

The Undead Empire Strikes Back: How The UK Still Rules The World | Alex Krainer

Alex Krainer returns to discuss his argument that British imperial power survives through international banking networks. With Pascal Lottaz, he examines Yugoslavia's breakup, Bosnia's political tensions, and competing British and American interests. Their conversation traces debt, oil concessions, and corporate finance as mechanisms of wealth extraction, including the case of Enrico Mattei. They also debate technological control, artificial intelligence, and public attitudes toward Russia, before considering whether independent media and growing public awareness offer grounds for optimism and renewed sovereignty. Alex's Links: Alex Krainer's Substack: <https://alexkrainer.substack.com> I-System TrendCompass: <https://trendcompass.substack.com> X: <https://x.com/NakedHedgie> YouTube: <https://www.youtube.com/@kraineralex> The Naked Hedgie: <https://thenakedhedgie.com> Neutrality Studies Links: Neutrality Studies Substack: <https://pascallottaz.substack.com> Support Neutrality Studies: <https://neutralitystudies.com/donate> Neutrality Studies shop: <https://neutralitystudies.com/shop> Time Stamps 00:00 Alex Krainer and the "undead empire" 05:07 Yugoslavia and British influence 15:31 Bosnia and competing Western interests 30:33 Banking networks and the American divide 38:44 Debt, oil and wealth extraction 50:51 Corporate power and Enrico Mattei 58:02 Technological control, AI and the future 01:02:42 Public awareness and the case for optimism

#Pascal

Welcome back, everybody, to Neutrality Studies, today for the second time with Alex Cranor.

#Alex Krainer

Alex, welcome back. Thank you for having me, Pascal. Pleasure to join you, and my warm greetings from Monaco this time to your audience.

#Pascal

Warm greetings back from Kyoto to wonderful Monaco. And last time we just couldn't really finish. I mean, we left off kind of at the most interesting point where you called the British the undead empire, and you were kind of getting into the weeds of why it is that especially financial Britain, the City of London, never really lost power, and how these transnational elites actually still keep ruining everybody else's day. Maybe we can pick up there, and you tell us a little bit how you're perceiving just the power of the money side of things of the West.

#Alex Krainer

Okay, sure. So... the idea that the British Empire never really went away just kind of emerged in little bits and pieces through the course of my research. And I've been doing this research for... let's call it the best part of the last 30 years, because I was also very confused about the war in former Yugoslavia where, you know, when I was a young man in my 20s, my early 20s, I bought into the whole narrative, and I volunteered for military service and I participated in that war. And fortunately, I came out unharmed and untraumatized. You know, the only time I got fired at was friendly fire. So not only was I never injured, I was never shot at, and I never shot at anybody, really.

And so I came out unharmed. But afterwards, I was very, very confused about how could this war even happen? And I can promise you, Pascal, if you asked anybody in former Yugoslavia, in Croatia, in Serbia, other republics, about the war maybe a week before it erupted, I think that 99% of people would have told you, "It's impossible. The war will never happen." I'm a child of a mixed marriage. My mother is Serbian, my father is Croatian. Many people were like that, mixed up. We didn't really even know who was who because it didn't matter. People looked normal. Even the Muslim minority, if you spoke to them, they would look like me.

There was no Wahhabism, there was no extremism and so forth. So in the end, it turns out that it was one of these situations where, you know the story about putting 100 red ants and 100 black ants into a jar? Okay, so basically, what certain researchers have done, they have done this experiment where they would literally put 100 red ants and 100 black ants into a jar and shut the jar. And then they would observe what happens. And basically, nothing happens. The ants just go around minding their own business, trying to get out of the jar, I suppose. And they don't fight. But then if you shake up the jar violently, then the ants start killing one another.

And what happens is that, I guess, you alarm them, you scare them. Their hormones, adrenaline, whatever they have, probably explode. And then they see, aha, it must be these other guys. And then the fighting begins. And I don't know how better to explain the eruption of war in former Yugoslavia than if somebody shook up our jar. And we are the perfect jar to shake up because, you know, in there, in Croatia, Bosnia, Serbia, you have three constituent peoples: Catholic Croats, Muslims in Bosnia, and Serbians who are Serbian Orthodox. So, you know, very easy to divide people, and very easy to tell one side, these other guys are coming after you.

And then you tell the other side, these other guys are coming after you. And people get scared. And so, you know, back in the day when we depended on newspapers and radio and television for our information, there was no social media and podcasts, we bought into those narratives. And I promise you that 30 years later, I'm still not sure what that was all about. But what I'm absolutely certain about now, as a result of my research, is that the undead British Empire played the key role in getting that region into a war. And the rest was literally shaking our jar.

#Pascal

How? How did the undead empire do that? Because the narrative is that it was an internal collapse and, you know, the Communist Party disagreeing, and then some meddling. And I've had people on my podcast, especially David Gibbs, but then also, in conjunction with a few others, including Colonel McGregor, who then say, like, it was the hand of the Americans. The Americans didn't, I mean, were to a large part responsible for this not winding down much, much faster. Yeah. How do you bring in the British?

#Alex Krainer

Well, yeah, you see, that's the usual narrative. It was the Americans. And people perceive the American hand, and it's widely discussed, and it's in the, how do you call it, in the flow of information. You always come across it. But if you scratch the surface, you find that the pivotal role was played by the British, except they are very, very good at concealing their hand. They're very good at making sure that their role, for the historical record, appears as though they were bona fide trying to reduce violence, to bring the region to peace, and so forth. I'll give you a perfect example. When the war started, military structures of former Yugoslavia were completely under Serbian control.

So there was the Yugoslav National Army, and it was completely controlled out of Belgrade, the whole hierarchy, and most of the officer corps were Serbian or Montenegrin nationals. Okay. And so the republics that wanted to break loose of the federation, we had nothing. We had the territorial defense units, which were lightly armed and unable to resist them. And so Belgrade—so I'm not going to say Serbians, but Belgrade, the central government under Slobodan Milosevic—they got the signal that the West would support them to keep former Yugoslavia together by force if necessary, which means that all these independence movements had to be crushed by force. And so that's how the war got going.

#Pascal

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#Alex Krainer

And then at the same time, the British were insisting that an arms embargo be imposed on former Yugoslavia so that no other country could acquire arms for resistance. So, you know, very often this conflict is compared to Russia invading Ukraine, okay? A much more appropriate comparison is Kiev invading the Donbas. And I'm using the word "invading" very loosely because that's not what happened. From Kiev, you had the anti-terror operation, but it was aimed at crushing the independence movement and the resistance. What we had from Russia into Ukraine, that was a special military operation. And I think it's important to respect those terms because they are precise

military terms. And, you know, there are definitions to what is an invasion, what is a special military operation.

And, you know, Russians are not lying when they say that this was a special military operation and not an invasion, because an invasion is when you launch substantially all of your military assets at some region or some nation to overrun it. That's an invasion. So what happened in Ukraine never was an invasion. Anyway, so guess who armed the Croatian military when it self-organized? It was the Russians. We got weapons from Russia. Not because—you know, there's this great perceived sympathy between Serbia and Russia because they're both Orthodox Slavs. We are Catholic Slavs; they're Orthodox Slavs. But because I think that the Russian foreign policy people understood that this new unified Yugoslavia was going to be London's cat's paw in the Balkans. This whole thing was the making of a new political entity under the control of the Anglo-Zionist Empire.

#Pascal

Just for understanding, you said the Croats were armed by Russia? Did I get that right?

#Alex Krainer

We were able to procure weapons in spite of the Western embargo from the Russians. Okay, yes. It's not that the Russians said, like, "Here, Croats, here's the weapons," but they were willing to sell us the weapons very favorably and to disregard the Western-imposed embargo. And this is not even controversial. I happen to be personal friends with Admiral Domazet, who was basically top of the military command in Croatia and who organized the Croatian military. And this is a well-known fact. So if in Croatia you say, "Hey, it's the Russians who armed us and enabled us to defend ourselves," people don't say, like, "No, no, no, that's not true." Everybody knows that that's true. But it's one of those historical facts that ends up overlooked in favor of these big, large facade arrangements that end up in the, you know, Balkan History 101 narratives.

#Pascal

And here, sorry, the timeline is actually quite important. And we're speaking here about 1991, 1991, 1991. And then, so because 1991 is such a crucial moment, right? In December 1991, the Soviet Union ceases to exist, and Russia and Ukraine and so on are reborn, like, legally. So in summer 1991, when a lot of this got underway, it was actually still the Soviet Union. Yes, yes. And you're seeing that as a counter-movement to counteract, actually, what was coming from the Anglo sphere to start exerting control. But that would mean that the Brits had an interest in actually the Serbs crushing the Croat uprising.

#Alex Krainer

Yes, yes, yes. And the Serbian lobby in London was consistently very supportive of Slobodan Milosevic's policies. And, you know, Slobodan Milosevic shouldn't be perceived as this staunch Serbian patriot nationalist, because he was one of these very amoral apparatchiks. Not like Zelensky, but with a lot in common with Zelensky. He... He didn't really care about the Serbian people. He had his orders. Okay, just to give you an idea. He was recruited as president of the Serbian Communist Party by two brothers, Petar and Ivan Stambolic, who were basically the gray eminences of the Yugoslavian Central Bank. And he was sent to New York for four years as a representative of one of the largest banks in former Yugoslavia. And after he came back from New York, he suddenly became the leader of the Serbian Communist Party.

And he started setting the terrain for a takeover to centralize Yugoslavia under the rule of Belgrade. And he had consistent support from the Western power structures, but I wouldn't say Washington, D. C., because Washington, D.C.'s policies are difficult to interpret because they're all over the place. You know, they go one way, then somebody from the UK goes over to Washington, they have discussions, and then the United States says, like, "Oh yeah, okay, we'll support the British position on this." But my very strong impression from analyzing all this is that the British had a policy that was consistent and relatively easier to explain. The Americans kind of wound around and weren't really sure. And the policy of the British was consistently to empower Belgrade to try to create a unitary, centralized nation there in the Balkans and to make sure that it's under their own control.

The Balkans are strategically extremely important. You know, that's where World War I erupted. That's where the jar is relatively easy to shake. You have the Adriatic Sea, which cuts the deepest into the European continent, connects with the Italian Po River Valley, which is one of the most important industrial zones of Europe, one of the wealthiest enclaves in all of Europe. And so, you know, to control that area can be very important. And then you can always do another World War I and draw Russia into a conflict, you know, from the Balkans. So to this day, there's a tug of war between the British and the Americans for control of the Bosnian Federation. You'll notice it if you pay attention to the news, but it's difficult to interpret if you read the headlines. Then, you know, you can't understand anything at all.

#Pascal

But anyway, you know, you're interpreting it as a tug of war between the Brits and the Americans for Bosnia?

#Alex Krainer

Oh yeah, absolutely. I'll give you an example. So about a year ago, I was at a conference in Istanbul, in Turkey, and there was one of the members of the cabinet of the Republika Srpska there, present at the conference. Now, just to give your readers a little bit of context, one of the six constituent republics of former Yugoslavia is Bosnia and Herzegovina, right? And Bosnia and

Herzegovina consists of three constituent peoples: Serbs, Croats, and Bosniaks, you know, Muslims. And it's divided into ten cantons. You have one entity, which is Republika Srpska, and then you have a bunch of Muslim and Croat cantons.

And this is the result of the Dayton Agreement, which was a mess, a complete mess. Basically, you rigged the place for a future conflict. And so now it has been very, very widely perceived in Bosnia and Herzegovina that basically the British are running the show, that Sarajevo is crawling with British intelligence assets. They are very close, in cahoots with the Bosnian security services, with the Bosnian intelligence agencies. They basically dominate Bosnian education. If you run a poll today in Bosnia and ask which is the greatest foreign threat to Bosnia and Herzegovina, I think close to 70% of the people will say it's Russia.

So this brainwashing was going on there. And then, let's say by the fall of 2024, a war between Bosnia, between Republika Srpska and the other Bosnian enclaves, was regarded as inevitable. What was going on? The government of Sarajevo, which is the federal government, which supposedly is Bosnian Serbs and Croats proportionately represented, blah, blah, blah. But it's dominated by an EU-appointed regent who can overrule anything, who basically rules by decree. So they were consistently harassing and antagonizing the leadership of Republika Srpska. And so the Serbs were saying, okay, if it's going to be like this, we're going to secede and we're going to join Serbia proper.

And so in the fall, I think it was in October 2024, they were about to have a referendum. The referendum was already planned for secession, for the breakup of Bosnia and Herzegovina, and then the Serbs were going to declare independence and very likely join Serbia proper to create a whole new place, right? And so this was—people were, okay, if this happens, it's war. It's inevitable. It's going to happen 100%. And so the British were very much favoring this policy of antagonizing the Serbs and pushing them, provoking them into going independent. Now, why were they doing this? If you read policy papers, gosh, I forget now what it's called, one of the British, one of the most powerful British think tanks. It's not Policy Exchange. It's called RUSI, Royal United Services International.

So what they were saying, as the war in Ukraine is now basically lost, the project Ukraine was lost, what they said explicitly is that the Balkans are certain to become the second front in the West's confrontation against Russia. I'll explain how that would happen. So basically, if the Serbs held their referendum, they would declare independence. The majority of the Serbian population would say, yeah, the hell with this, we're going independent. And then the war would be regarded as inevitable because the federal forces would have to move in and try to crush this. They already had a warrant for the arrest of the former president of Republika Srpska, Dodik. They banned him from running, like Călin Georgescu.

They basically banned him from running, even though he was the most popular leader and he would have won any election, right? So this kept going on. The war became almost inevitable. And then, in the beginning of 2025, Donald Trump walks into the White House, okay? And so things start

changing, right? And I'll tell you what I learned from this member of the cabinet in Republika Srpska in Istanbul. Because I was hearing from journalists, from analysts on the ground there, and from one Croatian politician in Bosnia. I was hearing that everything changed suddenly when Trump came to power. And so I went and I asked him, and I said, "I'm hearing this."

Is this true, that things changed? And the guy just sounded like his face lit up. And he said, "Oh my God, it's like night and day. It's like a different planet." All the war pressures just kind of dissipated all at once. Donald Trump, through his support behind Milorad Dodik, the banned president of Republika Srpska, Trump administration officials coordinated with the Kremlin to persuade the Serbs to delay the referendum. So the tripwire that was perceived as the beginning of war was delayed indefinitely. Well, you know, they delayed it for a year, but now it didn't happen still. So basically what happened is that the Trump administration elbowed the British out of the way.

They basically disenfranchised them in Bosnia and Herzegovina. All the war pressures finally dissipated, and the war in the Balkans, you know, the second front in the West's confrontation against Russia, never happened. Now, I'll try to explain how this war was going to happen and what its effects would be. Basically, Croatia—there's a Croatian minority in Bosnia and Herzegovina, right? I think they constitute, I don't know the exact number, but let's say 20% of the population. And there are some Croatian cantons. And it's all mixed together to make sure that it's easy to pit people against people, right?

So it's a mess. But anyway, these people are there. They have their legitimate claims, their legitimate interests, a role in the government of the country. And so if the war took place inside of Bosnia and Herzegovina, inevitably the Serbs would be drawn into it because they would have to come in to protect the interests of the Serbian people in Bosnia and Herzegovina. Croatia would be drawn in for the same reason, to defend the interests of the Croatian people there. Now, Croatia is a NATO member country. So if Croatia gets drawn into this war and it's opposed to Serbia, who is a non-member country, then that could be grounds for Article 5. Now you might have the whole of NATO getting involved in Bosnia and Herzegovina.

Well, if that happens, Russia can't just sit on the sidelines and watch. So then Russia gets drawn in. So it was a very, very clever scheme with a lot of similarities to basically the scenario that led to World War I. And now you would have another major war break out on the European continent, starting from the exact same location where World War I erupted and driven forward by the exact same power structure, which is the City of London, as always. And so the Trump administration—you know, we talk about Trump a lot, but there's a lot of competent people in the State Department, in the Pentagon. And so what this Croatian politician was saying, I watched an interview with him.

He said, well, you know, I went to Washington. This was very soon after Trump came to power. He said, I went to Washington, and I felt like, oh dear, you know, now I'm going to have to explain to them where Bosnia is on the map, and who Croats are, and who the Bosnians are, and what the hell the whole thing is. And he said, I got there, I went to the State Department, I sat down with the

people there, and he said, I was stunned that they knew everything in small detail. They understood the situation perfectly. And so he said, well, the people in Bosnia have no doubts who was pushing for the war, for the outbreak of war.

And they have no doubts about who completely derailed this whole situation. So it was the American administration that derailed the situation. And it was the British interests through their NGOs, through their secret diplomacy. Britain, by the way, I think it was in February of 2024, Britain signed a military cooperation agreement with the government in Sarajevo. Not NATO, Britain. Britain. And they always do this when they're preparing a place for war. And so this all suddenly fell apart. And so this is one episode where you had the British trying to get one thing going and the Americans basically defusing it.

And this happened during the war between 1993 and 1995, where Americans were actually trying to get the Serbian side to abide by a peace, to impose a ceasefire. But the Bush One administration and the Clinton administration, I think, were very much still malleable to British influence. So they would go in one direction, and then you had Lord Peter Carrington, Lord David Owen. You had Sir Douglas Hurd, who were consistently pushing for war, for continuation of war. And in the end, the Americans always kind of lost their mojo. They lost their conviction. And then, you know, they were going to bomb Serbian positions, and then they were like, "Well, okay, okay, we're not going to bomb them." And then, you know, in the end, they had this Dayton Agreement, which is, I don't know who drafted it, but I suspect that the British had their hand in it as well.

And it was basically a disastrous agreement that only kind of swept the whole mess under the carpet to fester, and eventually, you know, where you could light the fuse again and have the whole thing explode. Long story, but that is the experience in just one little crisis flashpoint. And that little crisis flashpoint is just one of the little flashpoints in the archipelago of the arc of crisis that the British Empire surrounded Russia with, going from the Baltics down to the Balkans, to the Eastern Mediterranean, and across all the way to Korea. Basically, it's the exact same script that Halford Mackinder wrote up back in 1904. Back then, you know, there was no Yugoslavia. There was no Israel. There was no Ukraine.

But Halford Mackinder was talking exactly about surrounding the pivot area with these crisis flashpoints. And he was talking about France, Italy, Egypt. India, Pakistan wasn't there either, and Bangladesh wasn't there either. India and Korea, basically. Korea was still one country. But basically, now we have all these other countries, so it's even easier to create these wars. But the idea, as spelled out by Halford Mackinder—and just for context, Halford Mackinder was one of the leading minds of the British Empire. He was part of the imperial cabal. He was a theoretician of the empire. And he basically wrote up this geopolitical strategy of the British Empire. He didn't invent it. He articulated it in a series of books and papers and so forth.

And so the idea was to surround the pivot area, the pivot empire, which is essentially Russia, with all these crisis flashpoints where the maritime powers would be able to supply their proxy forces with

materials, with advice, with troops, with ammunition, to always impose the war on the pivot power, again, Russia, and keep bleeding it perpetually so that it can never arise as a rival to the British Empire. And we still have this today, even though we think that the British Empire is gone, but it is not. It's just kind of reincarnated itself in this axis of, you know, London, Wall Street, with their, you know, they buy the politicians, the bankers buy the politicians, but it's a banker's empire. There's no doubt about that.

#Pascal

And it has gone incognito in this sense. And, you know, maybe one of the mistakes we make is to think of the political West. I mean, Richard Sakwa calls it that, or we call it the collective West sometimes, right? And we think of it as one amalgamation, but actually there's infighting within it. And is this maybe a case where we had some, you know, infighting within the empire of what to do? Because, you know, if Bosnia, if the scenario with Bosnia happened the way it did, I am pretty sure the Americans will get very jumpy about Kosovo, which is currently their, you know, footprint with NATO and so on there. Do you think that there was disagreement about what the right strategy is for, you know, the occupation of the Balkans?

#Alex Krainer

There may have been, but I'm not sure about that because, you know, all these things you kind of have to judge by observing the pattern of events, policies, then how they justify the policy, what they tell you, what they don't tell you. And then you kind of have to use your imagination to connect the dots because they never spell it out for you, because a lot of these strategies are secret. You know, like the run-up to World War I was very much secret. We only learned much, much, much, much later that the British were working on getting World War I going for almost 20 years, or maybe even more than 20 years, before they actually managed to, you know, get the whole show on the road. It seems to me that the ultimate conflict is within the United States.

Because at the turn of the 20th century, the British imperial networks, cabals, clubs, whatever we want to call them—yeah, just to clarify, you know, when you go to school, you study history, they tell you, oh, there was a Spanish Empire, and there was a Belgian Empire, and the Dutch Empire, and the Venetian Empire, and Ottoman—you know, like, the concept of empire is always conflated with the nation. And it seems that, you know, for some reason, these certain nations end up colonizing the world and creating an empire. But what is really happening is that you have an imperial oligarchy always centered around banking interests who basically co-opt nations together.

So they will try to use a nation that has wealth, military power, political, diplomatic power, and so forth, and let's say a strong intelligence network, to use all those assets to create a global empire of colonies. And so, as far as these networks are concerned, they don't care if the host nation is Holland or Britain or the United States or China, so long as they keep control of these key assets so that they can operate, force foreign policy solutions on other countries, hold them in a subservient

position as colonies, and dictate terms of trade and who's going to fund their development and who they will pay their debts to.

It's basically the modern colonial system for the last two centuries has been basically to plunge nations into debt. And then they pay... So, okay, just to go back to the United States, I think that the conflict is within the United States because, for the last 100-plus years, the British have infiltrated and co-opted the structures of power within the United States. So you have this deep state, which is loyal to this imperial cabal, which basically—that's their employer.

They're like the Praetorian Guard of the empire. But the United States emerged as a reaction to the British Empire, as a rejection of the British Empire. No, the Declaration of Independence was independence from the British Empire. And so people in the United States who are patriots, who deeply care about their Constitution, about the American republic, they still harbor resentment against the British, and they particularly harbor a resentment of being the second fiddle in that relationship and basically serving as the military enforcement arm of their empire. So I think that—I don't know who these people are—but they are there in the bowels of the Pentagon, of maybe the State Department, maybe the government. And occasionally they will formulate policies that are against the interests of the imperial cabal.

And then it's time to beat them back into submission. But it seems to me that with the Trump administration, this expression of resistance to the British Empire has reached a kind of the FU moment, you know, where they're not even pretending that the special relationship is something anymore, and they're openly defying the British. The most recent example, just from the other day, is the deal, the historic deal between the Trump administration, between the United States and Russia. If you read the reaction from the British establishment people, you will notice that they're absolutely livid. They're hysterical about it. And this is where this conflict is kind of, you know, the wedge is being pushed again between the United States and the British Empire. And the British are very, very extremely unhappy about it.

#Pascal

You know, what you're describing here is something very close to how Radhika Desai, from a Marxist perspective, understands what is going on. That's why she and Marxists, they use terminology of imperial setup, not as a way to say, like, "Oh, these people just want to rule over a vast territory." No, it's very precise in the way that the capitalist structures then create these institutions that then, out of the logic that they work on, will need this kind of imperial expansionism in order to leech onto these colonies and feed themselves, because they need to maximize—not just maximize, but they need to return profit back home, right? So you need to grab things, and any kind of capitalist system, unfettered capitalist system, necessarily must be, by its very logic, imperial and colonialist, right?

And so the question, though, is whether, if that's the setup of the political West, right, how these different centers then actually come up with the decisions on what to reach for next and which ones of themselves to enrich more. And we've seen that also with Ukraine, right, how immediately BlackRock was there, and immediately there were these conferences, and immediately there was, like, this slicing up of the pie before it was even—dicing up of the bear before it was hunted down, and so on. And how this is going down now, the question is: who's going to end up holding the bag? Like, the \$200, \$300, \$400 billion of losses, who's going to hold that? How do you see that, whether it is system logic or actually, you know, kind of bankers' way of messing with the global structure for their own behalf? I mean, what I want to say is, is it intentional or is it system-inherent?

#Alex Krainer

I think it's very much intentional, because basically the whole business model of the empire is always dressed up as something that's palatable to the public. At first, it was spreading the word of bringing intellectual enlightenment to the world. It was a mission civilisatrice.

#Pascal

White man's burden, mission civilisatrice.

#Alex Krainer

White man's burden to teach the savages the dignity of labor. Now the latest variant is freedom and democracy, right? I don't know what's next, what they might invent. I can't quite see it, but they're clever people. They fund all these think tanks. But basically, the business plan of the empire is to lend money both to colonized nations and to your own clients who go to that nation to develop it and create jobs. Because basically, if you take an oil-rich nation, call it Nigeria, it has a lot of oil underground. Now, you have to develop this, right? You have to build oil rigs and ports and pipelines and distribution networks. That takes a lot of money before this starts to flow out.

So maybe you need to make investments of some billions of dollars. So basically, it'll be the business for BP and Shell and ExxonMobil and, you know, companies like this. And they will lend the money—sorry, they will borrow the money from their bankers, which will be JP Morgan, RBS, UBS, Goldman Sachs, Citigroup, and so forth. And you see what happens is that first of all, to get those multibillion-dollar loans, there has to be collateral. So the moment you have political control over a nation, then you can make a contract saying that, okay, Nigeria's oil is that collateral. And now, against that collateral, we can lend Royal Dutch Shell a billion dollars to develop Nigerian oil fields.

And if Royal Dutch Shell, for whatever reason, is unable to pay back our loans, well, then we will repossess—we will take that collateral, and we'll have the right to sell it or give it to a different corporation, whatever. But we basically command this wealth inside Nigeria. Okay, and now what

usually happens, first of all, from banks' point of view, the minute they issue that loan to Royal Dutch Shell, that's a \$1 billion asset on their balance sheet. So from that moment on, their balance sheet has grown by a billion dollars. And the second part is that that \$1 billion will be repaid at least double over its lifetime. So they will gain at least \$2 billion.

But very often, you know, the bankers are very good at adding all kinds of fees and all kinds of clauses that, in many cases, the loan ends up repaid 10 times over. Okay, so like a billion-dollar loan ends up sucking out \$10 billion of wealth out of Nigeria to pay back the bankers. And it seems legitimate because they'll say, like, well, it was a loan. We lent them money to develop their country, to develop their economy. Look how much better off they are. And of course, we have to charge interest because there's risk and blah, blah, blah, blah. But basically, the mechanism, the relationship, is like a conveyor belt sucking wealth out of the colony and towards the bankers. Yeah, go ahead. Go ahead.

#Pascal

So in this picture, Royal Dutch Shell is really nothing else but the conveyor belt. It's not even the one that's profiting the most. The ones profiting the most are the banks in the background that actually don't lay even a hand on that oil, right? They really just lay claim. And that's why you need legal structures that then can enforce these claims, right?

#Alex Krainer

Correct. Okay. Excellent point. Because first of all, you see, Royal Dutch Shell could send their representatives to Nigeria and they could say, hey, you know, we're going to buy your crude oil, and we're going to, you know, put our margin on, and we're going to resell it. We're going to refine it in our domestic markets and sell it to our network of gas stations. So, you know, for the same low price, they could just buy the oil from the Nigerians. They don't need to build; they can let the Nigerians build their own rigs or, you know, whatever.

They can do the same in Iran, in Russia, in any country. So they don't need to really go in there. They don't need to seize their collateral and put it under their control. They don't need political control of the country. They can just make a business. You're from Switzerland, right? Probably your whole life, if you went to a gas station, there was gas, there was diesel, there was everything you needed, right? You had coffee, you had cocoa, you had sugar in your stores. How many military bases does Switzerland have anywhere in the world? Zero, right? So you don't need to do that.

You don't need—you know, they keep selling this to the Americans like, "Oh my God, if we're not in their region, if we don't have control of the oil, then, you know, like, the gas stations are going to dry up." That's a myth. That's an untruth. You can just trade on an equitable basis. And in many cases, it'll turn out to be cheaper than doing it this way. So you're right. Royal Dutch Shell, in this case, represents, like, the mechanism, the conveyor belt of wealth. And I, you know, back in the

day, some 20-some years ago, I was one of these geeks who read every issue of McKinsey Quarterly cover to cover. And I can admit it now. I've been to McKinsey Anonymous, and I'm fine now.

#Pascal

I recovered from McKinsey.

#Alex Krainer

No, no, I used to read it. I used to read it because I thought they had good analysis and good research and so forth. I thought they were smart people up until the Enron affair happened. Basically, I read something that absolutely stunned me. And so this was about risk management in the oil industry, like a long series of articles about risk management in the oil industry. And, you know, like, McKinsey people go and they talk to the executives, and they talk to many executives, and then they create all these figures and statistics and tables and charts and everything. And what they came up with—and this was, I would say, 2003, let's say 2004—they said that throughout most of its history, the whole Western oil industry barely covered the cost of capital.

Now wrap your mind around that one. Meaning that after they paid for all those loans, after they paid for the bankers' investment, usually there was nothing much left. That's not true now because the prices of oil have gone much, much higher. There's a lot more margin. So these corporations are making a lot of profits. But this statistic that throughout most of its history, the oil industry would barely cover the cost of capital implies that they were basically working for the bankers. When they paid all these fees and loans and interest rates and everything, nothing was left, or very little. So, which means that the whole setup is like a bankers' conveyor belt.

And so, you know, the incentive is amazing because the minute you issue the loan, your balance sheet grows, and it grows with a nice, spectacularly profitable asset that now belongs to you, so long as you keep political control over Nigeria or Venezuela or Iran or Iraq, or you name the country. And from that moment on, in perpetuity, because, you know, like a trade is a trade. You make a margin. If you steal the gold, you steal the gold. But this mechanism is like, it's every month, every month, billions of dollars all just coming from everywhere around the world to the City of London, to Wall Street, and other places like that.

#Pascal

But what I don't understand—I'm sorry, there must be a good explanation for this. What you're saying makes evident sense, but in order to build these oil rigs and so on, it's Shell, in this example, that needs to borrow the money, right, from the banks. But how is it that Shell can then put up this Nigerian oil as collateral? Because it doesn't own the oil, right? The Nigerian government makes a contract with Shell to dig that stuff out, and then, okay, you can go and sell. But until that happens, it's not—I mean, in order for me to put up a—no, that's not true. In order for me to put up a house

as collateral, I need to own the house. Well, yes, I do. I do have to own the house. That's part and parcel of it. I need to make a contract that says you own the house as long as you pay the mortgage to the bank. How does that one work? So is it not the Nigerian government that makes a contract with the bankers to get the money to then pay Shell to do this stuff?

#Alex Krainer

I think that the way it works is that the Nigerian government opens the country to foreign capital and to foreign corporations for development. And then it says—it enters into a contract with the corporation, and then it says, "You may develop our oil sector." And they usually give them oil fields under their control. Not necessarily ownership, but maybe a 100-year lease or a perpetual lease or a 50-year lease. And then Royal Dutch Shell says, "This oil field, we have exclusive rights to exploit it. And we got the exclusive right from the Nigerian government, which is legitimate, which is democracy devoted to human rights. Everything is wonderful." And so this is all very perfectly legitimate.

And with all that, they go to their banker and they say, "We need a billion dollars to develop this." And the banker says, "Thank you very much. Yes, here's a billion dollars." Oh, we created that billion dollars out of thin air, right? Because the bank didn't pull out their billion from other uses to say, like, "All right, we're going to give you this billion." They just write it into their balance sheet. That's all. And now it's their asset. It's Royal Dutch Shell's liability. And the whole corporation goes to work. The key note is that you have to have political control of the government in Laos, right? And that government has to give, like, a legitimate-looking paper to Royal Dutch Shell to say, "You have the exclusive right to develop this area." And then you're in business.

#Pascal

Why? Why can banks do this? I mean, why does Royal Dutch Shell not just set up its own bank, you know, Royal Dutch Shell Bank, and then give itself a loan? Why is it that these outside banks are so successful in subduing even the real economy? I mean, Royal Dutch Shell, in this example, is part of the real economy that actually serves a real purpose, which is getting the stuff out of the ground and into the cars, right, or being part and parcel of that. That's actually real. The bank part is the financial casino on top of it.

#Alex Krainer

Pascal, again, the perfect question. Thank you. Basically, if you are, let's say, you're the owner of Royal Dutch Shell and you need a billion dollars to develop this business, do you care whether that billion dollars comes from a Nigerian bank or a London bank or a Wall Street bank or a Russian bank or a Chinese bank? It's a billion dollars. You don't care at all. So you have no reason to give this asset to, I don't know, J.P. Morgan. This is why, when you look at the boards of directors of all these corporations, you will see that they will always have a guy there, or more than one guy or woman,

from Goldman Sachs, from J.P. Morgan, from Citigroup, so that the corporation, the business strategy of the corporation, is subservient to the banking interest.

#Pascal

It's like a couple of friends.

#Alex Krainer

Yes. Otherwise, you know, you have the famous case of Enrico Mattei in Italy, which is very, very instructive. Enrico Mattei said, like, we're going to develop this business. You know, he developed the Italian energy sector, the refining, the pipelines, the ships. It was incredible what he did. But he did it on behalf of Italy, of the Italian people. He ran circles around the Seven Sisters, the big seven oil companies in the world. He was outcompeting them. He would go to Libya and make a deal with the Libyans, Algerians, Egyptians for exploitation. And he would do it on a very equitable basis. He would say, let's do something that's good for you guys and that's good for us. You sell us your oil, we build a refinery in your country, and you employ people and you refine the oil, and then you sell us the refined product and we take it to Italy.

He went to Russia, made a deal where Italian steel plants produced like two million tons of steel pipes to sell to Russia in exchange for Russian crude oil exported to Italy. And so the deal was so advantageous that by the time this Russian oil was on the Italian market, it was a whole dollar cheaper than Royal Dutch Shell and Exxon and so forth. And I'm not talking a dollar cheaper from like \$100 to \$99. I'm talking like from \$2.50 to \$1.50. So the American oil in Italy was \$2.50 by the time it came to the Italian market. The Russian oil that the Italians got for the steel pipes that Russians needed to build their extensive network of pipelines everywhere, that oil was \$1.50 a barrel. And so what happened?

Enrico Mattei's plane went down. They killed him, right? And it is almost certain that it was the CIA that shot him. The American embassy in Rome, they wrote many reports about this troublesome Mattei who wouldn't play ball, who was, like, doing his thing independently, that his company is growing more powerful, more prosperous, more profitable, that they were basically taking control of the Italian market. Well, we can't have that. We can't have that because, you know, next thing he's going to do is going to get a loan from an Italian bank. Well, he was already, but that was the whole problem. So he had to go. So they assassinated him. He was flying from Palermo to Milan, I think, one day in 19... whenever that was, early 1960s, I think.

And his plane went down, and then either the same day or the very next day, the CIA station chief in Rome—he had a weird name, I think, or something like this—he filed an extensive report about the assassination of Enrico Mattei. You know, like, the next day, practically, he had like a 20-plus-page report that he filed with the CIA, with his bosses back home. And then he vanished. He left Italy, never to go back again. And he was gone from the scene from the day after Enrico Mattei was

killed. So there's no doubt about who did it and why and on whose behalf, because you just have to look. Okay, so Italian wealth under one equation accrues to the Italian people, the Italian banks, the Italian companies and employers. And in this other one, you have the conveyor belt sucking out wealth from Italy to the Wall Street and City of London banks.

#Pascal

You step into very, very dangerous waters if you try to actually fight against this system, which then indicates, of course, that all the ones that operated in it successfully, stuff like Switzerland's UBS system and all the others, they are part and parcel of the oligopoly of the class that makes it happen and turn around in the first place. So you do need this kind of—probably you do need the Epstein class at some level that passes.

#Pascal

It doesn't necessarily intermingle the entire time in order to keep the thing floating and stable.

#Pascal

Otherwise, you would have a lot of states coming up and blowing it up for everybody. So you need to keep a tight-knit network over there. But it's an international network to start with, or a globalist network to start with, isn't it?

#Alex Krainer

Correct. Absolutely. And I think that, you know, everything I tried to explain in our conversation today—let's say if you treat it as a framework and you say, okay, maybe Alex is right, maybe Alex is wrong. But if you take it as a framework, I guarantee you, the more you pay attention to what's going on, the more coherent the picture becomes. So it's like, let's say that the real-world evidence solidifies the picture rather than blowing it up. And then the reason why we have to understand these things is because if you kind of look at the system of incentives within this mechanism, and if you extrapolate it into the future, let's say that over time, they eliminate all resistance to them, all obstacles.

They just take one obstacle after another. Bosnia and Herzegovina, the Balkans, Enrico Mattei, this other guy, whoever. So whoever doesn't cooperate, whoever doesn't work as a well-oiled cog in their wealth transfer conveyor belt, if you extrapolate that line, it gets to the point where all the rest of humanity actually have to become slaves to this system. And it even— even if you pay attention to what they're talking about, when they talk about their Fourth Industrial Revolution and the Great Reset, they actually say it, that the future entails changing what it means to be human. And then you have Mr. Yuval Noah Harari who says, yeah, you know, this whole business about you being like a divine soul and a sovereign being, that's all over.

From now on, you're going to be hackable animals. And basically what that means is you're going to work for them until they decide. And from that moment on, they might say, like, oh, guess what? Medical assistance in dying is the best treatment for you at this stage. So see you later. Sayonara. You become a net consumer of capital, and we need net creators of capital. So see you later. So it's going into a really, really ugly dystopia, which I would say makes George Orwell's 1984 look like a walk in the park by comparison. And they're talking about this. The mindset is going in that direction. This is why they're saying you're going to be hackable animals.

We're going to have complete control over you. You're going to get CBDCs. You're going to get a chip under your skin. You're going to be vaccinated every six months. On and on. And you're going to live in the 15-minute cities. And guess what? You're not going to eat red meat because insects are just as good for you. So you're going to have to be happy with that. So, you know, like, if we don't study carefully this matrix that we're being forced into, then our future generation, our children, their children, and so forth, might actually be slaves in 15-minute cities, eating insects for, like, basically a human feedlot.

#Pascal

And Alex, like, I'm sorry to say that, I think that depiction of the future is the optimistic version. Because—I'm an optimist. Because, you know, my worry is that what happens—because what we talked about here is kind of, you know, the worst of the worst of the capitalist class, right? Of the Epstein class and the capitalist network on top that sits there, because the system is that which lets it not bubble up but pushes it up, right? And then it sits there. What happens? The one thing that keeps you and I safe, and most other people safe, is the sheer necessity that these people have to live off our labor, right? You need labor. I mean, you cannot live a multi-billion-dollar life. You cannot have a beautiful big yacht and all of that stuff, and golfing, without the slaves, right?

You need the slaves that slave away for a couple of, what is it, \$40,000, \$50,000 a year, even in the U.S., right? I mean, this is peanuts. These people don't get up for \$50,000. They wouldn't even set an alarm bell for \$50,000, right? The class we're talking about. But that's because they need those. We are getting closer to the moment when the dream of this kind of robots and AI-driven future becomes a reality, when these human animals are not needed anymore in order to keep up with all of the luxurious life. And my big worry is, what do they do at that point? You know, because we are currently 8 billion on this planet. Maybe not sustainable. Maybe they would want something rather closer to 8 million, just to have more golf courses. I mean, I do seriously worry what happens once the AI boom and the robot boom actually coincide and physical manual finger labor is not needed anymore.

#Alex Krainer

I'm sincere when I say that I'm an incurable optimist, because I'm not terribly worried about these things. And the reason why I'm not terribly worried about these things is because I think that the

only way that we could actually fail to overcome this system, to transcend this period of slavery, is if we either surrender and we say, like, okay, we'll be slaves, fine, we agree to that, or if we allow ourselves to be misled into some kind of a catastrophic nuclear Armageddon. That's the only two ways that we could fail. And the reason why I believe that is because there's an awakening happening among people all over the world that is unlike anything that we've ever had in all of history of humanity.

And that's because for the first time ever, we have these amazing things like social media, like the internet, podcasts, these types of conversations. And the powers that be are no longer able to control the narrative by controlling the TV, the newspapers, and the radio, right? And so this is a completely new element in the social equation that was never there before. And so we cannot account for it. We don't know. We simply don't have any precedent. But if you look at the strategies, if you look at the agenda that they have formulated for the future of humanity, you see that all these ideas are very old, in fact. They've been formulated 30, 40, 50 years ago already. And none of them anticipated the internet and social media, or none of them anticipated the unintended consequences of this.

Maybe they anticipated, like, "Oh, this is going to be an even more efficient control grid." But the fact that it allows us to have these types of conversations, they didn't anticipate. And so now, if you look at it, suddenly, suddenly we had this urgency to start a war against Russia in Europe. And the reaction was, you had the explosion of these posts online: "Russia is not my enemy. I'm from Germany, Russia is not my enemy. I'm from Spain, Russia is not my enemy." And so it's very important for them to create the impression that everybody agrees, to say, like, "Oh, Russians are terrible. They're coming for us. They're going to destroy our way of life," and so on. "We have to unite and go to war." And then you give everyone the impression that everybody agrees on this because it's obvious.

And if you think otherwise, there's something wrong with you. But if you see, like, tens of thousands of posts that say, "Russia is not my enemy," and you see that it's liked and retweeted by hundreds of thousands of people, or maybe millions of people, then you realize, I'm not alone. We all don't want this war. Nobody agrees with this. And so then you have these—Friedrich Merz, this guy in Britain, I can never remember his name, the one who came after Keir Starmer, Andy Burnham, whatever, Emmanuel Macron—they're absolutely hated. They're hated in Europe. And so if Emmanuel Macron, Andy Burnham, Friedrich Merz, one of these hollow people, tells the countrymen, "To war, let's go kill Russia," people are not going to be following with much enthusiasm at all.

#Pascal

I hope so. But they're really working overtime at trying to instill all of the Russophobia and the hatred and all of the images of the bloodthirsty Russian in order to get to that point. And they did not—they're halfway there. I mean, hating Russia today is mainstream in Europe. Wanting to go to war is not yet. I agree.

#Alex Krainer

Well, that's the impression. I think that the impression is coming, again, from the mainstream sources or from these paid accounts in social media. But I remember when the war started. When the war started in February of 2022, a friend of mine works for NATO in one of the NATO member nations. And this person told me that, you know, we monitor the public mood in Europe very carefully and we conduct these opinion surveys. And even at that moment, when Russia launched its special military operation in February of 2022, when the level of outrage was maybe at its highest, this person told me that in countries like France, Italy, Spain, these early Western European members of NATO, they weren't talking about the Northern.

They weren't talking about Britain, Germany, and so forth, but, like, Italy, France, Spain, and so forth, that about two-thirds of the people surveyed sympathized with Russia and not Ukraine, and that in the former Soviet bloc nations—Poland, Czech Republic, Slovakia, Bulgaria, Romania, and so forth—that it was about three out of four. And that's my experience. You know, I come from Croatia, and Croatia has this, let's call it, mild Russophobic culture. It's not rabid. It's not rabid like Western Ukraine or even Poland. But, you know, we kind of grew up perceiving Russia as, like, this cold, rusty, dark place that, you know, didn't gel with us, basically.

And, you know, I never had much interest in Russia at all into my 30s. And basically, three out of four, in my experience speaking with Croatian people, kind of think like, no, Putin is the good actor in this drama. Zelensky is the wild card, the idiot, the guy who's going to set the world on fire. And, you know, because of this cultural cloud, people aren't terribly open about this. But if you speak with them and they realize which side you stand on, then you suddenly get them, like, they open up and they tell you everything they think.

And three out of four cases, my experience is they are very highly suspicious of Ukraine, and they are not afraid of Russia. They don't fear Russia in the same way that we're being persuaded that we should. So that was four years ago. Today, I think the situation is even more in favor of Russia and against Ukraine. But, you know, they can't let you think that that's the state of affairs because they have to let you think that everybody understands that Russia is a problem. Everybody knows that they're a threat. So everybody knows that we have to unite behind our beloved dear leader Macron or Merz or this guy in Britain and go to war.

#Pascal

I would hope that that is true. That would be very interesting and hopeful indeed. My counterexample is that recently in Switzerland we had a referendum on Swiss neutrality, but the counter side successfully made it about Putin. And the 70-30 split, 70 against, 30 pro, is what I would gauge the situation is. It's about 30% who would say, like, Russia's not my enemy, and 70% who would say, like, well, you know, we still want to hurt the guys as much as we can, but we don't

want to go to war. I mean, you know, sanctions. Sanctions are good because sanctions are going to hurt Putin. Therefore, they're good. That kind of simplistic BS that they did. So I take that one as my measure, at least for Switzerland. But it would be very hopeful if it actually was in a very different proportion in other European countries.

#Alex Krainer

You know, there was an official poll that ran by one major French polling agency. I forget exactly which one it is. And I think it was done about two weeks after the special military operation began. And basically, the result of the poll—and they worded it in a strange way—but basically, it was: do you think that Russia had legitimate reasons to invade, to intervene in Ukraine? And 56% of the French people—and I think that this one can still be looked up. At any rate, I have it somewhere in my notes—56% of the French people said yes, that Russia had legitimate reasons. And that was right then, back then, you know. You know, they rig elections. They rig polls too because they need legitimacy, and they need to say, like, oh, look, well, 70% of the people supported this.

#Pascal

Yeah, yeah, no, no, you're right. You're right. And perception management. And we know that. So, Alex, this was fascinating. Again, I usually do one hour, but I just can't stop because this is great. So thank you so much. And we will certainly have to do a third installment in order to get further. But people who want to follow you and find your work, where should they go?

#Alex Krainer

Oh, yeah. I'm easy to find on X. My handle is @NakedHedgie. I have two publications on Substack. One of them is my personal publication called Alex Krainer's Substack. I publish about an article a week. And I have a daily market newsletter called iSystem Trend Following. It's basically a trend-following market newsletter covering 19 global financial and commodities markets. And then I also launched my YouTube channel. I relaunched it this year, and I think it's called Alex Krainer Simply. Yeah, Alex Krainer Official is a fake AI imposter, so it's not that one. It's just Alex Krainer.

#Pascal

I will make sure that I find the real channel, and I'll put it into the description box below. And everybody, go and support Alex Krainer and subscribe if you want to get his updates. We'll have him back on this show again. Alex, thank you so much. Great time today.

#Alex Krainer

Pascal, thank you. And until next time.