

Will Your Bank Still Be Open At the End of the Quarter?

Marcia Merry Baker interviewed John Hoefle of EIR's economics staff, and Stuart Battle from the LaRouche Youth Movement in Seattle, for The LaRouche Show on June 28. This is an abridged transcript. The Internet radio program is broadcast every Saturday at 3:00 Eastern Time, at www.larouchepub.com/radio.

Baker: Welcome everyone.... Our topic is, "Will Your Bank Still Be Open at the End of the Quarter?" Now, unless some of you have been in a blur or under a rock, you know the end of the second quarter of this year, is 36 hours from now. And the question isn't even facetious, at the rate things in the financial system are blowing apart. It's beyond declaring losses, when it comes to banks and other entities: You could say we're in a kind of chaos phase-shift, where the collapsed system is creating more chaos, even to the point where basic economic functions are either shutting down or in danger of doing so—that is, it's impossible to pay fuel bills, food bills, and we've not had any intervention to create an emergency response for a new system that would restart and serve economies and nations. So, we still have loonies at the control panel here.



John Hoefle

It was only about a year ago, July 25, 2007, when Lyndon LaRouche gave an international webcast based in Washington, D.C., to warn and to state that the financial system *was* gone. It was collapsing, and this was terminal, this wasn't a "dip" or a depression.

And now a year later, on July 22, at 1 p.m. Eastern Time in the United States, Mr. LaRouche will give another webcast on the situation; and in particular within the next few hours, will be posted a new paper on what to do about the situation.¹ It's a proposal by him, and it's occasioned by the debate going on in Russia about the various things they are or are not doing on

economic policy. Mr. LaRouche is addressing the potential for the world to get out of this mess, if Russia, India, China, and the United States band together to do certain emergency things, for the financial system, for credit, for real economic needs.

And with that, to discuss this strategic situation, we're very happy to have John Hoefle on the line, our economics chief. And from the Pacific Coast, out in Seattle, from the LaRouche Youth Movement there in the Northwest, we welcome Stuart Battle.

And you can imagine what John—well you never know what John's going to talk about. But I know Stuart has been



LYM/Siri Martin

Stuart Battle

part of leading the charge on the West Coast, with the population, with young and old, to force the issue of people facing the reality of this unprecedented crisis we're in, and in particular, I'm hoping Stuart's going to be discussing the exposé that the LaRouche Political Action Committee and the LaRouche Youth Movement are leading, to show that there's been an intense subversion operation of our elections in the United States, and of other institutional functioning,

by people associated with the name—and the people behind—"Your Enemy, George Soros."²

We'll get to that in a minute, but John, one thing I know you've written in the last 48 hours, is that the system is dead, and we can save the nation and even deserving banks. Why don't you start with that?

The Whole System Is Crashing Down

Hoefle: Well, I think the question of a "deserving bank," sort of gets to the heart of what we're talking about. Because what we're talking about, when we say the Homeowners and Bank Protection Act: We're not really talking about saving particular institutions as much as we are talking about necessary banking functions. The whole banking system has been

1. Lyndon H. LaRouche, Jr., "Free Trade vs. National Interest: The Economics Debate About Russia," *EIR*, July 4, 2008.

2. The title of LaRouche PAC's new pamphlet. See www.larouchepac.com.

taken over by parasites; the bigger the bank is, the more involved it is in speculation. All of the really big banks, Citigroup, J.P. Morgan Chase, Bank of America, these things are so far down the road of being speculators, as opposed to being banks, that there's not really a lot there to save, except that they still make loans, you still have checking accounts and that sort of thing. So, the sort of functions that are necessary to provide the credit for an economy to function is what we're talking about when we're talking about saving the banks. We're not talking about bailing out their multi-quadrillion-dollar derivative portfolios or anything like that.

This is all important, because basically, this whole system has come crashing down. The banking system was functioning on the basis of making loans that were basically ridiculous loans—loaning money to people who were so loaded with debt already, that they'd never be able to pay the debt back, and they'd keep rolling over these loans. And the securities machine, the mortgage-backed securities, and others, the asset-backed securities, the credit-card-backed securities, all sorts of things—this whole system was used to keep rolling over these loans; that the banks would make these loans and then sell them off to “investors,” with quotations marks around that, because they're actually speculators, most of them. And this is the nature of the system.

But that securities machine is now dying. And because the banks are no longer making money, the speculators are no longer able to make money speculating in the securities market, they've moved to where they can make money speculating, the things that people are still buying, which are food and energy. And this has caused the soaring of prices of oil and all sorts of food products.

So, the system is spinning completely out of control. In order to save the banking system, in order to keep these banks afloat, they need to continually increase the amount of money that they're looting, through oil and food, and other types of speculation. And they're getting enormous subsidies from the Federal government, to stay open.

But at the same time, as we've all been told, we have a consumer-driven economy, and the higher gasoline prices go, and the higher food prices go, the fewer things that people can buy. At the same time, since the debt machine, this securities machine, has crashed, the banks are cutting back on credit limits, credit card limits and things like that are being cut down.

So you have this situation where you're damned if you do, and you're damned if you don't. You need to keep the speculation going in order to keep the banking system afloat to provide the money for it; but if you do that, it blows out the consumer end of the economy, it blows out all the households and a lot of the businesses. But if you stop the speculation in order to protect that, then you don't have the funds to keep the banking system going. So that's the dilemma, and that's why we need LaRouche's three-part program, beginning with the Homeowners and Bank Protection Act, which just freezes all of this and puts the system through bankruptcy and protects people while we work out this disaster that the bankers have created.

LaRouche's Three-Point Emergency Program

Baker: Could you reiterate those three points?

Hoefle: Sure. The first point, the Homeowners and Bank Protection Act, the HBPA: You're going to have to put the system through bankruptcy and so, the first thing you do is you erect a “firewall.” You freeze things, to protect, for example, people who are dependent upon pensions—and many pension funds are invested in worthless paper; a lot of the stuff is just going to get written off. You also have to protect people who need to have, for example, food moving from farms: The farms need to continue to operate, the food needs to be transported into grocery stores, that sort of thing; the hospitals have to keep working, the schools have to stay open; the emergency services—the sort of things that the *real* economy has to have to continue to function, because people's lives depend upon it. So you have to set up a mechanism, whereby, even while you're freezing and writing off these trillions, quadrillions of dollars worth of worthless assets, you protect ordinary citizens. So that's what the firewall in the HBPA is design to do.

And then the second step is, once you've frozen all of these, and have stopped the collapse, stopped this speculative frenzy, stopped this hyperinflationary blowout that we're in the middle of right now, then you can begin to rebuild. And you do that with a two-tier credit system, whereby you have projects which are designed to increase the productive power of human labor, infrastructure projects, do something about our roads, our transportation grid, the energy grid, the collapse of water and sewer systems, all the sorts of things that are necessary to get the economy moving again. We need to go to nuclear power, and we have all sorts of needs like that—great projects like the NAWAPA water system (**Figure 1**).

So you need a credit system which will provide low-interest credit for these kinds of necessary projects, the projects that are necessary to get the country moving again.

And at the same time, for all other functions, you have a higher interest rate. So let's say you make loans for these development projects at 1-2% interest rate. Then for other things, you have a higher interest rate, 6 or 7%, something like that. So that's the two-tier credit system, to make sure that the money flows into the most essential projects.

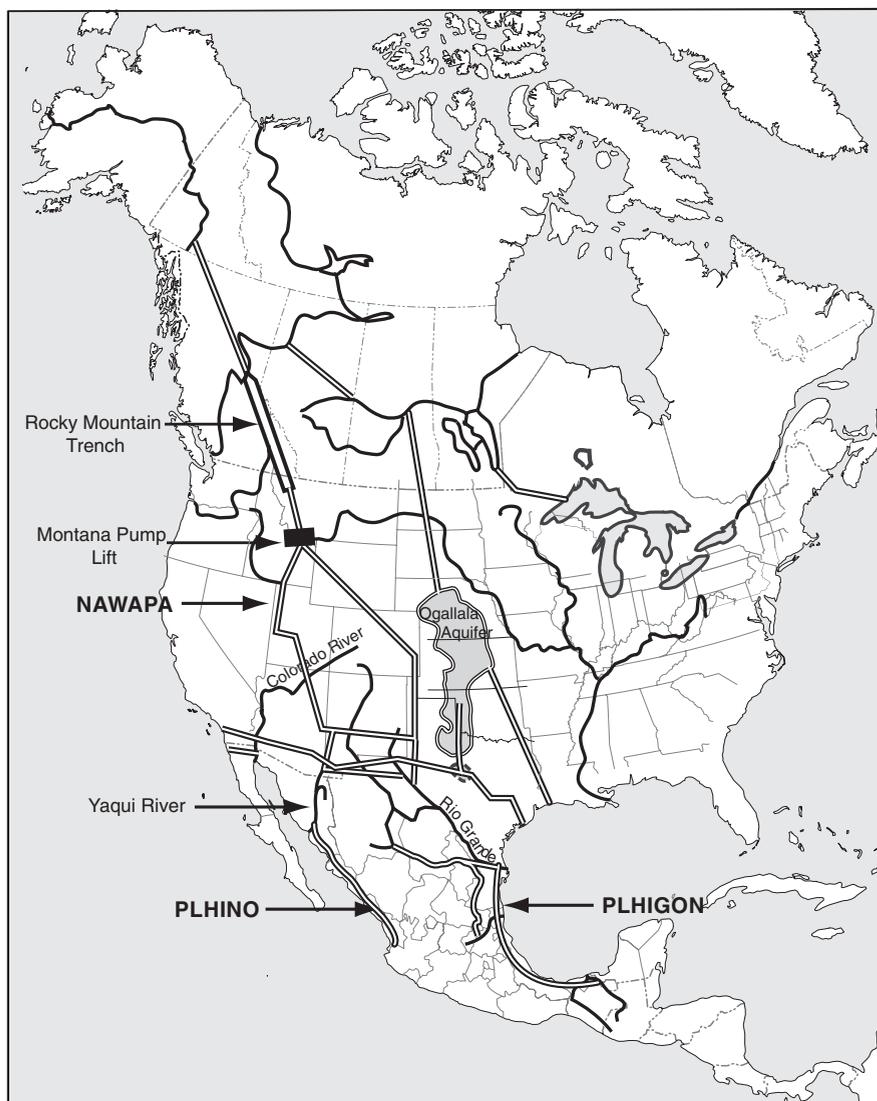
And then, the third phase of this is the Four Powers agreement. The idea is that the United States has to work with Russia, China, and India, among other nations, but those are the big four that have the political power to put this financial system through bankruptcy, and put the empire back in its cage, and begin rebuilding the world.

You need all three of those elements—that first you have to stop the damage, and then you have to begin a process of serious rebuilding both nationally in the United States, and internationally. You can't just cut nations off, you can't let nations die.

Organizing Perspective from Seattle

Baker: Let me turn to Stuart here. Stuart, you've been involved in direct organizing within the Democratic Party and

FIGURE 1
North America: 'NAWAPA-Plus'



Sources: Parsons Company, *North American Water and Power Alliance Conceptual Study*, Dec. 7, 1964; Hal Cooper; Manuel Frías Alcaraz; *EIR*.

The North American Water and Power Alliance (NAWAPA) was first proposed by the Parsons engineering firm in the 1960s, but has never been implemented. It is an integrated water, power, and agricultural project which proposes to take about 17% of the annual runoff of the rivers of Alaska and northern Canada, most of which now flows unused into the Arctic Ocean, and channel it southward to Canada, the United States, and Mexico. The map also shows proposed projects in Mexico which would link up to NAWAPA.

at large, about different aspects of this crisis, including the need for a firewall, the Homeowners and Bank Protection Act. Do you want to start by saying what the response is, that it's more than it was six months ago, or three months ago, and that people are facing the reality?

Battle: Sure. As John was saying, we're clearly entering a further and further decline of this financial system, which is having a direct effect, daily on the population. It's getting to

the point now, where the same people that maybe even six months ago, or some even a little bit longer, would say, "Oh, everything is fine, I don't mind it all. This is just a little dip in the market," now are saying, "What is going on? What's happening?" with a kind of desperation to know what's going on, and how to fix it.

The biggest problem we're running into, is a line you get constantly, especially with the lower 80% and with students and young people, where they'll admit that we may be right, and that LaRouche may have known all along what's going on, and that, yes, in fact, the whole system is in a systemic collapse, "But, I can't do anything about it." This is what we've been trying to pinpoint and flank as a youth movement, and I think, even more broadly, that's what Mr. LaRouche is looking at. But our job, and what we've been working towards, especially with some of the Democratic Party circles and Hillary Clinton supporters, is how to get the majority of the population to really recognize historically what this problem is, and what the cause of it is, what a financial empire really looks like.

That's why we're getting out this new dossier on George Soros. We're really going directly after the people that are creating this problem, that are creating the agenda for the Democratic Party and the different so-called "leaders," who are trying to make sure there are no real solutions put on the table.

The Soros Dossier

Baker: Why don't you continue on that? This was written by the LaRouche Youth Movement, a whole team of researchers. What's been the response?

Battle: Yesterday was the first day out with it, but the response is, so far,

kind of what I just mentioned. There's a certain amount of panic setting in, about what's happening and why this is happening. And so, with our attack on this guy's political career, it's really opening up the doors for people to understand what, in fact, this British operation is. It's not just a magical sense of "there's these corrupt people, that have a lot of money, and they're somewhere else, they're somewhere in a place where I'm not sure where it exists." But it's really putting a name and

a face on what's occurring with the breakdown of the physical economy generally.

One of the more significant things that I want to bring up, is that we had the Washington State Democratic Convention two weekends ago, and we went there, of course, with the expectation to stir up especially the Hillary Clinton supporters, as well as all the Democrats who were there. What we found when we got there, was that the whole party was oriented around a "unity" idea. So any talk of a secondary candidate, other than Barack Obama was out of the picture. So we found at the convention speeches by Senators, by the mayor of Seattle, and by leaders of the state party, who were mixing up the idea of Hillary Clinton and her ideas as a potential candidate, and more forcing these 18 million supporters of hers across the country, into the standard Democratic line.

A lot of people were demoralized, and we ran into kind of a frenzy and disarray and confusion, that was very obvious, and intentional. These people who have fought much, much harder than anybody that we have run into—there was a very driven campaign here—have now been turned around, and very clearly the Democratic Party has been trying to get these 18 million supporters to just forget about the whole reason they were fighting for a Franklin Roosevelt idea.

Baker: You're collaborating in regrouping these people to fight on, is that right?

Battle: Yes, we've been following up with a lot of these groups, and we've found that really, the people we met at the convention, and others that we've been meeting, they're ready to go, essentially. These are people that are taking up just whatever they can do, in terms of how to organize communities, how to organize anyone they can find. The Hillary Clinton circles we met with at the convention and afterwards, have a very sharp understanding that there is a political operation being run.

So when we brought out this George Soros pamphlet, there's been an astounding response (we just got the pamphlet yesterday, but before that, people were avidly looking at our website to see this dossier). Because when we bring up the idea of a financial empire that's literally funding the Democratic Party, and Howard Dean, and Obama's campaign, to make sure that the real issues are taken off the table, the response is dramatic. It's really exciting to get the population out of the realm of these little events that are seemingly happening, and more oriented around what historically the context is of the operation going on today.

Baker: I understand this week, there was a closed-door economics Obama campaign meeting that no one was allowed to attend, other than the organizers, in Pittsburgh at Carnegie Mellon University. I understand that the gist of it, was that the Obama platform is to extol such things as how Pittsburgh is no longer a steel city at all, not a manufacturing city, has switched over to service "industry." And if anyone has been around all the

major towns of what used to be the Pittsburgh industrial powerhouse—Clairton, McKeesport, Duquesne, Homestead—they are in shambles! They are in terrible, terrible, depressed conditions, falling apart, and this is supposed to be how wonderful it is. So, it seems to me, it's really open season, for us to intervene and regroup.

But John, you followed George Soros for the last 150 years, I think [Hoefle laughs], why don't you throw something in here about who he is, what makes him so useful. The people behind George Soros as well as the man himself.

Soros Is Simply a Stooge

Hoefle: The thing about George Soros, is that he is both an influential in the Democratic Party, a controller of the Democratic Party, because he has a lot of money to spread around; but he personally is basically a stooge.

You know, he's this vaunted investor who makes all these brilliant decisions and understands the markets. It's all a bunch of nonsense, because basically, he's a creature of the British financiers. His money comes through the Rothschild dirty-money operations, and the Rothschilds, you know, made their fortune working for the Venetians. He's a fund manager, but he doesn't even manage his money! Basically, they use him as a conduit to spread money around; they use him as a conduit for speculation.

They basically bought up a lot of the leadership of the Democratic Party. And so, we go after Soros, as sort of the "lead duck" principle: You know that he is not the problem, in and of itself, he's a representative of the problem. But he's a tool, and so you break their tool, and then you go after them.

But he's a fund manager, and the power behind him are the people who give him the money; it's not his money, and he doesn't really manage it, people manage it for him. So he's sort of a front-man. I like to call him the "Donald Trump" of the hedge fund world.

So that's essentially what he is. And basically what has happened is, that with the creation of the oil hoax and petrodollar market, the spot market in oil in '70s, you've created this huge pool of what are called "petrollars" in Europe, which are used by the financiers of this Anglo-Dutch Liberal system to buy up the United States. They've used this to help spur deregulation and globalization. This is the process which has helped move our jobs overseas, and to make the United States and every nation dependent upon these global cartels for the means of their existence, and that is what Soros has been doing. And his political operations are running cover for that, by trying to create so-called free markets, which is more marketing manipulation around the world. He spends lots of money to make sure that nobody in the leadership in the Democratic Party, people like Nancy Pelosi for example, will do anything about this speculation which is killing us!

So, George Soros has to go. But we should never be deluded into thinking that just because we get rid of him, we solve the problem. We need to get rid of him as the first step of

solving the problem, but then we need to follow through, and go after the people who are really calling the shots, and that's this financier-oligarchy, centered in the City of London.

Baker: Stuart, what John is saying here, is that it isn't just a miasma of general greed, but there's a British pedigree, a London pedigree; there are specific characters like George Soros that are deployed, who have a whole history of this. How does this sit with some of the people you've been meeting with? Is it, "Aha!" that they wondered who and how this was being done, or disbelief, among these people in the 18 million. There was a thing called, "Party Unity, My Ass!" [PUMA] (if I can say that on the air).

Battle: There was, and there is, still. There's quite a fight going on with some of the people we've been meeting with, and we've seen them emerge towards this.

The figure of George Soros is very well known among the Democratic Party. So when you bring it up, there is a lot of that "Aha!" effect, where people say, "I *knew* it! That's where they're getting all their money from." And at the same time, this guy's making all this money off the different financial markets and speculation that is just unchecked.

I actually was going to ask John if you had more of an insight to help me and some others understand exactly how a guy like Soros and others are able to pull these little tricks and operations against something like the Democratic Party?

The Powers Behind Soros

Hoefle: The way that they're able to pull it off, is that they're not really pulling it themselves: They're merely the public face of something much bigger; that through his whole career—for example, this famous case where he was involved in the 1992 raid on the British pound, in which he became known as "the man who broke the Bank of England." Well, that operation, of which he was part, was actually orchestrated by the Bank of England! And the proof that George Soros did *not* break the Bank of England, is that George Soros is still alive. Because if he had gone after the Bank of England in the way that they say, he'd be dead! Because they don't tolerate that sort of thing. You know, the British have a long history of killing people who do things like that.

Baker: Can you describe what that episode was?

Hoefle: Well, the European Exchange Rate Mechanism was a currency band, where as part of the beginnings of the unification of Europe, which we now see taking place with the euro and the Lisbon Treaty, the currencies of Europe would trade against each other; there would be a band established so that, say, the pound could go no higher than this, or no lower than this, against the deutschemark. This was set up by this financier-oligarchy, as part of creating this sort of "United States of Europe," although it's more of an assault on the nations of Europe, by setting up a regional government.

And so, the Brits helped set this up. But then they decided

they wanted out of it; they didn't really want the pound to be in—they put it in it originally, to get this thing moving, and then they decided they wanted the pound out. And at the same time that this was going on in 1992, a number of major Western banks were bankrupted. And so, what happened is, that the Bank of England and the Federal Reserve, and banks allied with them, launched a speculative attack on *other* European currencies, *and* on the pound itself. And because of their enormous market power, the amount of money they could throw, they were able to drive the [Italian] lira out—they made a bundle on that—they were pulling the pound out of this European Exchange Rate Mechanism, and it was extremely profitable.

Citicorp, as it was known at the time—and it was being run by the Federal Reserve, directly, at the time—made about \$1 billion out of that! J.P. Morgan made a similar amount, and other banks made lots of money. And Soros made money. Soros wasn't the only one, but he was the one that they put up as the public face of this, because you never want the central banks to be caught doing that kind of criminal manipulation themselves. So you use a guy like Soros, who's a front man. But he wasn't the one doing it—he was in on it, but he was not the power behind it.

And so, if you look at the manipulation of the Democratic Party, well, we have a *big* British problem in the United States. We've always had one. And there are a lot of Anglophiles, a lot of people who identify with the Anglo-Dutch financial model, the speculators, and who want to see that take over the United States, that don't want to see a country run by ordinary people; they want to reshape the United States along the British line, where you have more of a class society, and the very rich live very well, and everyone else is just left to fend for themselves. Or, what it really is: a lord and peasants model.

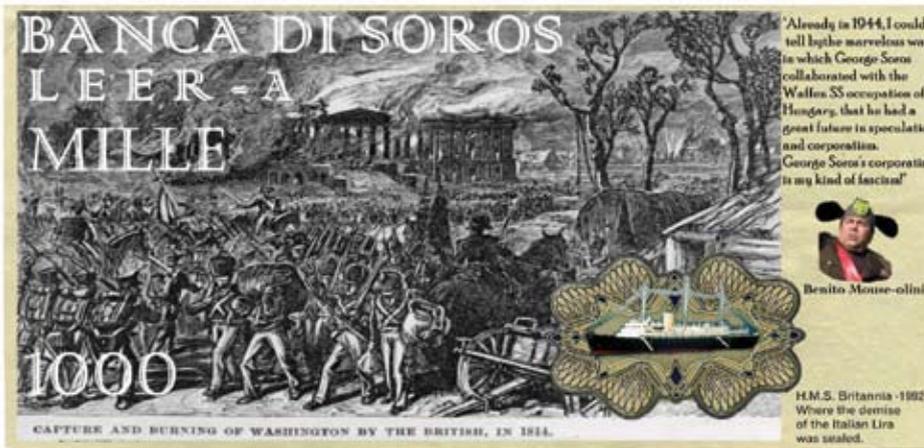
And so, they use their political power in the United States. They use the money that they get from all of their financial operations to buy lots of influence. And they use Soros as a pointman for this.

But they also have lots of other things: They have big media operations. You have Fox News on the right, pushing their brand of fascism, but then you have the Liberal Imperialist crowd around things like the *New York Times*, which pushes the same thing. So, it's a much bigger operation, but you put the face of one man on it, and you conduit a lot of this power through this one guy, and then it looks like he's the one doing it all. And so, you ask the question, "How can one guy do all of this?" And the answer is, he's not, it's not really him. He's just the agent for this.

A Classic Banking Crisis

Baker: We started the show taking about the end of the second quarter: Just looking at the headlines in the last 48 hours, you see losses, or announces of what has to be sold off by certain banks (I don't know who's supposed to buy it!). You see skirmishing and that kind of thing.

John, what about this moment in this collapse? We're getting a lot of fairy stories, if you watch MSNBC and these media



The LaRouche movement produced this adaptation of an Italian Treasury note (back and front shown here), to distribute at a rally in front of George Soros's Quantum Fund in New York City on July 1, 2008. The rally featured Benito Mussolini (lower right), who has become famous to New Yorkers for his enthusiastic and humorous support for his co-thinker, Mayor Michael Bloomberg. (Video can be seen at www.larouchepac.com.)

outlets that you just mentioned, saying, “this or that can happen,” or “smaller banks will be bought by larger banks.” But it really seems like it’s just bedlam.

Hoefle: It is. Because what we have here, is a classic banking crisis. The myth is that this was driven by real estate, that the subprime market collapsed, and then that set off a chain of dominoes which has now reached the banking system. And that’s a fraud, because it was a banking crisis all along, and it was the need for the banking system to get money, which was driving the appreciation of real estate prices. And they drove it up so high that the whole thing blew up.

But right now, you’ve reached a point where the banks are insolvent, and they’ve got a real problem: Over the past year or so, they’ve written off some \$400 billion and taken in losses. And that’s only the beginning of what’s coming down the pipe.

They’ve also been raising capital like crazy: They’ve raised over \$300 billion in capital, by selling additional stock and things like that. And the central banks have loaned the

banking system extraordinary amounts: They’ve put out over \$3.6 trillion in loans, over the past year or year and a half, since this crisis began.

And, no matter how much money they pour into it, it’s a drop in the bucket compared to what the losses are. The system is vaporizing. When you had this securities machine going full force, and everybody was trading in CDOs, and all this other alphabet soup of nonsense, basically worthless paper, back and forth—well, that market is gone.

And so, you have this huge financial superstructure, all of these commercial banks, investment banks, hedge funds, and other things, which grew up around this bubble, and now that this bubble has popped, and the volume of business has shrunk dramatically, that not only is there no more need for all of these banks, there’s no more business to keep them all going. So this whole system is being dramatically downsized by reality, and the bankers are trying to manage this collapse by all sorts of methods. But they’re responding to events;

they’re not really in control of anything.

And now, we’ve reached the point, as we were saying before, that you can either bail them out through all this speculation, and blow up the consumer side, which blows up the banks; or you can stop the speculation in order to protect the consumer side, and that’s going to blow up the banks. That these things are going. And what we’re beginning to see are signs that some factions are basically declaring open warfare on others: You have, for example, the British-connected press, like Rupert Murdoch, his *Wall Street Journal*, and certain British-connected financial institutions, have been launching assaults, mainly political assaults, having their analysts attack—lots of newspaper articles going after banks like Citigroup; they praise J.P. Morgan Chase, which was actually formed in Britain—it comes out of Britain; the old Morgan banking empire was British in origin. And so they praise their own, the ones they control, and the ones they don’t control so much, they’re now attacking. So you see Citigroup under attack, Union Bank of Switzerland, or UBS. You had this in-

cident where Société Générale of France was under attack.

You know, the system is actually breaking apart, and we're getting more and more warfare among the various players as they fight. The dynamic is sort of like a pack of wolves, and they'll work together to bring down the prey, but if there's not enough to eat, they'll start fighting among themselves, and, if necessary, they drive out or kill the weaker members of the pack, so there's enough for the rest of them to eat! And that's the kind of the dynamic that's beginning to take shape in the financial system right now. And when this happens, then the consensus completely breaks down.

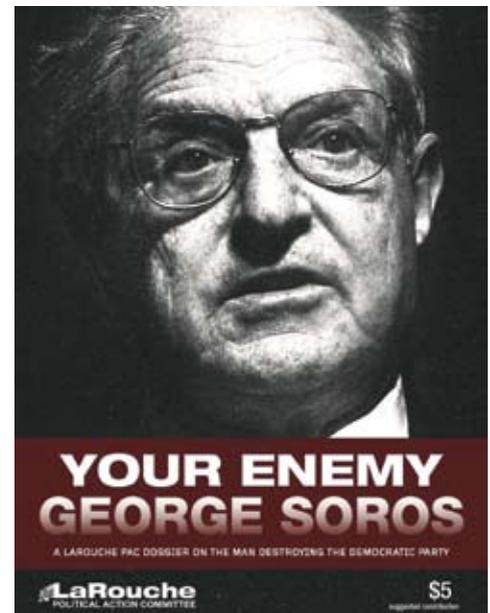
So I think we're going to see some dramatic developments. For example, Lehman Brothers is probably the next major investment bank to go, because they were heavily involved in all of this real estate speculation. And among major commercial banks, bank holding companies, Wachovia is in real trouble right now. There are rumors that it will fail, rumors that it's going to be bailed out via a merger with J.P. Morgan Chase, which is one bankrupt institution rescuing another. But every time they pull one of these rescue operations, or every time they put more money into the bank through the Fed, all they're doing is creating more debt! And the problem is, that we have a huge debt overhead that can't be paid. And you cannot solve a debt crisis by creating more debt.

So this whole thing is coming down.

Cartelizing the Food Chain

Baker: And one subset of this among these wolves, it seems that there's been some spectacular headlines about hot money, including George Soros, buying into the food chain, to literally own parts of food processing, merchandising; ConAgra, one of the big food processing operations, along with ADM, Cargill, Bunge, is selling part of their units to a George Soros-connected consortium.

Hoefle: That's part of the picture. You've written a lot about what's going on with the food crisis, and the cartelization. And everything is being cartelized. This is what globalization really is: It's the cartelization of everything, in which everybody is going to be dependent upon these cartels for the necessities of life. So they're taking over food, they're taking over raw materials, they're taking over finance, they're taking over everything. This is all going on, the world is being re-



The LaRouche movement has been on the trail of George Soros for many years. On the left is EIR of Aug. 29, 1997; the pamphlet on the right was recently issued by LaRouche PAC, and is being distributed nationwide. Details at www.larouchepac.com.

structured, right before our eyes.

And meanwhile, we have our politicians sitting around twiddling their thumbs, or doing something even worse with their thumbs, while they're getting paid off by people like George Soros. And so, we've got to stop this, and we've got to start implementing LaRouche's plan, or we're going to see something that most of us thought they would never see in our lifetime, something much worse than the Great Depression. Because, we're in a breakdown crisis: It's not just a depression, it's not a cyclical problem. Our society is breaking apart at this point, and if we don't do something quickly, there's not going to be anything there to hold it together.

Battle: What we've been getting in the Youth Movement, is that constituents from all across the country are starting to hone in and grill their political leaders. And so, this is exactly the trend that you were speaking about, John: that, as this is coming down, there's more and more of an awareness by people that this is not going to end well for them, if it continues in this direction. And so, as LaRouche's ideas are the only solution to this kind of breakdown, we need to get our populations demanding it.

Hoefle: You're right. You can't ignore this. There's no one who can pretend that this isn't going on. Every time you go to the grocery store or the gas station, you feel like you're getting raped! And no one's doing anything about it. We're being told that this is actually good for us! You look at the Democratic leadership, when the Democratic Party took control of Congress, and everybody had high hopes they would do something good. And basically, they seem to have been stooges for the Republican Party. They've been going along with all the things that the Bush Administration is doing. And

that's because, both parties at the top are basically controlled by the same people and the same money.

And people get this. It's obvious that no one is doing anything, and that people are *demanding* that changes be made. And basically, I think what they're doing in putting the politicians feet to the fire, is a very useful thing, because the politicians have to be more afraid of what happens to them when they come home, than they are of George Soros, if we're going to get anywhere.

Baker: Let me ask you one thing Stuart—or John, if you want to also chime in on this—on what you're raising, the people's reactions six months ago, especially the lower 80% of people who've been involved in the economy and not the high-rollers, they might have flipped things off six months ago, but no one's flipping anything off now, those who have to actually buy food, and get around, and live.

For example, in Texas and southern California, when it's put out there that we should have these cross-border water projects with Mexico, our LaRouche Youth Movement organizers—Kesha Rogers, who ran for Democratic Party Chair in Texas—told me yesterday, that you get people who make the connection, that we ought to be doing things.

What about Washington State or the Pacific Northwest? In recent years, some of the operatives in the Democratic Party, trying to subvert our country, would try and have the Northwest be a kind of environmental madhouse. But leaving them aside, what do people respond to?

Battle: Well, it's definitely a funny region. I'd say we've got more people with moss growing in their beards than any other place in the world! But, you're right, the environmentalism up here is pretty astounding. There was a big vote last November, for a very broad-reaching, light rail transit link up from cities south of Seattle, up through and around the area, which was voted down. So it's kind of a touchy topic up here, that we've actually done a good job of breaking through it.

But then, especially in some of the rural and smaller communities—especially immigrant communities in the outlying areas of Seattle—we've had resounding excitement about these ideas of infrastructure. One example was, we've been working in a small city south of Seattle for a while, which has a very large Somalian immigrant community. And one of the people has taken a whole bunch of literature, especially on the Homeowners and Bank Protection Act and LaRouche's "Three Steps [to Survival]" (*EIR* March 28, 2008). He has been talking to people and has gotten a lot of them excited about these infrastructure projects.

So it really is what gives people that tangible idea of how it is that we need to be rebuilding the country and the world.

The Real Nut to Crack Is the United States

Baker: You've got an e-mail John, from Santiago. He says: "Given how long it's taking for the U.S. population, let alone U.S. politicians, to awaken to reality, please tell me that

there is something happening among a group of sovereign nations, that are trying to initiate this."

I don't know if you or Stuart can say that, I think it's just what you said: We have the big fulcrum for the fight is here in the United States.

Hoefle: Yeah, it is. But I share Santiago's concern, because we *have* to do this, it's not enough to talk about it. But you can have movement in Russia, in China, in India, in other nations that realize that they're on the chopping block. And the real nut to crack is the United States, to get us to support this kind of a program, instead of doing what the Bush Administration would do, which is, try to destroy it.

And this support is growing, we just have to make sure that it grows fast enough to turn this thing around. It's an uphill fight, but we've got a shot at it.

Baker: And Stuart, among the people you've been working with in recent days, after that Washington State convention, isn't there a certain momentum, to go into the Democratic National Convention in Denver? How would you characterize it? Is there an inclination to make an issue of the FDR sense in the country, instead of just rolling over for these dirty operations?

Battle: Oh yes! There is clearly a very large movement, that is growing, to lift up—it's been more so characterized with the Hillary Clinton supporters, the mentality of a Franklin Roosevelt in that kind of program, but there is really an effort to lift up the people that are willing to fight and want to do something like this across the country. I know one of the groups that's recently been formed—I believe the headquarters is in New York now—but they are attempting to organize for a million-person march in Denver during the Convention. So this race, believe it or not, is not over, by any means; if you look at what some of these organizations are up to, there's a massive grass roots movement.

Baker: We still have a few seconds, so let me reiterate: July 22 is an international LaRouche webcast at 1 p.m. and you can look for that on the website, www.larouchepac.com.

We have one more e-mail, I'd like to raise with John: Fred Huenefeld sends greetings from Louisiana, and he wants you to address in the final seconds, about the prospect for fixed exchange rates again between nations. Is this something you could see happening?

Hoefle: Yes, yes. The issue is, that despite all of the great power that these bankers have, their system has died, and they're dying. And so, you're going to have a new system, and everybody who looks at this knows, that what we've done has been a complete disaster, and that we have to do something differently.

So there's a big fight brewing and this thing can actually coalesce very quickly, under the right circumstances. So I think, yeah, we have a very good chance that we'll go back to this fixed-exchange rate, we'll get this Four Power agreement, we get people working—you know, we can pull this thing off, because it will be increasingly obvious that this thing is coming down.