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The Emerging Multipolar World: The Outlook of Russia with The Saker



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The Saker

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BIO: The Saker is an ex-NATO military analyst who lives in Florida. His family was Russian emigres to Switzerland where he grew up. He was educated in Europe and America.

This week on The Solari Report, the Saker returns to continue our discussion of the emerging multipolar world. Our focus is on Russia and Russia's relationships with other oil producers and countries throughout the emerging markets who have been part of the efforts to "de-dollarize."

The global shutdown of the economy since March has significantly reduced global trade and demand for oil and gas—Russia's largest export. Drops in income are painful for everyone. Russia is in a unique position, however, having a low level of debt and having made significant investments to build a more resilient food supply and economy since being targeted by U.S. sanctions.

The Saker and I discuss the impact of current events on Russia's role in hot spots such as Ukraine and Venezuela. We also touch on recent NATO military exercises, consider how Moscow has received the latest revelations in General Flynn's case, and discuss the shift in U.S. scapegoating from Russia to China.

Our discussion reminds me again how much people everywhere struggle with the yoke of oppression. The "one percent" are sure not with us, but the rest of us indeed are in this together.

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C. Austin Fitts: Ladies and gentlemen, it's time for the Emerging Multipolar World. It's my pleasure to welcome back the Saker. Every time I talk to the Saker, the emerging multipolar world has gotten more exciting.

The Saker: Indeed!

Fitts: I want to focus on Russia because Russia is in such a pivotal position in terms of the changes underway, and also because of that, they are experiencing extreme pressure. It's very fascinating. I don't even know if the Russian 'Nothing Burger', as we call it, has made Russia more interesting or not.

Much has been going on. Tell us what is happening politically within Russia right now. Where are we? Putin is coming into what arguably may be his final term. How are things going?

The Saker: Things are extremely, extremely complicated in Russia, and there are a number of things. Of course, we know that there was a new government put in place. Some people returned, whereas others were demoted, and others were replaced. I would say that it's a technocratic government that came in.

Putin probably chose that kind of government because of the planned changes to the Russian constitution. That would have been a major topic of discussion in Russia if it weren't for the pandemic, which now has basically thrown everything into a state of unknown. It is absolutely unclear what will happen.

The pandemic is hitting Russia really hard, so there is much discontent—like in all the other countries. It's occurring in the US and in Europe. So the situation has become more unstable, there are more bitter disagreements about what the correct response would be and what should have been done, etc. There are relatively similar processes to what we see in the West.

The biggest difference that really impresses me is to what degree very early on the Russians said, "This pandemic is extremely dangerous. We have to prepare for something which could be a threat to our national security."

Their actions included building 16 hospitals all over the country within nearly a month and a half. So, there is a sense there that the country is undergoing a crisis, and that is definitely apparent. Also, just like in the US, many small companies and little private corporations were hit extremely hard over what is happening now.

Socially, there is definitely a lot of motion happening, yet the President still remains popular. That has not changed.

Fitts: I read an article recently saying that his polls were down to 59% support. Of course, in the G7 nations that would be considered to be astonishingly high, but we have seen them as high as 80%.

The Saker: It depends on which polling organization that is. What I saw recently tells me that it is somewhere officially around 70%. I think the 59% probably comes from a position of the center; I'm not sure. Roughly, we know that he is more popular than any Western politician, and crucially for Russia, there is no runner-up that is even close to him.

Just for the purpose of our conversation, let's assume that it dropped by 10-15%. That still puts him way above everybody else. The single-most important factor right now in Russia is this one person. On one hand, that may be good because it asserts continuity and stability. On the other hand, if something happens to that person – I've been warning about this – it's still a one-man show.

A change in the constitution and a change in the government is probably part of a desire to build a Putin system rather than a Putin individual, but now it has all been thrown under, and now none of this is going to happen. He has canceled the Victory Day Parade and he has canceled the planned vote on these changes to the constitution.

Fitts: One of the things that I find so remarkable about his very high support is that he has had to grapple with pension fund reform, which is one of the most difficult things for a politician to do. You layer on top of what the current activities are that you are doing to small business and small business income and the sole proprietors and the entrepreneurs. That is a lot of economic hardship to have to manage through as a politician, and yet he has managed to do it.

The Saker: There are many people who are frustrated. Both the pro-Western opposition and, what I would call, the nationalistic opposition have smelled blood. I think that they are trying to bounce as hard as they can to promote their agenda, but I don't think they will be successful at it.

I see now that they are successful at issues, but not in transforming that frustration into a person like Putin. I think that the main reason is that this simply happens inside the opposition. There is no credible candidate or leader who could meaningfully challenge Putin in the opposition. There is absolutely nobody.

There are all sorts of people, and some of them are very good and some are very bad. But there is nobody with the charisma and the personal credibility that he has.

Fitts: One of the things that I have been doing is working on a very extensive study and write-up on what has been happening with the dollar system. Because of that, I spent a great deal of time looking at all the different steps that Russia and China had taken to try to build direct trade routes that didn't have to go through the dollar system.

The Russian central bank put an office in Beijing, and there was a tremendous amount of real 'nuts and bolts' efforts to build train tracks to get things accomplished day-to-day-to-day. Much of that was quiet. Nobody made a lot of noise about it. But you could see that there was a real investment in building the institutional capacity between the two countries, and yet very early on, given the events of Wuhan, Russia shut the border with China, and it looks like much of that has had to stop.

Do you have any thoughts or any comment on what has been going on between Russia and China, given what has happened?

The Saker: First of all, I would say that the depth of the relationship between the two countries is such that I refer to them as a 'symbiotic relationship'. You can see some truly extraordinary things. For instance, the Russians have accepted that they will help the Chinese develop an antiballistic missile defense around key cities in China.

The types of things they do together are really not something that could be fundamentally put at risk by, say, the pandemic or the reaction to the virus appearing in China.

What I sensed very early on, and I don't know what the basis of information that did that because it was never clear. Unlike Western politicians who were thinking, "This is a Chinese problem, and it's just like the flu, etc.", the tone in Russia was very rapid and very serious. I don't want to call it alarmist, but they were very concerned.

As suspected, the Russians had very good information about what was really taking place and the potential dangers that this pandemic represented. There is a consensus in Russia among top medical people and health people that this is extremely serious and that drastic measures must be taken. Some of them were taken rather clumsily. Many people were unhappy with the way that the mayor of Moscow, for instance, handled the pandemic.

There are problems, but I don't think that the economic collaboration between China and Russia would be affected. In the short term, will it be affected? Yes, of course, but there is nowhere else to go for these two countries. As soon as possible, they will resume full-spectrum collaboration; I don't think that will change.

Fitts: One of the things that I want to mention to you is that I read a remarkable book several months ago by a French executive called *The American Trap*. It's about when he was getting off a plane in New York, and he was working for a French company at the time. He was arrested before he could disembark, and spent several years in American prisons. It was all corrupt foreign practices that were basically wanting an American company to take over this French company, and it was a game of economic warfare.

The meanness and the lawlessness of it was similar to a story we've heard a couple of times before. We know about Strauss-Kahn, head of the IMF, getting busted in New York and then released after they were able to engineer somebody who was friendlier to the Americans into the seat.

When you finished reading it, it was a reminder. If you look at the group that met with the BRICS nation in November where Putin made his shocking comment about what was coming next politically, and why they are willing to go to so much hard work to build work-a-rounds throughout American jurisdiction because the jurisdiction has become something which I can only describe as psychopathic.

The Saker: I agree, I completely agree; that is exactly what happened.

I think they realize now that the pretenses during the Cold War when people believed that the West had democracy and human rights, etc., that this is all gone. All we see from the US consistently now is the simple use of force: "Might makes right."

If they can do it, they will do it. It could be stealing Venezuelan gold or it could be kidnapping Russian citizens abroad. It could be persecuting Assange and keeping him in confinement. It's a pattern, and both countries are acutely aware of that reality.

Furthermore, what I would say that is really interesting as I watch a lot of coverage of China on Russian TV, I think that the US has taken the strategic decision now to make China as their villain number one.

It is very interesting to see how this kind of China bashing is reported on the Russian media.

Fitts: How is it reported?

The Saker: They say, "It's not just us now; it's the Chinese who are becoming the next villain."

For them, it's a case of more of the same, and expect nothing else. So, I think that both countries have essentially given up on trying to get any kind of deal going with the United States. For decades now – or at least since Obama – the US has been non-agreement-capable. The way the US betrayed, for instance, the agreement with Iran on the nuclear program tells both countries, "What is the point of negotiating anything?"

Fitts: Wasn't it Lavrov who described it as 'non-agreement-capable'?

The Saker: All of them. This expression 'non-agreement-capable' is repeated by Russian politicians on a regular basis.

Fitts: It's phenomenal.

It's interesting, though, that the book, *An American Trap*, most reminded me of a book by a very successful American executive called *Cardiac Arrest*. He started a medical equipment company and then ended up in a war with the Department of Justice, which he finally won. It is an incredible litigation story.

As soon as it was over, he sold his company and wrote this book. In the book he said, "I can't run a company in an environment where there is no law."

It was interesting because you realize that in both cases, the Department of Justice was helping monopolies scarf up either smaller domestic companies or foreign companies. It was really the ‘Sheriff of Nottingham’ stalking for the monopolies, and it was a very ugly picture.

The Saker: I would say that many entrepreneurs would say that. In China and Russia the environment is not easy either. You do see plenty of bureaucratic harassment and abuses of power and corruption, technocrats, etc. That is something I think these countries have in common.

Fitts: It’s interesting that you use the word ‘technocratic’ because I think the problem that the business people that I know face is they are used to functioning in a market economy where productivity matters. Now they are facing a juggernaut which is subsidized by central banks that want technocracy; they want to run everything by rules.

You see the same frustration wherever you go around the world. They don’t want to be controlled centrally by complex rules that basically destroy productivity. That is where most of the backlash is coming. Everybody has different words for it politically, but it is really one thing.

The Saker: When I use the word ‘technocratic’ I used it in the sense of non-ideological people, not high-profile ideology people.

Fitts: Okay. One thing that I want to mention was I believe that Russia has very significant infrastructure and research in the health sciences. It’s ironic. We have a *Future Science* series on *The Solari Report*. Much of the original research and information comes from Russian scientists. Ulrike Granögger, who runs the series, is German, and some of the more interesting research being done on biophysics is from Russia.

It is always very interesting to see what their reaction is to something like coronavirus because they know a lot and they have plenty of capability in these areas. I find it very interesting. If you say they think this is serious, I find that is a very interesting data point.

Is there anything else about what they are doing or how they are dealing with it that you think informs us about their approach to these things?

The Saker: Yes. One thing that is important is I realize that the entire topic of the virus is fantastically controversial. For every element, there are at least five different points of view.

I would add those two elements here about the Russian science. Modern Russian science today is still going on the inertia of the very, very strong Soviet signs that existed at the time in the Soviet Union. That creates some interesting differences. For example, there is no equivalent of big pharma in Russia. Russian doctors are not told by big pharma, “This is the best practice, and this best practice happens to be used by medicine”.

In a sense, I would say that it is an interesting thing. I am not a scientist, so I’m not competent to judge on substance whether they are better or worse than the scientists in the West, but I would say that since they are trained and they come from a different culture, at least I don’t suspect that they are immediately just pursuing their financial interests, which is what I think big pharma does in the West.

Yes, indeed, it is quite striking the contrast. There is regularly in Russia debates, which include six or seven MD’s and members of the Academy of Sciences or heads of specific scientific research institutes. For instance, there is a consensus there that vaccines are extremely important. There is, of course, like everywhere else, an anti-vaccine movement in Russia. But in terms of getting the support of the top people, it’s just not there.

Fitts: But is a free debate allowed?

The Saker: Yes, Russia is completely pluralistic; you can discuss anything that you want. It’s not that there is censorship going on; it’s just that people look at certain things differently because they come from a different background. That is also what strikes me as the seriousness of the reaction. They immediately want to go into full combat mode, but it is a combat against the pandemic. There never was in Russia this moment where they said, “Oh, no big deal.”

By the way, the closure of the border with China did not stop the virus because, if I’m not mistaken, the first cases in Moscow came from Italy. So, the closure seemed to have been effective – at least initially.

Fitts: I didn’t know from where it came.

The Saker: As far as I know, it was Italy. There was also an infamous case of a group of Russian millionaires having parties in France, and then they flew back to Russia. They completely ignored the warnings when they were abroad, and I heard that these people also brought in the coronavirus.

So the virus is spreading in, but it doesn't seem to be coming at all from China. But I'm not a scientist, so don't take it to the 'bank'.

Fitts: It's in the United States, and almost 45% of it is in New York; not in California. So, you would think that you would have seen a pattern coming in from Asia, but who knows?

The Saker: That's another thing: Moscow is really like a different country; Moscow was so different. They were ahead by two or three weeks, and things began there and only then trickled into the rest of the country.

Fitts: Let's turn to military and space. While all of this was going on, we saw at the beginning that NATO kept trying to do their big exercise in Europe and finally it got canceled, but they had a smaller exercise that was really targeting Russia. Can you tell us anything about it?

The Saker: Yes, they were never stopping. This kind of thing has been going on for years already, and this is a pure PR action. I always try to remind people that the closer you get to the Russian border, the higher number of weapon systems that are going to be targeting you.

Modern warfare is not about forward projection; it's actually about dispersing and then hitting throughout the death of the enemy. So these exercises are really designed for political purposes. I think they have no military value whatsoever, nor do I consider at this point, that NATO was a competent, capable fighting force. I think the Russians fully realized that, and that is in sharp contrast with the Russian military, which has basically been preparing for a real major war for no less than six years now. By now, I think that they are quite ready.

Fitts: So what was the point of the drill? Why didn't NATO want to do it?

The Saker: It's all the same. The point of all these drills is to project; it's all PR. It's to show, "We are powerful, and we are defending the West against Mongol Hordes from the East."

But that is a political message. Militarily, it means nothing – absolutely nothing. The real question is: What about the logistics? If there was a war in Europe, for instance, does NATO have sufficient air defense? No. Do they have enough stores? No. How many units are actually combat-capable? Not that many.

As soon as you look at the details, you get a rather terrible image of the UK. So what do you do? You hide it behind big, roaring political things. It's like Trump declaring that he is going to create the Space Force or discussing the mining of the moon and things like that. This is, frankly, only entertainment for the masses. These are not militarily significant steps that they are taking.

Fitts: I want to ask you about the mining of the moon. Where did that come from?

The Saker: I don't know; it 'beats me'. I'm curious as to if we ever return back to the moon, how we are going to protect the people on the moon from the radiation there. The moon has no magnetic field, and radiation is going to be a major problem.

If Trump says that he has the best Space Force in the history of the galaxy, it has to be true. That is how it works.

Fitts: I don't know if you remember this. I think it was last year or maybe 2018 when China announced that it was going to do a \$10 trillion development on the far side of the moon. I don't know if you realize this, but somebody – maybe it was the US – awarded a contract to Nokia and Vodafone to start a 4G network on the moon.

The Saker: I was not aware of that.

Fitts: I had a subscriber from Australia tell me that, and I didn't believe him, so he sent me the article. I thought, "What?"

The Saker: That makes perfectly good sense. If that allows Nokia or some other company to make millions off of that, why not? We have the absolutely perfect example of the F-35 which is an abomination of a design, and it is a complete and total success in terms of people 'filling their buckets' with money. It worked really well.

I'm not surprised at 4G on the moon. And why not swimming pools while we're at it? Let's hire someone to prepare plans for swimming pools on the moon. They can do it, but it doesn't mean that it's going to happen though.

Fitts: I was a great admirer of Paul O'Neill who was Secretary of the Treasury for the first couple of years of Bush II. He recently died. Then I heard a speech by Larry Lindsey, who was the National Economic Advisor. It's a historical footnote that Paul O'Neill and Larry Lindsey were fired at the end of 2002. They were fired because of two reasons, but the main reason was that Rumsfeld had said the war in Iraq would cost \$50 billion, and Paul and Larry said it would cost \$200 billion. They wouldn't back down, so they were fired because Bush needed to go to war, and he could only go to war if it would cost \$50 billion.

Now the current projections are that it has cost \$6 trillion so far, and it's not over.

The Saker: The thing is that I really think that in the West the media has so overtly become simply a propaganda machine for the deep state that there is a complete disconnect between reality and what is reported. That complete disconnect reeks somewhat like an sustained philosophy.

At this point, it doesn't even make sense to try to come back to reality or to say something true because it's too late for that. We are far too committed to jump that track. Now they will have to keep going; they will wave that flag until they drop dead.

Fitts: But here is the thing: Because of this, things get stranger and stranger. In other words, because you don't want to return to reality, to keep the myths going, you have to become more and more bizarre and more strange and more stranger. So, it keeps getting stranger.

The Saker: Yes, and this is the context of this sudden, completely hysterical demonization of China. You need to find a culprit. Russia is not credible as a culprit anymore, particularly not in economic terms.

There was an article saying that the Russians have destroyed western science, which is ridiculous. There was an article saying that the Russians and the Chinese developed the virus in Wuhan together. So some people prefer Russia, and some people prefer China, but basically the villains are being declared. Then you have the most hatred against these two countries. Now China is the number one hated country, and I think that is a very bad idea to provoke them and then feed it to them.

Fitts: Here is the thing: It is very difficult to declare war against someone who is a Siamese twin. If you look at our day-to-day operations and economy, we are deeply, deeply codependent. So if we are going to declare war, we are declaring war with somebody who we are deeply dependent on, and vice-versa.

The Saker: My understanding is that the US is far more dependent on China than the other way around. Am I mistaken on that?

Fitts: No, I think that is true.

The Saker: About 25% of Chinese exports, and the rest goes to Asia. So, the US has a meaningful grip and influence on the Chinese economy, but it's not true that if a break happens they will both suffer equally.

Fitts: Here is the thing: They suffer in different ways.

If you look at how dependent the US was on China two years ago to keep the myth of the middle class going, it was exceptionally dependent. If the US is going to destroy the middle class as they are doing now, then that will make them less dependent.

The Saker: Yes, but there is also the amount of securities that the Chinese control, the number of companies they have invested in, and the type of technologies that are needed and available from them, etc.; they are actually a powerful player.

Fitts: If the US lets up on that notion, what China enabled the US to do was maintain a false prosperity for the broad general population. If the US gives up on doing that, then they have the ability to become far less dependent. But you have to make that choice.

The Saker: How are they going to reindustrialize the country or bring back everything that was already left? It's a country of services now.

Fitts: I don't know that they are going to reindustrialize. I think that what they will try to do is whatever they can bring back with robotics or they can move to Mexico, they will do more in North America, but they will continue to do things all over the world.

I think that it is incremental. You move things to Vietnam or you move things to India. It's not one thing, but you rebalance away.

The Saker: Maybe, but I am not confident to express my opinion on that.

Fitts: Let's talk about oil. If you're going to have a war with China, the last thing that you want to do is lower their oil price, but we've done that.

We've had a currency system that really worked off of controlling the oil trade, and oil is going through a really radical reset. But it certainly makes life interesting for the countries that depend on or whose budgets depend on oil, including Russia, Venezuela, and Iran.

How are all of these different events affecting the relationship between Russia and Venezuela? Russia has really provided a fair amount of protection to Venezuela in this situation. And what is it doing to Russia's relationship with Iran?

The Saker: I would argue also that the relationship between Russia and Saudi Arabia is important.

Fitts: Yes, very important.

The Saker: My sense is that there are two separate things happening in parallel. I am not a specialist on Saudi Arabia, and I'm not an oil specialist, but the Saudis basically were trying to remove the US from the oil market by making shale oil nonprofitable. That is certainly something that Russia would approve of because US shale oil is also competing against Russian oil.

Secondly, there are political tensions now between Saudi Arabia and the United States which benefits Russia. So I don't think Russia triggered it, but I suspect that they were very happy with that evolution taking place now because the US shale oil industry is most unlikely to survive that, at least in its current shape.

Fitts: Although if you look at the history of the oil industry, you always go through these periods where the price drops dramatically, and then the 'big guys' just pick up everything from the 'little guys'. You have the Fed picking up corporate bonds.

The whole shale industry was seriously over-levered. I kept getting told by people in that industry that we are paying \$2 to get \$1 of gas. If the Fed is picking up all the debt and the 'big guys' are just scarfing up all the positions, it looks like we are just going to go through another one of those consolidations with less production, essentially getting bought by free money.

The Saker: Do you think it's possible for Russia and Saudi Arabia to successfully – if not completely – push out the United States, but to make it a much weaker player in the global oil market?

Fitts: Oh, I think so.

The Saker: I think that is what they are after. My understanding is that Russia can afford it because there are such reserves in Russia and no debt.

Initially, I don't remember what the figure was for the barrel of oil, but they said that it was low, and they could keep that up for six years. That puts them in a much more beneficial situation than the Saudis who need income immediately, and the US is basically having a struggling oil industry. So, I think that comparatively to the other two players, they are actually in a strong position, not a weak one.

Fitts: I think Russia's strength comes from the fact that they haven't levered up. Russia, relative to all of the other players, has almost no debt. That makes them very, very strong.

You are taking a huge hit in terms of revenues and budget, but it makes them very strong if they don't have that debt.

The Saker: They have national funds set aside for that, and they are sitting on a lot of gold and foreign reserves, and my understanding is that is something they are well-prepared in.

Fitts: Let me ask you one question, and this is just my intuition. I underestimated the extent to which the American leadership was very dependent on a variety of things, but one of them is kickbacks. I think that the kickback system was much worse than even I thought.

As you look around the world, the question is: Who can field a leadership team that is sufficiently in alignment and not corrupt that they can really get something done? My concern, increasingly looking at the American leadership, is that they are so deeply compromised in terms of personal finances that it's very difficult to project power.

Does that make any sense?

The Saker: Why do you say that it is difficult to project power if you are personally compromised?

Fitts: Because everybody is bought, and that is widely known.

The Saker: But that is also how power is projected – by corrupting everybody. Corruption is something that I think favors the compromised.

Fitts: If you are doing the buying, it's how you project power. But if all of your team is easily bought by different interests and their price is cheap, it is terrible for your brand.

The Saker: That is also a problem that Russia and China have. There is a lot of corruption in both of those countries.

Fitts: It could be everybody.

The Saker: There is a much more streamlined, stronger executive branch. That is the big difference. There is a Chinese policy, and there is a Russian policy. I don't see something called US foreign policy. I see many foreign policies run by different individuals and different agencies. I think that weakens the US tremendously.

Fitts: Right now, it's just a war. There is no policy; there is internecine warfare.

The Saker: Events like what just happened in Venezuela are laughable.

The US – the hyper-power and the world hegemon – cannot even deal with such low troops as Venezuela, which is very fragile. It proves that they can't deal with anything; it's a complete debacle.

Fitts: When Russia took out one of the oil companies and made it a state position, what exactly happened there? Do you know?

The Saker: No, but I think I heard something about that, but I didn't follow it at all.

Fitts: What about Iran? Is there anything happening with their relationship with Iran?

The Saker: We don't know. First of all, 90% of the news is all about the coronavirus. There are a lot of things that have happened that are usually reported, but now they are reported less.

Iran is clearly going through a very difficult time with the economy because the sanctions make it very hard for them to survive with that kind of draconian blockade which the US is imposing upon it. And, of course, after the murder of General Soleimani, there are still very real risks of war.

I suspect that this, of course, pushes Russia and Iran closer and closer and closer.

Fitts: We saw the Pentagon announce that they are taking the Patriot missiles out because of lesser chances of war with Iran. What was that?

The Saker: I don't think that it makes much of a difference. You also have to prioritize where you put them. There are not enough of them in Europe either. So, I don't think that rationally either Iran or the US wants to start a war, fortunately, but it could start by mistake.

Recently, for instance, the Iranians were testing one of their anti-shield missiles, and the ship that was supposed to put the targets in the water was late in leaving that area, and they didn't sink it. They basically destroyed one of their own ships.

Imagine if that mistake had happened with the US – even with a small patrol boat. That would have had tremendous consequences, so it is still extremely dangerous. But I think the Russians will continue helping the Iranians, particularly in terms of military technology and intelligence.

Russia does not need a war in the Persian Gulf right now.

Fitts: Many of the countries in Eurasia with a dramatic drop in GDP are feeling the pain. I saw a report on the defaults on the Silk Road debt, and there is no doubt that the US was very good about making tremendous dollar loans all around the world. That is how they put people in bear traps.

Since Russia has no debt, it would be perfectly logical for everybody in the Silk Road to go to Russia and see if they couldn't get help. Is that happening?

The Saker: I'm not aware of that, but then again, I wouldn't be following that either.

I somewhat wonder if Russia has the economy big enough to become a major lender for that kind of project. Shouldn't we look at China first as a country that could do that rather than Russia?

Fitts: I'm assuming that they are going to China, but I can't believe that they wouldn't go to both – and also the Japanese.

The Saker: They probably would. It's the same as the Putin popularity. Yes, there are problems right now on the Silk Road, but there is no alternative. I think that everybody realizes there is no alternative. In the same way, no matter how hard the economic crisis gets, Russia will continue developing the north of the Arctic. There is nowhere else to go; there is no alternative to that kind of development plan.

Fitts: Let's talk about Ukraine, your favorite. I can't imagine what is going on in Ukraine right now.

The Saker: It is actually absolutely incredible. Zelensky has actually shown his true face, and that is the face of a non-entity. He is clearly absolutely terrified of the neo-Nazis. He changed his rhetoric completely; he says the same things Poroshenko did. He says the same things, but he sounds less credible. He is trying to cater to everybody at the same time, and he is making some weird speeches that don't make sense. I think that the man is lost, and I think the team that he has around him also is completely lost and clueless as to what to do. I think that what you are seeing is disintegration. Right now, even the mayors of Ukrainian cities are openly challenging the Minister of Internal Affairs because they had disagreements.

I see a break-up due to the complete absence of any kind of central power that could still implement policies or take necessary actions. It's not happening anymore; it is slow decay.

Fitts: What is the US doing now in terms of Ukraine?

The Saker: Other than political statements about how the Ukraine liberated Europe or nonsense like this, they are not doing very much. Some actors who are typically members of NATO, and the former US ambassador are still keeping up the rhetoric, but it has become so stale, and nobody really cares about it.

I don't think that many people seriously believe, for instance, that Russia is about to attack either the Baltic States or Ukraine or anybody else. All of that is fear-mongering.

Fitts: Why would Russia want to be responsible for Ukraine? They don't, do they?

The Saker: That is exactly it. They absolutely do not want to deal with that.

With the internal conflicts in the United States plus the economic crisis plus the pandemic, everybody is far too busy to do very much there. I don't think there is much happening at all. As for the Russians, they are just waiting. They see what is happening, and they know where this is headed. They don't need to be doing anything right now.

Fitts: Let's turn to Israel. Unfortunately for me, every time that I think we are rid of him, he is back. Now we have talk with the French saying that they won't go along with annexation, and the British have said that they won't go along with annexation. Is Netanyahu just saying, "Okay, Trump needs my help to get elected. We are going to take advantage"? What do you think is happening?

The Saker: I think that the Israeli leadership is in a very similar situation as the US. They are clueless, they don't have instruments – be it political or other – to promote their agenda and get something done. So what is left is high profile political action that makes you feel good. That doesn't solve anything.

In reality, if the Israelis dealt with the real problem for them, which is the US going 'down the tube' including economically, sooner or later they are going to see that.

Fitts: They contributed in a major way to that.

The Saker: Absolutely, but the point is that sooner or later they will find themselves almost on their own with their neighbors, and what will happen next. That is something that they don't want to look into. Therefore, they continue to make loud political statements, make provocative moves, and they are doing the same thing. It is PR massaging public opinion in the US and in Israel. They are pretending that everything is fine, but it is not; they are in deep trouble.

Remember just one thing: They also have to get the F-35 (stealth fighter aircraft). Good luck with that kind of system, but it's only a symbol of what is happening.

Fitts: I am going to bring up a *Times of Israel* article I just read, but I want to bring up the latest developments in the General Flynn case because more and more is pouring out. Every time you think that the Russian canard can't get worse, it gets worse.

It would be hard for most people to believe anything that 'Mickey Mouse' could happen in Washington, but having worked and lived in Washington and litigated with and dealt with the Department of Justice for almost eleven years in a challenging litigious situation with the US government, I can absolutely believe it is that 'Mickey Mouse' because I have dealt with it many, many times before. But when it all comes out, it is so embarrassing.

I am so glad that I don't have to go to Moscow because it would be very embarrassing to be an American.

The Saker: I think that politicians are fundamentally narcissists. No matter what they say, they think that it is brilliant. If people disapprove, it's because people are wrong. That is how it happens. It is embarrassing to see what these people do. I agree with you.

Fitts: I'm absolutely convinced that there are some significant constituencies. Maybe they needed an enemy, and Russia was it. So now China is it, and so it won't be Russia. The hysteria with which it was essential to be anti-Russian – where did it come from?

The Saker: I think there is a history there that is really, really old. There is an author, Guy Mettan, who wrote a book that basically covered 1,000 years of Russophobia in the West. But there is something different that is also happening at the same time, and that is you need a scapegoat. If you are a self-worshipping narcissist and everything that you do is 'going south' and nothing works, you desperately need a scapegoat.

It's not only the Russians and the Chinese; there was the war on drugs, the war on terror, and the global war on terror. There is always a scapegoat or some enemy that you need to mobilize against to do the patriotic thing.

Fitts: Now we have the invisible enemy.

The Saker: God only knows what else they are going to come up with.

Fitts: The Pentagon just affirmed that the three UFO videos were real. Did you know about that? They may be working on another one.

During the Flynn developments, one of the documents that came out that I read was covered in *The Times of Israel*, and it implied that the FBI admitted that the Russian collusion was really Israeli intelligence.

The Saker: I know that they were in discussion about what the Israelis were doing. Surprise, surprise, that happens to be factual!

Fitts: I know! It is as if, “Russian is code word for Israeli.”

The Saker: The thing is that all these revelations – the famous Israeli art students and all of this – does come out eventually, but it’s too late. The attention span of most people, or at least those exposed to the mainstream media, is too short. You can then say that Flynn was completely innocent, but it is way too late for it; the damage has been done.

Fitts: It’s not too late for Flynn. In other words, I think he would rather that be said now than not at all.

The Saker: Right, but I personally believe that he was the number one crucial player on the Trump team to start draining the swamp. But that didn’t happen, and by now it’s too late; the swamp drained Trump.

Flynn can have his honor and his good name restored, but he has been betrayed by both Trump and Pence. In fact, he could not drain the swamp. It’s similar to the captain of the aircraft carrier who was fired for asking to protect his crew. Now he has been reinstated, but the damage has already been done.

Fitts: The way you take out a person like Trump is the first thing you do is take out his lieutenants, and make it clear to all the other lieutenants that he won’t back you.

The Saker: That is exactly it. I completely agree.

Fitts: Then you kill the team, and they did it in three months.

The Saker: Or less; they did it very early on.

Fitts: What is the reaction of Russia to everything that is coming out now, other than – of course – that they knew this all along?

The Saker: In Russia there is almost daily reporting about the dysfunctionality of the American political system. Maybe it doesn't go into the details about personalities like Flynn, but they essentially say that the US elites are turning on each other, and that governors are fighting against mayors, mayors against the Feds, the Feds against the states, and they all accuse each other.

All that we see here is regularly reported there. It probably reminds them of the 1980's in the Soviet Union when the system was collapsing there. You really do get a sense of collapsing when you look at it from the outside.

Fitts: It was interesting. I saw a video that showed that Jeffrey Sachs was instrumental in working with the Vatican on the new Franciscan economy that is supposedly being engineered with the current events. I thought, "Oh, great! The guy who designed the Rape of Russia for the Harvard Corporation is back now to do the US. How wonderful!"

Every time Jeffrey Sachs gets the ability to destroy a million small businesses, he stands up and talks elegantly about how we are building a new economy. It's kind of frightening.

Let's look ahead for the next quarter. We have three more months before we get the chance to talk to you again. What should we be watching on the global stage? It seems like the current events have overrun Putin's discussion at the BRICS nation in November about the changes that were coming upon the world. We know that he is very much at the center of the dedollarization shift and all that. So, let's look ahead for the next couple of months. What should we be looking for? What should we be watching?

The Saker: I might be mistaken, but I would say that the number one overwhelming thing to look at is factual tested and verified and reliable data about what this virus is and what it does. At least in Russia, even last week, the scientists were sitting around a table saying, "We don't understand how this virus works, and we don't have anything against it."

That could have a devastating effect. I would say that this is the number one thing. Are we going to finally see a trickle of reliable information, or is it going to continue to be this free-for-all wild guessing where everybody has an opinion and everybody is a 'specialist'?

Fitts: I believe it's not necessarily one thing. It's a big planet, and you could have multiple phenomena happening at the same time.

The Saker: Yes, but isn't the entire planet right now completely dependent on what happens with this virus? I mean, who has escaped that?

Fitts: The entire planet is captured to the plan of dealing with 'the virus', but it's not clear to me that 'the virus' is one virus or one thing.

The Saker: Precisely, we don't know that. So as long as this not knowing continues, first of all, many mistakes will be interpreted as part of some kind of developed plan. Secondly, people will be accused of lying if they update their information. There are all kinds of accusations 'flying if you have an opinion. People who have opinions get people pointing their fingers at you and accusing you.

Fitts: Except for this: I've been working on 'The State of Our Currency'. One of the things that you see is the Anglo-American Alliance doing everything they can to keep the dollar going. But what you also now see, which is recent, is Bill Gates and a whole group of people coming forth trying to present their vision of what the new system will be.

If you look at their vision of what the new system will be, it's so anti-human and psychopathic that for the first time in the West, you see a significant number of people recognizing that it's that 'nuts' and truly rejecting it.

I don't know what that means, and I don't know where that goes. But for somebody who for 20 years has been trying to warn the American people of how 'nuts' these people are in terms of where they really want to go, many people couldn't fathom that was the case. Now I think there is a remarkable amount that has come out of the closet.

The Saker: I completely agree that these people are 'nuts' and satanic, but where I have an optimistic doubt is in their ability to achieve these results.

Fitts: I agree with you.

The Saker: First of all, they are sitting in the wrong place; they are sitting in a sinking empire, which is not a position of power. Secondly, the world is much more complex. Yes, a lot of information is coming out – including plenty of distrust. It is going to be very hard to sell these ideas. So, I don't think that they have the capacity to do anything.

Fitts: Here's the thing: I don't think they know that.

The Saker: They don't.

Fitts: I don't underestimate their ability to do enormous damage before they're finished.

How can I say this? One of the most frightening events I've ever seen was Michael Bloomberg's campaign. I don't know if you watched it, but I was thinking, "Why would you spend \$1 billion to do this? What was the goal? What was the point?"

His campaign reflected so much phenomenal ignorance of the country he lived in and the people that lived in that country. Michael Bloomberg is a very smart man. I've dealt with Michael Bloomberg, and he's not a stupid man. But if you look at how stupid he's become, I'll say it this way: I was listening to a remarkable presentation by Rupert Sheldrake, who was giving an overview of 400 years of science, and how he ended up with a very materialistic scientific framework but also culture.

What you realize is that you have this materialistic view of the world which is divorced from reality, and it can go because it has massive subsidy provided by the central banking model, which is supported by a fantastically expensive military.

It's non-sustainable, and the explosion of debt is proof of that. It's not productive, but it works for them because they have this massive subsidy for this period of time, and they can oversimplify. They can have a view of the world which doesn't reflect the world's actual complexity because they are not held to the fundamental premise of productivity because they have this massive subsidy.

What I always say is that it makes you stupid. Those who win in a rigged game get stupid, and they are getting stupider and stupider. For some reason they think that AI and robotics are going to save them. They think that they can keep a very centralized control using AI and robotics and all this, and it's 'nuts'. The whole thing is 'nuts, but they don't know.

The Saker: They don't know. I always like to quote a sentence from the Quran which says, "Man planned and God planned, and God is the better planner."

We make all these plans, and then it comes to absolutely nothing.

Fitts: That's wonderful! I love that-I've never heard it before.

The Saker: It's one of my favorites.

Fitts: One of my favorite websites, as you know, is The Vineyard of the Saker. You have your books there, and I love your books. You recently put out a call inviting donations. So, I really want to put in a plug. I went there and I said, "I've got to 'walk my talk,'" so I made a donation.

The Saker: Thank you.

Fitts: I want everybody in the *Solari* network to know you are someone who has built not only a great website, but a great community. You bring in all these different voices. It is a very rich selection of voices, many of which we never hear in the English language. Then you have the incredible community.

Sometimes I think, "That article was so good," and then I read the comments, and I think, "No, the comments are better." As you said, you have great moderators.

You have allowed this huge stream of knowledge and intelligence to come into our lives, and you've done this quarterly with me. I think it's an incredible, rich resource, and you have done this all for free. So, I would really invite everybody to go to your website.

What is the URL?

The Saker: It's <http://TheSaker.is>.

Fitts: And you have the article on the homepage, so you can click and go to PayPal or use your credit card. I would invite the *Solari* subscribers and our audience to support you.

There was a wonderful cop who put up a video about Constitutional rights, and he was fired. I think he was from Seattle. I sent to everybody a note that said, "From now on, we are going to need the people sheriff to represent us with the sheriff's office. You should find 1,000 people in Seattle to pay this man \$5 a month because we need our own representatives."

And we need Saker representing us. So please go to Saker's website and make a donation because this is somebody who has made an enormous contribution to our community, and we really appreciate it.

The Saker: Thank you so much for your help and support.

Fitts: One of my favorite lines is from Roger Penske, "Speed costs money. How fast do you want to go?"

The Saker: That's a good one.

Fitts: We need to put some gas in your tank. I appreciate everybody for making sure that there is gas in your tank. This is a bus that we want to keep driving and driving and driving.

Saker, do you have any thoughts before we go?

The Saker: The usual, "God help us all," and I look forward to talking with you again in a couple of months.

Fitts: Have a great one!

The Saker: You, too. Take care and goodbye.

Fitts: Goodbye.

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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