically wrote a few articles on the Russian economy during his pre-electoral period, and even during his inauguration speech, which said that Russia is a 'social state'. In Russian, the word 'sotsialni' is not the same as 'socialist' or 'sotsialist'. However, it still implies that the government has a responsibility for the welfare of the people, and it's not a 'pull yourself up by your bootstrap' kind of society. That goes very much against the traditional Russian collectivism which existed before the revolution, during, and after.

So, this is really something that is bothering a lot of people in Russia, and it is hurting the government. There is no doubt about it. It is hurting Putin, too.



Fitts: Do they see the relationship between whatever the driving economic forces are connected to this reform with the big step-up in building weapons?

Saker: No because the military budget in Russia is actually somewhat small. The new weapons that were developed were developed within that budget. Yesterday there was a meeting between Putin, Shoygu, and Lavrov. They were discussing how to respond to the US withdrawal from the INF Treaty. One of the arguments was made to deploy land-based hypersonic weapons in Russia. Putin specifically said, “Fine. Do it, but do it within the budget.”

I think that Russia learned painfully the lesson of the Cold War, and Russia will simply not match dollar for dollar.

The military budget is not much of a problem in reality.

Fitts: The US uses the military budget to buy political support, and as a result it has basically become wildly uneconomic. Every time you think it can't get more uneconomic, it does. It's a spiral up in terms of expenses. The more money you spend on buying everybody in the tent, the bigger the overhead gets. Each year it just gets more and more expensive.

Saker: It might sound strange for people in the West to hear that, but the US Military-Industrial Complex is far more corrupt than the Russian one. Its primary goal is to fill pockets. That is why I always say that the F-35 program is a stunning success. It's actually not a failure. It did exactly what it was supposed to be doing, which was to get billions of dollars of taxpayers' money to specific groups of people.



In Russia, not only is every dollar spent in the Military-Industrial budget to provide much more than the American one, but on top of that, the talk of war in Russia is still something that you hear on TV on an almost daily basis. If you look at the type of military forms that are taking place right now, particularly in the conventional level, it's pretty clear that Russia is prepared to fight a major war. The popular opinion is supportive of that.

Of course, there are people who complain about it, but that would typically be the old opposition – the pro-Western Chubais or Soros type, the National Endowment for Democracy sponsor type of people. These others, who I call the 'Patriotic Opposition', are absolutely not making an issue of the military. They support the military to the hilt.

Fitts: Okay. I've always said that the difference between Sun Tzu and von Clausewitz was the bond market. What is interesting is that Russia has very little debt. As a result of what happened in the 1990's, it has essentially been denied access to the bond market. The result is that it has had to come up with an equity system for financing the military. As a result, it's much more economically capable of fielding a real war.

Saker: Absolutely. Not only that, but Russia continues to buy gold in huge amounts. Now you tell me why that is taking place.

Fitts: I think we know. They are trying to do something much more self-sufficient, and what is clever is that I think they have used the sanctions to build much more self-sufficiency. Clearly, they have plenty of problems – demographic problems. I don't mean to make light of the problems, but let's turn to the international.



I want to get to the missile treaty because I think that is something that is the most important thing our subscribers need to understand vis-à-vis Russia. But let's go to the Ukraine and talk a little about what has been happening in the Ukraine and where things are.

Saker: The thing is that in the Ukraine, there is nothing new that I am going to say. It is really, really bad, but it has been really, really bad for a long while now. What we see is that the upcoming elections in the Ukraine—those upcoming results and inflation of grandstanding and Russophobia and hysterical statements and silly operations like the sending of a couple of ships under the Kerch Bridge. It's the same thing about the Orthodox Church. The government by the Constitution is supposed to be involved in religious matters obtained with the blessing of the empire, of course, which are completely illegal in terms of Orthodox tradition and Canon Law. Basically, a new Ukrainian Orthodox Church was created which has no real basis and no legitimacy in Orthodox tradition.

Ultimately, all of these things are really bad signs. But again, they have been bad for a long while. There was a real risk of war this summer, and the Ukrainian politicians are still constantly making statements in how they want to deal with Russia, etc. It's an inflation rhetoric that I find extremely dangerous.

What is certain is that there are no prospects whatsoever right now of any kind of solution to the Ukrainian problem, and things are just going to get worse. The only question is: How will they get worse?



Fitts: If it continues to deteriorate economically, and if you look at the global economic stresses, I think that is likely.

Saker: Just yesterday I saw a report which said that the Ukrainian auto industry for the past year produced exactly one car, and that one car was just to test the technology. So, there are entire segments of the economy that are completely gone. Ship building is another one of them.

There are a couple of things still working from inertia, but I would say that the Ukraine is a complete failed state and it's a done deal now. It's very dangerous because of that.

Fitts: If I understand correctly, I think that the Russians have tried very hard not to end up being economically responsible for the Ukraine. In other words, they don't necessarily want the Ukraine if it means that they have to underwrite the Ukraine. Is that fair to say?

Saker: Absolutely. I would even say that Russia could not entirely afford it. Even if the Ukrainians altogether – the entire nation – went down on its knees and begged the Russians to come in, they wouldn't do it because even Crimea is hard to support for the Russian economy, and Crimea has huge prospects for the future. So, they are going to be a return on investment. The Donbass is also a burden on Russia, but the rest of it, no way.

The Russians didn't create that mess. They will act politically, and of course, they would agree to some kind of international rescue package to jumpstart the Ukraine, but only once the the 'Nazi' regime is gone. They would never deal with them as they are today.



So, no, Russia will not want anything to do with that. They are going to say that those who did it should pay – primarily Germany. The Americans are not going to pay, but Germany and the rest of the EU are going to have to pay if they don't want to be flooded by more refugees and have major violence on their borders.

Fitts: Let's talk about what I call the 'great encroachment'. For many, many years the United States and all its Administrations – the Clintons, the Bushes, and now Trump, and even the Harvard Corporation – have been steadily encroaching territorially in moving missiles and trying to move missiles in and around Russia. Of course, the Ukraine was part of that great encroachment, but we now see the Missile Treaty with Russia essentially torn up.

Can you explain the Missile Treaty and what this means and what is happening?

Saker: Yes. The Treaty covers weapons that are between 500 and 5,000 kilometers in range. Basically, these are weapons that if you deploy them in Western Europe, they can reach Russia, and from Russia, they can reach Western Europe.

The problem is a fundamental symmetry here. The weapons are American, but they are deployed in European territory. So, that means those weapons would be able to reach Russian strategic targets inside Russia, and with new technology with both cruise missiles and ballistic missiles becoming faster and faster.

The flight time is even shorter than it was during the Cold War, and the equivalent Russian missiles would not be able to reach the United States at all. They would be capable of reaching Western Europe.



Here is the deal: The Russians fully understand that in a case of war, the United States is not going to care about strikes in Europe. That is not comparable to strikes on your national territory. So from that point of view, that Treaty was very important for Russia.

On the other hand, that Treaty limited only ground-deployed weapons. So, you could still have them on ships and aircraft. Russia now has free reign to deploy missiles on the ground, too.

I think it's a really bad idea. I think that the United States did that for financial reasons, but also for reasons of political posturing. The Trump Administration has basically withdrawn from very nearly every treaty that it can think of by now.

It's actually very destabilizing because that Treaty was fundamentally addressing the symmetry. Now if the weapons are deployed – which by no means is certain because first of all, the United States might think twice about it, and secondly, there is some hope that Europeans might say, “Fine, the Treaty is abrogated, but we are not going to allow the deployment of these systems on our national territories,” which would take care of the problem. What is certainly going to happen is that we are going to see a full spectrum increase in an arms race. If the US is fighting that arms race primarily with dollars and the Russians are fighting it primarily with technology, it still is an arms race. So, by definition it is undesirable and the opposite of a confidence-building measure. It just increases tensions and risks and it's really a disaster.

Fitts: Except for the people who make the weapons.

Saker: That's it. It is primarily a disaster for the Europeans who are going to have more crosshairs painted on their cities now.



They've been doing that for a long while now with the employment of the US ABM system. The Europeans are like lemmings; they are acting in a completely suicidal manner and not heeding their own basic security interests, and the United States is using that for financial reasons. Russia can and will reply to it, although specifically Putin has said that it is going to be entirely mirroring its actions.

Right now, the US declared that it is withdrawing, and Russia is declaring the same thing. If the weapons are ever deployed, Russia will deploy her own weapons. Russia has no interest in that arms race whatsoever, but I think that she can deal with it – technologically and financially speaking.

Fitts: It is important to understand the relationship between money and force. If you allow guns to be put at your head around your territory, then you are going to be controlled economically. That is the reality and this is about who controls Russia and who governs Russia; it's not about weapons.

In other words, weapons really translate into political control and economic control.

Saker: I also think it's posturing. I really believe that this is posturing for the internal consumption, and is very much a way of pinning the Europeans. The more the Europeans let their territory become a territory in which the US can deploy its forces, the less sovereignty the Europeans have – which is exactly what the United States wants. They do not want sovereign Europeans deciding upon their own interests.



Fitts: We see the Europeans set up a special purpose entity so they can maintain the Iran deal and they can transact with Iran. So, building the work around SWIFT is a major chink in the reserve currency system. I believe that is not an inconsequential thing; that is step one to really moving around SWIFT. We know the Russians have built a SWIFT alternative and those are big steps.

The other thing that we see Macron and Merkel talking about is an EU defense capability. How serious is that?

Saker: Oh, it's absolutely not serious whatsoever. NATO is big in terms of money and in terms of equipment, but it is an open secret that the only NATO army capable of fighting would be the US. The rest of them are somewhat of a joke as far as moral and training. Everything is extremely low.

The French and the Germans have been discussing some kind of common defense for decades now; this is nothing new.

First, I doubt that it is going to happen. If it is going to happen, it is going to be a fictional thing. Europe is falling apart even faster, and you see the political disunity. Italy just voted not to allow a joint EU statement in support of Venezuela. It's just another sign of how weak Europe really is. Look at the problems with Turkey.

For all practical purposes, NATO is more of a political entity. In military transits, it is the US and a one-man show. Even the Brits are in a very bad condition now.



Fitts: Italy just keeps surprising me. I'm going to be there in March, and I can't wait to talk to people. Every time I turn around, someone is rational in Italy.

Saker: Not only that, but look at the movement of the Yellow Jackets in France. It's extremely dangerous and serious for the government. It's tremendous 'think power', and I believe the Prime Minister in Italy said that the Yellow Jackets are already in power. He considers himself part of that.

With the Brexit on top of the tensions between the French and Germany and the rest of Europe, and with Hungary and Poland on different issues, the EU is in terrible shape. And the immigration problem hasn't been solved whatsoever.

Everything is falling apart, and it is cracking at the seams.

Fitts: In the EU the current political structures don't work and don't make sense. The EU never made sense. But if you look at Europe itself – the infrastructure, the life, and the culture – it's so much better than it is in the United States.

The transportation systems in Northern Europe work phenomenally. I travel in Europe a lot, and the day-to-day life for people in Europe – relative to the United States – is far superior than it is here. So, when people say that Europe is falling apart, I would say that the culture and the life is not falling apart. It is certainly being stressed.



Saker: I'm not so sure about that. First of all, there are a number of things that are still much better in terms of quality of life in the US. Cheap housing is one thing for many people. And also civil rights. There still is a First Amendment in the US, which is attacked from all sides, but it exists. There is no such thing as a First Amendment in Europe.

The immigration crisis in Europe is infinitely worse than what the United States is suffering from concerning immigration. The Europeans would love to have the kind of immigrants that the US has and trade them for what they have as immigrants.

I think that the social and political tensions are much stronger and much more overt. The problem is that it's monolith and the political dissent is being very effectively suppressed here.

Europe is much more diverse, and it is harder to suppress it. You suppress it in one part, and it appears elsewhere. There is nothing profoundly in common between the Catalan separatists in Spain and the Yellow Vests in France or Brexit, but all these things do have an underlying common thing. They are specific to specific locations inside Europe, which makes Europe much more fragile in many ways.

So, I don't know if it's better in Europe.

Fitts: Europe does not have the advantage of the American land mass. There is no doubt.



Saker: Let me give you another example; you mentioned transportation. I agree. In the United States the public transportation is horrible. But then again, if you look at France, for instance, you have very good trains bringing people from the center of the city to the suburbs, but if you look at crime, the Americans would never stand for that level of violence of what is taking place in the Paris suburbs now. Crime is really, really rampant there.

Fitts: In America, everybody buys a gun and takes care of it.

Saker: Agree, and in Europe, all they do is pass anti-gun laws – even in countries which traditionally were very much allowing people to arm themselves. It is absolutely true.

I mentioned the First Amendment, and you mentioned the Second Amendment. So, the US is lucky to have these Amendments.

Fitts: If you go place by place, I think that you need to get very granular. I think it's hard to generalize. Europe is a big place and the United States is a big place. So, it gets very particular to where you are.

Let's talk a bit about Syria. Bring us up to date on Syria and what has happened in Syria.

Saker: I would say that in Syria the main event is a comprehensive collapse of all the US plans there, and I would argue all the Israeli plans there. Recently, Hezbollah Secretary-General Hassan Nasrallah had an interview with a Lebanese TV station where he said ———



— that every single objective that the Israelis had delivered there-which brought the Israelis to do some pretty crazy things-they didn't directly shoot it down, but they hid behind a Russian aircraft. As a result, the Russian aircraft's crew perished. The Israelis were given an opportunity by the Russians to 'save face', and they didn't. Instead of that, they doubled down.

Now they have really spoiled the relationship with Russia. It's getting worse and worse and worse, which is not good for Israel at all at a time when the US is getting weaker. In Syria the Russians have now deployed air defense systems which are actually being very effective, contrary to what people say.

They mention Israeli air strikes on different occasions, but if you compare the quantity and quality of the air strikes since the deployment of these systems to what it was before, it is actually fantastically effective. It has dramatically reduced the Israeli options inside Syria. All the Israeli air strikes are really pin pricks. They make no difference militarily speaking.

Frankly, I think that this is Israeli psychotherapy; they are doing that to feel good. They are trying to prove to themselves that they are powerful. Governments do that.

It's the same as Michael Ledeen saying that every couple of years we need to throw a small state against the wall to prove that we mean business. Both the US and the Israelis are in denial about their weakening, so they engage in political maneuvers and even military actions, which are designed as psychotherapy so that they can feel better and more powerful. It's the Israeli version of MAGA.



That doesn't mean that they are actually on the ground. They are losing everywhere.

Fitts: To a certain extent it is part of the media effort, and they have forgotten what is real and what is entertainment.

Saker: The crucial thing for the Israelis and the Americans is they know that fully well the reality on the ground does not matter. The best example with the Israelis is the defeat they suffered at the hands of Hezbollah. That was one of the worst in military history and it was embarrassing.

The Israelis still declared that they won and I remember George W. Bush saying it. You can deny the most basic facts.

Chris Hedges speaks about an 'Empire of Illusion'. It's really true and it's a core feature. That is why I always recommend that my friends don't listen to statements of American politicians anymore because they are so out of touch with reality that they are meaningless.

Fitts: Is the goal to win the war or is the goal to win contracts that drive the stock market up and generate campaign contributions? The more you lose and the more that you can justify spending additional for equipment, the more money everybody makes. In other words, it's bad for the downward spiral.

In many of these situations I think that the goals are not to 'win the war on the ground'. That is not their goal.



Saker: We have two different levels here. There is most definitely a huge economic component. The entire US Military-Industrial Complex and the armed forces have the goal and are structured to, first and foremost, bring in money to corrupt politicians and CEOs. But at the same time, on a political level, the empire is cracking on all levels, and I think that the US expression is, “To somebody with a hammer, everything looks like a nail.”

They are doing what they are best at, and that is how they cope with every problem – which is ‘lie and deny’.

The typical example is Trump sending three aircraft carrier battle groups to the DPRK in the form of an armada. I think that is what he said. Then there was absolutely nothing. He was grandstanding about Iran, and then there was nothing after that. He was grandstanding on Syria, and then there was nothing.

It is still too early to tell, but I have a feeling that the empire is going to completely fail in Venezuela, too. Maybe I’m wrong.

Fitts: I’m going to return to what I said in 2016. Trump’s goal is to reshore to North America. Part of pulling back and reshoring into North America is to try to keep things going long enough to get your self-sufficiency significantly increased. So, you are bringing up a new system while you are trying to keep the old system going, and it is a bit of a shuffle and almost a bit of a con game.



Saker: I am not a mind reader and I am not a psychologist. I don't know what Trump thinks. But I will tell you that my personal conclusion – having observed his actions before the elections and then after – is I don't believe that he thinks anything. I think that he is trying to appease the neocons, and he will do whatever to do that.

The problem with that is that the neocons – besides being fantastically arrogant – are also fantastically incompetent and ignorant.

Fitts: They can't be appeased.

Saker: Yes, they can't be appeased. Secondly, what they are making Trump do is so terminally stupid that it ends up hurting the US. My theory is that Trump is, what I call, a 'disposable President', which is that the neocons hate him because they can't forgive him for defeating them at the election.

They have taken control of him now, and I think they are going to use him to do the dumbest, most crazy things that their ideology mandates them to move forward with, such as recognizing Jerusalem. While at the same time, if things go wrong, they are going to blame it on Trump and say, "Look. This guy was always so bad. We were also opposed to him. Get rid of him, and put us in power," and somebody from the Clinton gang or someone else that the neocons approve of, Rahm Emanuel or whoever, will be replacing him.



Fitts: I'm more cynical than you, but I want to deep dive into this. If you look at what Trump basically has done in the last year- let's look at reality. Trump has moved a Bush person into running the Fed; he has moved a Bush person into the Supreme Court. While he was doing it, FASB Statement 56 went through, which is an obscure accounting policy that says that the government can have secret books and authorizes secret books in the contractors and private companies and banks that do business with them.

So, they have made the entire securities market dark, and that was snuck through with the approval of Congress and the White House during the Kavanaugh hearings. So, another Bushie goes into the Supreme Court.

Then they announced making one of the great leaders of Iran-Contra as Attorney General. So, he is using another Bushie.

Now you have Elliot Abrams, another Bushie, coming in as the special hitman on Venezuela. As Trump walks out of Bush's funeral, he gives a thumbs-up to G.W. So basically, you see the whole Bush gang moving back in and taking control of the machinery.

It appears to me, not just that Trump has made a deal with the neocons, which is clearly happening, but Trump has essentially embraced the whole Bush syndicate.

Saker: I think that in the case of the Bush's, and even going back to Reagan, we saw the neocons react to the election of Reagan by infiltrating a lot of conservative circles and think tanks and institutions, etc. I personally witnessed that.



I was in Washington DC from 1986 to 1991, and I even had people who I cannot name running think tanks and describing to me how the neocons were taking control by first financing them and then putting people on the board and then changing directors.

The Heritage Foundation wasn't always as neocon as it has become, as well as many other institutions like that. Then during the Clinton years, we had a huge coming out. So, I think they are present in both parties. They are usually, what I would call, the 'Bush faction of the neocon party' now because that is what they have in the Republican Party. But if the Republicans lose power and the neocons manage to put a Democrat in power, then it is going to be the same neocons. There may be different faces, but fundamentally the policies are going to be the same ones that we have now.

They did it to Obama. Obama wasn't a neocon choice initially. Then they managed to turn him around. So they are very, very good at that. The American people beat the neocons in the elections, and the neocons beat the American people after the election inside the White House. That is how they operate.

Fitts: What is hard to understand is the quote presumably from Karl Rove and Paul O'Neil saying, "You're reality-based, and you are just going to watch us." They are not bothered by reality.

Saker: They are not at all.



Fitts: I loved Charlie Ferguson's documentary on Iraq because it shows you the neocons going in and fundamentally destroying the whole civil infrastructure in the country on the theory their team can get more contracts rebuilding it, and they don't really care what they are doing won't work because they don't care about reality. They have their media machine that can sell the latest.

It's almost as if they are running a reality TV show with lots of mind control.

Saker: I completely agree with you. That is why I always bring up the example of the orchestra playing on the Titanic. They played music while the Titanic was sinking. That is a typical neocon thing to do.

I don't know if this is confirmed, but I read yesterday that the US is planning on building two more aircraft carriers which, considering the changes in cruise missile technology and missile technology generally, is about the dumbest thing that you could possibly do.

Fitts: It's 'nuts'! If you were going to double any part of the budget, I would assume that you would double the Special Forces budget. You would double what you are spending on people or their training; you wouldn't spend any more money on big things, but big things are what generates fees for your friends.

Saker: Absolutely.

Fitts: Why would we buy more F-35s? It doesn't make any sense.



Saker: It makes a great deal of sense. It has no military purpose, but it makes a lot of sense because it fills your pockets. We see exactly the same thing at work. Most of US procurement right now is totally disconnected from military needs.

Normally you plan a national strategy, objectives, and you look at the threats and the means of potential enemies, and you look at how you can counter that. This is not happening anymore in the US. What we have now is an inflation of grossly obscenely expensive budget items. Two aircraft carriers makes the F-35 look reasonable.

Fitts: I would say that the US and the planet are dying of a privilege addiction, and that addiction requires the generation of huge amounts of fees for your friends by a whole variety of mechanisms. As long as the bond market and the reserve currency can finance it, the addiction appears to just get worse. The people who are addicted will use any means necessary – whether it is overt war or covert war – to feed their addiction. They are like junkies.

I have never been able to understand the neocons. I have never been able to understand them, but one of the things that I am convinced of is that to feed their addiction, they are prepared to destroy America. The only way that you stop and put them into withdrawal is when the bond market financing their addiction won't do it anymore.

Saker: First of all, I completely agree with you that they are the single biggest threat to this country and they are destroying it by their absolutely insane policies across the board.



Where I would differ a little is when you said that the entire planet is suffering or collapsing because of that. I think that what Russia and China are doing is, rather than confronting the hegemon directly and trying to bring down the 'IMF' or whatever else you want to name them, they are building an alternative.

The SWIFT example is a good example. They are not using some kind of means to try to dissolve and bring down the SWIFT; they are just building an alternative. I think that is what most of the planet will start doing more and more. That is probably the biggest danger for the empire right now.

Another example is to look at what happened in South Korea. South Korea used to be an occupied colony which had no say whatsoever. What Trump did was completely crazy with the DPRK, and the risks of war were very real. The previous very subservient South Koreans suddenly contacted the North Koreans and started doing bilateral discussions, which essentially ended up defeating the US position.

Again, we discussed Italy. That is another example. What is happening is that gradually, one by one, the blocks that form the empire are falling out.

Fitts: Here is where I don't agree. You are talking as if the Anglo-Zionist Empire has a cancer, and if the empire dies, the cancer dies with it.



What I see is that the globe has a cancer. It is doing the most damage to the Anglo-American Empire, but I think that the reason they had a financial coup in the 1990's is because they didn't think that the Empire would last and they wanted to suck out all the money so that when they finished squeezing it dry they would be ever-more powerful.

I think that the cancer metastasizes into something far more dangerous.

Saker: I would agree with your image, but I would change one term of it. The Empire has a cancer, the US has a cancer, and so does the planet, but most of the rest of the planet is gradually becoming aware of that entity-of that cancer-whereas in the US, the propaganda machine is such that while many Americans are actually aware of what is going on and there was a good reason people voted for Trump said, "We want our country back."

But if you are a US citizen, you have no means of doing something about it.

Fitts: Oh yes you do. The ballot is a tool, but it is a minor tool. The US people have a lot of tools that they can use, and they haven't wanted to use them.

Saker: Like what?

Fitts: The weak position of the Federal credit mechanism is that it depends on people buying Treasury. It depends on individuals buying Treasury; it depends on their banks and insurance companies buying Treasury; ; it depends on their pension funds buying Treasury; ——



and on and on and on. The stock market depends on the same thing.

The reality is that the American people have many mechanisms through the money to basically shut off the funding or hold the funding accountable, and they haven't use them. But they are there.

Saker: But, for that and anything dealing with the market and people taking action to the market, implies information. In the United States, there is such a crackdown right now on alternative information. We see that in the social media and generally in the blogosphere people are never told about that.

Fitts: I'm going to be a 'bad guy' now. I am going to tell you one of the hardest things that I have had to understand in the last 20 years. I'm going to ask you a theoretical question. If I sent you an email, and in it I had a paragraph description of how every woman could have as many orgasms as she wanted, and another paragraph on how every man could have as many erections as he wanted, and I sent it to you and said, "This information is confidential. Don't share it with anyone." How long would it take for everyone in America to have a copy of that email?

Saker: I don't know. What do you think?

Fitts: A month! The reality is that people in America are afraid, they don't understand the control mechanisms, and what they know is that generally people who fight the machine get hurt. There are thousands of ways that the machine has control – covertly.



Control in this country comes down to 3,100 counties, and they control people one person, one family, one county at a time.

You are up against a machine that is a one-way mirror because the intelligence agencies and the systems have phenomenal ability to do surveillance, and they have the power to kill with impunity, and they do all the time. They have many other tools, too.

Most people have believed that their bread was buttered by playing ball, but the reality is that if you look at what is coming – and I won't even say that it is coming because it's here right now. It's this year.

If you look at what is going on in the US bond market, the money is finally starting to not work. That means this machinery that can buy everybody into the tent can no longer afford to buy everybody into the tent, and people are having their contracts abrogated on them – whether it's their retirement contracts or their business contracts. So, people are starting to turn. The question is: Will they exercise the tools they have available?

It's dangerous to do it by yourself, but it's not dangerous if you can get enough people organized and you do it in a crowd. That is the question: How can we organize to do that? You are going to have to look at the money.

I've been 'yapping' about the \$21 trillion missing from the US government for more than 20 years publicly, and now it's starting to catch on because people are finally beginning to realize, "Oh, if I can steal \$21 trillion, then I can do whatever I want."



And there is money. There is money for pensions, there is money for roads, and there is money for water systems, but it's being stolen. So, I have to deal with this because there are no solutions unless I deal with it.

The tools are there to do plenty of things, but it is going to take some courage.

Saker: I think I disagree with you here, and I will give you a couple of reasons for that. First of all, the example that you gave is very telling. You spoke about women having orgasms and men having erections. To understand that message, first of all, it caters to profound instincts. Secondly, it is very simple to understand. You have a problem, and you fix it. If you can't have an erection, use Viagra, and you can have it again. That is simple.

But if instead of sending two paragraphs like that, you send two paragraphs on economic issues, most people won't even bother reading it because it doesn't arouse profound instincts. Secondly, there is a level of competence to understand about these issues. It gets made worse by another phenomenon, which is that good information is mixed in with absolute nonsense.

We've seen that very devastatingly used against the 9/11 truth movement where next to world class scientific research you have a lot of idiotic theories of directed energy levels and who knows what else.

Fitts: Disinformation works.



Saker: It works very well, but what happens is people get confused at that point. They know that they are being lied to.

The perfect example is modern medicine. The vast majority of people I speak to realize that modern MDs are pill-pushers, the diagnostics are botched, and it is a terrible condition that is controlled by the pharmaceuticals. But then you look at alternative medicine, and 80% of that is solid ‘kookery’. It’s nonsense. So people try it out of despair, and then they end up being disgusted because nothing works.

I think that people are really confused. I don’t think it’s a matter of courage. When the American people have a possibility of trying to do the right thing – a change you really believe in or a more modest foreign policy or getting their country back and making America great again – every time they try to exercise that, and every time they are betrayed by the people they trust in.

Fitts: Right, but here is the thing: You cannot solve the problem by electing somebody to the Presidency. You have to solve the problem because the money is stolen one county at a time. There are 3,100 counties. The money is stolen one county at a time, and everyone can deal with their county because they drive around and see it, they walk around and see it.

The way you shift the money back is shift it one county at a time in 3,100 counties. And you don’t need everybody. In every county in America – and every county in the world – ten percent of the people are what I call ‘high performance people’. They give more energy than they take. Then ten percent are the opposite; they are the slugs.



Eighty percent just follow whoever is in charge and is no more capable of dealing with economic information.

I've seen it because it happened here in my county. We had a sheriff who walked on the wild side, and people got mad and put in a good sheriff. They were up against major disinformation, a major effort to stop it, but about half of that ten percent put down their foot and said, "I've had it. We are going to insert adult supervision." Sure enough, we got a great sheriff, and it makes a huge difference.

So, you don't need the average American to grapple with any of this. You need in every one of 3,100 counties – and you can start with just 100 counties – half of that ten percent to decide, "Okay, we have to do something."

It is exactly what happened in Port Alegre with participatory budgeting. The townsfolk got together in Brazil and said, "We are going to have to take charge. Everybody involved is going to have to come in and do the budget together. The solutions are all going to be mathematically described and oriented. How many people do we have? What are our resources? How do we make sure that everybody gets fed? How do we make sure that everybody gets water?" and you go from there. That is what is going to have to happen, and it can happen nice or it can happen rough, but you are going to have to have some part of that ten percent decide, "We have to clean up the dirty money in this county," and you are seeing it happen all over this country.



Sharyl Attkisson recently did a great presentation to a group in Montana that cleaned up the health system there, and it is a perfect example of what I am describing. They were able to do the impossible because otherwise they were going to have the state employee health system go bankrupt, and the state employees were not going to tolerate that. They had enough power within the government to get it done. The pharmaceutical companies and the insurance companies just had to eat it.

Saker: I think that there is going to be plenty of what you are describing, and it is already happening in many ways. People do react. But as soon as their reaction becomes big enough to fall on the radar of Federal government and the deep state of neocons, the people involved either get corrupted or get their reputations destroyed. The media describes it as ‘kookery’, and they start opposing it.

In the empire of illusions, reality doesn’t matter until it’s big enough. They are not going to let reality become big enough as long as they can. That is why I personally think that the shock will come from outside; I don’t see any chance of change coming from within the country; I think that it is too late. I think they have built close to a perfect system, but the outside shock is something that they can’t control, and that is where I see it coming from.

Basically, reality outside their sphere of direct control is what matters, and the illusions don’t. The illusions are what wins the game.



Fitts: Outside shock can come in two ways: It can come through the bond market on the financing, or it can come militarily. So, we have a central banking warfare model and the shock can come through the central banking system or it can come through the warfare system.

My question to you is: If it comes through the warfare system, how will it come?

Saker: That is my big fear. I do not think that the leaders of the empire are deliberately going to start a war against Russia or China or any country that can really present a major threat. They can slip into a situation where it rapidly escalates. I think that any military operation – even Venezuela, although I doubt the United States is actually going to militarily try to intervene in the country – if they did it, Venezuela presents very serious risks.

The other countries on the list of countries that need to be crushed – China, Iran, Russia, or Syria – forget it. They can't do it.

I've been saying for years that if the United States actually attacked Iran, they would lose that war because there is no way of winning it. Iran wins by default.

In the case of Russia, if it ended up being a war, I think that the risks of it strategically turning nuclear are very, very high. At that point, the empire is gone because the Russians will wipe it out.



Fitts: Let's turn to Venezuela. For years I've been trying to figure out how much of the downward spiral in Venezuela is coming from Chavez' reforms not being the right package versus the shunning by Langley sanctions and the Anglo-Zionist financial system basically trying to tank them.

How much of it is an economic hit coming from outside, and how much of it is Chavez just not working?

Saker: I am not qualified to have an opinion on that. I hear things from very expert people. I'm about to publish an interview with Michael Hudson asking exactly that question. I think I would defer to him as to how much of that is due to mistakes and ideological policies, as some people say, or massive sabotage.

It is clear to me that at the very least, considering the oil reserves of Venezuela and the need to get some kind of victory, is very important. So far Trump has been defeated in the DPRK, Syria, Iran, Russia, China, and everywhere. Maybe they are trying to show they are still powerful. In fact, the former Monroe Doctrine territory threw Venezuela up against the wall. But to allocate blame for the economic situation there, I am simply not competent to do that.

Fitts: Several years ago when we received serious reports of people starving to death in Venezuela, I spent several hours online trying to figure out a way to send money to the people there or to donate to somebody who could get them money, and I couldn't do it.



You had a complete embargo and it was quite extraordinary. Of course, nobody was saying that or writing about it or telling about it.

Saker: I think that it is likely – although, again, I am not competent to say whether this is correct or not –there were mistakes that were made.

I have friends in Venezuela who were very much pro-Chavez and who were really irritated by some of the things that were happening inside the country with his local political supporters. Apparently, corruption is just as bad as it was when he came to power, and it is making full circle back to Venezuela.

Venezuela had their gold in the UK and their money inside the United States. How wise is that?

Fitts: It's not wise.

Saker: I am not an economist, but I think that those who criticize Chavez and Maduro for having mismanaged a lot of things – and that includes Russian economies – sounds credible even though I'm not competent to say either way.

Fitts: I believe the issue is culture-whatever I'm talking about politically these days, I always come back to culture. You can't have law unless you have a culture which is committed to having law. Where you have hyper-materialism, you get corruption. Where you have Christianity or very strong spiritual and moral cultures, you get something better.

Saker: I agree.



Fitts: One of the things that I continually wonder about is the effort to drive a wedge between Russia and the West to stop the Christians from getting together and asserting a moral culture on the planet.

Saker: The West, the way I see it, is really post-Christian. There are still Christians in the West, but quantity has its own quality. There aren't enough to be relevant in a cultural-civilizational term anymore. I would argue that Christianity is persecuted in the West, or it is complete fake Christianity with very little in common with the faith that used to be called Christianity.

Even in Russia, I know there are definitely reliable religious people who have turned to Christian ethics, but people who truly live by that are not the majority either.

Russia, in some ways, is also a post-Christian society that is now looking for its roots. I wouldn't say that it is a done deal there. It's still a moving target, and it could go either way. In the West, I don't see a chance for any kind of Christian revival. For individuals, yes; for small communities, absolutely. Why not? But in terms of entire societies becoming Christian again, I think that is absolutely impossible – at which point it makes no difference to separate Russia from the West.

I think that Russia and the West have been separated for over 1,000 years now. What is happening in Russia will not spill over into the West. I do not believe that will happen either.



Fitts: As you know, I love your books, and your first book was a shock. I asked my assistant to print it because I didn't realize how long it was. I ended up with this huge pile of paper on my ottoman. I would read it at every meal and 'laugh until I cried'.

One of the things that I loved was you describing leaders in Europe, including France, who really understood what was going on. They had both a marvelous understanding and a marvelous sense of humor. I thought about it the other day because, to Macron's credit, he went into the streets and started walking around and talking to people. It was fascinating to watch. I don't know if you watched any of it.

I realized that he doesn't understand. He has no idea what is happening bottom-up in the economy. He is an 'attack poodle'. He has been groomed and raised, and he really doesn't know that it's not a meritocracy. He really thinks that he worked his way up and it's a meritocracy. He really doesn't understand the covert side of the economy.

I realized, "This is really dangerous." You have so many of these people who are fine if the machinery is working and it's not unravelling, but in an unravel they have no idea how to navigate because they have no clue how the system really works.

Saker: That is absolutely true. In France there is a real risk. All that it would take in France is enough of the police and security forces to say, "We support the protestors," and this has already happened locally.



I've always said that a revolution in France is an absolute possibility, and with their shock, things could go south with violence or a confrontation somewhere or something happening with security forces. Macron is in danger as well as the people behind him. As you said, he is groomed by them. He is the French version of Guaido and is the same deal exactly. They are both puppet figures that have a specific look and are supposed to bring through the interest of a specific ruling class in France. That ruling class is panicked right now because they usually do one of two options: Either infiltrate and take control of the opposition, or discredit it.

For instance, the ruling class in France did a marvelous job taking the unions under control. The unions are not controlling the protest whatsoever now.

Fitts: If you look at the Yellow Jackets, that ten percent I was talking about, there is a lot of that ten percent in those Yellow Jackets.

Saker: Yes, and there is not one leader. This is very important and it is going to be hard to decapitate that movement.

I thought that it would 'peter out' just because it's been twelve weeks already. I thought that it would eventually collapse, but it still seems to be going, much to my amazement.



Fitts: This gets back to the productivity backlash. The Yellow Jackets includes much of the productivity backlash because you have many people who know what it takes to make the economy go, and they know the centralization and the pushing everybody into the cities is not economic.

They have the knowledge. It's interesting because in many ways France is much better set up to shift the money and the spending, specifically because I think you're right. They can get the enforcement side to support them.

Let me turn to the US elections. We already have the 2020 election off and running. Tulsi Gabbard is someone that you and I have both paid attention to.

I don't think that the President of the United States can get a whole lot done. So, if change is going to come, it is going to come from 3,100 counties, each one at a time. If it does, then the President can do more. I do believe that it always matters the quality of the people you have in every position, regardless.

Tell us about Tulsi Gabbard because you've followed her a bit.

Saker: The key word is 'a bit'. I like her and I like what she says. For instances, the trip that she took to meet Assad and she has a lot of things going for her. However, she has already backtracked on at least one issue, which is homosexuality. That is because she announced that she is running now.



First of all, how is she going to make money? Secondly, look at the reaction of the Democratic side, particularly the neocons. They are absolutely trying to destroy her. They did it to Trump, and it didn't prevent Trump from being elected. So, that might not be a showstopper.

I don't think that the system can reform itself by political means in the US anymore, and I don't know that Tulsi Gabbard would have the courage and the staying power to resist the huge pressure on her. Finally, if she makes it to the same White House that Trump did, look what it did to him. Is she going to be so much stronger than him?

I think that it is going to be interesting to see what happens. Again, I like her very much, but would I pin any hopes on her? No.

Fitts: My read of the financial coup is that they have stolen enough money to buy America – to buy the government and to buy everything. Now the question is: What is their plan?

Clearly, their plan is 'fortress America'. What else it involves is hard to say.

Let me turn to the last thing that I want to talk about. I love your website and the articles, and you have an incredible collection of people writing for you. You also have the most fabulous debates and dialogues with the articles.



I was printing some of the articles to prepare because I wanted to take the material into the den to read it, and the discussions go on for much longer than I anticipated. If you print out an article from *The Vineyard of the Saker*, you use up a great deal of paper.

Anyway, your website is an extraordinary community of people and things. I would love for you to just describe it a little.

Saker: I'm really happy you mentioned that because all the credit goes to the moderators. I'm always accused of censorship, and they say that the website is heavily moderated, but actually there is a lot of truth to that. It is a website in which the comment section is very strictly moderated. I think that the moderators – although none of them are perfect – are the ones who do a superb job in my opinion.

Fitts: The only thing I've ever seen censored is bad manners.

Saker: It goes beyond that. There is a list, and I actually have moderation rules, and it is getting longer and longer.

Some people either close down the comments section because they get desperate, they get trolled, and a lot of idiots and 'nut cases'. The internet is the perfect platform for expression form crazy people, however some are amazing.

I will mention one. I have a person who has been on my blacklist, and he is never going to be published. He's been on my blacklist for years now. On a normal day, he tries to post four to ten comments on average and he is still at it! He deserves credit for that.



He hasn't been published a single time in years, and he is still trying to be published. He is clearly a 'nutcase'.

So, either you shut down the comment sections or you make it a free for all, and I can guarantee that it is going to be hijacked by a group of loud, obnoxious people who have nothing else to do.

Unfortunately, if you want to have a good conversation, you have to have strict rules and strict enforcement of those rules. Some people resent it. They view it as censorship. I am actually deeply grateful to the moderators who, in my opinion, are doing a superb job.

Fitts: They do a very good job. The debate is free range and wide.

Saker: It is very rare that anybody ever says anything good about them. All they get is complaints and criticism, which is grossly unfair. Look at the alternative.

Fitts: I think they do a fabulous job. The proof that they do a fabulous job is how many people are showing up to discuss.

Saker: I agree.

Fitts: It's all in the performance, and people don't show up and invest time in discussing and debating. They don't pour their intellectual capital out unless they feel like there is safety and there are rules and there is law. The rule of law really does work.



Saker: I will give you an example. Some people just cut and paste from another article. That is banned on my website. You can quote an article if you want, but add your own thought. If you are just posting a link or quoting a paragraph from an article, you won't get posted. That is a simple thing.

Fitts: All that I can say is that it works. I want you to describe your books as well. When you live in North America, whether it is Canada or the United States, you tend to live in a bubble. You don't get the richness and the vitality and the complexity of the multipolar world. This is not true for people who live in Asia because in Asia they are involved in many other cultures and countries, and it is the same in Europe.

When you read your books, it gets you out of the bubble and into that complexity in a really 'delicious' way because there is so much that is fun. No matter how dark you get, it is very, very funny.

Saker: I am actually working on a third book.

Fitts: Really? I'm looking forward to this. When can I have it?

Saker: It's my problem; I am the one keeping it back because I'm too slow on it. It's going to be big. The original draft was over 1,000 pages, and we are trying to reduce that now.

Fitts: I know that it's expensive to publish, but I don't mind.



Saker: It's coming up, and it will come out sometime this year – 'God willing'.

Fitts: We look forward to it. Tell everybody what your URL is and how to find you and how to support you.

Saker: That all can be done on my blog which is www.TheSaker.is (as in Iceland), and you can get the books there. The first one is a free download. You can order the second one, and you can see all the articles and my weekly analysis. They are all on there and that is the place to go.

Fitts: Check back because there is plenty of vitality. There is a lot of that 'Chock Full o'Nuts' energy there.

Is there anything else that we missed that you want to describe? Is there anything that we forgot to talk about? Do you have any last words for your many fans?

Saker: No. I think we have covered the main ones. There was so much to cover that we took a bird's eye view of it, but I think that we covered the main places where it is happening. Obviously, the next big thing now is Venezuela. Clearly, the tensions worldwide are major over there and we will see how it goes.

I am uncharacteristically – and maybe mistakenly – cautiously optimistic. I think that it is so ridiculous that maybe it will flop.



Fitts: There is one thing that I forgot to mention. Since we brought up Venezuela, maybe I can just comment on this: If I was going to pick a person as a special envoy – if I was the President and I was going to pick somebody who everybody in Latin America would know and loathe – it would be Elliot Abrams.

Saker: Absolutely.

Fitts: So why would you want to pick someone who everyone in Latin America would unite against you?

Saker: The explanation is the word ‘neocon’ and the way that they are completely detached. Their level of arrogance and condescension and stupidity and hubris is just absolutely mind-boggling. It is the worst.

If I spent ten hours thinking about who the worst possible person would be, I would have picked him. I really would. It’s a slap in the face to every single American.

Fitts: Tillerson had put Abrams forward as a potential deputy, and the White House rejected him. So, the turnaround on Abrams I can only explain by a deal with the Bushies. That is the only way that I can explain it, but I still find it a remarkable reverse marketing on the part of the US Administration. I just can’t fathom it.



Saker: And yet another one of those Trump white flags where he says ‘A’ and then does the opposite, ‘a non-A’, hoping to appease the neocons who are not going to be appeased. They are just going to be even more empowered.

Fitts: What was it that Schumer said? “Trump will learn that you have to do what the intelligence agencies say.”

Saker: Yes, and he is right.

Fitts: Saker, I can’t thank you enough for everything that you are doing. Keep doing it, and let us know how we can support you at The Solari Report.

Saker: You can do that at the website. Thank you so much for having me. It’s always a pleasure.



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