

## The West Goes Insane Over Ukraine

**Ross** Welcome to Renegade Inc. Less than 100 days into his presidency and Joe Biden is already angling for war with Russia. The excuse? Ukrainian sovereignty. The real reason is something quite different.

**Ross** Alex Krainer, welcome back to Renegade Inc.

**Alex Krainer** Thank you very much for having me. Good to be with you again.

**Ross** Alex, in the penultimate chapter of your book, Grand Deception: The Truth About Bill Browder, the Magnitsky Act and Anti- Russian Sanctions, you talk about a thing called the deflation gap, the deflationary gap. Very few people understand the deflationary gap is almost always a pretext to war - First World War deflationary gap before it. Second World War, which obviously had nuclear weapons. Why do you think that economics textbooks don't give that sort of context about deflation or deflationary forces leading to conflict?

**Alex Krainer** Well, yeah, that's a very good question. And even though I have studied economics in university, I've never come across the subject until I picked up a copy of Carroll Quigley's book, Tragedy and Hope, where the phenomenon is treated. And Carroll Quigley calls the deflationary gap the key to the history of the twentieth century and to the tragedy of two world wars breaking out on the European continent. Well, basically what happens in an economic system is that because of the fact that people retain part of the purchasing power in the form of savings, the producers of goods and services cannot sell all their goods and services for the price they're asking, because the total of the price of goods and services being offered on the market also constitutes the purchasing power of the people who produced it. So if people retain part of their money in savings, then the goods and services cannot be sold at those prices. So the producers have to lower the prices, which then means that the profitability goes down, that they have to maybe curtail production, that they have to let go some of their employees, which then further reduces the purchasing power and so forth. So what you get is the so-called deflation or death spiral. and so what happens is that governments and central banks step in to create the purchasing power that's necessary for the system to stay stable and to grow.

**Ross** And would they fund war as a way to keep that economy buoyant? Would they look for a conflict and say, actually, we need this, it's good business for us now. It's part of our business model, certainly if you look at the US. This is how we get all these boats refloated?

**Alex Krainer** Yeah, well see, that's the perfect question. There has to be a decision made. And this is a political decision of how this extra purchasing power is going to be allocated, to what ends. And so governments have many choices. You know, they can improve the infrastructure. They can allocate the money to improving health care, building new hospitals, education systems, school parks, libraries, concerts. They can sponsor arts, sciences and so forth. But what has turned out in reality is that in the West, the politically most expedient way to allocate this purchasing power is to distribute it to the military-industrial complex because they have simply had the strongest lobbying arms. After World War Two, it's been actually decided that the best way to spend this extra purchasing power was by giving it to the

military-industrial complex. It's one of the most profitable industries. And then the result is that we are sliding into the state of perpetual war because to justify all this spending and then to justify before your constituents why they can have better health care, why they can have free education and so forth, you have to produce enemies. You have to constantly have enemies and threats. So you have to frequently be at war and you have to constantly exaggerate the threat of other nations, about their capabilities. And you keep asking for more and more and more money for the military budget. And this is what has been happening in reality for the past 100 years at least, but especially since 1950, since the end of World War Two.

**Ross** So it's absolutely predictable that Joe Biden, not even 100 days into office, comes out and says Vladimir Putin is a killer and a man without a soul. Not very statesman-like. But according to your analysis, that has to happen to create that pretext?

**Alex Krainer** Well, I don't think that's such a dumb statement could have been predicted. But it was clear from the way that interview was conducted with George Stephanopoulos that the thing was scripted because George Stephanopoulos poses a very leading question. And Joe Biden, who looks barely present there, goes like, yeah, he's a killer. I mean, without even any conviction, he just goes along with it because that's where the direction in which he's being led.

**Video clip (Joe Biden)** The most important thing dealing with foreign leaders in my experience - and I've dealt with an awful lot of them in my career - is just know the other guy.

**Video clip (George Stephanopoulos)** So, you know Vladimir Putin. You think he's a killer?

**Video clip (Joe Biden)** I do.

**Video clip (George Stephanopoulos)** So what price must he pay?

**Video clip (Joe Biden)** The price he's going to pay? Well, you'll see shortly.

**Ross** Absolutely a piece of theatre when you hear with the analysis that you've given. Using words from John Pilger, *The War That You Don't See*. Let's talk about the media's role in war, because ultimately people are being manipulated. They think we've got to go along with the president. But the ramifications of having another bit of military adventurism in another far flung place, are catastrophic aren't they?

**Alex Krainer** Yeah, they're absolutely catastrophic because every war is actually taking wealth, real wealth, real savings, from the people who created it to be destroyed in places far off for the profit of the military industrial complex, while barely giving any benefit whatsoever to the people who create that wealth, meaning to the American people, to the European people. But this has been the role of the media all along. I mean, I am 50 years old. I don't remember really that the media were strongly in opposition to any war. And when you read history preceding World War One and preceding World War Two, the media were the loudest in cheering for war, with just some exception. But today, after we had several decades of consolidation, where we went from about 50 corporations owning the media

outlets to now only 6, that's far more easy to control. So what you have is pervasive propaganda where all of a sudden, you know, our greatest enemy is Russia or China and their leaders are just like monsters with no redeeming qualities. I watched recently a lecture given by Vladimir Pozner at the Yale University. This was in 2018. And during the lecture, Vladimir Pozner in the Q&A session, he mentions that he paid a team of researchers to go to the archives of New York Times for three years. So this is 2015, 2016, 2017. And to see if they can find any positive story mentioning Russia. And they found none, zero. How can that even happen? Is there nothing redeeming about Russia that you could write a nice story? Maybe they have a good pianist, good composers, nice ballet, something, you know, maybe good anything. It's not even subtle. It's like in your face. But, you know, when you're inundated with this propaganda, you reckon, my gosh, you know, that's a terrible place. Maybe we have to go and kill Russia and get rid of Vladimir Putin. And then, you know, that's what ends up happening in the end.

**Ross** And this really is the boiling the frog strategy, isn't it? And Pilger's right. It's the war that you don't see. In a piece that you wrote recently, you quote the The American Journal of Public Health, published in June 2014. 'For all the wars started, 248 in 153 different countries, the US has started 201 of those wars. It's quite a stat, isn't it?

**Alex Krainer** Yeah, it's a staggering statistic. That's more than 80 percent of all wars in the last 70 years. And then there's been more because this study was done until 2001. And since then we had Libya, Syria, Iraq. This is the the creation of the system we have shaping our societies today. This is not because American people are war-like, that they want these things to happen. They are being misled collectively. And this is why in my books dedication, I dedicate the book to the people of the United States and the people of Russia, as opposed to the ruling establishments in those countries.

**Ross** The other quote that you used at the beginning of the book is 'Enlighten the people generally and tyranny and oppressions of the body and mind will vanish like the evil spirits at the dawn of day'. And that's, of course, by none other than Thomas Jefferson.

**Alex Krainer** I do believe that. I think that if people knew what was going on, if they knew how their monetary system functions, if they knew why these wars are being fought, that it's not to rid the world of evil, that is not to bring freedom and democracy to the world, they would not participate. They would not give their consent, and they would refuse to fight. They would refuse to send their sons and daughters to be blown up and come back traumatised and broken up for things that are absolutely not worth their life and limb. To be able to sell wars on that basis, you need to thick, heavy campaigns of disinformation and deception because otherwise people will just not accept it. You know, like if you said, like, we need to go to war against Russia, because our foreign policy imperative, and I'm not I'm not inventing that this this has been stated black and white by A. Wess Mitchell, who was the undersecretary for the European and Asian affairs. This was briefed to the Senate in 2019 where they said that our highest priority is to retain dominance over the Eurasian landmass. It was nothing to do with freedom and democracy. But of course, you know, like if you say that to the American people, they say, well, how about we improve our standards of living here at home? How about we improve our health care and education and rebuild our bridges and roads and so forth? And of course, to not go there, you have to mislead the people and you have to tell them the world is full of monsters and we have to go out and kill them. So that's

what the media does. And unfortunately, it has worked for a good many decades. But I think that today we have the Internet, there's no more excuses. All the information is out. We can share the knowledge, we can share the information. And I think that to avoid leaving our children a dystopian world of permanent warfare, we need to do our bit. We need to try to understand how the system works. We need to share the information and the knowledge and hopefully reform the system so that it serves humanity rather than serving a very, very narrow segment of interests that are clustered around the international banking cartel and the military-industrial complex.

**Ross** Dmitry Orlov, welcome to Renegade Inc. and thank you for joining us.

**Dmitry Orlov** Thank you.

**Ross** When we hear about the Ukraine and the West, we get a very one sided view. Can you please give us a clearer indication of what's going on there from your perspective because a lot of our viewers really want to make sense of this, but haven't really had the facts?

**Dmitry Orlov** Well, it is part of a long running effort to destroy Russia and get at its natural resources, which are available on the open market. But what Western countries would like is to have free access to them the way, for instance, British Petroleum had access to Iraqi reserves back in the golden era. And they think that they can use the Ukraine as a sort of battering ram to open up Russia, to carve it open, collapse it politically. To this end, they have been training a certain cadre of fascists, basically of anti Russian fascists, to spearhead that operation by attacking what they're calling the separatists in eastern Ukraine. That conflict has now been running for seven years and is quite indecisive at this point. It is it is not clear which way it's going to go. But overall, the idea of destroying Russia by using the Ukraine as a battering ram, is a failure,

**Ross** Ukraine isn't a member of the EU, nor is it a member of NATO. Who is funding the Ukrainian army?

**Dmitry Orlov** Well, it's hard to say where the money is coming from because the country is destitute. It is the poorest nation in all of Europe. Albania used to be the poorest, but now it's the Ukraine. And this is a really dramatic development because 30 years ago, Ukraine was the largest industrial power in all of Europe. Its industry far surpassed Germany's and now it has no industry. So what's been happening over the past 30 years is dismemberment and selling off of all of the state assets that were left over from the Soviet era. Until now, there is very little left. So the country gets some armaments from former East Bloc nations that are now in NATO, such as Bulgaria, that still have stockpiles of rusty old Soviet era weapons. And they're pretending that these are somehow going to be useful against Russian forces or Russian equipped forces in eastern Ukraine, which doesn't seem like a sensible proposition.

**Ross** Given this kind of backdrop, surely Sergei Lavrov, Vladimir Putin, aren't sitting in Moscow quaking in their boots, given that depiction?

**Dmitry Orlov** Well, no, they're not quaking in their boots, but they can definitely see the political fallout from mass slaughter of civilians in eastern Ukraine. So far, it has been rather contained slaughter. You wouldn't call it genocide, but here and there, a grandfather gets

sniped feeding his chickens or a bomb gets dropped on a five year old from from a drone overhead, things like that, just to terrorise the population. What the Kremlin is really afraid of is an escalation that will result in mass casualties amongst the civilian population in eastern Ukraine, in the Donbas region, which Western media will steadfastly ignore.

**Ross** And why will Western media steadfastly ignore that?

**Dmitry Orlov** There is a certain bias in Western media where Russian casualties are simply not reported, especially amongst the civilian population. This has been the pattern for seven years now. I do not expect it to change.

**Ross** And what happens if there are Ukrainian casualties? How's that reported to the West?

**Dmitry Orlov** As direct Russian aggression, no matter who is who is responsible. Of course, it's Vladimir Putin who ordered the hit. That is always the pattern of the reporting.

**Ross** What's your prediction on the Ukrainian situation? Is this going to escalate monumentally? Is it going to be a damp squib? What's your view?

**Dmitry Orlov** The thing to watch for in the Ukraine right now is unhappy accidents, developments, that nobody planned for and that won't benefit anyone. The worst thing that can happen is a Ukrainian attack, all out attack, on eastern Ukraine to the point where the Russians get involved, as they promised to do. That would be basically a very brief bloodbath after which the Ukraine will be left without a military of any sort and NATO will probably not even interfere or intervene in any way. And the political fallout is not something we can imagine at this point because nobody is planning for it.

**Ross** And why won't NATO intervene? I have to ask that.

**Dmitry Orlov** They'll just chicken out. They have no escalation path that they can control, that doesn't end in an all of Europe being incinerated.

**Ross** Alex Krainer, welcome back. In that first half, we took the really broad view of the prelude to war and the mechanisms that drive conflict. It doesn't help, does it, when you have people like Michael McFaul, who's the former ambassador to Moscow, saying that the build-up of Russia on the Ukrainian border, the build-up of troops, is there to test Biden. This kind of language doesn't help because we've got a clip from Sergei Lavrov where he says: 'As for US military activities, including sending its ships to the Black Sea, this is a regular occurrence and it's being done especially pointedly now and is accompanied by aggressive rhetoric. Questions are being asked about what Russia is doing on the border with Ukraine. The answer is very simple. We live here. This is our country. But the question of what the United States is doing there with its ships and troops never ceasing to organise all kinds of NATO activities in Ukraine, thousands of kilometres away from its own territory, remains unanswered'. It's a good response, isn't it?

**Alex Krainer** Yeah, well, it's exactly to the point. Russia does not have troops and weaponry on the Canadian border, on the Mexican border or in the Caribbean. It's the other way around. It's the United States troops and NATO troops that are being stationed closer and closer to the

Russian territory. And so, you know, Russia has 200 years of experience about what happens when the Western forces pile up forces against its borders and it's led to a series of devastating wars, last one of them in World War Two. And today we have the highest number of troops by NATO and the United States stationed against the Russian border. So Russians have every right to be concerned and they have every right to move their troops in a defensive posture to defend themselves, but also to discourage any act of aggression, which, you know, we shouldn't think that it's an impossible thing. You know, when Operation Barbarossa took off in World War Two, it was under the guise of military manoeuvres outside of Russia. And then these manoeuvres just on one go turned into an invasion, the largest invasion ever in history. So I believe that Russia, from a historical perspective, has every right to be concerned and has every right to organise their defence as they see fit inside of the Russian territory.

**Ross** So we've looked at all the mechanisms, economically, that lead to conflict and governments needing to spend. Let's look geo-strategically now. Nord Stream 2, the gas pipeline that runs from Russia into the heart of Europe. You were recently in 2019, at a conference and you heard somebody speak at that conference. Just tell us what the conference was about, who was hosting it and what you heard that really made you sit up and listen?

**Alex Krainer** Right. So this was two years ago on 31st May, 2019. It was an energy security forum organised in Monaco by the Atlantic Council and sponsored by Burisma. And Burisma is the same Burisma that employed Joe Biden's son, Hunter Biden, on his board of directors. So it's a small club, apparently. The conference was about energy security. And the gist of the discussions was about making the transition from fossil fuels to renewable, sustainable energy sources. But one of the people who was present at the conference was Anders Fogh Rasmussen, the former NATO Secretary General. And in one of the panels, Rasmussen basically blurted out that Nord Stream 2 must be stopped and that it must be stopped by any means necessary. And this kind of stood out because the conference wasn't kind of about that. It wasn't about geopolitics, about confrontation. It was more about, you know, energy transition for the future. And so this kind of stuck out in my mind because I felt like how odd that he would come up with such a brash statement in this conference. But I think that today it does bring a degree of perspective about what's going on, because we have dangerous escalation and sabre-rattling in Ukraine today. Several days ago, we had a meeting in Brussels between the current NATO General, Secretary Stoltenberg, Anthony Blinken, US Defence Secretary and the foreign minister of Ukraine, doing much posturing about Ukraine rapidly joining the NATO, about pressuring Russia to stop its aggression, quote unquote, and so forth. I think this meeting was more about posturing than any real moves. And I think that the objective is to provoke Russia into some kind of an aggressive act that might serve as a pretext to regain political pressure and to stop the completion of the Nord Stream 2 pipeline.

**Ross** Why do they want to stop it so much?

**Alex Krainer** This is a very good question and I think it's not clear at all. But I would venture to speculate a little bit. For the last 25 years one of my key focuses of my work is I've been an energy markets analyst. And so one thing that is clear, even though it's not widely discussed in the media, is that we're facing an imminent energy crisis in the West. And when I say imminent, I don't mean starting tomorrow, I mean over the next 10 to 20 years. But the military and policy planners take this very seriously and it's a matter of some urgency. So

basically what is happening is that our production of fossil fuels from conventional sources is rapidly declining. Depending on who you ask, it's between 4 and 9 percent per annum. The British Ministry of Defence published a report in 2012 predicting that the price of oil would rise to 500 dollars per barrel by 2040. And similar reports have been published by the US military and by the German military. And they described what could happen in really dismal terms. The German military's report basically predicts the breakdown of society in the West, famine, a breakdown of supply chains and infrastructure, and very severe social uprisings. And so I believe that the policy planners and the military planners in the West have a very high priority to bring about an energy transition, a transition which includes transition to new, renewable, sustainable energy sources, because the only regions, the only countries, that still have abundant fossil fuels to produce and sell are Russia, Iran and Venezuela. And we have not been successful in gaining control of those countries. So to not find ourselves dependent on them, to not find ourselves subservient to them, we want to shift away from fossil fuels and dependency on Russia and Iran and onto renewables like solar power or wind power and I don't know, other biofuels and so forth.

**Ross** So within the first half, we worked out the mechanisms economically, basically the deflationary gap. And now we've also looked at the geostrategic. And it's this whole idea, isn't it, about not being dependent? America is the indispensable nation, whatever that means - cop of the world. You can't let anybody be better than you - a deeply insecure position. Haven't the Americans realised if you meet people halfway, everyone gains?

**Alex Krainer** Well, yeah, but that's not the logic of Empire. You heard the logic of Empire is that you have to eliminate any potential rival to your power. Any country that's strong enough to say no to your dictate has to be destroyed and broken up. That has been confirmed as recently as 20 years ago. The Wolfowitz Doctrine essentially repeats the same principle that any rival has to be destroyed, basically.

**Ross** But Jack Ma, the Alibaba founder, was right, wasn't he? He said America, way too much war, not enough investment. China now taking off, Russia going in the same direction, alliances everywhere. No wonder acting like the drunk uncle at the party?

**Alex Krainer** Well, yeah, because I think that people who are in power, who have certain privileges from their power, will risk setting the world on fire before they will voluntarily give up those privileges. So from their point of view, it doesn't matter what it costs us, it doesn't matter what it costs the American people, the number one imperative is to hang on to power. And that has led to the downfall of every empire in history and I don't see how the US empire could avoid the same fate.

**Ross** Alex Krainer, author of the Grand Deception: The Truth about Bill Browder, the Magnitsky Act and Anti-Russian Sanctions. Great to have you back. Thank you very, very much for your time.

**Alex Krainer** It's been a great pleasure. Thank you for having me.