



The Solari Report

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The Emerging Multipolar World with Saker: Russia, Ukraine, and the Risks of War



Catherine Austin Fitts



The Saker



The Emerging Multipolar World

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C. Austin Fitts: Ladies and gentlemen, it's a privilege and a pleasure to welcome back to The Solari Report, the Saker. We're doing our quarterly discussion of the emerging multipolar world. Today we're focused on the Ukraine, Russia, and the 'lobbyists of war'.

Saker, thank you again for joining us. You have a new piece out this morning. Maybe we could just dive in and have you tell us a little bit about it and how to find it on your website.

Saker: Yes. Good morning, Catherine. It's always a pleasure to be with you. There are three of us who are Russian bloggers in the United States: Dmitry Orlov, who you probably know through the Orlov Club; Yevgeny Gurevich, who was the head of the Russian version of the Saker blog, and myself. We're basically trying to raise the alarm because we believe that if nothing is done, there is a high risk of war between the United States and Russia.

We also believe, which I think is highly relevant, that war – even if it starts locally in Europe – would rapidly escalate to a nuclear war. We don't believe it can stay confined to Europe, and the United States mainland would be hit.

Finally, there is no reason for that. This is purely ideological that Russia has been cornered into a position where she cannot retreat any further because, we think, that over the past 20 years the West has been pushing Russia further and further and further. Now American weapon systems are literally within artillery range of St. Petersburg, and there are US and NATO forces deployed all around Russia in Europe. We believe that if that continues, and if nothing is done to change that course, the chances of war, nuclear war and intercontinental war, would affect the US homelands. We are extremely worried about that, so we try to raise the alarm.



C. Austin Fitts: Let's step back and build back up to how things have gotten this bad.

Bring us up to date on what is going on in the Ukraine.

Saker: Well, the Ukraine is more of the same, but worse. It's true that it has been going on like that for a while now. Clearly, I think the major development is that the central power is getting weaker and weaker and weaker, which allows more extremist people to come into key positions.

Poroshenko is still holding onto the central authority in Kiev. I would say exclusively, thanks to US support, and if it weren't for the support of the United States, he would have probably been overthrown by now.

What is worse, is that the people who are trying to take action against him are really true neo-Nazis. What happened, to make a long story short, I think the first revolution of the Maidan was, as some people would say, the revolution of the millionaires against the billionaires. So the millionaires overthrew the billionaires and took power.

I would say the bulk of the very top of the junta in power in Kiev are very wealthy individuals. Usually they're referred to as the 'oligarchs'. However, there is another group that is very distinct from them, who are the neo-Nazis; they're real extremist people.

When I say 'neo-Nazi', I don't mean that as a slur. I mean they're every bit as ideologically focused and passionate as any member of the SS would be. Another example, just to give a correct understanding, we're not talking about nationalists who just wave flags and sing songs. I would compare them to Daesh in the Middle East in terms of their ideology and the kind of methods they're willing to use.

Now we're seeing a man like Andriy Parubiy who is the second man in power. He's the Speaker of the Ukrainian Rada. Probably most of our listeners have witnessed the return of Nadezhda Savchenko to Kiev from Russia where she had been convicted for the murder of two journalists. Putin pardoned her on the demand of the families who wanted the two Russians arrested in the



Ukraine in exchange for her. Once she came back, I posted on my blog, both her initial speech when she landed at the airport, and yesterday she spoke in front of the Ukraine parliament.

Wow! These people are the real thing. They're not oligarchs. These are truly ideological purists of their ideology, and they are direct threats to Poroshenko.

The latest that I've heard, and I cannot confirm it 100% but I'm pretty sure it's true, that one of the volunteer battalions – which is the polite word for 'death squads' – called the Aidar Battalion and actually said that if Poroshenko signs the agreement (and he's signed them already) and implements them, and gives the status of autonomy to the Eastern Ukraine, they would actually hang him.

C. Austin Fitts: Right.

Saker: You have to realize that in a country like Ukraine, we're very much dealing with a situation of a failed state. The local authorities, the regional governors, and the various death squad commanders are all loyal to the Center to the degree that the Center can provide either money or protection.

Another Center can't provide either. Money-wise, they're running out of it. The West is funding just the minimal needed, but it's not enough to pay off all the local warlords and oligarchs and gang heads, etc. In terms of protection, a state is supposed to have the monopoly of violence. Well, the instrument of violence, you would say legitimately, the Ukraine is just a place where the military – for all practical purposes – cease to exist. They exist on paper, but in terms of the real firepower, they're all in the death squads in the volunteer battalions of the Nazis.

The Ukraine is slowly sinking into a Somalia-like kind of failed state, but, the appearance is saved because as long as Poroshenko is in power and as long as officially they can meet with Western leaders, and they can hug, etc., it looks

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okay.

Well, it's not. When Nadezhda Savchenko came back to the Rada, the first thing she said when she addressed the members of Parliament sitting there – which she certainly considers the fat cats and cowards and has no respect for – was, “I will never allow you to sit in these chairs and forget all the people who died for our cause.”

That was a threat. So I think the Ukraine is slowly falling into complete chaos. One of the big questions is: Would the central authorities try to attack – yet again – a third time, the Eastern Ukraine with the hope of doing what the Argentinians did with Melvina's war, and try to distract from internal problems by creating external conflicts.

That is the big question. On one hand, they might do it out of despair. On the other, all the signs are that the Donetsk and Luhansk Republics are way stronger militarily. At the end of the day, they are backed by Russia. So they're not going to succeed.

It's chaos, it's internal violence, and it's the different factions of those who came to power in the Maidan Revolution who are going after each other. That's how I would summarize the situation.

C. Austin Fitts: You're going to have steady depopulation because people are going to keep immigrating elsewhere.

Saker: Oh, that is already happening.

C. Austin Fitts: Right, and the economy is just going to keep going down, down, down. At some point, don't pieces collapse into Russia?

Saker: No, not necessarily because I think pieces do collapse. The key word here is 'pieces'. What happens is in a situation like this, the 'local authorities' – and I use that term very loosely – become far more relevant.

That is, what I see happening, is people in the various regions more or less openly ignore Kiev and start to do their own thing because they're better off



doing that. Really, they are.

You would have the western Ukraine – Ivano-Frankivsk – doing their own thing; the south, Odessa and the Black Coast region, doing its own thing; and the east doing its own thing; and the center is the big question because they don't have a natural position there. What I see is a regionalization, not unlike what happened in Somalia where war lords controlled certain sections of the country. They will not become local potentates and will be able to provide protection and money, because money will still be made during the situation of war.

When an economy collapses, there is still a lot of money to be made; it's just made differently, and it's concentrated in different hands.

C. Austin Fitts: Right, especially if some of the farming continues.

Saker: There's much more. There are still a lot of things that can be done. Trafficking is one big thing. The Southern Ukraine has always had a very distinguished tradition of doing that under every ruler, and it's sort-of natural – which is really sad. It's ironic because what the people in the Southern Ukraine, particularly the city of Odessa, did by doing constant black markets, bull marketeering and trafficking is really what the Ukraine should have done openly and legally; which has become a hub between East and West.

That would have been the natural calling for the Ukraine- to be a neutral separator between East and West- and a natural, obvious commerce and transfer of goods and services kind of place. That is what is going to happen in the South. They will still do it; they'll just do it illegally.

C. Austin Fitts: So how does what is happening in the Ukraine relate to the US-Russian relationship?

Saker: I'm sorry; I forgot to answer your question directly. I went off on a tangent here. Regarding the pieces falling back to Russia and why I don't think this is going to happen, is because Russia has the ability and the desire to accept a large number of refugees, but she has the ability to close the border to chaos.



C. Austin Fitts: Right.

Saker: It's not like there's no risk of infection. There is a risk, and I think Russia can cope with it. I don't believe that's the case of most of Europe. They will deal with the worst of the refugees. Russia has a very effectively functioning internal security service; the FSB. They have large border troops and they actually created the National Guard. All of this are the exact tools needed to build, not a physical wall –like what the Ukrainians did. For a while they had a project of building a moat along the Russian/Ukrainian border. Nothing came of that, and millions of dollars were stolen over that. That was all that happened.

An administrative wall can be built by Russia to protect herself; but Europe is the big question. We have already saw, with the wave of refugees from the Middle East, that Europe is completely unable to cope with that kind of phenomenon. That's what I wanted to say about the pieces falling back to Russia.

As for the Russian-US relationship, what concerns me, is that the US will use that chaos to the max to create a non-existing Russian threat because, disregarding reality and facts, all of that will be blamed on Russia no matter how ludicrous it is. It's a famous trick. It's weapons of massive destruction that Saddam had; I think it was 45 minutes that would be the time needed for the Iraqis to strike the UK. I also remember when the war started in Bosnia, the Prime Minister of the UK was saying that a Serbian MiG could fly and bomb London. It was that kind of nonsense.

I think that's what they're going to do to try to instill a sense of panic and fear because the United States desperately needs a crisis in Europe, and that is exactly what Russia does not need. I think that's going to be the next major, major geopolitical process. There are determined attempts by the United States to create a crisis at all cost in Europe and Russia who trying as hard as she can to not get involved in it.

C. Austin Fitts: But if the US accuses or tries to blame all of it on Russia, you know, "Sticks and stones can break my bones, but names can never hurt me."



In other words, if they're just trying to smear Russia, why does that have to go to that? Russia is remarkably able to stay immune to phony accusations.

Saker: There are two main scenarios, and both could happen. The least toxic one is the following one: The idea to create a crisis is basically about big money. By creating a sense of tension and panic, as in Latvia, who is already doing pre-invasion drills because the Russian _____ . That's how the local politicians are trying to scare the population.

I heard a report yesterday that most Latvians don't believe that Russia wants to invade. The same deal is going on – exactly the same thing – with Poland. The guard in power there is constantly trying to ward off a Russian threat. What that means is bigger military budgets. It's very, very simple.

Professor Stephen Cohen, during his recent appearance, had the figures for the military spending, and they're going up dramatically. Since NATO countries have to be compatible with NATO standards, which means getting American equipment. So that's the first big thing. That's a lot of money; it's a multi-billion business, which is going to help the US Military-Industrial Complex.

The second thing that this provides, is career opportunities. It's not irrelevant. If you can make a name for yourself by making loud statements inside NATO, being a hardliner, is also a career-enhancing thing to do. In Poland, they're competing to see who can be most Russophobic because, in the White House, that is seen as career enhancing. So that's why you have people like _____, for example, in Lithuania, who make insane statements, and there are some Poles doing the same thing. So that's a political way of getting things done.

Finally, the reality of punitive Russian threats being mentioned justifies NATO.

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And if you draw it out long enough, it means that NATO is going to be present in Europe for another 50 years, and that means Europe will remain a US colony with no foreign policy and no independent policy at all. It's just going to be a protectorate of the United States. That actually is a good scenario.

The much scarier one is the idea that some people in the United States would like to start a local war in Europe just to get the same objectives with a maximal premium on it. Also, since the war in Europe would further weaken the EU economies, that would actually have a side effect of strengthening, comparatively, the dollar and the US economy.

That is the scarier thing. So either they're just trying to create attention but not cross the line, and they think they can stop on time, or they actually want a war in Europe but want it to be limited and contained. Myself and the signatories of that appeal – which we call the 'Russian Warning' which you can find on my blog at www.TheSaker.is – don't believe that a war in Europe would be confined to Europe because of modern equipment and the ways in which modern wars are fought. That's the really scary thing.

C. Austin Fitts: Right. This is starting a war with somebody who has intercontinental ballistic missiles.

You know, I've spent many, many years trying to understand what the deep-seeded hatred of Russia is. I used to have a relative who was in the US military, and he would go off about how whether it took 100 years or not, we had to get the Russians.

I would get him to try to explain why that was the case, and I could never get a coherent explanation. So let me just run some things by you.

Right now if you look, one of the biggest industries in the United States, as you said, is weapon sales and exporting military of a variety of ways. It's a huge business, and we're number one in the world. Russia is number two. In many respects, they're the only one who can take us on in terms of development, creation, and marketing of weaponry.



Of course, we don't admit to really having much in the way of space weaponry. It's a very ungoverned area and dynamic area, but Russia has the potential to really threaten us on it.

So two things in my mind are, the competition for weapon sales and supremacy in space. What other reasons are there? Where's this very deep-seeded hatred coming from?

Saker: That is a topic that really deserves a PhD thesis. As a matter of fact, a Swiss journalist and a member of the parliament of the city of Geneva, Guy Mettan, just released a book in French. I know it's coming out in Russian, and I hope it will be coming out in English. It's called *Russie-Occident, Une guerre de mille ans*, which means *Russia & the West, A Thousand Year War*, and the subtitle is, *Russophobia from Charlemagne to the Ukrainian Crisis*, because the roots are extremely old. I would fully endorse his theory that the West has hated Russia for the past millennium.

It began by a religious hatred that soon became a political one. My contention is – and I know it's a very controversial one – that the West has always had a messianic ideology underlying its own self-identity. It used to be the papacy that felt the Pope was the viceroy. If you want the deputy of Christ on Earth, I'm not sure what the name is in English. He basically rules the church in the name of Christ all over the planet and over all the Christians. If the Christians, like the Orthodox, don't obey, then they need to be subdued.

Then other ideologies came. For the French Revolution it was the messianic revolutionary ideologies. They again had to fight Russia as being the one who didn't allow things to go the proper way.

Of course we had the episode with Hitler, which had its own racial ideology. Then came the democracy and capitalism ideology. All those ideologies lay a claim to universalism, and Russia is the big party pooper. It's a country that, first of all, doesn't accept any of these ideologies. Secondly, it actually has the military means and the population and resources to confront and fight them.

I think the roots are very, very old. There is a Russophobia that takes its roots at least one thousand years, and it's not only that; there is more.



There is a much more recent Russophobia which is one of the neocons. Their Russophobia is a unique phenomenon because what they come from ideologically, and very often their families, have roots in Trotskyism. These were the people who really created the Soviet Union.

Trotsky certainly was somebody who I consider one of the most brilliant people among the Bolsheviks, next to Lenin. He created the Red Army. He installed the Bolsheviks into power, won the civil war against the White Guards, and then the Trotsky's ruled until Stalin came to power.

When Stalin came to power, he purged that entire element. I think that created a fantastic deal of resentment on the part of already anti-Russian sentiment. Trotsky's were always very anti-Russian. The vast majority of them were Jews who considered that Russia was an anti-semitic country. Here again, they defined that as a Russian anti-Semitism, never mind that Stalin was Georgian and couldn't even speak Russian with the proper Russian pronunciation.

So a lot of them fled, came abroad, created the basis of leftist movements in the West, and then eventually flipped from the extreme left to the 'extreme right'. I don't think these categories really mean much, but that's how they're used today.

We have the neocons, that are now the hardliners for the empire and for, supposedly conservative values, who come from former Trotsky, who have a personal hatred towards Russia just as they hate the Palestinians because they dare to occupy 'their Israel'.

C. Austin Fitts: Let me bring in the money for a second, because we know that the US Treasury teamed up with the Russian Mafia during the 1990's to asset-strip Russia. That was from 1989 to 1997/1998, leading to the Russian bankruptcy, which is why Russia enjoys not having a whole lot of debt right now.

Anyway, the Russian Mafia is essentially 99% Jewish.

Saker: Yes.

C. Austin Fitts: My question is: How much of that money is really the



money financing the neocons?

Saker: I doubt it. I really doubt it. Maybe I'm mistaken. I'm not a Mafia specialist, and when I say that the Russian Mafia is 99% Jewish, I think we're talking about the original Soviet/Mafia during the democracy years in Russia, under Yeltsin.

C. Austin Fitts: Right.

Saker: There is definitely a non-Jewish Russian Mafia, too, mostly in Russia. Then the two, as far as I know, work very nicely together with no problems. There is no racial tension between them.

C. Austin Fitts: It's all business.

Saker: Exactly! As far as I know, I've never heard of any information linking the neocons directly to Russian mobsters of any kind, unless you consider Khodorkovsky a Russian mobster, which he was of course.

C. Austin Fitts: It would flow through Wall Street.

Saker: Is Khodorkovsky financing Soros, or is Soros financing Khodorkovsky? I think it's the other way around, but I'm not sure. I might be mistaken.

C. Austin Fitts: Right. Well, it would flow through Wall Street, so it certainly wouldn't look like Russian Mafia money.

Saker: My understanding of what I've observed, is the neocons managed to successfully infiltrate first, the Republican Party, and then the Democratic Party. They did that inside the United States by their own resources. I'm not aware of external involvement but, then again, the fact that I don't know something doesn't prove anything. Maybe it had; I don't know.

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C. Austin Fitts: One of the interesting things that I've seen about the neocons to the extent that I was exposed to them during the Bush Administration is they really believe in chaos. They really believe that the way to clean the slate is to bring chaos and wreck the place, and somehow, magically, your new order is going to emerge from that.

It's kind of an insanity that they just never seemed to give up on.

Saker: But is that really a neocon specific thing? I think all people driven by ideology of hate are much better at destroying than at building.

C. Austin Fitts: Right.

Saker: I think for people who are driven by hit, and the neocons certainly are, building is just not sexy. To destroy really well, that is interesting. That's what they do naturally. I don't think they're very good at building anything.

What have the Trotsky's or the neocons ever built positive? I'm unaware of anything.

C. Austin Fitts: Leonard Cohen has a line that I love. He says, "We were born blinded by the beauty of our weapons." That reminds me of the neocons.

Let's dive into Russia. One of the things that has amazed me is I've watched many different people, companies, and countries cave in to the face of enormous pressure by the US and things like financial sanctions. What's been quite remarkable is that all those tactics seem to have boomeranged and worked the other way in Russia. The Russian population seems to support Putin in standing up to the sanctions and fighting back and creating independence in a way that you would never see happen in the United States. So it's quite remarkable to watch what's happening.

Saker: Yes, and it's due to a couple of factors. The first thing is to remember that the Russians are very close to the Ukraine. They're seeing what's happening right across the border, and have also – most of them at least – a vivid recollection of the late 1980's and early 1990's. They have been shell-shocked.



Recently I was listening to a very interesting Russian analyst on the Russian radio saying that the argument was presented by the West, and if we accept all the West's conditions, we will live in prosperity and be left in peace.

He retorted to the guy who I'm quoting; it's called _____. He retorted, "But we've already done that. We've caved to everything. We've sold everything. We've completely bowed to the empire. We did everything asked for in the 1990's, and look where that got us."

C. Austin Fitts: Right.

Saker: That is really crucial to understand. That is a very powerful argument because it really says what Russians are convinced of in the Kremlin and the people – and I am personally, too, because I fully agree with that – is that, if cornered, Russia has no other option.

Once that is clear in your mind that this is not a, "Do I turn left or right," situation, but it is a, "Do I submit or fight?" And submission is not an option either because submission really brings up what has happened to other countries who ended up submitting – Libya, Iraq, Afghanistan. Russia does not want to go there. Absolutely not.

Secondly, there are the memories of World War II. A lot of them say, "My God! When we see that hatred for us, the last time there was such Russophobia, we ended up with German tanks running over us. So we will fight."

At that point, economic sanctions don't make that much of a difference. I'm pretty convinced that if the people of the United States were actually threatened in their livelihood and their security, and their option was to submit or to fight, they would fight just as much as the Russians would if they had the same degree of conviction and they have no other option.

C. Austin Fitts: Right, although you have to remember that Americans have no faith in their leadership.

Saker: Yes. That is absolutely true, whereas Russians do have a rock-solid faith in Putin. But then I would say, "Why do they trust him so much?"



Really, his willingness to openly say that. For instance, there was a very famous situation a couple of years ago in St. Petersburg where a journalist told Putin, “You know the West is trying to humiliate us.”

Putin replied, “No, no, no. You’re getting that wrong. They’re not trying to humiliate us; they just want us to submit.”

That kind of message – people receive that and it’s a shock for them. Pro-western liberals right now in Russia must be most definitely under 5%. I would even say they are 1-3%. When they start saying, “Look at that conversation. Was it worth it? Look, we now have sanctions, etc.,” the typical argument of the rest – which is over 80% of the people – is, first of all, “It’s not the sanctions that hurt us; it’s the falling prices of oil primarily. Secondly, sanctions were imposed long before the West became anti-Russian by moving NATO to our borders during the very same years that we were submitting to every single demand from the West. And finally, is having less French oysters or less French cheese in Moscow a reason not to fight for our sovereignty?”

Once Russians accept that they’re at war, and I think they are; I call it an 80% informational war, 15% economic war, and 5% military war. Once you accept that, you realize that as the class-fare wars come, Russia is having it cheap, particularly to compare it to the Ukraine.

So that’s why Russians are standing very steadfast. These sanctions’ price to pay is inevitable, and they’re convinced that they’re paying the cheaper price by being steadfast.

C. Austin Fitts: They are. I agree with them completely.

Saker: I agree as well.

C. Austin Fitts: Now, there is a very wide disparity, if you read the US friendly sources. Basically, what they say, is the oil prices are going to continue low, and there’s no way the Russian economy can survive. Ultimately, Putin will fall.

Saker: I don’t buy that at all.



C. Austin Fitts: Right, and you don't buy that at all. What I would love for you to talk a little bit about is the oil price, the economy, and what you see as lying ahead for Russia.

Saker: First of all, the oil prices remaining low, is an assumption that needs to be questioned. How long will it remain low? There are generalized prices worldwide, yes. But that means it's a problem for everybody, maybe for the West in terms of having an economic crisis. For the Russian, it's the effect of that crisis which is the problem.

Really, and most Russians agree to this, the problem of Russia is an economy that needs to be diversified and that needs to do other things. It has other resources. Russia has fantastic human resources and technology; nuclear technology, civil nuclear technology, aerospace, computers, science, chemical engineering, you name it. Also, Russia has other resources other than oil – water. Simple water is going to be very expensive pretty soon, and Russia has plenty of it.

I think it was McCain who said that Russia is just a large gas station. That's an oversimplification. It was that for years, particularly during the Yeltsin years where everything was being sacrificed and the legacy of the Soviet Union, which left a huge technological and economic legacy, everything was squandered and destroyed for the quick fix of selling oil. That is true, but that also brought the crisis about. So Russians don't want to go that way anymore, and they're counting on the human potential, particularly, to come out of it.

The last projections I saw, were that renowned economists predict that next year Russia will get out of the recession, with very small fingers but will marginally come out, which is not bad at all compared to the situation in Europe or in other countries.

There is a global crisis, which is bad for Russia anyway. It triggers low oil prices, which is bad for Russia, of course, and then there are sanctions, which

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present short- to mid-term problems for Russia, particularly in credit. But none of these are fully necessarily crucial.

Right now there is a fight between several economists in Russia. Specifically to name them, on one hand, there is Kudrin, the former Minister, and Sergey Glaziev, an advisor, who are now members of the same board of economic advisors to Putin. He put them all together on one board, and very recently they had a meeting behind closed doors. Rumor has it that the two clashed pretty strongly on the options, and basically, Putin's decision was, "We shall not sacrifice sovereignty for economic rationale. However, we will undertake further needed economic reforms."

I think in a way it's a blessing for Russia in that situation.

C. Austin Fitts: Right. I was going to say that the sanctions have done a lot to help the internal agriculture build up its capacity.

Saker: Yes.

C. Austin Fitts: That ultimately would really help Russia be more sovereign. Of course, we haven't brought up the values. One of the things that is going on here – and I'm going to grossly oversimplify – is we have the Orthodox Church up against Washington – what term should I use? – 'nealism'.

Saker: That's as good as anything.

C. Austin Fitts: So there's a deep values issue and it translates into the economics of: Are we in an economy that organizes around people, or are we an economy that organizes around harvesting people for big corporations? Is that fair to say?

Saker: I think that is happening in Russia, yes, but I would say that most of the economic circles in Russia are also turbo-capitalists.

There are exceptions. Some of them are very well known, but that is one reason why there is a large segment of the population of Moscow that hates Putin. That's where you will find the most pro-US people – people who think



that capitalism will allow them to get rich.

What protects Putin is that the majority of people have a say, and by their votes they get to resist that pressure.

Conceptually, the way I see it, is there is a struggle for sovereignty in almost every country between big money and the people. As long as people retain the sovereignty, big money has to essentially serve them.

When big money becomes the ruler, it's not one dollar is one vote, like it is in the United States; then the people become an expendable commodity. That struggle is still happening in Russia. I wouldn't say it's that clear.

There is a lot of Orthodox or traditional Islam, but I would say that many people are still looking. Very often you'll hear Russians saying Russia needs a new national idea. It's there. It's 'social' as opposed to 'socialism' because they say Russia is a social state. Fairness is also a big part of that, and morality. I think most people do support traditional families and respect for traditional values. It's there, but again, it's brewing. It hasn't reached as strong a consensus as, for instance, the defense of Russia against the empire, which now has totally solidified any social context.

What you're mentioning – these value things – are being hotly debated, and I would say it's in a brewing stage; it's not finalized yet.

C. Austin Fitts: Right.

So let's talk about war. From where I sit – and I'm not watching this anywhere nearly as closely as you are, let alone half the depth of your knowledge – it hasn't looked to me like it was getting close to war. I'm curious as to why you think Russia would be close. I mean, Russia knows the dangers of war, and Putin has been a very masterful bureaucrat about walking up to the line and then backing away and protecting his turf without getting tricked into anything that I would describe as stupid, let alone a nuclear war.

So what is it that has inspired this warning, and why do you think we're in danger of going to a new level of crisis?



Saker: First it was a general principle. It takes two for peace; it takes one for war. That's really crucial to see.

Secondly, when you say that it doesn't look like we are close or came close, let me ask you this: What would have happened if Russians would have retaliated for the way the Turks shut down the Russian Sukhoi SU-24 over Syria?

The Russian options would have been anything between shooting down the plane that did it and, as far as I know, that plane was protected by America's F-15C. It would have been an air combat. Or, a much simpler option for the Russians, would have been to send a cruise missile on the air base from which that airplane took off.

Let's say Russia would have retaliated against the Turks, which certainly would not have backed down. Imagine a shooting war started with Russia and Turkey. Are you really confident that NATO would have said to the Turks, "You guys started it. You're on your own?" I am not. I think that's probably what they would have done. I want to believe that they would have done it.

As far as I know, common sense prevails. Putin did not order retaliation and interestingly, instead of calling Putin to apologize or even explain himself, the Turkish president immediately went to Brussels and said, "I just poked the big guy. Help me."

As far as I know, NATO sent him the signal, "You're on your own. You started that shit. We don't want to get involved."

C. Austin Fitts: But I can't believe the Turks would have done that without the US.

Saker: Just like the war in Georgia. The US is not a single actor. We all know that the CIA disagrees with the State Department. The State Department disagrees with the Pentagon. They all have their different agenda. The situation in the US where Americans are bombing units where the US special forces are right there next to them. It's kind of a crazy situation.

C. Austin Fitts: Right.



Saker: I want to believe that this will happen in the future again, that when push comes to shove, military people say, “We don’t want any part of that.”

On both ends, I’m happy that the Georgian situation was resolved without a war and the Turkish situation was resolved without a war. Are you confident that the next time around it will be resolved without a war?

Imagine this: The Latvians do something truly stupid – something idiotic – just to make themselves relevant on the map again, like attacking the Russian Navy vessel. Russia shoots back. Then what?

This is how it could start. It could start very low and dumb, and end up very dramatic. Secondly, the neocons; would you put it past them to actually deliberately start a war? I wouldn’t.

C. Austin Fitts: I wouldn’t.

Saker: I think we should take the rhetoric very seriously.

C. Austin Fitts: Right.

Saker: So these are the two things that worry me – an escalation that nobody really wanted or a crackpot being in power.

C. Austin Fitts: And who would be more dangerous in terms of Clinton or Trump? Who is going to give more power to the neocons?

Saker: Well, I’m limited in my ability to answer this one. I cannot conceive of somebody worse than Clinton is the first part of my answer. To me she’s something unreal. She is the perfect marriage of evil and incompetence and arrogance. She is scary.

Trump is an unknown card to me. I don’t know. I read somewhere that somebody said about him that he is 95% crazy and 5% patriotic, which puts him head and shoulders above just about everybody else. I don’t know. I really don’t know.



I would say anything but Clinton. I don't like choosing the lesser of two evils, but in the next election if I had to decide – even though it's a horrible choice – I would go with Trump over Clinton because with Clinton I have no hope. With Trump I do have hope.

C. Austin Fitts: Right. It's really funny. I did an interview the other day and I kept saying that Clinton is the no-hope choice.

Saker: Yes, it really is.

C. Austin Fitts: She is 100% no-hope.

Saker: Yes. It's really getting the worst possible person – and worse by every single criteria. I think she's incompetent, she's dishonest, she is evil, she is arrogant, she is detached from reality, and she doesn't understand foreign policy. Her statement about the war in Libya is just appalling. I think she is trying to prove that she is the bigger guy on the block; she wants to show Putin that she will show him. No, she won't. That's what is really scary to me.

C. Austin Fitts: If you look at Haiti and if you look at Libya, what you're talking about is going in and destroying a country. You're talking about raping a place and taking the gold and taking the minerals and taking the oil. It's raping the landscape. The remarkable thing about it is the Clintons are so good at the PR that says, "Oh, we're helping women. We're helping."

The PR is quite astonishing. It almost makes you long for Cheney, "They have it; we need it. We're going to take it."

Saker: Yes. Absolutely.

C. Austin Fitts: A man of integrity.

Saker: Yes! I remember when the last Bush term was coming to an end. I was telling my wife, "I can't imagine we'll ever regret this one."

Well, after sitting with Obama, I frankly do regret 'W'. I really do. I get a stomach ache every time I see or hear Obama speak, and I'm afraid that if



Hillary gets elected I'm going to regret Obama – which is horrible.

C. Austin Fitts: Right.

Saker: It's such a depressing statement to have to make.

C. Austin Fitts: It's interesting because we've seen a process develop in the United States where you get leaders who speak very conceptually in a way that is divorced from reality on the ground. If you watch Putin; it took me a long time to get a beat on him. I finally realized, "Oh, he's a bureaucrat."

He is a brilliant, capable, astute bureaucrat who keeps returning to the facts on the ground and the rules and the law, and he's willing to deal with complexity – and he's capable of dealing with complexity. When you deal with someone like Obama or Clinton, whom are just marketing fluffy into the cameras and talking concepts that don't relate to anything going on on the ground, you can see why you have these remarkable dialogues between them.

Saker: I don't like when people say Putin is a former KGB officer because they confuse the KGB with the Foreign Intelligence Service. In this case it would seem that he is a KGB officer in the sense that he has a hard degree in law, and he was trained to understand complexity.

If I had to say one word to characterize him, I wouldn't use the word 'bureaucrat'; I would say 'officer'. The guy is an officer, and he's a Foreign Intelligence Officer. That means that complexity is his natural environment.

C. Austin Fitts: Right. The reason I say bureaucrat is that I use it as a compliment. I used to work at HUD and you would get these SES – Senior Service. They were as smart and as capable line management as you would ever meet in this world. They were very astute about navigating hostile environments and surviving, and they knew how to use facts and the rules.

Because they were responsible to operationalize things; they kept coming back to reality in a way that would drive the politicians mad. One is dealing with reality and the other is talking into the camera and playing a media game.



Saker: I totally agree with that. That's definitely him; I would just add two qualities, which your colleagues at HUD did not have, and that is that I think the man is a man of principle and of personal courage.

C. Austin Fitts: Right. Now when you say that there are groups of people in Russia who hate him, why do people hate Putin?

Saker: Well, because that's the Old Russian disease. It's the ruler versus the elites. Russia has the worst tradition of having the czar fight the aristocrats.

By creating such a strong power of one person and not by being a dictator, but by his personal charisma and popularity, he is depriving the former elites of a lot of their power.

C. Austin Fitts: Right.

Saker: He is a direct threat to those who wish they were oligarchs with, not only money, but with political power. What he did was allowed them to keep most of their money, but the clear understanding was, "Don't you dare stick your nose in politics." That was sort of the balance.

The Russian oligarchy and those who did really well in Moscow now are proportionately suffering from the difficulties, and they are very mad at him because they have difficulties abroad. They don't get to have their second Porsche for the same deal, and they really think that all this patriotic stuff is not important because they don't care about their country at all.

Their logic would be, "Why do we need Crimea? When it was in Ukraine we went on holidays there." Or the other option is, "Why do we need Crimea? I'll take my holidays in _____ or Thailand."

C. Austin Fitts: The other thing is, you've got all the money on the planet, and, this is true the world over, working people like that, offering them all sorts of opportunities, commissions, wealth, and a piece of the action if they'll just

Well, because that's the Old Russian disease. It's the ruler versus the elites. Russia has the worst tradition of having the czar fight the aristocrats.



play ball and arrange some kind of compromise of the Russian sovereignty for the benefit of this player and that player.

You've got all the money in the world singing the sweet song of, "Oh, come play with us, and let's change the model in Russia."

Saker: Yes, absolutely.

C. Austin Fitts: A lot of those people aren't very good at withstanding that game.

There are a couple of other points I wanted to bring up. One is that we just watched the first railroad line go from China all the way into Iran. I think cutting the days of transport relative to shipping by sea down from 41 days. What's happening along the Silk Road is you're watching an investment in infrastructure that is absolutely tying Europe to Asia and Asia to Europe. Russia, of course, is sitting right in the middle of that. The economics of that is part of the reason the US keeps trying to tie Europe back into the United States and make trouble on the Silk Road.

Saker: Absolutely.

C. Austin Fitts: Maybe talk a little bit about that and the tightening up of these two big markets and what that has to do with what is happening.

Saker: Well, that's a big component of this, of course. The zone was from the Atlantic to the Eurail, or actually from Lisbon to Vladivostok, which is a bigger version of that. The idea would be, of course, to create a very prosperous land mass.

There was a conference a couple of days ago of the leaders of the economic union. They were again trying to discuss, "How can we offer a trade common space to the European Union as a whole?"

Of course, naturally, everybody would benefit from that. You would have access to Asia. Russia would play the role of a super-Ukraine, a space between Far East Asia and Europe. Everybody would profit from that, but who would



be excluded? It's pretty obvious that it's the United States.

So the United States is desperate to cut China out of the Pacific Rim region and to cut Russia away from Europe because they realize that, inherently – to use the expression that a dollar is backed by space weapons – I like to say, it's backed by aircraft carrier battle groups. It's the same concept.

Right now the dollar has only firepower to make it “attractive,” but when Russia and China are involved, that is just not real because the US cannot afford a war with China or Russia. So the only option left is to create a crisis to try to prevent a second Soviet Union. Hillary said very clearly in one of her speeches when she had just resigned from Secretary of State, “We're going to do everything we can to prevent a second Soviet Union.” That included an economic integrated space.

C. Austin Fitts: Right.

Saker: That's a fundamental, crucial national strategic priority for the one percenters in the US to not allow the mainland – the big Eurasian mass – to integrate and begin prospering.

C. Austin Fitts: Right, and to flourish.

One thing I want to mention is that Bayer just made an offer to Monsanto which Monsanto turned down, but there's no doubt, that there is blood in the water on Monsanto. We have a number of big US multinationals conceding that they're going to walk away from GMO or GMO labeling. The whole GMO push, it appears, is failing.

Now they're always consolidating and coming back again, and it's fair to say that the consumer rejection is unbelievably powerful and strong, and the demand for fresh and organic and non-GMO growth rates are compelling.

This is one of the few things in the economy that is really growing, and I really do think that Putin very cleverly fed into this. When the sanctions were going on, no GMO's were allowed in Russia; it's outlawed. I think that gave a lot of political support in an informal way to activists all over the world who were



trying to stop GMO.

Saker: Yes, but I don't believe it was part of the counter sanctions: It was a general strategic decision to outlaw GMOs in Russia, considering the import of them is a form of terrorism. So it's very strictly regulated now.

C. Austin Fitts: Explain what that means.

Saker: That means that you can get 20 years of hard labor if you try to bring in GMOs and you start growing them.

C. Austin Fitts: Really? Twenty years of hard labor?

Saker: You could get 20 years of hard labor. Yes you could. In theory, that is what you are risking. They consider that a form of terrorism because it threatens Russian national security and the food supply, which they consider a national asset. They are very dead-set against it.

Secondly, let's be cynical about it. It's not only because they're such wonderful feelings, but also they realize that they have a huge export potential of essentially organic food. They have corn, as much as you want. The water, the wheat, you name it – the Russians have it and in huge amounts because all of their food is essentially non-GMO.

C. Austin Fitts: Right.

Global slowdown: We're seeing signs all over the world that the economy is slowing for many reasons. The reality is that the more global things are, the more things seem to slow down, and the more push there is for military this and military that.

One of the few sectors of the stock market that is doing well are the defense contractors. Is part of your call for warning about war concern that global slowdown is going to inspire leaders to turn to war to distract their populations?

Saker: Yes, absolutely. When a government is illegitimate and an economy is



in crisis, an external war is always a very useful thing for a politician, unfortunately.

C. Austin Fitts: Right. One of the things I talked a lot about last year in the Annual Wrap Up, and I keep talking about, is the fact that without any announcement or democratic decision, essentially the Treaty of Westphalia has been torn up. Sovereign governments in many places no longer have a monopoly on force within that jurisdiction. We're seeing all sorts of supernatural players who have their own private armies and are using physical force to get their way.

Starting wars is great business for them, so you're seeing more and more of the military infrastructure turn private and marketing their capacity by starting conflicts.

My impression is, that within Russia, force is still the monopoly of the state. This kind of behavior is not going on inside of Russia the way it is, for example, in the Middle East. Does that growth of all these private players fit into this?

Saker: I think it's probably above them. I would agree, first of all, with you that in Russia there is a monopoly of force. Absolutely. It's actually being centralized. I mentioned the recent creation of the National Guard, which will put a number of agencies under one command. The Ministry of Internal Affairs is also streamlined and rationalized, so there it is.

There was a little bit of a question with Ramzan Kadyrov being a bit too independent in the Ukraine; but since his units are now basically part of the National Guard, the problem is solved.

Yes, in Russia there is a monopoly on force, but are these private actors triggering these conflicts? Frankly, I think it's probably above them in a sense of even bigger interest. I would go for big finance and banking. Those have the most interest in creating these wars and intentions.

Now, do the private providers of violence benefit? Yes, immensely. Of course, that is their turf.



C. Austin Fitts: Right. Every week we have a ‘Let’s Go to the Movies’ because I like to use movies to describe different phenomena of what is happening. This week we’re going to have *13 Hours*, which is the movie that was made trying to describe what went on in Benghazi.

Saker: I just saw it yesterday.

C. Austin Fitts: Oh really? Fabulous! Perfect! So one theory as to what in the world was going on is that Stevens and the CIA group there in Benghazi were rounding up the weapons that they found in Libya and transferring them over to the anti-Assad group in Syria.

Do you think there is any merit to that theory?

Saker: Already, at that time, I don’t know. I really don’t know. It seems to me it was awfully planned. My impression is that most of these covert operations are more short-term and then almost knee-jerk possibly.

What is certain is that after Gaddafi fell, as he predicted, the weapons and the Jihadi started flowing into Syria. How much of a role did the CIA play with that? I figure at a certain moment they definitely got involved very heavily and assisted just as they did during the war in Bosnia. But was it at the moment in Benghazi when the Ambassador was killed? Were they doing just that? Maybe, but I really wouldn’t know.

C. Austin Fitts: So do you have a theory on what in the world happened or why the United States did not provide proper security or was not willing to intercede and protect?

Saker: Well, unless I’m proved otherwise, I usually like to go and assume incompetence and poor planning and poor understanding and lack of specialists. I’m not going to go into some theory saying that it was triggered deliberately or any of that. I think it was probably just incompetence and lack

What is certain is that after Gaddafi fell, as he predicted, the weapons and the Jihadi started flowing into Syria. How much of a role did the CIA play with that?



of understanding of the local culture on so many levels.

You don't just go into a country as complex as Libya and come with a bunch of weapons and then think that things will be simple. That doesn't make any sense. Frankly, I think a lot of things can be explained by simple stupidity.

C. Austin Fitts: Right. I think that can be explained by stupidity. I guess the question is: Why did the United States let them hang for a whole 24 hours? That's what I find quite amazing.

Saker: Well, what were their options? I think the movie shows that there was a turf war, first of all. Who is in charge of doing what?

Then, when you send somebody in to rescue, you have a chance of then having to rescue the rescuers. The military is very adverse to that kind of open-ended 'go and fix it' kind of stuff. That's actually logical.

There comes a point where you don't send in rescues because you don't want to have more. That actually makes sense to me. The real question for me is: How did they get there, and how did they so misread the local environment? There is normally what is called an intelligence preparation of the battlefield, where you should have a pretty good understanding of what is happening. If the movie is anywhere near correct, there seems to be complete miscommunication and turf war at every single level over and over again.

Competing turf is actually one of the big ways that the United States has a tradition in. If you look at the invasion of Grenada, it's another one of those where you end up with a cluster mainly due to turf wars and bureaucratic infighting. I very much recognize the same kind of pattern in what seems to have happened in Benghazi.

C. Austin Fitts: Right. One of the things I've observed from Washington from afar, is we've had 20 or 30 years of people being promoted who are good at kissing you-know-what as opposed to competency. When corruption takes over, you get this incredible debasement within the bureaucracy. The military has been more protected, but, you start running, for example, the military around who generates purchases and sales for defense contractors and various



bureaucracies over who makes money for corporations.

You have all these political considerations related to harvesting the Federal budget and the Federal credit that have nothing to do with fundamental competency.

Saker: Absolutely.

C. Austin Fitts: You lose your ability to really create an operational capacity. One of the things that frightens me is that if you look at what Clinton was doing with the email server and then what the Foundation was doing; racketeering, dovetailing with what she was doing on the private server at the state department.

The message to all the people who have to operationalize foreign policy – whether it's in the military, whether it's in the intelligence agencies, or whether it's the line agencies – is that who is coming in is a group of people, both cabinet level and sub-cabinet level, who feel free to just racketeer. Their business is harvesting the situation. In the meantime, they expect you to go off and tee up all the situations they're going to harvest. Well, it's putting you in incredible danger.

Saker: Yes, absolutely.

C. Austin Fitts: So why in the world would you perform? You wouldn't.

Saker: No, absolutely. And to make a parallel with Libya, I strongly suspect that until Gaddafi was overthrown, you had all the business people cruising around their country, and they probably had very poor intelligence. Once they came in, how many language specialists did they have? How many locals could they really trust? What was the quality of their information, and which part of that was presented to the politicals to paint a rosy picture?

C. Austin Fitts: Right.

Saker: If you're detached from reality, or as you say; if you can't cope with complexity, as soon as you end up with a complex situation, it's bound to blow



up in your face. So that's what happened.

C. Austin Fitts: I hate to say it, but it's what Putin said about negotiating with Obama. He said it's like negotiating with a pigeon. He walks into the board, knocks the players over, shits, and then leaves and says that he won.

Saker: I can't disagree with that. That's exactly the problem, and that's why I'm afraid of a war in Europe. It's a complex situation, and it's getting dangerous, too.

C. Austin Fitts: Yes, it is getting dangerous.

Saker: A lot of bad actors are presenting very bad advice. For instance, all the East European governments were making themselves relevant by getting that ridiculous notion that they were about to be invaded by Russia, and they're really not helping the situation one bit.

C. Austin Fitts: This morning's poll in *The Guardian* indicates that Brexit is now in the lead. So if the vote was taken today and, if the poll is correct, Britain will leave the European Union. It's far from over because we're not at the vote yet, but if Britain pulls out, then you're going to talk about more acceleration of some of these trends, I think.

Saker: Yes, and I still believe that the Mediterranean countries – Spain, very much France and Italy and Greece of course – have a potential of revolting. But particularly Italy and France where the social tensions are huge. I would not exclude the possibility of some kind of big political event resulting in a change of power, and then France starting to pull out of NATO and/or the EU because they're suffering tremendously from the crazy situation, and they're aware of it.

C. Austin Fitts: Here's the thing. Both in the EU and in the United States, you have in leadership positions a group of people who have been centralizing political and economic power. The problem is that centralization has been very destructive to the economy in many different ways – not just in the EU, but in the US and globally.



Now, they've managed to centralize a great deal of power and, you can argue that if you're in the US or the EU and you're looking at the rise of Asia, you're thinking, "Okay, we want to have much more centralized clout so we can go compete with those guys because they're so huge."

Maybe you can argue it that way, but at some point, it seems to me, that we could fund the centralization of power by issuing more government debt. You centralize power, it hurts the economy, you turn around and you issue more debt, and you give people government checks. You cover over the externalities of destroying the marketplace by pumping it up with debt. Now the debt growth model is over.

What I'm seeing globally is a whole world of leaders who are going to be forced to get back into fundamental productivity, and how do you keep the centralization going? You can't. If you look at the plans to further centralize here in the United States; education, government, healthcare, what you're talking about doing is something which is so unnatural and so destructive of local economies that you're going to get a revolt of some kind – or you're going to destroy the economy.

Saker: Let me ask you this: Do you believe that the people who made it all happen – the entire 'elite' and the ruling class who built its career and academic credentials and everything- are capable of reforming themselves and changing course, or do we have to get rid of them before any of that happens?

C. Austin Fitts: I'm not quite sure, because if you look at the 20% who implement policy, they're looking around at this point. You've got a lot of very intelligent people in that group, and they're looking around at the destruction of the fundamental economy coming out of the centralization. I think they're beginning to see things where they realize: 1) We could get reengineered out by the robots, and 2) This is sufficiently inhuman and we're worried about the health and well being of our own families.

Saker: Do you think it could get that far? Do you think the 20% could actually think like that, even if they get their extra yachts and their end-of-year premium and maybe a career promotion if they just play ball?



C. Austin Fitts: You know, I'm seeing ambivalence in some of them. I don't know what percentage that is, but here's the thing; it goes back to what is happening between Russia and the United States.

I told you the story of having lunch. I was sitting with my lawyers in a Washington restaurant. Something happened with respect to my litigation, and the conversation was about what was going on in Washington. A chill went down my back, Saker, and I realized that this thing is so perverted and so nuts that I want nothing to do with it. I'm walking out; I'm walking out of the establishment, and I'm going out in the wilderness. Even if I die in the wilderness, that is preferable to being part of this because this is so sick and perverted. I want nothing to do with it, and I know it can't win because anything that has within it the seeds of a demonic economy can liquidate economies, but, ultimately, it's like a tapeworm; it eats its own host.

Saker: All I can say is I hope and pray that there are more people like you who think that way. I mean, yes, it can happen that a system gets so morally discredited that nobody wants to set up for it, and everybody wants out. That's actually what happened in the Soviet Union in large part.

I hope that is true; I want to believe that is true. That's really the purpose of my blog.

C. Austin Fitts: I don't know that that is true, but I will tell you the number one problem in the economy right now is liquidity doesn't come from money; it comes from trust. It doesn't come from force; it comes from trust.

Now you can force a lot, and you can throw money at it with government debt, but when the government debt game runs out, you've got to have trust, and the trust is breaking down. That's what is really hurting the economy, and it's interesting. I just bought and have been reading a book by the former governor of the Bank of England, Mervyn King. In his second chapter he's talking about the breakdown of trust and how trust makes the economy go around, not money.

I did not expect to hear this from one of the guys who helped engineer the bailouts, although clearly he was opposed to it in the beginning.



Saker: Do you think I'm cynical or ignorant if I say my impression is that what makes money go around is corruption?

C. Austin Fitts: Despite the overwhelming amount of corruption, I disagree. The powerful need for financial liquidity is one of the reasons I am hopeful we can reduce the level of corruption.

If you look at a publicly traded stock, let's say a company has publicly traded stock, it's making a dollar earnings per share a year, and its stock is trading at a multiple of 20 times earnings. Therefore, one share is worth \$20.

Now if I'm running a narcotics trafficking business, I have a much higher margin than that company has. Let's say the company makes batteries and it has a 10% margin. I'm running narcotics, and I have a 30-40% margin plus I don't have to pay taxes. I have to pay a lot of bribes, but I don't have to pay taxes. So I've got much higher margins, but I can't translate that higher margin into a 20 times multiple. I can't do an IPO and run public company based on illegal activities. My multiple is (1X) one times.

Now, look at the system that it takes to put in place a way of creating the financial liquidity engine that generates significant capital gains. You've got to have the widespread market believing that they can put money in a brokerage account, and they can trust the system. They have to trust the rule of law. They have to trust the systems respect for property rights and contracts. That kind of leverage depends on enormous amounts of trust in the system by a wide variety of market participants and players. One of the problems you have is this: For the last 30 years, the Anglo-American alliance has been stretching that trust and breaking it down by leveraging financial liquidity with increasing organized crime cash flows and margins. This includes exploding amounts of financial fraud. That depends on secrecy, media manipulation, double standards and legal immunity provided by national security law and an endless flow of covert operations and dirty tricks.

The reason people keep getting scared of the financial system is because they're worried that that trust could go, and it could. So financial liquidity depends on trust. When I was on Wall Street we would sit, and have syndicates of people making hundreds of billions of dollars of commitments – all



verbally – and they kept those commitments because if not, you were out forever if you didn't keep your word.

Trust is what makes the system go, not money. Corruption being used to centralize control is eroding that trust and that is at the heart of what is destroying markets and productivity in the system. Corruption is in the process of taking the multiples down.

Saker: Do you think there is more distrust towards Anglo-American banking or finance out there than to the rest of the world? Isn't all of banking and financing basically linked to one trans-national entity? Or would you say there is a separate, gradually less reputable Anglo-American finance and banking system?

C. Austin Fitts: Here's the question. At the top, it's a mystery. Yes, there is an Anglo-American system that has had enormous amounts of liquidity and leverage, and the others have not begun to build the networks and the systems they need. That's what we're watching the Chinese, Russians and the BRICS nations start to do now. That's why the Americans and the Anglo-American alliance are feeling so insecure.

The others are starting to come together and build their relationships and the practical coalitions and different systems you need to make that happen. To me, that is one of the most interesting phenomenon that is going on there, but the question still remains: Who is at the top?

If you look at what is happening on this planet economically, the number one problem is it's being harvested. The question is: Where in the hell is the money going, and who is really in charge? That's still a mystery. I don't know, and I've spent my life trying to figure it out. Who is doing this?

Trust is what makes the system go, not money. Corruption being used to centralize control is eroding that trust and that is at the heart of what is destroying markets and productivity in the system.



Saker: I feel better about not knowing it either.

C. Austin Fitts: Well, we're figuring it out. We're chipping away at it.

It's really funny. There's a science fiction movie called *Jupiter Ascending*. I don't know if you've seen it, but at one point a woman who is the sister of the man who supposedly owns Earth turns to the protagonist, who is a woman from America, and says, "You know, my dear, Earth is just a very small part of a much bigger corporation."

Saker: I saw that. Yes, it is pretty good.

C. Austin Fitts: It's a perfect scene. I said, "Oh, that's where the money is going."

Anyway Saker, you've been very generous with your time. Before we go, just say one last thing. If you're listening to this and you want to make sure war doesn't happen, what do you do? How can we contribute to prayers for peace in a practical way?

Saker: First of all, by raising the alarm about the prospects of war and explaining to people, particularly in the United States, that this time it will not be limited to Europe. Secondly, never vote or support or donate to any politician who contributes to creating that problem. Never go against your conscience, and live only by the truth. Thirdly, take action yourself and start writing, protesting, speaking, and trying to convince people that a war does not need to happen. There is no objective reason for that whatsoever.

C. Austin Fitts: In your article, which I will republish at Solari, you made a very good point about this popular notion that Americans are used to getting the benefits of war in many respects and not paying the price, although, I'm from the Southern United States, and we've lost a lot of wonderful young people to war, so we're a little bit more sensitive.

Saker: Absolutely, but it's kept hidden from the general public. Everybody knows a veteran who has been wounded or killed by now. I know. It's hidden. And the costs will be way higher.



C. Austin Fitts: Much, much higher. Yes.

Well, you're the best. Thank you, and we look forward to the next quarter. Be thinking about what we're going to talk about.

Saker: I'm returning the compliment. Thank you very much. It's been a pleasure.

C. Austin Fitts: Goodbye.

Saker: Goodbye.



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