

THE SAKER INTERVIEWS DR. MICHAEL HUDSON

VIDEO HERE: <https://youtu.be/Y6SbdFmj6RI>

THE SAKER: Well, first of all Michael, huge, huge thank you for agreeing to this conversation. Big pleasure for me to have you here. 'Ts a big honor, too. And, uh, I really look forward to getting your insight as to what's happening — because there's a lot happening right now. And the first thing I want to ask you about is current events. Then we can go into deeper things. What do you make of Pelosi landing in Taiwan, and how do you see this — *what is this all about??* What's happening here?

DR. MICHAEL HUDSON: Well, I think in what you've just wrote today, you've made it all clear. There's really no practical effect of what she did. So why should China have actually done something military and done something provocative? What Pelosi did is a public relations ploy. She wanted to get more votes in California. And one third of California are Chinese, and she thought that that would help. So why should China react materially to something that is just a stunt? And I think you're quite right, best to wait and see what uh the outcome of this is. Uh — we have no id- — it's midnight there and we don't know what is happening or will be happening. We don't know what the Chinese will do. Especially seeing that the downward direction of US relations with the rest of the world is, it's bumbling everything. Clumsily.

So why not — you don't want to interrupt them while it's doing that. Let's see where it goes. The rest of the world is seeing just what you're seeing. The US is pulling a stunt that is a very dangerous stunt. And it's trying to use salami tactics — a little bit here, a little bit there, just keep pushing and cutting and see what's going to happen. And I think there will be indeed some time that China responds, when it's appropriate, and the time will be of China's choosing, not that of the United States. Other countries are seeing how reckless the United States is, and that's building up a resentment, not only in China but in other countries

THE SAKER: <nodding> It does.

DR. MICHAEL HUDSON: ... there's a [??]. We're all being endangered by this. We don't know what the US is going to do. At least in the 1970s when Pres. Nixon had the strategy "let them think I'm crazy and they'll never know what I'm going to do" that was a ploy. But the fear of the world now is that the people really are crazy!

THE SAKER: Ah!

DR. MICHAEL HUDSON: ... that are running policy, and not a ploy. They don't really know what they're doing, and like the bull in the china shop.

So, what's so frightening is that both parties are using the visit — they're maneuvering for elections, for congressional elections this November in the United States. And both parties seem to think they could get more votes by threatening the rest of the world, by being "America First", by just saying "we're the unique nation, and we can do whatever we want. You're going to have to adjust to us. Look how strong we are." That'll get votes.

There is no antiwar movement here, and what passes for the Left actually seems to be on the NATO side.

THE SAKER: Yep!

DR. MICHAEL HUDSON: The world is seeing — the world is seeing that.

THE SAKER: We see this very clearly, even in Europe the same thing. The so-called “Left” is the worst Atlanticist of them all. But you know what really scares me, is that, OK, politicians, they want votes, they do political stunts, that’s fine. But the risks involved in that stunt are truly immense. And what I think a lot of, well, American politicians are missing, but also the general public, is that, militarily speaking — the other day I was listening to an interview with Andrei Martyanov, and he made a very good point: he was asked “Do you believe that the US could prevail in a war against China?” And he said, “Well, only on one condition: a full-scale nuclear war.”

DR. MICHAEL HUDSON: <laughs in amazement>

THE SAKER: Short of that, there’s nothing. And even in the case of a full-scale nuclear war, first of all, you know, that has never been — it’s been modeled on computers but we don’t really know what would happen. And, secondly, I do not believe that Russia would let that happen.

DR. MICHAEL HUDSON: <mouths the word> Right!

THE SAKER: So — the comparison — I call that a game of nuclear chicken. And what really I find depressing is that, during the Cold War, which I remember well, I mean, I was relatively young in ‘58 now, but I remember the Cold War and the mood and a lot of my teachers, when I studied in the US, were, y’know, from the Pentagon, the Government Accounting Office, Office of Net Assessment, etc.

All these senior American officers had an acute sense of responsibility. That is, yeah, the Soviets are our enemy. Understood. We will fight them. Understood. But we both, the Soviets and us, have such a weapon at our disposal that the prime directive really is, “Never allow a pretext for a nuclear war.”

And there was an article by a Russian Marshall Ogarkov, who wrote about that, and then Reagan picked it up. And this famous line, like, “You cannot win a nuclear war” *is true I think*. The thing is, that that that the acuteness of that perception, that, forget about what’s at stake: we just cannot allow those two countries to exchange hundreds or thousands of nuclear warheads, because this is going to threaten the entire northern hemisphere. This is now subordinated to Pelosi’s need — to be re- — to cater to the Chinese immigrants in California? That’s frightening to me.

DR. MICHAEL HUDSON: Well, also it shows that the Pentagon, that I understand did not want her to go, the Pentagon has lost control to the State Department. I remember back in the 1970s during the Vietnam war when my boss, Herman Kahn, taught me to — uh, brought me to have dinner with one of the big generals, and the gen- — who — I don’t want to say who he was, but he was the leading general in Vietnam and uh — for strategists. And Herman said, “the one thing, you — you — you can’t be rude to him, and you can — you’re just there so you can see and hear him. And the whole discussion of the

generals, was how — the war was crazy, we couldn't possibly — win it, any country defending itself, and its own national government against an invader is always going to win, and that Vietnam had looked at — always at China is the main threat, not the United States. And American backing of the French it was absolutely crazy, and I had never heard as eloquent an argument against the Vietnam War from *any* of the antiwar people. And here — and here were the generals. So obviously that was not what the State Department was saying, that was not what Nixon or Kissinger was saying, and I don't think the Army today is still as independent as it was 50 years ago. I think that the Army is like the CIA: you get ahead by agreeing what the the politically appointed officers are. So the Army has been badly politicized the United States. Even so it be because it's an army, it's realistic about military matters, and the State Department isn't. They're operating on emotion and on a worldview that is inherently hostile.

THE SAKER: But let's look into that "inherently hostile" thing a little bit deeper, because I think you made some very interesting points in your article, and I would like to discuss them. I'll begin if I can with just a few quotes.

Josep Borrell said: "The war will be long and the test of strength will last. We have no other choice. Allowing Russia to prevail would mean allowing it to destroy our democracies and the very basis of the international rules-based [world] order. "

And then, an EU Commissioner said, "We clearly see the impact. The best way to deal with economic consequences of the war: to finish the war, to provide Ukraine with the necessary support."

Yale University professor: "Russian imports are largely collapsed in the face of stark challenges, securing crucial inputs in parts and technology and hesitant trade partners."

So these people are openly saying that they're in essentially — I mean, I think it's accepted now Russia and the US are in a full existential war, that the US is trying so far to wage by proxy, and keep below the threshold of overt, direct confrontation.

Now, here's — before I ask you a question, one thing that I just wanted to say for those that are listening to us, we are you who have been conditioned by TV, Hollywood, Tom Clancy, AND the outcome of certain wars which were misunderstood, in that myth that the US and NATO is a really powerful military alliance. And that's a fallacy. That's a complete lie. If you look at the US military globally — I won't go into details today, but I would say, the only branch — there's two branches that I would consider combat capable: nuclear forces — they're old — they're getting there, they have problems, but I do not believe that they came to the point where they can't execute their mission. They're struggling, but they can do it.

And secondly American nuclear attack submarines, of which there are a lot, they're a high quality, AND THAT'S KIND OF IT! The aircraft carriers are sitting ducks, the Air Force is in terrible shape, the Army, forget it! Couldn't win a war against, y'know, like Kindergarten.

So the Pentagon must realize that, what are they looking at? If they continue doubling down — — they're looking at one of two options: a land war against Russia — a continental land war,

which they don't even have the means in Europe, today, right now. It would take them months and months and months to get the kind of firepower and logistics and personnel and training and coordination, &c. to be ready for that.

OR, a nuclear exchange with Russia. That's it. I mean, there's no third option. So these guys should know, that going down the doubling down road leads to disaster. I mean, as I wrote in a recent article, the most what the US could do, is fire a large amount of subsonic, or slow cruise missiles, which either will pass through or will not pass.

But option 1: let's say they don't pass. Like, the strike of Syria was a failure. In that case, you just shot your best weapon and you're out.

Or, they do pass, and do inflict actual damage on Russia, what do they think the reactions of Russia will be to this, and what do they plan? I mean, what's the next step? I don't see it. Do you?

DR. MICHAEL HUDSON: Well, let's look at the reciprocal implications of what you say: just like United States cannot mount a land war, and invade any country, neither can any other industrial nation anywhere. Maybe China could, given its population. But certainly, Russia could not mount a land war to move back and to retake central Europe and move into East Germany

THE SAKER: You're right

DR. MICHAEL HUDSON: Any — any population would, all of a sudden, all the students would become draft dodgers, there would be protests. No country can afford a land war. That that is a tactic that is no longer part of the repertory, except maybe for Iraq and Iran, y'know, small countries in local tribal wars, in Afghanistan. So — so, the question is what is — why is NATO even preparing for all this expense and as if there were — it could have a land war, or Russia could have a land war?

Well, the only explanation I can come up with is that the arms that make — NATO has spent 2% of its GDP, or supposed to spend 2% of its GDP on, really are not for fighting. It's like when you auction 100-year-old wine, this wine is not for drinking: this wine is for trading.

THE SAKER: Yes!

DR. MICHAEL HUDSON: Arms are to employ people in the election district of American representatives, and French and European representatives. They're arms just to create profits for the war makers. They're not for fighting. And so the whole idea that there can be a land war is fictitious. On either side. And once you realize that there is not gonna be a land war, the only thing that America has, is, BOMBS, as you point out.

The question is what kind of bombs? We've seen the bombs that [were] used to destroy Afghanistan, and the Near East, and Libya, everything from that up to a gradation up to atomic bombs. That's the only thing in the US repertory. So, it's musclebound. That's the problem.

THE SAKER: But, before I say, I don't even agree about the bombs. Because the US

DR. MICHAEL HUDSON: Ah! Quite right!

THE SAKER: ... never faced integrated air defenses.

DR. MICHAEL HUDSON: Definitely.

THE SAKER: Multilayered, going from, y'know, air defenses that are specialized protecting forces to national air defenses

DR. MICHAEL HUDSON: The point that I made in 1978 in my book *Global Fracture*, that it's much cheaper to defend than to make an offence.

THE SAKER: Absolutely.

DR. MICHAEL HUDSON: But an enormous amount — obviously pretty successful, in being able to shoot down uh NATO and US missiles.

THE SAKER: But notice that after Iran hit American CENTCOM bases,

DR. MICHAEL HUDSON: Right.

THE SAKER: ... they even didn't have what it takes to take on Iran. With all my respect, and I do have a great deal of respect for Iran, that's not the kind of integrated air defenses with automated command syst —, y'know, computers and automated warfare etc. that Russia presents. I mean, there's a reason why the US never even considered putting a no-fly zone over the Ukraine. And it's because they're gonna — their — the air defenses that — they have *nothing against it!* They don't have the correct of anti-radiation missiles, they don't have the correct aircraft, it's not gonna work! The only thing that I see working is the good old Harpoon missiles, fired in large amounts, which could do limited damage, but they're not very powerful, not very fast, they're not very hard targets. So all they have is really nothing much in terms of, "what are you gonna do?"

And so Russia, I agree with you, completely that Russia doesn't have the means to invade, you know, Europe etc. But if you look at the Russian military posture, the goal of the Russian military is to PROTECT her borders from roughly 500 to may be 800 km away from it. That is to say that if the US even MOVED that close to the — to the Russian Border. Forward Deployment was very popular because of Carter, the Gulf, and everything the — you know, the preposition of equipment.

In modern warfare, where there is no front and back, and can Russia strike at any depth, Russia can land a cruise missile in Portugal if she wants. Even then it's not going to be helpful.

DR. MICHAEL HUDSON: Let's suppose —

THE SAKER: So what's — what's the scenario?

DR. MICHAEL HUDSON: Well — Let's suppose that, uh, the people in Washington who run NATO are smart enough to listen to your blog. And that they understand everything that you've said. Then, uh, why are they doing all of this? They're not supposed to win. They're not supposed to beat Russia.

They're supposed to do exactly what Pres. Biden said: he said that for every you Ukrainian that we send, Russia's gonna lose another bullet. So Russia won't have as many bullets. We can probably 20 — uh, 200,000 Ukrainians, and Russia will have 200,000 less bullets and missiles. So th — they're not there to win! They're there to deplete Russia, and you can see that the Americans expected the whole war to be over by now. Russia would have used up all of its arms, run out of bullets, run out of missiles, and the sanctions against Russia would collapse the currency, and the Russian people would say we can't buy Italian handbags anymore. And, you know, "We can't buy what we're used to. Let's change the regime. Let's have another Yeltsin, when at least we can buy everything Western that we could." That was the fantasy.

They must know what you're saying cannot be a secret to the West

THE SAKER: It's not!

DR. MICHAEL HUDSON: ... and they're wanting to wear Russia down. And they've got Zelinski, essentially have the Ukrainians commit suicide and have the German economy commit suicide,

THE SAKER: Yeah

DR. MICHAEL HUDSON: ... And have the European economy essentially destroy its ability to be economically independent of the United States.

THE SAKER: In your opinion, am I correct in my feeling that the US sees — and — and I mean that there's a consensus of the ruling elites that a sovereign Russia or a sovereign China is an existential threat to the United States and the West?

DR. MICHAEL HUDSON: Yes and they're absolutely correct.

THE SAKER: Can you explain that please? Please explain that in quite detail because it's really important I think.

DR. MICHAEL HUDSON: The US economy cannot recover its industrial power. It is — its debt is too high, its cost of medical care, 18% of GDP is too high, its — uh, RENTS are so high, 40% of income. There is no way in which the United States can have a — can grow again. Every business recovery since 1945 is started from a higher and higher and higher level of debt. And now it's reached the limit. A year ago the Federal Reserve said that half of Americans could not raise \$400 in a crisis. The recent increase in interest rates have raised credit card rates and debt service of about \$450 for average American. So here are people who couldn't raise it. And all of a sudden they are shifting their consumption patterns to Dollar Stores, downsizing to Dollar Stores. Spam, the <laughs> is now in short supply, because people are moving from expensive meat to not.

So the Americans are going downhill. What is it that Russia and China and Iran and India represent? They're countries that are industrializing and moving forward. The American economy and American society is run by the financial sector, they've shifted planning away from government to the financial

sector, which lives in the short run. And, essentially this growth, the growth of the 1% is shrinking the 99%.

Russia, China, the objective of their government is to increase the overall prosperity. They are not out — when they create money it is not to increase stock market prices, or bond prices, or bailout banks that have essentially gambled on which direction interest rates are going, or where their BitCoin is going to go, up or down.

So the whole idea of the purpose of society, the purpose of economic development, is different, and China, Russia, even Iran, India, they're showing that what they've done is simply following the path that America, the United States and Germany did in the 19th century. There — there is a mixed economy, they're using government to provide basic needs like medical care, education, freely, whereas America, you have to go deeply into debt for both. Medical bankruptcy is the leading cause of bankruptcy here now. And so of course they can — they — when the government provides most of the basic needs the employers, the industrial employers do not have to pay wages enough, high enough, to cover 40% for rent — \$4000 a month rent in New York City — or the medical charges. So essentially, in a word, it's a conflict of economic systems. And in my book I talked — I say the economic system is basically Industrial Capitalism evolving into Socialism in the rest of the world, and the — and the — as opposed to Finance Capitalism in the United States.

Now a few — a week or so ago on your blog you had this wonderful map of countries that had imposed sanctions on Russia, NATO and the — America and English speaking countries, and the whole rest of the world. This is how the world is divided. That map tells you everything you need to know. One cou- — one part of the West has essentially committed financial suicide. It's going down. The rest of the world is going up. What you do if you think that you're the Unique Nation? You're the nation that everyone should look up to and that you can control other countries. But how can the United States control other countries diplomatically without an industrial sector? And with the government having a debt to foreign central banks, and to foreign governments far beyond its ability to pay, much worse than any of the Global South countries' foreign debt. How on earth can you hold on, even beyond this September, when you're going to have countries that owe dollar debts on their bonds, Latin America, Africa, when they cannot afford to pay the dollars to the dollar bondholders, if they have to pay higher prices for oil and gas and food and raw materials, that the United States sanctions against Russia has done? Are they going to really set — uh — lie back and let America force them into economic suicide, because their — their own Pro-American elites, their own Boris Yeltsins in Latin America or other countries are going to say we have to do what the Americans say? Or are they going to say "It's over"? The American people —

THE SAKER: For one second, take off your Michael Hudson hat, and put on the hat, You Are That Financier, the one who thinks exactly the way you described it. What do they practically think is going to happen to Russia, Iran, India and China? Do they really sincerely believe they're gonna break them up into little parts, have the world run by conferent[?] or elites, and make a killing? Is that — do they really believe that?

DR. MICHAEL HUDSON: No. That is just one scenario that they have. They say, if we can't do that, we're going to sell all of our stocks and bonds, and we're going to try to buy — uh — buy into an investment position in these countries. And we'll gamble on their currencies going up, and we'll make money on — on — on the casino. They can make money — it's easier to make money in an economy that's crashing, than it is in an economy that's rising. If you're one of the 1%, you think, "Well, okay, the United States economy is going to shrink, Boy! Are they gonna — we will be able to pick up all sorts of companies at distressed prices. We can buy — we can certainly buy German and French companies that are broke at distressed prices, then we can make our own new arrangements with — the — Eurasia on the — on some kind of beneficial terms, and we'll come out okay.

THE SAKER: Here's a question that I get a lot, and not being a specialist, I reply to the best of my knowledge but really, I think, coming from you, I think it would be very interesting to hear your reaction. What do you make of that theory? You've describe the financiers that are running the United States right now. What about this thesis that I submit to you?

"Aahh! Putin, Xi, they're all puppets of Davos, the World Economic Forum", "They're working hand in glove", "There is no opposition", "it's not true", "All these guys, what they want is, you know, create a United World Order", and all these tensions between Russia, US, China, its ALL FAKE, it's — it's tactical, but really fundamentally the people running these countries and the US are the same.

So my question is double. First of all: factually, what can you tell us about how much does Davos and the World Economic Forum or the Bilderbergers, or, whatever? Or, on the other version of that is, they're all working for Israel. That's another one.

What you make of all of this, that puts all of these leadership in the same bag question — first part — and, second part is, how are they different, if they're different? How would you compare and contrast the — the ruling elites and specifically the leaders, but also the class that supports them, and — say, China, Russia and the United States?

DR. MICHAEL HUDSON: Well, the world — the word that the World Economic Association [*sic*] uses to describe itself is "globalism", and globalism is their word for "colonialism". It used to be called "imperialism". All of the — every imperial European country — Britain, Holland, France, they were all globalists. They were reaching out to take over other countries. The objective of globalism for them was to create a colonial system where they would essentially extract all of the wealth of their colonies out for themselves, by appointing a local client oligarchy to rule on — on the — on their behalf.

So they realized that when — Pres. Biden has used a different vocabulary and he said, well, it's really not between globalism and anti-imperialism: it's between democracy and autocracy. What he means by democracy is what you described: an oligarchy. And Aristotle described how "all of democracies tend to evolve into oligarchies" because as their wealth goes up, some people get wealthier than others, and they are in a position to take over the public media and the political system. Ever since Rome — actually, ever since ancient Greece that's been the case.

So, on the one hand, the, uh — the West — really, the World Economic Foundation [*sic*] is sort of, let's say the Chair — uh, the Board of Directors of the Western economies, and they're all like, uh, just like the Greeks all used to get together in one of the sacred islands, either Delos or Delphi. That's the role that Switzerland has today.

Well, now all of a sudden what you have is autocracies. Autocracy means a country with a strong enough government to prevent an oligarchy from taking over. And that's —

THE SAKER: I love that definition! This is a really good definition!

DR. MICHAEL HUDSON: Yeah <laughs>. And they are strong enough to say, wait a minute! We're not gonna let individuals who want to make money at the expense of our long-term growth, because if we don't have long-term growth, we're not going to be able to maintain our defenses against the globalists, the colonialist West. We want to be — we want to grow. We don't want to give our — we don't want to let the — what President Clinton expected to happen: to let Goldman Sachs bankers go into China, extend the credit to Chinese the industrial companies, turn — uh, have them issue stocks, buy the majority of stocks, and end up doing to China like America did under Yeltsin, by privatizing the raw materials. There, the — the Eurasian countries are saying, "No, we're not going to let the Westerners buy our commanding heights."

We're not going to privatize our railroads, our school system, our — our land, and our basic natural monopolies, for individuals to make economic rent extraction from them: we're going to make these public utilities, to make our economies so low-cost and productive that the — our industry can outsell those of the West where they're busy privatizing everything, and making — by privatization the West is making everything into a high-cost economy. The rest of the world resisting privatization doesn't have monopoly rent doesn't have — have to build even the cost of production and the medical care, schooling — they — they basically provide these either freely, or at a discount. That's exactly how the United States got rich in the 19th century, by — by providing government support for industrialization.

Other countries are doing this, so we're dealing with — uh, America has always said that other countries, "Do as we say not as we have done." And when they actually do what we've done, it's autocracy. That's really it, in a nutshell.

THE SAKER: Yes, but doesn't Putin go to Davos? Why is he going there? Doesn't it prove that he's working with them?

DR. MICHAEL HUDSON: How — I don't think there is any way that the West can work — the West's idea of working with China and Russia is to buy financial control of their economy by turning all of their assets, their school system, the railroad system, their water systems into rent-yielding assets. And other countries are not going to do that. So their idea of working together is not the — the West's idea of working together is not the rest of the world's working together.

It's that they realize it is a one-sided deal in which they lose.

THE SAKER: What do you think is gonna happen to, you know, all the innumerable institutions that were run by the West? I'm not just talking about just the Trilateral Commission or the Davos forum: I'm talking about even organizations which are essentially run by the US.

DR. MICHAEL HUDSON: Well, there are —

THE SAKER: Just because they are the main financiers, they have control over all sorts of UN agencies, over so-called "private" corporations etc. Do you think that Russia and China will literally, y'know, let it all go, the World Bank, International Monetary Fund, the World Trade Organization, all of it is gonna — or are we gonna see two completely different economies and societies on one planet?

DR. MICHAEL HUDSON: I can answer the question quite simply: America will not join any institution in which it does not have a veto power. The World Bank: it has a veto power. The IMF: it has a veto power. And in the United Nations it was the communist agent that had suggested the US insist on the veto power. The man with the pumpkin <gestures to his forehead> I'm blocking out his name right now.

So other countries the United States would veto any policy that would benefit other countries more than itself and it would never permit other countries to dictate what American policy would be. That's why the United States has not joined the International Court.

THE SAKER: Mm-hmm.

DR. MICHAEL HUDSON: Because, it won't — it said, "We can make our own laws." You can't tell us what to do. It's why the United States has supported the IMF as long as the IMF can essentially act as an arm of the Defense Department, just as the World Bank does. So obviously any group of nations, such as the Shanghai Cooperation Organization, needs a — a banking organization to facilitate the transfer of funds, to arrange currency swaps, to create its own credit — line of credit. There'll be a non-US World Bank, and non-u — a non-US IMF. The Shang- the, uh, China, in it's Belt & Road Initiative, has created its own counterpart of the World Bank. I would expect that these countries will — will create their own world court. And they can hold War Crimes Trials. And the United States may not recognize it, but at least the War Crimes Trials can designate who the war criminals are, and pass laws for the rest of the world, to win the hearts and minds of South America, Africa and, the rest of the world.

And there even be just something like the Nonaligned Countries that began to be formed in 1955 in Jakarta when they didn't have a critical mass. Well, now there's a critical mass. Now all these countries in the chart that you had, with the countries that did not join the sanctions against Russia, can create their own group international organization. And the the West will not be in it, unless they let the West in without any veto power, which the West will not — certainly the United States will not join. And this new set of international institutions, which is what the I — the United Nations pretended to be, what the IMF pretended to be, in a truly global organization for the benefit of everyone, what the I — what all of these institutions pretended to be, but actually were arms of the US diplomacy, they can all be created for what they were — what the world wanted in the first place. Something like an ext- — Russia has already extended the BRICS Bank. [It] is a prototype for a new alternative to the IMF. There will — there will naturally be these new institutions taking shape to coordinate trade, development, payments

— there payments for countries that are unbalanced — the creation of credit, so that countries are not forced into bankruptcy if they can't afford to pay short-term debts. Basic coordinating and mutual — mutual support organizations.

So we're back to the old philosophy of mutual aid instead of predatory relations.

THE SAKER: But if that happens, considering — we already discussed how hell-bent the ruling elites of the United States, the financiers are already, by China, Russia and the other countries, in their *current, still developing stage* [Hudson nods slowly and gravely], my God! What — what are we gonna do if these countries actually foll- — I agree with you, by the way: I think that's where they're headed — but my fear is it's going to be absolute hysteria! — among Western financiers [Hudson grins with approval].

I mean, for them, isn't there a moment where they have to choose between death by finance or death by nukes but it's the death either way?

DR. MICHAEL HUDSON: Well, as Keynes said, financiers always make the best deal they can get, any moment in time. So if things move not in their ideal way, they'll say, well, what's the best we can do? Well, the 1% can always make more money by squeezing the 99% in the United States and Europe. It will be very unpleasant to be a European for the next decade.

THE SAKER: Oh, yes. I very much agree with that. My personal feeling is that the US has decided deliberately to burn down all of Europe, because it removes a competitor, and allows them to purchase whatever is valuable at cut —, y'know, very cheap prices, AND it fully, y'know, rekindles the original mission of NATO which is to keep the Americans IN, the Germans DOWN, and the Russians OUT.

DR. MICHAEL HUDSON: Well, the United States calls this a healing process. A healing process will be when the American companies get to buy out all of the European companies and essentially probably German — Germany will become another state, just like Rhode Island, England can become another Delaware, it'll be a one happy centralized family.

THE SAKER: But Michael, is that really possible? Can they really pull it off, while, y'know, the quantitative easing is not an option anymore, inflation is going up, the country is deindustrialized, the political tensions here are *through the roof!* There was a recent — I saw — umm — an opinion poll where I saw a majority of Trump voters actually would not be opposed to seceding, that their state would secede from the states that they perceive as being run by, y'know, Biden, &c. Does this country have the — I mean, it seems to me, that's — where are they going to get, you know, the means, the will power, and the time to make any plan or do anything to try to — you say financiers want to make money: well, if they are busy having a hard time breathing, let's say somebody who really is, y'know, lacking oxygen, like in an asthma crisis — if you're in the middle of an asthma crisis you don't go in the ring to fight Mike Tyson.

DR. MICHAEL HUDSON: Well, you're making a mental leap that is not justified. You're implying that about 75% of Americans are against something — that's a political crisis. It's not a crisis at all. It doesn't matter. 75% of Americans all believe that women should have access to abortions. Neither party supports this. 75% of Americans probably think there should be peace in Ukraine and America should

not be at war. Who cares? There's no crisis! What does it matter? The popular desires for what they want are not a crisis, if there is no vehicle to express their unhappiness.

And there's no way in which American voters can express what they want either in the Democratic or the Republican parties that are really the same party and are in the full agreement with what they're doing. The voters don't matter. That is — remember, we're talking about the American definition of democracy, which is an oligarchy.

THE SAKER: Okay, Let me try another angle then: Forget about the voters, but surely there are people in this country, there is a manufacturing sector, there is a scienc- — there is science and technology, I mean, surely, there's some interests that are opposed to the total rule by the financiers and where this is taking the country. I mean, I don't want to sound quaint, but how about simply patriotic Americans because — who want their country back and don't want it to burn down into the delusional, y'know, narcissistic dreams of financiers who are completely ignorant on top of it?

DR. MICHAEL HUDSON: The question is, how can they institutionalize this — these ideas? Now, obviously I would like to restructure America on the path that made it so productive and successful for so many generations. But I don't have a vehicle to institutionalize it. Even if suppose that if Bernie Sanders, or even I were president: what could I do with Congress not the passing the laws that I would like to see? There's nothing, there is no influence that I can see that I can have that would actually bring about the improvements that you and I are talking about, uh, EVERY country, whether it's Russia or China or America or Europe, any country should follow. How can we do that in America? We're blocked! I'm surprised the degree to which it's blocked in Europe, but it shows the extent to which the State Department, the National Endowment for Democracy, that is, the CIA, can meddle in foreign politics, and just drive and control other — other countries' leaders in the way that Lavrov has described the American bribing and strong-arming.

THE SAKER: OK, so, there is no way of bringing together or empowering the discontent inside the country. Europe is fully under the —

DR. MICHAEL HUDSON: <breaking in> Of course there is discontent. People are — the homeless are going way up. Of course they're discontented. But what are they going to do about it?

THE SAKER: Yeah! Yeah! But what I mean is, saying that there is no way that this could result in political change. You explained that.

DR. MICHAEL HUDSON: I can't see any, and I know —

THE SAKER: I don't either.

DR. MICHAEL HUDSON: ... people like Bernie Sanders tried to figure out what to do, he can't figure out. Ralph Nader couldn't figure it out. You know, you look at the reformers, so, they had good ideas, and I know many progressives within the Democratic Party and they have nothing — there is nothing that they can do as long as the Democratic Party exists. Ironically, the only — the way that they could get democracy in the United States would be for the Democratic Party to be completely dissolved, the

progressives would all join the Republicans, you'll have just one party. And at least if you had one party, then you could have primary fights over what different ideas there were. Within a single party you could have branches. But with two parties blocking out any alternative, you can't have, at least, what Europe has, and that is a parliamentary system, that new parties can emerge with — with new ideas. There is no vehicle for a new party to exist with new ideas as long as there is a two-party system in the United States, for the Democratic Party's role is to prevent any left-wing critique of the Republican Party.

THE SAKER: Well, what I can tell you about Europe is that, first of all, it's completely under the USA's thumb, and the parties — in Europe they decided simple — they went traditional. If you can't provide good services, or bread and games? Repression.

The fact that in Holland of all places, the cops use actual live rounds against demonstrators, in the country of tolerance, tells you the degree of vicious persecution. In Switzerland the country I was born in, there is now a law that JUST FOR BEING SUSPECTED of supporting terrorism — suspected — they can hold you indefinitely, just because, they think, maybe you have sympathies. Now if you look on top of that, that American politicians want to declare Russia a terrorist state, and everybody, including from, you know, Ralph Nader to Ron Paul, anybody who has another opinion is a Putin agent, what it smells to me like is, we're headed for repression, repression, and more repression.

DR. MICHAEL HUDSON: That's what it looks like.

THE SAKER: That's it? They're just gonna jail, censor, and they're also gonna — it's literally, you know, the Orwell's "boot stepping on a face", that's the future of the West, and there's no alternative?

DR. MICHAEL HUDSON: It's the future of the United States, remember, the Unique Nation. Other nations have an option they can emigrate. Europeans can emigrate, you've seen that 20% of the Baltics have emigrated, Ukraine has emigrated — Americans can't emigrate! They don't speak a foreign language, they have nothing to offer, they don't have any skills, maybe they can pick grapes in Mexico, but I'm not sure what else they can do.

That's the difference. America really doesn't have much of an option. They don't — it would be nice if American engineers could emigrate to our Russia and help organize better factories but I don't think — I don't think they will, and they're really not political enough to be threatened. But the people who are threatened in the United States really don't have anywhere to go. It will be like in the 1940's. My father was a political prisoner. Most people I knew growing up were political prisoners, in the United States.

THE SAKER: My impression is so far that the key difference between the US and Europe is that in the US there's a Bill of Rights. No such thing in European law and that Bill of Rights doesn't really protect us. Yes, they are chipping away at it from every corner [a thinkfold?]. Particularly under the heading of national security. National security seems to be trumping the Bill of Rights completely. But still they have that problem. They have this pesky, pesky First, Second, Fourth, Fifth Amendments, that's — they would like to bring down, and they really have a hard time doing it.

On the other hand, when I look, I agree with you. The parties have one agenda. The media is completely as a mouthpiece for the — for the two parties. Congress is run by the same people. There is nothing left, so essentially, what — are you saying that Russia needs to do ABSOLUTELY NOTHING, and just wait — for the US to self-implode?

DR. MICHAEL HUDSON: Of course it has to defend itself, while the United States gets more and more frustrated and angry, and acts out its frustrations, AS it falls apart. I think Marx said: “The end of Capitalism would not be a pretty sight.” We’re seeing that in the United States.

As this becomes an issue of national security — as you just said, national security trumps the Bill of Rights. My father was one of the Minneapolis Seventeen and he was accused of having books of Marx and Lenin on his shelf. You’re not allowed — and the Attorney General, later, who oversaw the case, later said the one thing he was embarrassed in his life was was essentially framing up of the Minneapolis Trotskyists, and putting them in jail. And he did it to solidify America’s friendship with Stalin, ironically. So that trumps everything.

And then you saw the Japanese interned in World War II.

THE SAKER: Yes!

DR. MICHAEL HUDSON: Where was the Bill of Rights then? Right now, Chinese — Asians are attacked regularly on the subways and the streets of New York City. Where’s the protection against — them [*I’m sure he means, against the attacks — ed.*] You could go right down the list. It’s all — the problem is enforcement. You can have wonderfully utopian laws written, as many of the religions have written them, but *it’s all in the enforcement!* How are you going to administer them?

But that’s where the problem is. And the oligarchy is very careful in selecting judges that will do what the Supreme Court is doing now, and just making its own rules that have nothing to do with the Constitution, like banning abortions and again, only 14%, I think, of Americans are reported to approve of the Supreme Court. But, there it is. And what can you do about it?

THE SAKER: But — just, in this specific case, it is my understanding — correct me if I’m wrong — that the Supreme Court did not ban abortion.

DR. MICHAEL HUDSON: No, they did not.

THE SAKER: The Supreme Court said, that there is no constitutional protection FOR it, therefore it should go down to the states. But it isn’t a ban.

DR. MICHAEL HUDSON: That, ah! — you’re right. And this is a very important point. America is different from every country, in having been — uh, the constitutional was written by the slave owners. Who were terrified that a democracy would enable a majority of abolitionists to ban slavery. And so they wrote into the Constitution slave rights. And the Supreme Court just ruled in the case of — of global warming and environmental protection, there can be no federal rule for pro- — Environmental Protection, because the federal government has to leave everything to states’ rights. And abortion, left to states’

rights. Well, if you have a no federal ability to shape or plan an economy, if you have the, uh, states can simply go their own way, this is happening half a year — uh — a century ago, when there were anti-usury laws in the United States. Well,

THE SAKER: Really!!

DR. MICHAEL HUDSON: ... North Dakota say, well, we don't have any anti-usury laws, so all the credit card companies moved their head offices to North Dakota, and could charge whatever they wanted. As long as you have no federal power, to — and — to shape the economy, you cannot have forward planning and that's — that has made United States a failed society. So, it's moved from a failed economy to a failed society. That's really what we're talking about, in — for the big contexts.

THE SAKER: Do you think that over time it will actually physically break up into several successor states? There's a lot of people see, you know, the South, California, the North, New England are SO different, and they want to go in completely different directions, let them go.

DR. MICHAEL HUDSON: I don't know how that could be done within the constitutional framework. There is re- — the South had to secede by military warfare, and certainly, uh, the countries — uh — the states that would like to secede are not about to indulge in warfare. There will be something more like civil disobedience. And there will just be more a move to dissolution and anarchy. But I don't see any formal separation.

THE SAKER: But, can I run a scenario by you?

DR. MICHAEL HUDSON: Sure.

THE SAKER: I've noticed in history, but also in the case of Russia during the 90's was very typical. What the central power — and it was very much the case of the Ukraine, before the war started was very, very observable — when the central governments cannot provide the local leaders with money protection or whatever, it can't crackdown them either anymore. The locals sort of created their local fiefdoms, which remain part, saying, the typical Ukrainian oligarchs all had their geographical fiefdoms, formally it was still a united country, but in reality you could see that it was run locally. And I'm thinking of sitting here in Florida, the governor here has taken some very strong positions, and, I don't think he — people in Florida — first of all, most people hate the federal government, <Hudson smiles and nods> that's all over the country, so, for starters.

Secondly, local governors can be very popular, and at that point, I mean, I would see a DeSantis has no need for the Feds. [Hudson nods with emphasis] None. He has everything he has here, he can start ignoring the Feds, so the next step is, do the Feds have the means to *force* him or some other popular governor to comply? And here I recall something that, y'know, happened in Russia twice: in 1991, elite special forces were given the order to storm the parliament and to take it over. And we're not talking about copTHE SAKER: we're talking about elite KGB Special Forces. And they said, "We're not doing this. We're not shooting at our own people."

And then in 1993, the exact same thing happened. The order was coming not — this time — the first time, y'know, Yeltsin was the target. This time he was the order giver. And he said, "Storm!" And I was actually in the room with one of — a colonel from one of these KGB units, who got the call, said, y'know, "Go there, investigate, see what it will take to clear it up", they again refused to obey. So, where I'm headed here is, I don't know if the Feds have an army of thugs willing to crackdown, I don't see the locals in Florida be it the sheriff's department, police or anybody, you know, using violence against local people here, so without formally seceding, I see signs that Florida is sort of going on her own way, and basically, I would not be surprised if they start ignoring the orders coming from — from D.C.

DR. MICHAEL HUDSON: You're absolutely right.

THE SAKER: Kind of a creeping breakup.

DR. MICHAEL HUDSON: That's what I said: civil disobedience. They'll just go their own way. You're right. You don't need to break up. Under a situation like that.

THE SAKER: You agree that the disobedience could be coming from local authorities.

DR. MICHAEL HUDSON: Yes.

THE SAKER: Okay.

DR. MICHAEL HUDSON: Yes. Yes.

THE SAKER: So it's one thing to — to — to — scream slogans at the streets and burn a couple of stores. It's quite another to say we're not going to obey the federal government and that comes from my office. The Governor. Boom. <gesture of stamping a document>

DR. MICHAEL HUDSON: Well, this is what happened in the 1880s, when there was a [contested election](#) between the Republicans and the Democrats, and the deal was the Democrats said, "Okay, we'll let Hayes become a president, but you won't enforce any of the protection of the slavery laws, and you won't support Reconstruction anymore." Basically that was the modus operandi, that led to the Ku Klux Klan expanding, and all of that. That's the kind of law split we'll see. So there will be some population movement from one set of states to another set of states.

THE SAKER: Mm-hmm. We already see it here.

DR. MICHAEL HUDSON: Yeah.

THE SAKER: Believe me, here, it's flooded with Northerners and Californians now.

DR. MICHAEL HUDSON: Ha! I bet. For, uh — in the 1970's I stopped calling myself an economist, and called myself a futurist. Because I was working for the Hudson Institute, I worked with Alvin Toffler of The Futures Group. And was easy to forecast the future when everything was basically occurring in a given setting of institutions. Right now it's almost that I'm not even going to take a chance on seeing the

future, because it — the future can be whatever Eurasian countries want to happen, and we're not sure what's going to happen there.

All I can say is, that there's a very positive idea when, beginning about 10 years ago, when I was teaching in China, I would be, uh, many professors wanted me to, y'know, come and lecture to their class, everywhere where I talked, the students had such an — a forward-looking idea. Such an enthusiasm! They really felt that they could change the economy. And the — they saw the Shanghai, and the "free-enterprise" boys had begun to make the country free for billionaires, and they wanted to, uh, clear up the, what they viewed as corruption, which really was corruption, and uh create a new economy and these were — they were all going to graduate, most of them worked within the Communist Party as officials, promoting ideals, and helping. And that seems to be — what — these people are now in their 30s, 40s and I — I don't think they've been corrupted. I think they're still trying to transform the economy. But about everything is open.

People say that, "Well, China is a Marxist economy, socialist economy", but Marxism is the Chinese word for politics. I mean, it could be — it could be anything, really, that you want. So the future is completely open for what they're going to do, I think that they — they seem to be handling — they seem to be a reality-based poli- — politics. And, it's surprising that, in the field of foreign policy there is a split between the Realists and the Idealists, meaning the NeoCons. There's nothing like that in economics. The main stream of economics is Neoliberalism, Privatization, Thatcherism, to make the world like Thatcher. There is no Reality Economics in the West. In China, officials have said, "We really have a problem. We sent our students to the United States to be educated, and they take economics courses, and, "Look at 'em! How is that gonna help us here? What they're told is to privatize everything and make us look what Margaret Thatcher's England."

They're going — they have to develop an entire new curriculum there to sort of self-guide themselves. And without an idea of where you're going, you're not going to go there, so the question is, "What ideas are going to become dominant?" Well, that's why spend so much time in China, or at least working with the Chinese these days. I haven't seen a similar spirit in Russia, there is the — I haven't been in Russia for a while, but when I was there, the feeling was still just disillusionment. They didn't have an idea of where they're going, and Russia's one of the few countries in the world that has no background in Marxism at all. And so we don't really have much of a — analysis of finance capitalism and rentiers, and all the things that Marx talked about in Volume II & III of Kapital.

So I think that China will really take the lead, and I think this'll spread to other Asian countries, and to Russia too, and that you'll have countries sort of reinventing the wheel. And will be reinventing the wheel of Industrial Capitalism and State Socialism, evolving into Socialism, and that'll probably be a good thing, but I'm sure there'll be a lot of twists and turns, interrupted by personal opportunism along the way.

STHE SAKER: Well, for my — as I see it, I'll make it very short, because there's two minutes left on the clock. I really do believe that it's quite striking to see a Communist China, Neoliberal Russia, the Islamic

Republic of Iran, y'know, complete — completely different countries, coming together and I think the two key moments, I think, what unites them iTHE SAKER:

- a) they all want sovereignty
- b) second, they want of their own way to develop it. They deny any kind of universal ideology that should be part, y'know, imposed on all others
- c) third, relationship between countries have to be built on international law. Only.

That's what I see the key pillars of the world order that I think is going to replace, well, y'know, 1000 years of imperialism.

Because I really think that this this last empire IS the last Empire. Because it is a model that outlived itself, and is just despised in most of the countries out there. Very few countries still have some kind of idea about becoming an empire, mostly because a lot of them tried it, and paid DEARLY. Imperialism is horrible for the country that — at first it's initially beneficial, then it turns against you, but the blowback is terrible.

So that's basically what I hope to see in the future. God willing, we won't have a nuclear war, and that's all I can say.

DR. MICHAEL HUDSON: Well, this is a wonderful. Their strength is their diversity.

THE SAKER: Yes!

DR. MICHAEL HUDSON: Being diverse, no country can dominate the others. This is exactly what gives us it stability.

THE SAKER: Thank you, Michael. We're coming to the last seconds here. I have to stop.

Thank you, thank you, thank you! It was wonderful.

DR. MICHAEL HUDSON: Yes.

THE SAKER: Maybe we can do it again. I enjoyed every second of it, so thank you for everything.

DR. MICHAEL HUDSON: Thank you.

THE SAKER: Have a wonderful, wonderful day!