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The Solari Report

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The Emerging Multipolar World 'Spotlight on Russia' with The Saker



Summary: This week on The Solari Report, the Saker returns to continue our conversation on the emerging multipolar world. Our focus is once again on Russia and Russia's relationship with the United States.

Recent disclosures in the RussiaGate scandal and the General Michael Flynn case have revealed that the accusations of Russian interference in the 2016 elections were manufactured in the U.K. and U.S. Undeterred. The U.S. corporate media are now publishing new accusations of Russian interference in the 2020 elections. There is no coverage regarding the corporate and foreign money flowing into campaign coffers or real threats of interference in U.S. elections—including through pandemic shutdowns. There is no mention of the Federal Reserve taking over the U.S. economy. There is little mention of Main Street and small businesses closing down, or U.S. billionaires' skyrocketing net worth.

Since March, the shutdown of the global economy has significantly reduced global trade and demand for oil and gas—Russia's largest exports. This is likely to slow down efforts by Russia and the other BRICS nations to "de-dollarize." Russia continues to focus on building economic resiliency—a process began years ago due to U.S. sanctions. The Saker and I discuss how Putin manages the current transition and what Russia's strategic options will be after the U.S. presidential elections.

Bio: The Saker was born in a military family of "White" Russian refugees in western Europe where he lived most of his life. After completing two college degrees in the USA, he returned to Europe where he worked as a military analyst until he lost his career due to his vocal opposition to the western-sponsored wars in Chechnia, Croatia, Bosnia and Kosovo. After re-training as a software engineer, he moved to the Florida where he now lives with his wife, a veterinarian, and their three children. When he does not blog or help his wife at work, he likes to explore the Florida wilderness on foot, mountain bike and kayak or play acoustic jazz guitar.

Web Site: <https://thesaker.is/>

Publications:

The Essential Saker IV: Messianic Narcissism's Agony by a Thousand Cuts

The Essential Saker III: Chronicling The Tragedy, Farce And Collapse of the Empire in the Era of Mr. MAGA

The Essential Saker: from the trenches of the emerging multipolar world

C. Austin Fitts: Ladies and gentlemen, welcome back to *The Solari Report*. The man who joins us today, The Saker, needs no introduction. We are here to talk about the *Emerging Multipolar World* with very much a focus on Russia.

Saker, welcome. You have a brand-new significant piece about Russia, and I thought it was an excellent summary of where we are. Why don't we dive in? Tell us about your new article.

Saker: First of all, thank you for having me. Are you referring to the article about the next Presidential election, or the one on Belarus, which I released today?

Fitts: Actually, I want to talk about both, but the newest one that I saw was the Presidential election. I'm fascinated because, looking at what is going on from the Russian side, I think it is fascinating. Before I read your article, I was looking at *The Financial Times* interview that they did of Putin last year. This is the second time I've watched it.

I thought, "Strategically, what in the world would I do if I were in Russia's leadership shoes? What would I do?" Then I read your article, and said, "Oh, it's as difficult as it seems."

Saker: For Russia, I think that the main problem now in the United States is that there is absolutely nobody to talk to. I think that Putin has always,

particularly in his younger years, wanted to dialogue and have some kind of good relationship with the West. I think that over the years, the Russians knew that the Democrats and the Republicans don't really believe all of that silly propaganda about Russia intervening in elections. That is clearly nonsense. But what is not nonsense is that Russia is needed, alongside China, in a different role as a 'Bogeyman'. First of all, she is needed as the one party to scare everybody, and secondly, she is the one to blame everything on.

I was looking at the Western articles about Russia stealing vaccine secrets from the US, and I predicted that. That is basically the deep state preparing the world for Russia getting a workable vaccine before everybody else, including before the city on the hill (beacon of hope).

Right now, Russia has acquired an important psychological function to the West, which is something completely internal to the West, and the Russians can't really use in any way, shape, or form.

So, I think that Russia is essentially giving up.

Fitts: There are two things that I want to bring up. I usually don't dip into this, but I've been watching the progress in the Michael Flynn case and what has come out in testimony, including with Sally Yates, regarding what the Obama Administration did with the Brits to set up a phony case against Russia. If you look at what has come out and how public this is, if I were the Russians, I would be in a state of shock other than 'same-old, same-old'. They can't get shocked about it, but it's amazing how childish the whole thing is.

If you tried to make this up as science fiction, it would seem silly. So as you watched the complete story unfold, the childishness of it is shocking. But then we now have a new wave of accusations against Russia rigging the 2020 election.

Saker: It hasn't happened, but already they think it's going to be rigged by Russia.

Fitts: The facts clearly have no relevance to the story. The story is completely indifferent of fact, and it keeps playing like a broken record.

I keep wondering what this is going to do in a practical sense – whether it's trade or financial matters – that: 1) America is not agreement-capable, and 2) It is behaving as though it has lost its mind.

Saker: You have to see that first of all, and I've mentioned this several times in the past: If you look carefully at the Russian statements before the previous election, it is not true that Russia was thrilled with Trump. Vladimir Zhirinovskiy was, but the Kremlin was always very low-key.

I think that with my psychological profile of Trump, they knew this was headed nowhere. Basically, if Biden wins, we will have the Republicans blaming China for it, and if Trump wins, then we will have the Democrats blaming Russia for it; it's a complete no-go. There is nothing that you can do that is even semi-constructive with a country that is completely self-absorbed because of the importance of what is taking place.

I think that what is taking place in the United States is historic and huge. I find it scary, but it is certainly huge. And I think what the Russian position has been from the get-go is that the first step was very evidently self-perpetuated. They decided a couple of years ago that there was a risk of war, and they needed to prepare for that. I would say that this is practically done; this part is taken care of.

Fitts: Are they concerned for war with Russia, or a war between the United States and China?

Saker: Any war between those three countries would have a huge impact, so they are concerned about that. But the first thing they needed to do was make a conventional war in Europe against the NATO policy. You have to realize that for many, many years, there were no Russian divisions standing between Moscow and NATO on the Western Front; that came later. There were only brigade-sized forces there.

The Western Front for years in Russia was considered laughable thinking that NATO would attack Russia. So, there really was minimal effort put into that; the effort was more towards the South.

This has changed over the past year very profoundly. We went from having brigade-size units on the Western front to now having a first guard tank army. It's an army that has been recreated, which existed during World War II to distribute powerful formation.

The first thing was self-protection. The next one is a massive topic in Russia, which is import substitution. This is not only because of sanctions, but also because of the pandemic, and because of the world-wide crisis, and so on. Russia is trying really hard to become self-sufficient and, to the degree that she can do it, sees China as the primary market for getting things or selling things.

Fitts: How far do you think they have come since the sanctions started?

Saker: Very, very, very far, including very advanced and sophisticated items. For instance, they are doing engine construction. There are only a few countries on the planet that can build a good aircraft or ship engine. Russia imported some of those. The fact that they can actually now build their own engines shows you the degree of technological capability because you have to have many suppliers and plenty of know-how to build that, and they did. It's the same thing for thermal imaging systems; it's the same thing for pipes; it's the same thing for alloys in aircrafts.

Russia has been extremely maniacal in their determination to achieve as much autonomy from foreign markets as possible, and I think they did a good job on it.

Fitts: I don't know if you noticed this, but I didn't mention it when I sent you my notes. China just imposed sanctions to Americans as a result of what is going on in Hong Kong, including several American senators. So, the sanction regime is now reverberating seriously.

Saker: I saw that. Absolutely, and China has the means to do that.

Fitts: It's going to get very interesting.

You also had a piece on Belarus, and Belarus is not something that gets much coverage in the West. Explain what is happening between Russia and Belarus

and what it means.

Saker: That is a complicated one because it is rarely covered. Belarus is a really different case from all the other post-Soviet republics. I would summarize it by saying that it's a one-man regime. Lukashenko has been in power for 'God knows how long' now. The usual image was that Belarus is extremely well-controlled by the local KGB, who actually kept the name KGB; they didn't change the name. They have a very strong and very well-trained and equipped military, but it is a poor country. It is relatively sparsely populated; there are only 10 million people.

Fitts: What is their major export?

Saker: It is sea products.

Fitts: That is very valuable right now.

Saker: Yes, but they are getting it from somewhere; they are getting it from other places. So, Belarus is a big exporter to Russia.

There are some legitimate exports including drugs and technologies. There are many. Often people laugh at Russia, saying, "We got this shrimp from Belarus," and it's obviously a black market. They are essentially making a large amount of money from bypassing the sanctions for Russia and exporting things under the Belarus stamp.

Fitts: So, it's sanction arbitrage.

Saker: Coming back to your question about the background of Belarus, the thing is that Lukashenko is, "A 'son-of-a-bitch', but he is our 'son-of-a-bitch'," as the saying goes. I think that Lukashenko was a 'son-of-a-bitch' for the Kremlin, and I think that is a real problem. He still controls the country fairly well, and he probably won the election fairly – by 80%. So he probably massaged the election, and now there is violence very similar to what happened in Kyiv.

I'm skipping much of the details here, but the situation there is very similar to

what happened in 2014. That is a real danger for Russia because, while Belarus is not very important to Russia in terms of economics, but it is culturally completely Russian. There is no difference between Russia and Belarus from that point of view – historically or culturally. It is militarily extremely important.

There is other violence. They had a second night of violence, and I don't know when this is going to end. This is definitely a major, major risk for Russia.

Fitts: Do you have any sense of where the violence is coming from?

Saker: Yes, it is very similar. They are youth groups organized by social media.

The regime in Belarus doesn't really want to try too hard to be democratic. They disconnected the internet for a couple of days, and I don't know if it is reconnected now. That is one of the ways that they got a grasp on the protests.

These are basically the same people we saw in the Maidan (central square) in Kiev, Ukraine. They are young groups organized with the same methods and same color revolutionists. It's all the same; there is nothing different from that point of view. What is strange is that the behavior of the Belarusian officials has been 'wishy-washy'. They say, "Oh, maybe it's the West. Maybe it's Russia."

Fitts: Why?

Saker: There is definitely an anti-Russian faction in the government, including the Minister of Foreign Affairs, who is definitely very anti-Russian. My perception is that Belarus is going to be effectively infiltrated. That is what I think – just as Ukraine was before that.

Fitts: It's very interesting. For the *Let's Go to the Movies* this week on *The Solari Report*, I have a series of videos that was made by an Australian documentary-maker of what happened in Evergreen College in 2017 in Oregon. It focuses on interviewing two professors who are basically science professors that stood up to the lawlessness. If you go to the commentary, there is a link to a tweet with Brett Weinstein, the lead science professor, who tried to stand up to the *Lord of the Flies* type madness.

One of the things he said was, “You can’t let ideas like this take hold because it destroys the basis that civilization rests on. If you let these ideas take hold, civilization can stop.”

Saker: What kind of ideas are you referring to?

Fitts: What happened in Oregon – and it’s hard to answer because the ideas are so unclear and incoherent – is they are saying that there is long-standing systemic racism, and they created an equity council to create equity. As part of all this, they created an environment where no one was able to speak freely. If they did speak freely and said something that was upsetting to the equity council, they literally got bullied and physically threatened and run off campus, and the police couldn’t come in.

You had real serious lawlessness and people’s physical safety being jeopardized. It was a *Lord of the Flies* type of scene.

Saker: That physical safety is very important. Most initial protests have a very valid reason to protest, so I completely understand that people can protest against police violence in the US or against a type of heavy secret service regime like they had in Syria or protesting against Lukashenko. But what happens is that an external interest identifies the protest and then injects themselves into it precisely to trigger a situation of violence. At that point, you reach an escape velocity. Chaos becomes so out of control that basically you’ve won. It’s that simple really.

Fitts: If you look at the ANTIFA and BLM looting,-I wasn’t in the United States when it was happening, but I was watching it- I could say many things about it. None of what they were doing was making any progress on the issues that they said they cared about.

Saker: Absolutely. I agree.

Fitts: It’s a highly counterproductive destructive activity, and frankly, I think that much of the activities make it easier for the establishment to clear out black neighborhoods in a way that is very, very harmful to the minority populations. I believe it’s air cover for something much darker.

The impression that you get when you listen to the material is that it's a very illogical and incoherent conversation. I think it's only a front for something else.

Saker: But there is something really important here. I don't see that as much as a deliberate plan but as a consequence of the dynamic that we see.

I think that the Western regimes are very, very weak. When you are weak, you can pick up small tasks but not big tasks. To build something and to offer something constructive and to actually get a policy that will improve something, is extremely labor-intensive and very hard. It could take years.

The kind of energy you need to create violence is tiny in comparison; it takes very little skill. It's basically the same thing as making a beautiful vase or smashing a beautiful vase. I think that much of what we see is because the leaders of the empire are unable to do anything else. All they are good at is smashing vases; they have never built a vase.

Give me one case where they actually built something. In Afghanistan, the US is still using Soviet facilities. That should tell you something.

Fitts: I hate to say it, but right now in America for \$10 an hour through an app, you can get many people to destroy things.

Saker: Yes, and it's the same thing in Belarus. We already know that people were paid and were bused around. It's all the same thing. We are seeing very similar things happening. They are already using Molotov cocktails in Minsk at night, and everybody is afraid and waiting with very serious concern that firearms might be used. Considering that Ukraine is flooded with military-grade firearms, if somebody wants guns in Belarus, they are going to appear.

Fitts: I was recently 'on the horn' with someone from Chicago who doesn't travel in Chicago without his guns.

Saker: I even heard something weird: They lifted bridges to prevent looting in Chicago.

Fitts: Yes, he said that if I wanted to get out of Chicago right now, I couldn't. All the avenues to get out have been plugged by the police. They put equipment up, and you are essentially locked in.

Saker: We are in a situation of quasi-insurrection.; it's very bad. I have to say that 2020 has turned out to be a perfect storm; it really has.

Fitts: Wherever we are now, it's only the beginning. If you look at the nuts and bolts of the practical situation, you have 11 to 15 million people who are subject to eviction in the next four months, and many more are struggling with mortgage payments.

One doctor from Ohio told me that a recent poll they had seen said that 50% of the people who had lost their income were planning to support themselves during the last year or two by selling their house.

If you look at the vise that the American people are going to go into for lack of income and continuing expenses, that vise will tighten dramatically over the next three to six months.

I have no way to predict what might come out of that, and I don't think it is only in the United States; I think that it is all over the world.

Saker: I completely agree with all of what you said. I agree with you that it is impossible to predict, and now there are simply too many variables. I think that the election is going to make things much, much worse and will solve nothing, and I expect that all that it will do is accelerate everything.

So, I think the elections are going to be a disaster, and the months before and after will be an absolute catastrophe. I also think that the economic system is going to hurt so much that it will indeed bleed into the rest of the planet. I don't see Europe doing well with the Americans. If the US starts, Europe is going to start right after them.

Fitts: I've been in Europe since February, and Europe seems much calmer and more sensible – much more grounded.

Saker: I don't know about that!

Fitts: It could just be the countries that I'm in because I'm in Northern Europe.

Saker: There were BLM demonstrations in Northern Europe, too.

Fitts: Yes, there were, and there were some in Amsterdam that I know of.

Saker: And I believe there were some in the UK. So, that is already weird. Why do Europeans suddenly take this up?

Fitts: Berlin had 800,000 to one million people protesting the pandemic restrictions, and nothing like that has happened in the US that I know of.

Saker: That is because demonstrations in the US don't really make sense either. It reminds me of this joke, "A dictatorship is shut up, and a democracy is keep talking."

I'm not excusing this in any way, shape, or form, but I think partially, the violence and the looting and the overboard demonstration are a consequence of 'keep talking' doesn't work, so they want to raise their voices to be noticed. The way that they do it is extraordinarily dangerous, in my opinion. There is no justification for it.

I am a law and order person completely. I have no particular love for the cops or the state, but I think it is better to have a bad state than to have no state. That is my opinion. I believe once the social fabric that holds a country together starts breaking because nobody really shares anything with others, you are going into a cycle of automatization and violence, which I think is going to affect Europe, too.

Fitts: It can't not.

Saker: Plus, in Europe there is the amazing problem of immigrants.

Fitts: Let's go back to Russia. Russia was dealing with many years of the sanctions, and then the pandemic hit. That has been very tough on the GDP. But it seems that Putin's popularity continues. It's gotten hurt a little, but it seems to continue reasonably well despite all the 'tough sledding'. Does that make sense?

Saker: It does, but it's due to a weird combination of circumstances. The biggest one is that there is no alternative to it. People were critical of Putin, including myself, for certain aspects of what he does. If not him, then who? That is the first thing.

Secondly, the opposition in Russia right now consists of roughly three types of opposition. One official one is the Duma, which is quite relevant. Then there is a pro-US liberal non-system position. Then there is a slightly bigger neo-Marxist-nationalist kind of position that wants a much firmer stance. None of these oppositions have managed to produce either a credible candidate or a credible program.

So Putin is enjoying a 'one-man show', but that is not necessarily healthy, particularly in the long run.

Fitts: I know we've covered this, but if you were Putin and you were facing the US and a West that was in the situation it's in, does this give you an opportunity to get rid of, what you call, the 'Atlanticists' who are the supporters of the US and Europeans?

Saker: Yes, it can, it should, and it did. Putin has already reduced the number of people – the Atlantic Integrationists – who are in the government. Some of them are still there, but even the latest reforms and the latest changes to the constitution, clearly the Atlantic integrationists are losing power. They are keeping a low profile.

I think what is much more dangerous for Putin is having the nationalistic left opposition, which is dangerous for two reasons. First, much of what they say is actually true. It makes them much more credible than the liberal opposition that uses nonsense.

Unfortunately, I think they have such a personal hatred of Putin that they are not calling for a violent insurrection, but they are warning of one.

Fitts: Why do they hate Putin?

Saker: Mostly, I think that it is because Putin has created a type of society where they are not prized. Putin has created a society that, economically speaking, is very liberal democratic and capitalist. These people have much stronger social views, and I agree with them here. I abhor that Putin is so much of a neo-liberal in terms of economics.

They think that Putin should be much firmer with the West. I agree to some degree with that. I would say they are correct about that. And they are fed up with the corruption and the partially justified perception that the Kremlin is representing the interest of big Russian money, not of the common Russian people.

In fact, the common Russian people still vote Putin in regularly and put him back to power by a strong majority. So, the people who accuse him of that actually disagree with the people that they claim represent them.

Fitts: In 2019 in *The Financial Times*, the interviewer asked one question about oligarchs, and Putin insisted that the oligarchs were gone. He said that the problem had been solved. Is that an exaggeration?

Saker: It all depends on your definition. If you call an oligarch simply a very rich person who still exists in Russia, then we still have them. But I think Russia once understood an oligarch as a different concept, which is a very rich person who uses his money to influence power. We saw that under Yeltsin. Yeltsin was basically ruled by seven bankers. In that sense, oligarchs don't exist anymore.

Putin is not accountable to anybody; he is the top power and he has forced the oligarch to either emigrate, resign, or get the message and stick to business and not try to overthrow society the way Khodorkovsky and others did.

Fitts: If Russia is going to defend itself or protect itself from encroachment by the US, what is it going to do? If it is going to get tougher, in addition to trying to be more economically self-sufficient, what does it do vis-à-vis NATO and the United States?

Saker: First of all, I would say that every time Russia acts firmly, the West basically accepts it. Secondly, I would say that I do not believe that Russia is at risk of a Western military attack anymore. That is a huge difference; it changes the dynamic in a major way.

Fitts: What changed that?

Saker: The fact that Russia has been rearming ‘like crazy’ for the past decade. Rearming doesn’t even begin to cover it. It’s training, it’s that social image of people serving in the military, and it’s huge investments in equipment. About 80% of all the military equipment in Russia now is modern; it is very, very advanced.

So, it was a massive effort resulting in many people getting very critical of Putin. They were asking, “Why did you put so much money into the military?”

I think he actually did spell it out several times, and then other people did, too. Russia needed to fund the military in order to plug the hole in the Western direction and make herself safe.

The first thing that she should ditch is a nonviable concept. This union state – the ‘super union state’ between Russia and Belarus – they are both sovereign states, but the fact that we need also to have a union state above them is nonsense.

I think that what Russia should do right now is rapidly engage in a process of full reintegration of Belarus into Russia and become a unitary state. That would completely solve the problem. There is a reason it happens in Belarus and Kaliningrad, which is even further and more isolated and much smaller. Once you are part of Russia, you are safe. If you’re not, you are sitting in a very precarious position.

Fitts: If there was a referendum in Belarus today, what do you think the vote would be?

Saker: I do not know. Traditionally, I know that Belarusians are basically one nation with the Russians, but in Western Belarus, there are nationalists. It's nothing like in Ukraine; you don't necessarily need to have a national identity.

I look at the demonstrations, and there are many young people. It could be a social interaction in the country right now.

So, would most people want to join Russia? I suspect they would, if only because that would guarantee them social, economic, and political stability. So I would say yes, there is probably a majority who would agree to it. Am I sure of it? No. Can that change very rapidly depending on what Lukashenko and Russia do right now? Yes, it could change.

Fitts: Trump announced a pullout of troops from Germany. Obviously, one of the things that can be affected by this election is what happens with the future of NATO.

What was that about? What was the point of announcing a pullout of troops from Germany?

Saker: It's a mix of a couple of things. I think that Trump is definitely frustrated with Merkel and with Germany. There is a very tense relationship between the two countries anyway.

He did say in his election promises that he wanted to bring troops home, but that is not what happened in this case. Some of them are supposed to go home, and some of them have to go to Belgium and Italy. But basically, it was bringing more people home, and at the same time, he thought of it as sanctions against Germany, which is rather funny. I think the Germans would be happy if all Americans packed up and left, including their nuclear weapons.

It's one of those things that Trump does from time-to-time, which doesn't make much sense or is not part of a thought through reorganization and repositioning kind of strategy.

One argument could have been to move towards Brussels and move it back, to move towards Italy and move back. That reflects the reality of the Russian strike capabilities now with Russian cruise missiles and ballistic missiles.

I think it makes more sense for NATO not to be deployed forward, but then at the same time, we have the US and Poland in negotiations to deploy at least a very significant portion inside Poland.

I don't think that any of that makes sense. It's not a policy, and I've been saying that on the *Solari Report* many times. We should not assume that every time Uncle Sam does something, there is a policy. Uncle Sam does a many things because he does many things without any need for facts, rationale, or any policy.

Fitts: Sometimes you need a headline.

Saker: That is absolutely it. And I think that Trump is trying desperately to find something before the elections to get his popularity back up.

Fitts: Here is the question: Do you think Trump really wants to win?

Saker: I have no idea. I don't think he really thought that he would be elected the first time around. My gut feeling is that he didn't really believe that it would happen to him. Does he want to win? I think his enemies in the Democratic Party and the deep state hate him. I don't particularly think that he likes them very much, but he is a spineless man; he doesn't have much in terms of staying power to strike back.

Fitts: Here is the problem: When the Supreme Court ordered the Deutsche bank to give his tax returns to the New York prosecutors, the next day he showed up at Walter Reed with a mask on. That told me that they have him on a 'leash'.

The next thing he did was pardoned Roger Stone because he can't afford for the New York prosecutors to have Stone and his tax returns. So, this is a man who, if he wasn't in the corner before, is definitely in the corner now.

Saker: But he is still not fighting very much. He could have used the entire Rudy Giuliani trip to Ukraine and all the corruption of the Bidens in Ukraine in a much more effective way than he did. And there is one more thing: He cannot fight the people who use Russia as a pretext to destroy him while at the same time, parroting the memes and the lies about Russia, and he does that.

The Republicans are just as ‘Russophobic’. Listen to Pompeo; he is just as bad as any neocon of the Democrats.

Fitts: I’ve never understood Pompeo because he makes no sense to me.

Saker: Same here.

Fitts: I feel like I’m watching a ‘whirling dervish’ (a type of Muslim ceremonial prayer), and he doesn’t have any framework or a world view; there’s no vision.

Saker: Oh, yes there is a vision. I very much disagree here. I think that he is a typical Messianic imperialist (relating to the Messiah). The vision is self-worship, narcissism pushed to the extreme, and I think that the man is completely delusional. He is just as delusional as Trump when he was talking about rocket men and, “My button is bigger than yours.”

Those are the kinds of people we have now in power; long gone are the James Bakers.

Fitts: One of the things that I spend a great deal of time trying to understand what is happening is what is going on in space. The Chinese have made a major investment in building their space program. The interesting thing about space is the US has essentially taken all the treaties and thrown them in the air. So, there is no legal framework for what is going on in space around us. It’s somewhat like the Wild West.

The interesting thing about space is if one party controls space, they control everything on the planet. So, one of the things that I expect is a serious space race. That is why I am very interested to see what Xi and China are going to do in the face of the economic pressures from the pandemic. Will they keep building out the Navy, or will they keep building out space? What are they going

to do, and how are they going to handle this?

Saker: I think they are going to do both. I do not think that the United States has a strong position in space at all. Right now, yes, judged by the number of satellites a nation has put up in orbit, the US is far ahead of everybody else in raw math.

I am interested in this topic as an amateur; I'm not an analyst. But from what I understand, this entire privatization of space by Elon Musk and the rest of them has been very much a gimmick. Even right now, they say the US is back in space, but looking at the launches that they have had, they seem to be in a very difficult position. They seem to be having second thoughts about the space station.

I think that what will happen is Russia and China will be working together, and we will abandon them and ditch the US.

Fitts: What is most interesting is that China has the bodies, and Russia has the deep experience. The question is: How closely will Russia and China work together on space, including creating a legal framework for operations in space? If I was in Putin's chair, that is one place I would invest. I would make an incredible investment in trying to build out because the combination is unbelievably powerful.

Saker: Here is the deal: I don't think that the US right now has any interest in any form of international law.

Fitts: That's why if Russia and China work together, between the two of them, they have the ability to really make progress. But I think you are right that the US has no interest whatsoever.

Saker: And I think that the US is now technologically behind Russia and China in many technologies.

I don't think that is going to happen. I know Trump said that he is going to create a Space Force, but Trump has been about public perception and slogans, but not actually getting anything done. The only thing that the US got done –

the crucial thing – is they didn't want the Chinese on the International Space Station.

Fitts: They did create a Space Force, and they did fund it. In terms of organizing how space works in the US bureaucracy, there is a change.

Saker: Yes, but what can they do with it? Right now, they are 'freaking out' over Russian observation satellites. I don't know if you followed that about those microsattellites launched from another satellite that takes photos, etc. They are clearly concerned about the Russians.

Fitts: I think that the issue is this, and you can see it when you look at what the Chinese have accomplished in space: If you are going to have a great, effective space presence and accomplish great things in space over the next 20 years, the thing you need to do is be agreement-capable. You're talking about a major institutional effort.

It takes institutions and organizations and academia and science. So, you have to make thousands and thousands of agreements, and get people to work on things that won't come to fruition in their lifetime. It's like building cathedrals in the old days.

A culture that is not agreement-capable can't do that. That's the problem.

Saker: Here is another key problem: I think that the US has been infected by its own ideology. I personally do not believe at all that space should be privatized. I think that what you are describing, precisely because of the long cycle and precisely because of the kind of effort needed, that only states could run an effective space program.

Just as much as the space shuttle initially was a masterpiece of technology and a fundamental mistake in terms of getting things done in space, right now I see this ideological pushing forward of sending cars in space, etc. It's a gimmick, but this is not going to be a solid space program.

Fitts: Here is what I would think about: I believe that this is deeper and much worse than you do. I think they would like to privatize everything. I think they

have taken the Treaty of Westphalia (ended the Thirty and Eighty Year Wars) and torn it up. What they are saying is, “Corporations can run places, and corporations can regulate industries, and corporations can run space.”

If you go back and study the East India Company or the Dutch West Indies Company, I think they believe you can go back to that model – not only for space, but for the entire military-industrial complex.

Saker: I completely agree with you, and I think that it is one of the biggest weaknesses. I understand, and have for over 20 years, why Americans don't like government.

Fitts: They love government! Government prints all the money.

Saker: Yes, but the government doesn't function very well, and Americans know that.

Fitts: The government runs perfectly for what it's supposed to do; I totally disagree with you. The government is supposed to pour profits into the corporations and get the population to do everything that the corporations and investors want. It works perfectly.

Saker: That is absolutely true, but I think this is the idiosyncrasy of the United States. The governments in Europe, for all their failings, are much more deserving of gratitude. You know where your taxes go in Europe, whereas here, you don't know where they go.

Fitts: Absolutely.

Saker: I agree with you that the US is trying to privatize everything, and I think that is a fundamental, profound risk.

Fitts: But here is the ironic thing: They have tried to privatize everything while growing government to protect and feed the corporations. So, you have the worst of both worlds.

Saker: That is exactly it; it is the worst of both worlds.

It is having a very serious impact because it impacts research, education, and once the government desists from this obligation of strategic services that are needed for the health of a society and corporations take over, all you have are people making money off your back. That is all that you are achieving, in my opinion.

Fitts: One of the things that I keep talking to my subscribers about is this: If you can't use the schools in your district and you have to home school for a whole variety of reasons, which we don't need to get into, you can't afford to pay for the school. Your real estate taxes are funding the school, but you can't use it because they are mandating all sorts of things that will destroy your child or make the education not useful.

Saker: That happened to my family. All of my kids were home schooled, and we had to pay taxes for the local schools. They took our money and stuck it in the local schools, and they never gave us anything.

Fitts: That repeats again and again and again. One of the beauties of the pandemic is that the healthcare companies and insurance companies are making a fortune because everybody has to pay their premium, but they can't go to the doctor and they can't get elective surgeries. So, the insurance companies are saving a fortune. You have to pay, but you can't get the service.

Increasingly, this is part of the economics. To grossly oversimplify the pandemic, I run the central bank: I tell you that your business is nonessential and my business is essential, so I can take over your customers and your business, and in the meantime, I print money and give it to my business to buy up and run everything. It's basically a buyout with printed money of the whole economy.

Saker: That is exactly it. The way they are distributing money now and dealing with the crisis is printing money and distributing it. It's unsustainable.

Fitts: In the last four months, I cannot tell you how many times I have heard your voice in my head say, "America is not agreement capable."

You talked about Lavrov (Russian Foreign Minister) talking about the ability to

make diplomatic agreements, but what I'm thinking about is the ability for many different players within the American consolation to make and keep agreements with each other.

Saker: Coming back to your question about what Russia should or should not do towards the West, I would say that right now I think they are simply waiting to see how relationships between Western countries are degrading. They don't need to do anything for it; it is happening by itself. All they need is to be patient; just wait.

Fitts: Here is what is interesting: The G7 and the Anglo-American Alliance together are working on their crypto plan with the Bank of International Settlements and the Swiss National Bank. They are all together in a group working on the G7 crypto plan, and on building a network between the Fed and the BIS globally. What is very interesting is that Putin just passed a law that said that crypto is an asset and cannot be used for payment within Russia.

The Russian central bank is not a part of that working group – not the G7 part or the Anglo-American Alliance part. My interpretation of that, which is just a guess, is that was Putin saying, “Nobody will be able to fiddle with our monetary system internally through crypto.”

They announced that they are coming out with a new bill related to crypto later this year. I have no idea what is going to be in it.

Saker: The thing is that Russians have realized, first of all, that the sanctions were a blessing in disguise and that the sanctions prepared them for the current situation much later. I think that many Russians see advantages to what is going on right now.

The fact is that it is fundamentally a process of ‘sovereignization’. That is what I would say is happening to Russia. Russia is still moving targets and still a project in progress, but the direction is very clear: ‘sovereignization’. That is how they see their security – by not being dependent on the empire.

Fitts: The same thing that happened to Russia is happening to every family in America. Every family in America should take the same lesson away.

Saker: You are absolutely correct.

Fitts: I still think that this is all going to come down to two visions: One which is human and one which is not human. The question is: How do the people who are for a human civilization find each other and make sure that a human civilization is what happens?

Let me just quickly ask you a question. I keep being told that Russia offers land and opportunity for people who want to move there. Is that really the case?

Saker: There have been very successful cases that got attention from the media in Russia and abroad, but I would say not to underestimate the complexity of moving to a country with a different language and a different government history. It is hard.

I think that moving to Russia is an option that is good for some young people who have specific skill sets that could be used there very much. It's definitely a much happier and more stable and healthy society.

But I'm afraid of people who say they want to go to Russia because they are fed up with the 'homo lobby' and riots and the policy they are seeing in the West. They will go to Russia and find out that Russia has their own problems that are quite severe, too. It's not a paradise. People should not think of it as some kind of conservative paradise; it is not. It is a very fluid and complex situation. It is a complex society, and it is still a work in progress.

We have no idea – and it is impossible to predict – what Russia will look like in five years.

Fitts: I just finished writing a major piece that took me a year of research and writing called *The State of Our Currencies*. Basically, what I say is that if you look at what the central bankers are doing, they are trying to extend the old system and really extend the dollar bubble and then accelerate the bringing up of the new system.

One of the things that I make clear is that if you look at what they are up to,

they invent it as they go. Some of the core functions in the governance system of a society are in this much flux at the top, so you know that things can get very fluid and chaotic in the middle and the bottom because things break down. The people at the top are making it up as they go, and it's not figured out yet, let alone mature and risk-managed.

That makes for a very, very chaotic situation everywhere.

Saker: That's the key point: It's everywhere. I regularly get emails telling me, "Why don't you leave the US and live in country XYZ," and I always reply, "First of all, I don't think that there is a geographical solution. The problems really have become global."

There is no quick out here.

Fitts: That is what I keep telling people; there is no 'away'.

I think I pointed out to you that the first week of Obamacare, somebody incidentally came out with a website offering people a one-way trip to Mars. "Who would like to go to Mars?" But you couldn't come back; it was one way. I think 200,000 people signed up for a one-way trip to Mars, and only 14,000 signed up for Obamacare that week. So, it tells you something.

Saker: It tells you what kind of society we live in.

Fitts: This has been very useful. On the one hand, I feel sorry for the Russians; on the other hand, I think that they have earned themselves a unique place in the world.

Saker: Yes, and it's up to them.

Fitts: It's a tough road, but it's a road worth travelling.

Saker: I think there is no other option. We all have to do that.

Fitts: It's true. If you look at their option, it's the same option we have. How are we going to preserve sovereignty in the middle of World War III?

Before we finish, do you have any other thoughts looking ahead in the next quarter?

Saker: That is a no-brainer for me: The single most important issue is law and order in the United States. Will the country – the nation as a whole – be able to restore and guarantee law and order, or is the country going to collapse in a kind of pre-revolutionary chaos? I can't say that I am very optimistic; I think it might be geographical.

Some regions seem to be much better off than others. I have to say that here in Florida, I get a sense that our sheriffs here mean business. But when I look at what is happening elsewhere, I don't know.

Fitts: If you look at the finances, the debt, and the pensions at the state level, you find that there is tremendous variation in the financial soundness and stability of the different states. The worst finances are where you are having the problems. That is to be expected. I do think that in the states that have been very prudently managed, you will also see very strong sheriff associations and other internal collaborations that make for law and order.

There is one town in Tennessee that a fair number of subscribers have moved to, and they have a great sheriff's office. It is very 'law and order' with plenty of strong civic participation.

I talked to one of the subscribers who had moved there many years ago, and he said, "Don't introduce me to any more people. The housing prices have doubled in the last two years, and people are flowing in here from all over the country looking for a place with law and order. We are having trouble managing the flow."

Saker: It's particularly striking for someone with Russian roots like myself because it reminds me of what happened in Russia in the early 20th century. There was a Prime Minister in Russia who wanted the Russian Duma at that time, to condemn political violence, and the Russian Duma refused to do so.

After that, most of the people in the Duma were either killed or had to run for

their lives. I see this: I see that there is a very substantial chunk of the US elites who are caving in and surrendering to that chaos. That is really, really frightening because it doesn't end well when a state surrenders its ability to even impose law and order.

Fitts: I think that the billionaires are using it as a front so that they can pick up a huge amount of assets cheap.

Saker: If that is the plan, then how do they intend to survive the fall? These millionaires are going to be at risk; we are talking about civil war here.

Fitts: If you defund the police, then the people who have the mercenaries will control. If you look at the difference of the prices they can pick up real estate and land, it dramatically increases their yields. I think they are stupid enough to actually look at this as a rate of return proposition, and they don't understand what happens when civilization goes away and all bets are off.

On that cheerful note... It's always a pleasure to speak with you. Thank you so much for joining us on *The Solari Report*.

Saker: Oh, thank you for having me. It's always a pleasure.

Fitts: I still think we should all find an island.

Saker: If you find one, let me know.

Fitts: I will. Thank you, Saker. You have a great day!

Saker: You, too. Thank you so much. Goodbye.

MODIFICATION

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