



The Solari Report

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The Emerging Multipolar World with the Saker



Catherine Austin Fitts



The Saker



The Emerging Multipolar World The US U-Turn in the Middle East with the Saker

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C. Austin Fitts: Ladies and gentlemen, it's always a pleasure to welcome the Saker back for quarterly reports on The Solari Report. Since we talked to him last, a considerable number of events have unfolded, including the extraordinary U-turns by the Trump Administration. So I was really delighted that he is back from his travels and that he could join us today.

Saker, welcome back to the United States, and welcome to The Solari Report.

The Saker: Thank you. As always, it's a privilege and a real pleasure for me to be talking to you. Indeed we have lived some pretty dramatic events. My God – what a quarter that has been!

C. Austin Fitts: It's really peculiar. Somebody sent me a question today saying, "What do you think the chances are of a hot war?"

I gave percentages on all the different situations that were relatively small, and then I said, "Chance of members of Congress or the Washington establishment ordering assassinations or killing on each other: 90%."



The Saker: That is probably about right.

C. Austin Fitts: That by far and away received the highest percentage.

Let's dive in with Syria. It's hard to separate Syria and ISIS, but we start with the President doing a remarkable U-turn and making a decision to bomb Syria, and then subsequently bomb Afghanistan after an alleged Sarin gas attack. So let's start with the alleged Sarin gas attack. What happened?

The Saker: Whatever happened, it certainly was not Sarin in both locations – in the location where the attack happened, and then at the air base. That is for sure. If you look at the footage, there were people there, and none of them were wearing the type of protective gear that would be required if you were in direct contact with Sarin gas. So Sarin gas, it was not.

What was it? I think there are two options, one which I prefer over the other. My personal theory is a deliberate false flag on the part of the United States because there was a real risk of peace breaking out in Syria. The problem is that peace occurring in Syria would have happened without the indispensable nation. So in a perverse way, by bombing that place and by wrecking that peace process, the United States has reinstated itself as a partner that cannot be passed over in the peace process for the region. There is almost a logic to that.



Second of all, it was coincidence that the Syrians bombed a place that just happened to probably have stores of chlorine or other chemical substances which might be used to manufacture chemical weapons. We know the good terrorists use chemical weapons.

There have been instances proven in Syria, and there are instances happening on a regular basis in Iraq. So maybe the Syrians had bad luck and hit a production facility of the good terrorists. Or, maybe they were cued in by Americans manipulating intelligence and giving them something which would bring in an air strike which could then be blamed on Assad.

If it is a coincidence, it's one heck of a coincidence.

C. Austin Fitts: I don't know if you noticed that Robert Perry had a report saying that Saudi-Israeli operations used a drone to deliver something.

The Saker: Yes, I saw that. My approach is always extraordinary claims require extraordinary evidence. It may be, but I see no evidence of that. I would rather base myself on facts which are known.

I would say that the speed with which the strike happened on the US side is also very telling. I think Trump wanted badly to show that America is great again in an imperial sense, unfortunately. That's what we have.



I can't think of a worse way of wrecking the entire US foreign policy in Syria, and the Middle East generally. It was one of the most incompetent actions I can think of, and a total betrayal of everything he promised.

C. Austin Fitts: Here is what is interesting. They shot 59 Tomahawk missiles and half didn't go through. He gave Russia and Syria an hour and a half warning before he did it, and it didn't destroy the runways at the air base. You almost wonder whether it was like a reality TV show.

The Saker: It was partially that, but he really had no other option. Had he not warned the Russians, the consequences would have been much worse for everybody.

I don't buy this issue that the Tomahawks have such bad reliability that over half don't make it; I think the Russians used some kind of warfare equipment to bring down either as many as they could or maybe even let some through because if they had stopped most of them or all of them, it would have required a restrike.

My guess is that they tried to stop the best that they could, and the best that they could was the 36 that they did manage to make disappear.

There is also a theoretical option, which is that the United States deliberately shot 59 of them and then made a number of them plunge into the Mediterranean because it was a show. Clearly this was not a military operation in a military sense. The runways were not hit, and there was no restrike – which usually happens when you try to destroy an objective.



I think the Americans knew that there were no chemical weapons locally, so what was the point of destroying? It wasn't really a military operation; it was a statement. I think it was an extremely inept one, but I do agree with you that it was a show and a statement.

C. Austin Fitts: It was a statement that cost \$94 million in terms of the Tomahawk missiles.

The Saker: Right, and an unknown number of lives. Much worse than that, I think it is the last nail in the coffin of any hopes of the US and Russia working together. It's just not going to happen. So that is the real terrible consequence.

C. Austin Fitts: I'm still trying to figure out why. Right before it happened, we had all sorts of pipeline politics in Europe. I know you say you don't follow the economics, but we have Israel proposing a pipeline from essentially Israel and the Golan Heights. If you look at the players involved, most of them are very much connected to the players right now around the President.

The Saker: Absolutely.

C. Austin Fitts: You have the Nord Stream pipeline and more approvals and things happening with the EU. So you have the Russians proposing to send gas through the Nord Stream pipeline, and the Israelis proposing to send gas, and I believe developing some of that oil and gas requires more control over the Golan Heights. Part of the politics of ISIS is having both Syria and ISIS impacting connecting gas fields. Does that make any sense?



The Saker: Oh, absolutely. It makes a great deal of sense. I've recently written an article where I said that having ISIS in power in Damascus would actually be something that the Israelis want. For one thing, it gives them a wonderful pretext to establish a security zone. It could be the Golan Heights or more of the Golan Heights, or even to try to push up to the Litani River. They have that wonderful pretext.

Secondly, it gives them a pretext to bomb Hezbollah as much as they want – again. They know that ISIS is a mortal enemy of Hezbollah, so it's superb. They can hope for a civil war in Lebanon. That can only be achieved if they destabilize Lebanon as with Syria.

Finally, Assad is the only hope for a unitary Syrian state, which they don't want. So there is absolutely no doubt in my mind that what you're saying about the pipeline fits perfectly in the rest of the picture of what the Israelis want in Syria.

C. Austin Fitts: The *Financial Times* mentioned numerous firms in connection with the Israeli pipeline financing, which is going to cost about \$6 billion. So this is a very big deal. The rumors as to who are equity investors – because you have the equity and then you have the debt that presumably Goldman would do – is very interesting.

You had Condoleezza Rice go to the White House and meet with the President on the Friday before the week in which the false flag and the bombing occurred. So Rice goes to the White House, meets with the President on Friday, and then the next week we see Bannon out and Dina Powell – Goldman Sachs partner – in, and on to the National Security Committee. She was already on the National Security Council. Then all of this unfolds, including the bombing.



You almost feel as though you're watching oil investment politics.

The Saker: Yes, or generally I would say Israeli politics. There is no doubt in my mind who is behind the move to get rid of Flynn and Bannon: it's Israel lobby generally speaking.

C. Austin Fitts: Here is my question: How much of this has to do with trying to make it possible for Israel to finally assert complete control of the Golan Heights?

The Saker: I think it's definitely partially part of that, but I think it's more than just Golan Heights. I think the Israeli plan is to hit Lebanon next. If they get their way in Syria, I can guarantee you that Lebanon is going to fold next; I can absolutely guarantee you that. You can take it to the bank.

There already have been problems with the Daesh or ISIS types in Lebanon, and they won't stop. If they take complete control of Syria, first of all it will be a complete elimination of Christians in Syria. Secondly, the next objective will be Lebanon.

Since that is the cornerstone of Arab resistance against Israel through Hezbollah, they would take down both Syria and Lebanon to various degrees of Iran. That explains why the Saudis also wanted that. It's a perfect storm for the resistance to both Israel and the KSA.

I think the Golan Heights is definitely part of that, but I don't think it's the highest price. The highest price is a much bigger chunk of that region.



C. Austin Fitts: I would take it even higher than that. If you saw Wesley Clark's testimony, right after 9/11 he was presented with, "We're going to destroy these seven countries in five years," with Syria and Lebanon being on the list. Between Iraq and Libya, that's two, but it took forever. It certainly looks like the 'seven countries in five year' plan has revved up again.

The Saker: Yes, but in a very different way. You have to fully consider the consequences of the defeat of Israel by Hezbollah in 2006. That basically proved to the Israelis that they cannot do that using their own armed forces.

C. Austin Fitts: Right.

The Saker: That is the key thing. Now they cannot use their own people; it's far too bloody and too scary. They have good PR, but they're not nearly as good as that. They know that they can't win against Hezbollah.

If you turn around a powerful united Al-Nusra/Al Qaeda/Daesh/ISIS coalition on Hezbollah, even if they don't win, Hezbollah will have their hands full just trying to survive in Lebanon and protect their own community at that point. So I think that is the key change of tactics.

In the past, the Israelis use the IDF. Now they're using the Wahhabi crazies.



C. Austin Fitts: This takes us back to who created ISIS and who controls their leash. So tell us a little about where ISIS originated. Who are they?

It appears to me that the US unleashed ISIS and now can't control them.

The Saker: You know those labels – ISIS, Al-Nusra, and all the other ones – I usually speak of them as Daesh on the blog, but we can say ISIS. It's the exact same thing as Al Qaeda.

It happened when the United States under Carter- the Soviets were provoked into invading Afghanistan- federated very small, very crazy, out-there groups together. They brought them to Afghanistan, and it was financed by the Saudis. The Americans organized them and made them into a more or less homogenous fighting force in Afghanistan.

After that, the very same people were unleashed in Chechnya and in Bosnia. Of course, then we had all of the springs in Arab countries. It's all the same thing. It's a joint creation of the United States, Israel, and Saudi Arabia. They are the ones who created them. That's why they were the tool for the false flag of 9/11. That is a tool that they controlled fairly well.

Since most of the actual people in ISIS fighting on the ground are poorly educated and not very knowledgeable, some of them just don't obey very well. So they have regular headaches with them.



A good part of that in Iraq, for instance, are former officers of the Iraqi armies who see a possibility of taking revenge against the United States and – also very important – of fighting against the Shia regime in Baghdad.

So every single American move in the Middle East contributed to create ISIS, and it's the same thing in Pakistan. Every move contributed to make, what I call – maybe not very academically – the Wahhabi crazies. It made them stronger and more numerous, and now it is an epidemic.

They can threaten to control a lot of territories, and they are actually very sophisticated. When I call them 'crazies' I mean that their ideology is crazy. But if you look at the kind of infantry that they represent and their abilities to fight, they are actually very good.

Nobody should dismiss them because they do crazy things. Crazy doesn't mean stupid, and they're definitely not stupid. They are very highly skilled, and by now, extremely experienced fighters.

So it's a plague now, and it's a threat for all mankind, and the US is still stoking it. I can't believe it.

C. Austin Fitts: During his campaign, Trump made a clear priority that he wanted to see ISIS destroyed. He needs to make those noises.

The Saker: There are certain facts which are simple and absolutely undeniable. The United States will not single-handedly send, God knows how many, hundreds of thousands of soldiers to destroy ISIS.



The only people who are willing to put boots on the ground – and it's not hard to find – is the Syrian military and the Iranians. The Russians are willing to commit, to a certain degree, limited amount of people on the ground that they will support from the air and the sea.

So if you're serious about destroying ISIS, you absolutely have to get a deal with Iran and Syria.

C. Austin Fitts: Is that one of the reasons Obama made a deal with Iran?

The Saker: Possibly, but I don't know. I think it could be part of the consideration, but that would imply that the people around Obama accepted the fact, not only that Iran is absolutely needed to defeat ISIS, but also I would even put it further. There is nothing happening in the Middle East that can happen against the will of Iran. Iranians are extremely powerful locally. That is why Israel hates them that much.

If you look at all the canard about Iran having a nuclear weapon program, it's not about that; it's about Iran becoming the regional superpower. That is the real problem, not nuclear weapons. If Iran had nuclear weapons, it couldn't use them against the Israelis anyway.

The real thing is that Iran becomes an indispensable entity for the entire Middle East. By his strike, what Trump did was alienate Iran, alienate Hezbollah, and he alienated Russia. Who is he going to fight ISIS with? Israel and Saudi Arabia? Please. That is never happening.



C. Austin Fitts: So do the Americans have a plan to fight ISIS?

The Saker: I'm not a mind reader; I can't tell you what they were thinking. But if the plan was to fight ISIS, that strike put an end to that plan.

It's nothing complicated. Basically you need boots on the ground. You will not defeat ISIS from the air. That has never been done. The kind of force that ISIS represents is not defeatable from the air. If anybody tells you otherwise, that is just not true.

C. Austin Fitts: It appears to me, Israel doesn't want ISIS defeated.

The Saker: Agreed. There might have been people around Trump like Flynn or Bannon who wanted to get serious with ISIS, and they understood that that was why we needed to talk to the Russians. They didn't understand the need to talk to Iranians – which I also deplore because they should have been forthcoming about that. I think Iran is at least as important as Russia locally.

If that was the plan and it was changed with Bannon and Flynn gone, and I don't know who the rest of them are. I'm not going to name names because I don't know them, but what is clear is that that missile strike made this entire plan terminated; this is just not going to happen. I don't know what will happen, but this will not.



C. Austin Fitts: I have to tell you that watching the events over the last month, it absolutely looks like there is a third party trying to get the United States and Russia to go to war with each other, but it doesn't appear like it's Russia or the United States doing it; it's a third party playing them.

If you look at the bombing in St. Petersburg, who did that? I would be surprised if it was the US.

The Saker: You know what? I don't think it is the US behind it because I need evidence. For extraordinary claims I need extraordinary evidence.

If the US wanted to war with Russia, they could start that at any time. I don't think they want to take that kind of risk. That is why they warned the Russians two hours before in Syria.

The person who did the bombing was arrested in Russia – the main guy who organized it all. If I remember correctly, he is from Kyrgyzstan, but I'm not sure. He comes from central Asia and was one of those extremists. He was in one of those Wahhabi cells that operates in Russia trying to recruit people and organize those kinds of events on a pretty regular basis – not as often as could be because the security services work very well, but some get through it and succeed.

I don't see a foreign hand in that – at least not directly. The foreign hand, in a sense that all support for ISIS-types, is a threat to everybody including Russia, but I don't see the CIA trying to start a war with Russia by being involved in a bombing in St. Petersburg.



C. Austin Fitts: Right. It doesn't make sense. But when you return to the concept of the crazies, the reality is that we are watching the neocons basically reassert authority of the Federal administration of the United States, and the neocons are crazy.

They are more educated crazy, but you're talking about the same kind of wacko crazy. I've worked with them, and they are nuts.

The Saker: Yes. They are the 'crazies in the basement' as they used to be called. I absolutely agree with that.

I think that what they're doing, rather than starting a war with Russia, are playing a game of, what I call 'nuclear chicken', which is very, very stupid and totally reckless. But I think that is what they're hoping.

They hope that by huffing and puffing and being tough that they are going to get the Russians to blink, which they are not. Actually, the display that Trump has made in Syria and now in Korea is seen by Russia – if anything – as a sign of weakness. So it gets the exact opposite result. But I think that is what they're doing.

They are crazy; I agree with you. They're just clever enough to be really dangerous.

C. Austin Fitts: I wonder, though, where the craziness is coming from. The *Wall Street Journal* last month published two articles on the editorial page by Paul Wolfowitz. You're thinking, "Yes, maybe Rupert Murdoch is an investor in the Israeli pipeline, but – Jeez! –



why would you let somebody that completely bonkers on your editorial page?”

The Saker: I recently read an article about that called *Bringing Down the Elephant in the Room* because the elephant in the room is the crazies or the Israel lobby or whatever we want to call them. I think that they are truly intoxicated with their own ideology, their sense of impunity, and their sense of being the best ‘elect’ people, and don’t care if a million people die so long as they come out fine.

I think it’s a combination of infinite arrogance, really satanic evil, and cleverness but not intelligence. It’s more short-term intelligence, which makes you clever, but it also makes you self-defeating.

So I think that is a good question: How is it that they are that crazy?

C. Austin Fitts: It’s very interesting because when I look back, I really believe that ultimately all organized crime is local. I grew up in Philadelphia and what you saw was competition and cooperation between three large power bases – one was the Masons, one was the Vatican, and one was the Jews. They cooperated and they competed.

In certain ways, it was the high WASPs among the Freemasons who were in charge, but other times it was the Vatican who was in charge. Then the Jews were a smaller group, but they were very aggressive and effective in certain ways. There was a great amount of cooperation among the three of them.



Increasingly, as the Federal budget grew, the intelligence agencies got more and more powerful, and then combined the telecommunications. It appeared that the Jews and the Freemasons had outwitted the Vatican and the Jesuits because they acquired the digital systems.

If I had to say who was the most powerful at that time, it was the Vatican. So you couldn't have the Israelis running around and being this nuts or the 800-pound gorilla running around and being this nuts.

There is one theory that my historian said, "The Vatican is giving them a long enough leash so that they can end up ten years from now with Israel not existing and they control Jerusalem." It sounds crazy, but the Vatican is not as crazy as this sounds.

Why they are being allowed to run is unbelievable. I'm still shaking my head about that. It started with 9/11, and it looks as though the only logical explanation I can come up with is that they are trying to create a digital currency and they need everybody in the tent. That is behind the 'seven countries in five years'. Everybody has to get inside to assert a digital currency before they lose control of their oil standard behind the dollar reserve currency.

This is the city of London and the financial networks in G7 trying to make sure that they assert control before the Asian per-capita incomes converge and they lose control.



So trying to preserve a financial digital unipolar world is what it smells like which brings us to North Korea. Russia has a central bank that is in the BIS; North Korea doesn't.

The Saker: Can I just comment on your three actors before we switch to that? I thought about this issue along similar lines identifying similar actors. Where I differ from you is, first of all, I don't see the Vatican as having much power left at all. It's been beaten down and somewhat castrated by Jewish interests.

The Masons have disappeared, mainly because what sense is there being a Freemason today in the world which fundamentally is the world they wanted to create? We live in a para-Masonic society. Their ideas are absolutely mainstream, and you don't have to be a Mason to support the kind of values and philosophy that were underlying Freemasonry during its existence.

So I don't see the Masons as being that crucial either. That leaves the Jews, or I prefer to call them 'Organized Jewry'. Even there I see a change in types. What you're describing, for instance, are business interests which tend to be rational. What I see at the top of Organized Jewry is ideological people who are not rational at all, who are not calculating and trying to get an optimal solution for their interests.

I see people who – as we said – have gone crazy.



C. Austin Fitts: You're not really talking about Jews. I read your article and you're talking about Zionists.

The Saker: Yes. I call them Zionists because that combines two forms of Jewish groups.

C. Austin Fitts: But it's hard to think of Dick Cheney as Jewish.

The Saker: Exactly. Absolutely. And you have people who are ethnic Jews who are fighting at the forefront against this group.

C. Austin Fitts: I'm dying to get Norm Singleton on The Solari Report. Is he not the most courageous man in the world?

The Saker: He is remarkable. I have the utmost admiration for him. But the most courageous, I think, is Gilad Atzmon. He is the most daring, and is really a philosopher. Besides being a fantastic jazz musician, this man is truly a philosopher. He is someone whom you should get on your show. He is pure gold in my book.

I see more of a class-consciousness in a Marxist sense of the world that acquired an elite. I spoke of an old Anglo guard versus the new neocons or the new Zionists.

I think we prefer the combination of people who are essentially profoundly materialistic, who don't have human values, and who, I think, act on a vision that they have. I think that they are true believers, and that is scary; that is not good news.



True believers can be good news, but in that case, I think it's very bad news. I think that they are united by a common ideology and a common identity, and that is very scary.

C. Austin Fitts: The thing that most concerns me about that group for example, is a superb book by a Polish psychologist called *Political Ponerology* and he talks about how 5% of the human race are just born without any kind of empathy gene. They are basically psychopaths, and are great at finding each other and conspiring and collaborating for political benefit. If you let them get control of the machinery, it's very dangerous because – in fact – the rest of the population can't fathom that they don't have human empathy.

The Saker: I absolutely agree with that entirely. There is something else, too. Minorities are usually organized against a very simple narrow project, but most of us – the 'basket of deplorables' or the majority – have all sorts of interests and all sorts of views, etc. Minorities typically organize against a narrow agenda. Far from being more intelligent or more skilled, which is just a myth, they are simply far more driven.

You're never going to have a Portuguese banker caring about the ethnicity of the person he is going to make a deal with; he doesn't care. These people do.

It's not that they are smarter; it's just that they are driven in a way that normal people – the non-courageous – cannot even fathom most of the time.



C. Austin Fitts: Right.

The Saker: That is what makes them such formidable actors even though they are a minority in terms of numbers.

C. Austin Fitts: Right, that's true.

For somebody who has never dealt with the neocons, Charles Ferguson, who has a great DVD that he did on the occupation of Iraq and the intentional destruction of civic and civil infrastructure and replacing everybody with US contractors who had no idea what to do or how to do it but could do it at 20 times the price.

It's remarkable because it shows you how crazy they are, and you have all the Americans who are sensible and intelligent who were appalled at how that went down and describing how nuts it was.

They think you bring order from creating complete chaos. You destroy it, and they think it's going to grow up again like green shoots.

The Saker: It's the short-term buck, which I think is very central. Generally all their tactics are totally short-term and to hell with the consequences.

I think we are also dealing with a system that is very bad news. Generally the empire promotes the spineless, unimaginative, and the crazies, and selects them and pushes away decent, honorable, well-educated people.



My daughter is in college, and the horror stories that she tells me about the prevailing ideology there is unreal. I'm very concerned about that because that is actually what happened in Russia before the revolution where the entire policy promoted mediocrity and pushed away the good people who could have made a change, and I see that happening in the United States nowadays. The best of the Americans are nowhere near the centers of decision-making and power. The worst of the worst rise to the top.

C. Austin Fitts: One thing I wanted to mention was the false flag and the alleged Sarin gas attack and the bombing; we saw Trump's approval ratings – which were not high anyway – going as low as 43% and 42%. Then after he starts the bombing, it turns up and heads to 50%.

I've talked to Trump supporters, and what they say is that they were really being bothered by all of the negative news and bad news on Trump and all of the fighting in the media. They feel better now that it's over.

I've said that when he cuts the cash flows off from the unproductive, they will shriek. Now if you want him to cut the cash flows off from the productive, then you have to be able to not pay attention to the shrieking. If you pay attention to the shrieking – because now the cash flows are rolling back into the unproductive – they are happy. They are saying how wonderful he is. Brian Williams is saying, “We have beautiful weapons,” and everybody is happy.



If that is good news for you, then essentially your enemy is controlling you. They can't seem to compute that.

The Saker: I don't know if I have any reason to believe these opinion polls.

C. Austin Fitts: Well, I don't believe them either. You're right.

The Saker: People voted for peace, and they get war again, and they are happy with that? I just can't believe it's true.

C. Austin Fitts: I don't think so.

The Saker: My knee-jerk reaction is that something was happening, when they went to these universities and surveyed these students who study with my daughter. Maybe they would answer that. But the real Trump supporters – I have a hard time believing that they are happy with what is going on right now. Maybe I'm naïve.

C. Austin Fitts: I know a tremendous amount of highly educated people who voted for Trump, and when he bombed Syria, their reaction was complete alienation.

The Saker: Yes. I look at information clearinghouses that have been very good at reprinting all the articles of everybody who said that Trump is a better solution that came out with absolute disgust and outrage.

C. Austin Fitts: Right.



The Saker: My guess is that his popularity is even lower than it was, but I can't prove it.

C. Austin Fitts: I think it's very, very possible. There is no doubt that the neocons have tremendous power in terms of turning the shriek-o-meter on and off. I think that is one of their greatest powers.

The Saker: I call it the 'Zionist media' now because they're not even trying to hide it anymore.

C. Austin Fitts: I think we ought to call it the Daesh media.

The Saker: It's the same thing! Absolutely. It's a propaganda machine, which will turn out whatever is needed by those who control it. There is no effort to inform or analyze or anything. It's gone. Even the pretext is gone now, which I welcome.

C. Austin Fitts: I did Greg Hunter's show about six weeks ago. James Clapper had said that they had no evidence of any connection or coordination between the Trump campaign and the Russians, and they had no evidence of any Russian interference in the campaign. So Greg said, "Now it's all going to stop."

I said, "No, it's not going to stop. It's going to continue. It doesn't matter that there is no evidence."



The Saker: I received an email from a friend today who sent me a *Yahoo* article. I haven't even had time to read it, but it said, yes, the FBI feels that there is enough evidence to investigate Trump on the basis of his contacts with the Russians. The *Business Insider* published that one hour and 49 minutes ago. The title is, 'We just got a huge sign that the US intelligence community believes the Trump dossier is legitimate.'

C. Austin Fitts: You're kidding!

The Saker: It's ridiculous. If it wasn't really sad and frightening, it would be very funny somewhere.

C. Austin Fitts: Here is the point: I lived through this for many, many years because they did it to me. It was funny because I insisted on going to trial. Every time I insisted on going to trial, they would try to settle, and I would get poisoned. So it really became a war – literally a physical war.

We finally went to trial, and my attorneys were so over-prepared. They came in the first day, and there was nothing. They had nothing and they always had nothing.

The attorney turned to me and he was as white as a sheet. He said, "They have absolutely nothing."

I said, "I told you that."

He said, "I just couldn't believe that they had nothing!"



I said, “There is nothing. There is nothing they could have.”

The Saker: There were cases in the past, we know, that the Republicans had contact with the Iranians during the hostage crisis. McCain had contacts with Saakashvili during the war in Georgia. It’s always been the case that if you’re on top of US policy – and I think it’s normal – you do speak to other people, particularly other people that matter.

I’m sure that if they desperately want to prove that Flynn and other people – maybe even Bannon – had contacts with the Russians, I’m sure he did, as he should have. I surely hope that people who want to apply to the National Security Council have been exposed to the main actors on the world stage.

C. Austin Fitts: Here is the other point. It’s odd because I’m on Twitter, and I have one person on my Twitter feed that rabidly hates the Russians. He responded and said, “Trump has gotten financing from Russia.”

I said, “Of course. He’s a New York state real estate developer. They all get financing from the Russians. Are you out of your mind?”

That’s like saying, “I live in the South and I eat barbeque chicken. So what?”

The Saker: How are you even sure it’s true? Does he need money from anybody?



C. Austin Fitts: Oh sure. There have been different times when he has dealt – either for his own reasons or during the bailout period – when he had liquidity drying up.

Here's why I say this. If you look at the Goldman Sachs team that runs Goldman now or, Gary Cohen whom he has now, they engineered the strong dollar policy if I'm right. My theory is that they were right at the heart working with Rubin. Rubin was at Treasury, and Blankfein and Cohen were running the fixed income division. And that was part of re-engineering a strong dollar, pushing the gold price down to make it work, and bubbling the economy with the housing bubble.

They had government securities and mortgage securities and the precious metals all within the same division that they ran. So it was like a three-legged stool. Part of that was, during the period and particularly early on, you had the Treasury run the covert operations to somewhat rape Russia and have US and city interests owning many of the oil companies and the equity.

During that period the US intelligence agencies – both Treasury, and I assume CIA – were teamed up with the Russian mob. They were laundering huge amounts of money in through New York, the Bank of New York, and other financial institutions.

I have many different kinds of theories about where that money went, but if you look at how much money was coming in from Russia, particularly the Russian mafia into New York, it's inconceivable to me that Trump was not part of that. If he had casinos, what do you think the casinos were created for? To launder money, right?



The Saker: What years are we talking about?

C. Austin Fitts: The Rape of Russia started in 1990 to 1991.

The Saker: Yes, and when you say the collusion between Treasury and the Russian mob, what years are we covering there?

C. Austin Fitts: 1990 through 1997.

The Saker: Exactly.

C. Austin Fitts: And what was the investment bank at the heart of that movement? It was Goldman Sachs.

The Saker: Yes, but it is a very different thing to plunder Russia – which I agree did happen, there is not a doubt in my mind – but to say that the Russian foreign intelligence service decided to make Trump give them financial favors...

C. Austin Fitts: It has nothing to do with the intelligence service. You have a large amount of money flowing out of Russia through the US intelligence agencies, the US financial institutions, and the Russian mafia into New York and looking for a place to go.

The Saker: I completely agree with that scenario, but what the Trump enemies are suggesting is something very different. They're saying that the Russians did favors for Trump in order to have him owe them favors, and they're going to use it. I don't think that is true. That money did not come with strings attached.



C. Austin Fitts: I think if we were to get Trump's financial statements and tax statements, we could find a large amount of Russian money that came in during that period that was somehow involved in his financial interests because he's a big New York real estate developer with casinos.

The Saker: Yes, but I wouldn't call it 'Russian money'; I would call it 'money from Russia'.

C. Austin Fitts: Right.

The Saker: It's not something that could then be used once Trump is President. You see what I'm saying. It's not a quid pro quo where, "We'll help you get to the top. You'll be our candidate, and then you'll work for us."

C. Austin Fitts: No, but if you look at the flows of money from Russia in and around Goldman Sachs and the New York real estate and casino market at that time, it would not surprise me to see hundreds of connections.

The Saker: Yes, but what I would call the fifth column inside Russia, not the people in power since Putin came to power.

C. Austin Fitts: I don't know. It depends on which oligarchs stayed and which ones left.



The Saker: They very much all left politics. The deal was that some of them were jailed, and others left abroad like Berezovsky, and others still survive today but are out of politics. Their entire operation to plunder Russia has, to a great extent, been shut down.

C. Austin Fitts: But remember the entire group in the intelligence agencies and in the US government who thought they had brought Russia to heel inside the tents? I don't think that they ever expected it to get rebuilt and asserting sovereign rights the way it has.

The Saker: Agreed. I very much agree with that.

C. Austin Fitts: So I think they are very much disappointed.

The Saker: Absolutely, and they are frightened because they realize that their level of popularity now in Russia is somewhere under 5% tops.

C. Austin Fitts: I don't know. Let's move on to North Korea. One of the theories given for the show of force in Syria was the President was having the summit with Xi Jinping and Tillerson in Florida. The theory was that this would be a show of force to Xi Jinping. The idea was that he would go back and basically tell North Korea to cool it.

The Saker: That is the theory. Now, do you believe that that can work?



C. Austin Fitts: I think that North Korea has to do whatever China tells them to do. I think the question is: Are they willing to do that in exchange for whatever the US offers them on trade deals or not? I don't know.

The Saker: Trump promised that he would bring China to heel. He would restore justice and “kick their butts,” etc. Now he is going to ask for their help?

Secondly, I am not personally a DPRK specialist, but I've listened to quite a few over the past two weeks. They are saying that, yes, China plays a major role in North Korea but cannot force North Korea to do just anything. North Korea has its own ruling elite and has its own interests. So I don't think China can force North Korea to stop their nuclear program. That was almost stopped when the US negotiated that deal with North Korea. Even Madeleine Albright was involved in these negotiations, and they decided to not deliver on that. The United States broke off that process of negotiation.

Think from the point of view of North Korea. You see Syria, that doesn't have nukes, bombed for no reason, and then the very same person comes to your neighborhood and says, “By the way, we want you to get rid of your nukes.” That is ridiculous.

C. Austin Fitts: I think they developed the nukes because they saw what happened to the Middle East after 9/11.



The Saker: I don't even think that they have nuclear weapons currently. They have a nuclear device – which is very different – but you can't just take any nuclear device, make it into a warhead, and mount it to a missile, and make that a reliable means of delivery. I think that they are working on that, yes, but the real threat is their artillery that can hit Seoul and their special operation forces that can spread and create chaos. These are two threats that aircraft carrier strike groups can't deal with.

You have to realize the threat that Trump is shaking right now in front of the nose of the Koreans is not a credible one. The terrain in Korea is not the Middle East; it's hilly, and it's wooded. You can very well hide artillery and you can disperse it. There are no good targets.

Even if you hit the command control and bunkers and tunnels, there will be plenty left to shoot, so that is not a credible threat. They can shoot down a very useless North Korean air force, and they can sink most of the useless North Korean Navy, but what will it do for South Korea? Nothing.

Even a threat right now is not a real one. It's a show and I don't even know if Trump believes it's effective. I don't.

C. Austin Fitts: So you think that he's doing it only for show.



The Saker: I don't know. I don't know what they're telling him. I don't know how much he understands. All I'm saying is that the aircraft carrier strike groups are not the kind of force that you need if you want to intimidate a country with the terrain, leadership, and armed forces that North Korea has. That to me is clear.

What he is trying to achieve, I don't know. I would never have predicted the air strike on the air base in Syria because, in my opinion, it's sheer folly and it's self-defeating. I cannot predict somebody who can do something so self-defeating and so crazy; I can't.

All I can say is that if the plan is to get rid of ISIS, that is not going to work. If the plan is to somehow put pressure on the Chinese – which have felt it for months nonstop – to, in turn, put pressure on North Korea to do something, which they're not even coerced by, using aircraft carriers, that is not going to work either.

If tomorrow morning he decides to lob one big bomb in the middle of downtown Pyongyang, would I put it past him? Now I wouldn't put anything past this guy. Does it make rational sense? No.

C. Austin Fitts: So the Tomahawk missiles were \$100 million. The bomb we dropped – supposedly – on the cave with ISIS was \$16 million – part of a \$314 million order. I don't know how much money we spent building those caves. Let's say that was another \$20 million.



I don't know what it costs to send everybody up near North Korea, but let's figure that is another \$20 million. Let's say we're up to approximately \$150 million just for these three moves.

We're about to come into the debt limit. We're going to hit the debt limit on April 28th, so that process is going to start, and it could take a while to turn into a major brouhaha. But we know the President came out with a blueprint on the budget and he has the budget forthcoming in May. \$150 million is a great deal of money. If you look at what the cuts are going to be, people in America are going to start connecting the dots between, "Oh, there is \$11.5 trillion missing from the Department of Defense and HUD, but you're cutting me this tiny amount of money. How does that compute?"

The Saker: On my blog I mentioned the song by Lynyrd Skynyrd where they complain about too much money spent abroad and on the moon. That was written in 1978, and we're still at it.

I'm not optimistic for change. What can American people do about it? Nothing. The state is militarized. There is enough ability to use violence to crack down on dissent. I don't think that they care about the debt or the economy or taking away money from poor Americans. They don't. That's why there is more money spent by the US on wars of aggression than the rest of the planet combined.

They'll just print more dollars, rob more countries, and that's about it.



C. Austin Fitts: Let's return to the election. It looks like it had real competition. You and I talked about this. The people who wanted to keep the unipolar empire going and the people who said, "No, we've got to reorganize back into North America. The military is spread too thin."

I think you had a segment of the military that knows it's not good to lose wars, and it's spread too thin, and the navy has to be rebuilt. There are all kinds of things that have to be done. We need to pull back and take care of number one first. What Trump has said in the first 80 days of his Administration is that we are going to do both. But that can't last through the budget.

In other words, in the budget you have to do one or the other. You can't do both.

The Saker: Why not?

C. Austin Fitts: If you try to do both, that is called 'kick the can'. So you can kick the can for another year. What it says is that you're going to wipe out the United States, and now you're just fighting. Everything is going to go to the military. The question is: How is it going to go to the military? What is it going for? Is it going to be spread thin, or is it going to rebuild the navy?

The Saker: What mechanism would that be that destroys the United States?

C. Austin Fitts: It would wipe out the middle class. You will debase the middle class out of existence.



The Saker: I think that has already happened.

C. Austin Fitts: You've certainly made great progress, but it's nothing compared to what will happen next.

The Saker: Right, and the middle class took it. I know many people have two jobs now, and all at minimum wage. People with college degrees work at minimal slave wage. It's already happening, and there are no consequences again.

With all of these discussions about debt and the deficit, I see no change because nothing has happened, and we're getting worse and worse.

Eventually somewhere down the line there will come a point where it's unsustainable, but that could be very far down the road still.

C. Austin Fitts: Right.

The Saker: That is my concern.

C. Austin Fitts: I wrote an article after the election called 'The Productivity Backlash' and I ended with a quote from Lawrence Wilkerson, which was essentially, "You have the entire economy and the stock market deeply dependent on this military-industrial complex. The question is: If you're going to turn it around, you have to turn it around in a way that is better for the stock market than what is happening right now."



I used to see this in Washington. What would happen is that I would constantly get lobbied to rig the market for what people know how to do. In other words, if they knew how to issue originate mortgages but they could make more money teaching school, they would, instead, come to Washington and get us to rig the market for more mortgages. They didn't want to change.

They wanted a guaranteed income for what they knew how to do. So you have a war machine, and that is what it knows how to do.

The Saker: I think that war machine is indispensable now because it's the only thing that is backing the US dollar.

C. Austin Fitts: Right.

The Saker: Somewhere it becomes vital to keep that war machine going because you can still print dollars, you can still go to Europe and buy every asset you want for dollars; they will take it. You can still buy energy. You can still corrupt leaders.

The fact is that the dollar is used out there and it still is. The US can print as many of them as it wants, and if there is any bad attitude towards that, then we send in the carriers. I think that is the idea.

Now the problem with that is the carriers are not good as a weapon against a powerful state. They are fantastic for 2nd and 3rd rate countries. But when you're dealing with countries that can actually fight back, they are not very useful. So that is where the problem is.



I agree with you; it's starting to crack. But how long will it take until the real big crack happens? It might take a while.

C. Austin Fitts: I think that is why the rush is to get everybody inside the dollar system. That is what this is. You have two things happening: You're trying to get all the countries that are outside the system in. That is number one. Or you're destroying them, and you're declaring a war on cash.

That's what you want; you want everybody chipped and digital cash, and then everybody is in the system and you can harvest globally. You don't have to just depend on force; you can depend on digital force.

The Saker: And on fantastic intelligence. If you have digital knowledge on what an entire country spent, the US credit card companies know everything that is spent in Russia that are using MasterCard or VISA, and it's the same thing for China. That is a fantastic source of first-rate intelligence. So, yes, that is where the real power is, I agree with you.

C. Austin Fitts: I think part of this hysteria is that they were planning seven countries plus North Korea in five years after 2001. That would have been 2006. Needless to say, they didn't make it. It's eleven years later- the plans to use food-and I think they were trying to replace the oil standard on the dollar with the food standard. That is what the GMO was all about, but the Doha Round fell down. Europe was too difficult about GMOs, so that didn't work.



Now the rush is on to get digital cash and to make sure that everybody is chipped. The question is: Can they make it? I don't think that they can make it.

The Saker: I don't think so either. I think that China and Russia are creating their own. China already has their own credit card system, and the Russians are just catching up now. This entire group that gravitates around Russia and China is gradually pulling out from the dollar zone, even though they are still heavily invested in it.

C. Austin Fitts: I went into the airport in Sydney to buy a watch. I approached, and there were three different machines. The lady said, "Put your card in."

I pointed to one that said 'MasterCard/VISA' and I asked, "What is the other?"

The lady said, "That is for the Chinese cards. They have their own cards."

The Saker: Right, and I think we're seeing it in the United States already. I'm not sure, but I think I heard that there are places that accept the Chinese card here.

C. Austin Fitts: Really?

The Saker: Maybe I'm wrong, but I think I read that somewhere.



C. Austin Fitts: Speaking of the Rothschilds, *The Economist* recently had an article that has a laptop with a hand reaching through. It says, “Why your computer will never be safe.”

Warfare is moving onto that platform as well.

The Saker: Yes. Absolutely.

C. Austin Fitts: So we are contemplating a world where everything is run through digital systems, none of which are safe.

The Saker: Yes, but in a multipolar world, you could have an arrangement where you can choose where you are unsafe. I agree that digital systems are inherently unsafe, but if you’re running on a Chinese or Russian network, you don’t have to fear Uncle Sam as much. And vice-versa; if you are running on an American network, you are safer from the Russians and the Chinese.

I still think the multipolar world is going to happen; I think it’s going to happen through much more dramatic events than what I’d hoped for. My biggest hope with Trump was that he would gently land the United States and more or less gently begin the process of converting the United States from an empire into, what I call, a ‘regular country’ even if it’s a very big one.

C. Austin Fitts: If you analyze his knowledge and skills, he has a combination of knowledge and skills that is uniquely appropriate for figuring out how to get from here to there.



I, too, was hopeful. I'm still not quite sure why he's done this amazing U-turn. This is a complete 180 in a few weeks with no explanation.

The Saker: The way that he betrayed Flynn and Bannon tells me that he has no moral fiber. I'm sorry, but I think I would actually say that he is a bad manager because if you dump people who are your closest allies, nobody will take a risk for you. What he did is so self-defeating that I can only imagine that he is either weak or he doesn't have a moral backbone.

I am shocked at how disappointed I am with him. My hopes were not that high, but at least I had some. Now it's dark.

C. Austin Fitts: I still think we are infinitely better off than if we had Clinton.

The Saker: Oh, yes. Absolutely. There is no doubt in my mind, but we are getting there. That's what disappoints me. We are right back to the same type of talk, and I don't like that conversation. "Will there be a war?" is not a topic I like; I want to get rid of that topic.

C. Austin Fitts: Here is what I see. We are approaching the budget and the debt limit. We hit the debt limit on April 28th, so we are going to have the debt squabbles occurring between now and as long as October. Then you have the President coming out with a budget in May. This is a guy who, it seems, that his policy is the last person he talked to.



When you get down to the budget, that is when you have to integrate everything. You can't change it every day. You have to pick a number and allocate the numbers. That is where you really lock in the policy.

I'm waiting until May so I can see what comes out, but you will have all of America starting to be more interested in, "If we could afford \$150 million to have this stance with the bombs, that is enough money to help reclaim the Great Lakes." So there are going to be some very hard discussions.

The Saker: If it ever comes to a serious risk for the power of the people who are Trump's puppeteers now – maybe Mr. Kushner, I don't know – inside the United States, there is another use you can have for an aircraft carrier, and that is a fantastic target that you can easily lose. If you provoke sufficiently the North Koreans or maybe the Chinese, somebody could hit an aircraft carrier. They're not that invulnerable at all. If that happens, it's going to be 9/11 repeated in terms of the same hysteria, and everything else will be forgotten – like 9/11 totally obliterated the trillions of dollars missing from the Pentagon.

C. Austin Fitts: Right.

The Saker: They have that option: Do something completely stupid and do it deliberately, like Pearl Harbor, with the hope that somebody is going to hit a carrier, and then all bets are off and we can go back to what we love most, which is a big, big war.



C. Austin Fitts: I have two concerns. If you review the budget, there are two things happening in it. One, you have the entire population, and if you take any topic like healthcare, in a state of deep denial about what it's going to take to reach an economic solution.

The Saker: Agreed.

C. Austin Fitts: The insurance companies, the pharmaceuticals, the general population – it's everybody. You can't point your finger at just one group; everybody is in a state of deep denial. So that is number one.

The second thing is that if you look at how much money is being pulled out of the budget in secret, you're financing two civilizations out of the budget of one and keeping one of those civilizations secret.

The Saker: I agree with you entirely.

C. Austin Fitts: I think that part of the push to war is because you can't afford transparency, and war is what will keep you from transparency.

The Saker: Yes, and war is a terrific way of protecting corruption. For instance, you've probably heard of that huge weapons depot that blew up in the Ukraine. The specialists predicted that it would take weeks to extinguish it, and I think it took 24 hours. The reason is that a lot of that material was missing. But now that it's burned, you can't prove that it was stolen. That's it! It's all disappeared.



War has exactly the same effect. You can make a killing on corruption during war. It's fantastically profitable.

C. Austin Fitts: Right. So is there anything we should be cheerful about? Tell us what you think is happening inside of Russia right now.

The Saker: I think that's what we should be cheerful about. The Russians are extremely cautious. They're not taking the bait, and I think it's a good thing – even if it's a frustrating thing.

There comes a point where I wish that they would just make a loud, big statement or do something, but considering that every step you take, there are millions of lives at stake. I have to say that their policy of caution is a good one: bid for time, be extremely cautious, and gradually try to win in the long term.

I think it's much preferable to a policy which would have big, spectacular actions to look good and feel good but that are counterproductive in the long run. So I think that's a positive development.

C. Austin Fitts: When I was in Toronto in March, I saw Daniel Estulin. Are you familiar with his work?

The Saker: No.



C. Austin Fitts: He's Russian and, along with his family, lives in Canada. He wrote a book on the Bilderbergers, but he claims to be in coordination with the Russian intelligence, so he returns to Russia on occasion.

What he said is he thinks that the population is deeply unhappy – not necessarily because of the political leadership, but because of hard circumstances in the economy as a result of the sanctions and the drop in the oil price. He just feels like it's hard times.

The Saker: I would disagree with that. I think that many people are unhappy; that is true. But I think the culprit and the cause are not as much the sanctions or the fall in oil prices as it is the corruption and incompetence of the Medvedev government and the internal policies. The economics of the Russian government is where the real problem is, and people are not happy about it.

The good news is that they are being loudly criticized on mainstream TV and the media all over. The people who make the economic decisions in the Medvedev government are extremely unpopular, and that is good.

In spite of that unpopularity, the war demonstrations were organized recently all over Russia. If you think about the actual numbers involved, it's not that big considering that people are going through tough times.



When I correspond with people who discuss that issue with me, I say, “Remember, the country is at war.” It is a war. It’s an informational war, an economic war, and to some extent, a military one. For a country at war, I would argue that Russia is doing pretty well.

C. Austin Fitts: Oh, I would say that it is doing remarkably.

The Saker: But yet people are hurting.

C. Austin Fitts: With the same drop in commodity prices and the same sanctions in the United States, I can’t imagine what would be going on here now.

The Saker: Remember that the Russians can look across the border and see what is happening in the Ukraine. They feel cornered; they feel that there is no other option. I agree with them. I think that there is no other option other than to resist, and Putin is the only game in town.

Even if such circumstances get objectively even worse, and there is some reason to believe that they are going to get better, I still think that the correct position is to accept the fact that you are at war and know that it is going to be hard in war. But it is still preferable to an overt war with hundreds of thousands if not millions of people dying.

C. Austin Fitts: It’s better than Stalingrad.



The Saker: Yes, and keep in mind that this is a topic that is discussed every week on TV. Will there be a war? What kind of war? What is going to happen? It's constantly discussed. So the people are very much aware of why they are suffering.

C. Austin Fitts: Right. It's quite extraordinary.

What do you think of Tillerson's trip to Moscow? Do you think that it did any good whatsoever?

The Saker: Yes, I think it did. First of all, he did not bring in an ultimatum, which was the big fear that many people in Russia and I had. They said, "If that is what he is coming with, then this is not going to end well."

The fact that he spoke with Lavrov for five hours, and after that he was received by Putin for another two, these are not the kind of people and the number of hours where you sit and lecture them about having to submit to Uncle Sam. These were substantive conversations. I have no knowledge of what was discussed, but it was most definitely substantive. That by itself pushes further away the risk of a nuclear war between the two countries, so I am really relieved by that.

Even the meeting with Putin, I didn't think it would happen. I thought the Russians were really mad that this Syrian thing had happened. But it did happen. So I think he did something useful there.



I think that he was in a horrible position, and I don't envy him. I am sure that they admonished him behind closed doors, and I think that he is an intelligent man. So he probably had to sit there and get verbally beat up and not have much to reply, but I think that something important must have happened, and that gives me hope.

C. Austin Fitts: Tillerson is the most gifted guy in the cabinet.

The Saker: He said that amazing sentence after he came out of the meeting. He said something like, "Our relationship is extremely bad, and that is not something that is acceptable between two nuclear superpowers."

That tells me that he understands exactly what is at stake. It doesn't have to be a love fest, but anything that makes the other one unpredictable or threatens the other one is absolutely unacceptable, and I think that he understands that.

C. Austin Fitts: The other thing is that they agreed to do a working group where they could work on improving things where we had agreement and could get things done.

The Saker: Like the famous investigation in Syria, they agreed to do it, but that might just be body language to show some achievements. I'm not sure that this will actually happen but I hope it does.

C. Austin Fitts: One thing that shocked me – and I still don't understand it – is Tillerson make an announcement after the bombing in Syria where he clearly believed that the Syrians were guilty.



I think that he was sincere, and it shocked me. Who could possibly trick Tillerson?

He is new to government, so I don't think that he may necessarily know the extraordinary talent that could be put to work tricking you. I've experienced it, and I know how powerful it is.

This is a guy who is very, very smart and has a lot of experience and is hard to trick. He truly believed it.

The Saker: I can't believe that he would really believe that. If he did, I'm not sure that that is good news because then he doesn't have what it takes to be a Secretary of State.

The notion that it was what the US says it was, is ridiculous. It's absolutely ridiculous.

C. Austin Fitts: There is another possibility in that he was aware of something that was going on that was much more frightening.

The Saker: The Syrians had an overwhelming rationale to be on their absolute best behavior. There was no logic for them, and they didn't have nuclear weapons, and it was not Sarin gas, so I can't believe that Tillerson would believe that. I think he is just a good liar, and I hope that is what he is: a skilled liar.

C. Austin Fitts: I don't know. I'm watching the situation, and I still don't have a hypothesis that explains everything.



I feel like one of those hound dogs who is wandering around the bush whining because I know there's a duck there and I just can't find it.

The Saker: Look at all of the articles that were written by truly independent analysts. I don't think anybody in the blogosphere bought the possibility that the Syrians actually did it. I didn't come across a single person.

C. Austin Fitts: Here is my only theory. I think that there is a less than 1% of 1% of 1% chance that Assad ordered such a thing. Could the Israelis have made a deal with one of Assad's commanders who pulled a funny on him? Is that possible?

The Saker: I don't think so because I don't think they have the infrastructure to even do that.

C. Austin Fitts: They didn't have the infrastructure to do it.

The Saker: As far as I know, the US and Russia have both said that chemical weapons were removed. I'm not even sure that there was a chemical weapon. There was some chemical gas involved, but toxic gas does not mean a chemical weapon. I'm not sure that there are weapons involved – at least not chemical ones.

C. Austin Fitts: It's just like all the other situations we run into these days. The entire story makes no sense.



The Saker: Agreed. It makes no sense whatsoever. I think Assad has a record of being a rational man.

C. Austin Fitts: One more question before we go. You are always so fascinating, so I have to pump you since I don't get you for another quarter.

Pompeo commenced screaming about WikiLeaks and how he had to do something about WikiLeaks. What is he afraid is coming out?

The Saker: I don't know what he is afraid about, but he is feeling guilty because he knows that there are a lot of things that could come out. I don't think he can conceive that it's coming from anywhere else other than the Russian military intelligence, which I have no reason to believe. That's a theory that is out there, and I have no reason to believe it.

I think he is trying to criminalize and denounce all of the bad people, traders, etc. like Assange, Snowden, and WikiLeaks. Of course he calls it Russian-controlled. If it was China it would be 'Chinese-controlled'. I think it's just empty rhetoric from a guy who is not quite sure that he can keep things as secret as he used to keep them in the past and it's a sign of weakness.

C. Austin Fitts: Here is the issue. The reason we invented the war on terrorism is because the beauty of the war on terrorism is that you could keep it going forever because there was no real enemy. There is no enemy to kill; you can't kill the enemy, so you could keep it going forever.



I think it must have run out because we need the Russians and terrorism isn't working.

The Saker: Agreed. I think the Russians are a much worse threat, and you can blame everything on them. If tomorrow there is a snowstorm, you can say that it is the climatological weapons of the Kremlin. If tomorrow there is a riot in St. Louis, you can say that the rioters were all paid agents, and Vladimir Putin personally gave the order to start the rioting.

The Brits said that the Russian hooligans are personally commanded by Putin. It's perfect. As long as people are willing to buy that kind of nonsense, I don't see why the propaganda machine should stop turning out that kind of nonsense.

The position comes from the blogosphere and the internet, but the Main Street is still taking it and buying into it. I don't know to what degree people believe it, but it's good enough. If people are quiet, that is good enough.

C. Austin Fitts: It's peculiar. In the old days they used to think that they were concerned that they couldn't keep the financial system patched together. But as I'm watching this, I'm becoming more and more convinced that the leadership is really worried about infighting among the leadership.



The corruption is so great and the criminal liabilities are so great. The unravelings that we've seen happen either around the pedophilia or around the Clinton Foundation are so shocking to the population. The population is deeply angry in a way that I've never seen before. So I do think that there is something happening. I think they are ready to really fight. Whether that translates into something that is meaningful remains to be seen, but I think that the leadership is afraid of the extent to which some of those scandals could end up with the fighting among the establishment being so ugly that they couldn't keep it together.

The Saker: That could happen. I agree with you that the population is angry and frustrated and there is a lot of rage that is contained because people are afraid. It is definitely there. The country is extremely unstable. But for the time being, it can appear to look stable for quite a bit longer. I think that the betrayal of Trump is going to have a tremendous psychological effect on all of the people who truly believed in him. They are going to feel really despondent and even more hopeless.

It was hard to vote for Obama, voting for 'real hope and change you can believe in' and then get the opposite, and vote for Trump and again, get a 180-degree turn. Every time Americans vote for x, they get y. Every time and it's very depressing.

C. Austin Fitts: To what extent can the leadership take care of that by impeaching Trump?



The Saker: I think they will do it just because that is the kind of hateful people they are. They absolutely can, and then they can say that somebody new has come to power, and then continue the same policy.

I'll tell you that even with the pedophile scandal and Pizza gate – if it comes to that, they can sacrifice a good chunk of the top people and the deep state will remain hidden.

What this country needs is not government change; it needs regime change in a profound meaning of the word. They don't just need a different government or a different President.

C. Austin Fitts: I think it needs more than that because I think it needs a consciousness shift. I think you need the American people to have a very significant consciousness shift because the power in this country starts in 3,100 counties, one county at a time. The problem is not just in Washington; it's in every county – the drug dealing, the mortgage fraud. It's every county.

The Saker: But haven't they proven that they have had their consciousness changed by voting for Trump in spite of the hate campaign?

C. Austin Fitts: No, and I'll tell you why. If you voted for Trump, you're thinking that the prisoners at the top can do something. Let me go back to my red button story.



I was giving a speech in 2000 and was explaining that the US economy launders \$500 billion to \$1 trillion of dirty money as of 1998 – and it's much more now. We are the global leader in money laundering for illegal money.

I was speaking to a conference of spiritually-evolved people called Spiritual Frontiers Foundation, and the goal of the conference was to talk about how to evolve our society spiritually.

I said, “Pretend there is a red button up here on the lectern. If you could stop all hard narcotics trafficking in your city and your county tomorrow by pushing this red button, thus offending the people who control \$500 billion to \$1 trillion a year, would you push the button?”

Out of 100 people dedicated to evolving our society spiritually, only one would push the button. I said to the other 99 people, “Why would you not push the button?”

They said, “We don't want our government checks to stop because we need that money to finance the government. We don't want our taxes to go up, and we don't want our 401k's to go down because all that money would go to Zurich and London and Hong Kong and leave the New York stock exchange, so our pension funds would go down.”

So that is the problem. If you became President tomorrow, your political guy would say, “The American people just spent \$2 billion to get you elected, and they all want their check.



They want their social security check, their government contract, their community block development grant,” and you would turn to Steve Mnuchin, and you’re Secretary of the Treasury, and you would say, “You had better be nice to the people who control \$500 billion to \$1 trillion of dirty money in the accumulated capital.”

So you are economically dependent on the machinery, and the machinery is economically dependent on harvesting other people with war and organized crime. And there is nothing you can do.

If you are the President, you cannot push the red button if 99% of the most spiritually-evolved people in the country cannot push the red button. Now, you can campaign and say that you are going to, but the reality is that they want their check, and they want you to tell them that they are good Christians and make them feel good so that they don’t have to face up to the challenge.

If you look back in American politics, Goldwater said at the end of World War II, “We have 5% of the people and 50% of the resources. To keep that going, we’re going to have to drop a few bombs,” and the American people said, “No, we’re good Christians. We don’t want to do that.”

So Jimmy Carter got up in front of the fireplace and he shivered in front of the fireplace and said, “We’re going to have to cut back,” and the American people said, “No. We don’t want to cut back.”



Then the Bush's came along and said, "You're all good Christians. Here's your check. Don't ask questions," and everybody said, "That's a plan."

So the reality is: If you want to turn this around, you have to do it one county at a time. That is why I'm such a big believer in place-based financial disclosure of the US budget. You can figure out and make all those trade-offs and kill a lot of the waste just by reoptimizing bottom-up, but that means no central control. That ultimately means transparency about the black budget.

The Saker: Even if there was a constituency for that, how long would it take to make that happen?

C. Austin Fitts: I think you can make unbelievable and remarkable progress in five to ten years. The waste is just so enormous, and the negative return on investment to taxpayers from the centralization is just mind-boggling, especially with new technologies. The possibilities for new productivity and wealth are incredible.

Theoretically you can turn the red button green. You can make money by pushing the red button, but you have to have a radical shift in consciousness.

It's why I keep trying to get people interested in their local elections. I keep saying, "Why vote for the prisoner at the top when you can have real power shifting in what is happening locally?"

You have to do it to 3,100 counties, one county at a time.



The Saker: When I think of your timeframe of five to ten years, I'm not even sure the empire has that much time left.

C. Austin Fitts: They might not.

The Saker: I think there is going to be an outside crisis that is going to trigger a brutal collapse.

I recently read a book by John Michael Greer called *Twilight's Last Gleaming*, which I highly recommend to you if you haven't read it.

C. Austin Fitts: No, I haven't.

The Saker: It's a great book. He describes how the bad use of an aircraft carrier ends up in the dissolution of the United States. He gives one possible scenario, and I think that is where we are headed. I think we are headed for an external catastrophe, which will have an internal consequence so severe that basically the country could break up.

C. Austin Fitts: That may be one of their goals. I think that is why they were trying to get a Constitutional Convention – so they could break up the country.

The Saker: He discusses that in the book also – the Constitutional Convention. I think you would like the book very much.



C. Austin Fitts: I will definitely get it. The one thing that I would say is: I really believe that if the Trump Administration could come in and rebuild the military – because it is spread too thin and it's dangerous if you're going to try to maintain reserve currency status – that you could prevent the kind of scenario from happening that you're describing.

It may be possible that instead of doing that, you have a group of people who are so greedy that they just want to finish soaking it for what they can before it collapses.

The Saker: That is more of where I am in my feelings about where we are headed.

C. Austin Fitts: Well, in my attempt to get one optimistic statement out, you have failed completely.

The Saker: I would say that when Tillerson travelled to Moscow, we are a step removed – at least I hope. I think it's better after his trip than before. That is the only good thing that I can mention and I'm sorry.

C. Austin Fitts: Okay. Well it's always a delight and we look forward to talking to you after the 2nd quarter is over. We have a very interesting year ahead of us, so there is more to come.

The Saker: Let's hope that there will be good news then.

C. Austin Fitts: Just remind everybody where they can find you on the web.



The Saker: My website is called www.TheSaker.is. It's based in Iceland. That is where you get my articles and many very, very good guest posts and comments. You can find me there.

C. Austin Fitts: Mention your book as well because it's remarkable. Just remember before you print it out, that it is very long.

The Saker: It's called *The Essential Saker*. There is a link to Amazon on my website where you can get it from them. It's a collection of essays and all sorts of different topics discussed in it.

C. Austin Fitts: It's very remarkable because I was in Belgium and the Netherlands for a couple of weeks recently, and when you talk with everybody about the French elections, it's a much more organic, yeasty process. You don't get a sense of what is going on in the politics in France and Europe. There are sections in your book that really convey it, which are marvelous.

If you want to get a better feel for what is really going on in Europe, it is tremendous.

The Saker: One of my guests, who regularly writes for me, is a journalist called Ramin Mazaheri who is based in France. He's a top specialist of the internal politics of the French elections. I highly recommend his articles. They are in the 'Guest Posts' section, and they are wonderful.



C. Austin Fitts: That is one thing that I'm going to want to talk about next – the French elections. We have the first round coming up very shortly, and then we will know much more by the next time.

The Saker: Let's do that.

C. Austin Fitts: These are very interesting times, Saker. Have a wonderful afternoon and thank you again.

The Saker: Same to you. It was a pleasure as always and have a wonderful day.

MODIFICATION

Transcripts are not always verbatim. Modifications are sometimes made to improve clarity, usefulness and readability, while staying true to the original intent.

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