

but this year it is the lowest on records going back to 1948. The labor force participation rate for all youth—the proportion of the 16-24-year-olds working or looking for work—was 60.5% in July, the lowest July rate on record. It was down 2.5% from a year earlier; but in July 1990, that labor force participation was 77.5%, and in July 2000, it was still 75.6%.

The collapse has forced many older workers into unemployment, and then down into lower-wage and lower-skill jobs, shutting the door more firmly against young workers. From 2007 to 2009, there were 6.9 million Americans who lost jobs they had had for more than five years, because the work disappeared (they were not fired or temporarily laid off, and did not voluntarily leave). As of January 2010, only 2.9 million of these 6.9 million had found new employment. Those 2.9 million had suffered an average wage/salary loss of 20% in the new job. They were preponderantly either skilled auto/machine-tool workers, construction workers and engineers, other engineers, computer or software technicians, or financial sector business administration employees.

Two reports in the week of Aug. 23 anecdotally show the process. A San Juan, Puerto Rico job fair drew several thousand applicants, although the companies represented were all retailers like WalMart, call centers, and fast food chains. The job-loser veterans of employment in factories, and in all branches of government, came looking for low-end retail work. And a Southfield, Mich. job fair for the “over-50” drew 5,000 people looking for “anything.”

The main relevant national jobs-training program for younger veterans, “Helmets to Hardhats,” involves all of the construction trades unions, and is funded by both the Department of Defense and the “stimulus” act. But it is failing due to massive unemployment: In six years, training more than 200,000 Gulf War-era veterans, the total number of successful job placements may not have been over 15,000. Male veterans 18-24 have an official unemployment rate of 20.8%.

This, like other job training programs, is currently crushed by the collapse; but it can immediately succeed under the approach of LaRouche’s NAWAPA, and with the Army Corps of Engineers in charge.

“There is no need to be demoralized about the huge numbers of unemployment. Every time you take a percentile away from unemployment, you expand the economy,” LaRouche said today. “That’s our approach.”

Global Development or Social Explosion?

by Helga Zepp-LaRouche

Aug. 28—There are currently two parallel processes taking place in the world, which are literally deciding the “to be, or not to be” question for most of humanity. On the positive side, the process of organizing for the huge North American Water and Power Alliance (NAWAPA) program, which would cover Canada, the U.S.A., and Mexico, has sparked the imagination of thousands of engineers and technical experts, but also countless unemployed, poor, and homeless people: Suddenly, the United States has a chance for a future again! In many other countries too, interest has been generated in carrying out such projects. Given the rapidly escalating collapse of the global economy, there is increasing readiness to finally fight for the many urgently needed infrastructure projects that have long been shelved.

On the other side, however, the leaders of the financial institutions are like circus performers who have stretched their tightrope over the crater of Mount Vesuvius at Pompeii—a few minutes before the volcano’s eruption. For the entire financial elites, led by “Helicopter Ben” Bernanke—with a few exceptions, such as Kansas City Federal Reserve Bank chairman Thomas Hoening and Dallas Fed chief Richard Fisher—are determined to keep dancing atop the volcano until it finally erupts. The U.S. Federal Reserve has long since lost control, and is simply printing more money, just as the Reichsbank did in 1923, leading to the famous Weimar hyperinflation.

At the same time, official admission of state bankruptcy in the case of Great Britain, the U.S.A., Greece, Spain, Portugal, Ireland, Italy, and other countries is only a matter of time. The financial system is at risk of complete disintegration in short order.

First the good news: Since the LaRouchePAC released its interactive computer simulation of the NAWAPA project (<http://www.larouchepac.com/node/15557>), the situation in the United States has suddenly begun to change, electrifying groups of econo-

mists, engineers, project managers, academics staff of the Army Corps of Engineers, trade unionists, administrators, experts, and students. While people were convinced just moments before, that future prospects were bleak, that revolutionary spirit of change, which is so characteristic of America's history, awoke: There *is* an alternative, for how the depression in the U.S.A. can be overcome: a gigantic infrastructure program in the tradition of Franklin D. Roosevelt's Tennessee Valley Authority (TVA) will dramatically improve water management on the North American continent and transform the desert states along the Rocky Mountains and in Mexico into green forests, fields, and gardens, while creating 3 million new jobs and many new cities.

"I will now devote all my efforts to the NAWAPA project," "This is how America can be saved; I am fully on board," "My students need this perspective"—such responses are coming now from people in all walks of life, who are being mobilized by LaRouche's Political Action Committee. People can see it quite vividly now: There *is* an alternative to the Obama Administration's brutal pro-Wall Street austerity policies. The computer animation of the program that Lyndon LaRouche and his Basement Team are proposing, and that is becoming increasingly specific, in terms of personnel and material requirements, provides a precise concept of how the reconstruction of the ailing U.S. economy will look: This is the biggest infrastructure project the world has ever seen!

Although Bernanke, at the annual meeting of the world's top bankers in Jackson Hole, Wyo., on Aug. 27, uttered the ominous threat that the Fed still can take "unconventional measures" for more stimulus programs (read: hyperinflationary money-printing), more and more influential circles and patriotic forces understand that the United States has reached the *punctum saliens*.¹ Mortimer B. Zuckerman, publisher of *U.S. News and World Report*, recently described the Obama

1. *Punctum saliens*, a term used by Friedrich Schiller, to indicate the crucial point in a drama, at which everything depends on the leading characters acting as history requires.



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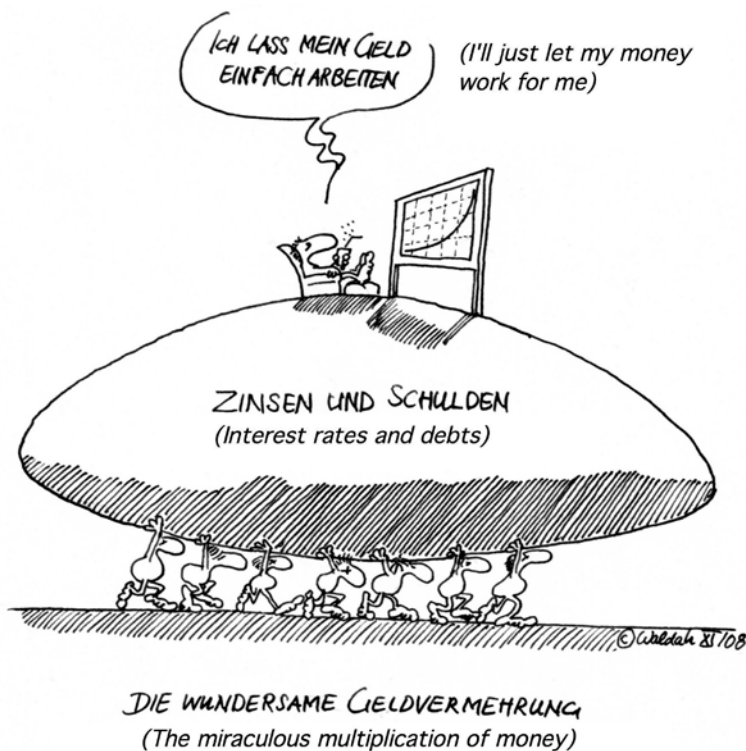
Homeless in Berlin: The draconian budget cuts imposed on Greece are also being extended to all EU member countries, in the vain hope of saving the banks.

Administration in an editorial as "the most fiscally irresponsible government in U.S. history." The view is becoming more prevalent that the continued existence of the United States is incompatible with Obama's remaining in office.

International Mobilization

It is precisely the NAWAPA project's stark contrast to the unprecedented decline of the U.S.A., which accounts for its potential history-making impact. Throughout the country, people are protesting against layoffs of firefighters, police (with simultaneous layoffs from prisons, for lack of money), and forced, unpaid leave, among other public workers. And that is precisely why the NAWAPA project, which would create around 3 million new productive jobs, is so attractive.

And this is true not only in the United States: In India, relevant official bodies have reacted enthusiastically and announced that they would place on the agenda similar projects of hydropower and water management for vast irrigation. In Russia, scientists and political parties responded immediately with the idea of reactivating the Davydov Plan, namely the use of a similar pump and canal aystem to divert the powerful Ob and Irtysh rivers, which drain into the Norwegian



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Sea, into the Aral Sea, which is drying up; this would turn tens of thousands of hectares of desert steppe land into lush gardens. European engineering companies that have cooperated for a long time on international projects, were enthusiastic about similar projects for Africa, Asia, and Latin America, such as the Trans-aqua project, in which water from the Congo River would be diverted, through an integrated river and canal system, to Lake Chad, which has dried up by as much as 10%.

The Alternative Is Collapse

The revolutionary change in the U.S. that the mobilization for NAWAPA is bringing about, may upset all the anglophile or culturally pessimistic prophets of doom, who have already prematurely proclaimed the end of the “American century”—and Europeans have little grounds for *Schadenfreude*, given the impending state bankruptcies of Great Britain, Spain, Greece, Portugal, Ireland, and possibly Italy and some Eastern European countries, and the growing poverty in Germany and France.

How completely wrong the current austerity policy of the EU and the German Finance Ministry is—they want to impose the “debt brake” and draconian budget

cuts on all member countries—is nowhere more clearly seen than in Greece, where 176,000 companies are now facing bankruptcy and an estimated 44% of all companies will close, and in some areas, unemployment has reached 70%. How then, one might ask, are the rescue packages that were financed by German taxpayers to be repaid—the bailouts which anyway did not benefit the Greeks, but only the European speculator banks?

Since Bundesbank President Axel Weber has now aligned himself with the gang of miraculous money-multipliers, we should not be surprised that in Germany, the inflation rate of imports in July rose by at least 9.9%, mainly because of commodity speculation. The speculators, whose toxic waste has been rewarded with all the fine rescue packages, are using the taxpayers’ cash for rampant speculation in oil, gas, metals, and agricultural commodities.

The fact is that the present policy is a gigantic redistribution from the poor to the rich, and that the policy of the Fed, and also, for some time now, of the European Central Bank, amounts to hyperinflation, and therefore, to brutal looting of the population.

In the coming days and weeks, it will become clear just how untenable this hyperinflationary policy is, if, despite all the money pumping, a new crash occurs—whether on the equity markets, the American residential or commercial real estate markets, whether it is a collapse of one of the major banks that are “too big to fail,” or because the Eurozone falls apart—or a combination of all these elements.

Think Big

That is exactly why a global development perspective must immediately be put on the agenda. Given impetus by the NAWAPA project, the development perspective must be extended, through the construction of the Bering Strait tunnel between Alaska and Siberia, which must, in turn, lead to the expansion of the Eurasian Land-Bridge, for which the BüSo² and the Schiller Institute have been organizing since the fall of the Berlin Wall, giving countless conferences in many countries around the world. Meanwhile, many aspects

2. The Civil Rights Solidarity Movement (BüSo) is the political party headed by Zepp-LaRouche in Germany.



EIRNS/James Rea

The Civil Rights Solidarity Movement (BüSo) organizing in Berlin on Aug. 7. The sign reads: “Rebuilding the economy in the post-Obama era.”

of this program have either been completed or are in various stages of implementation, notably by Russia, China, India, South Korea, and some other, mostly Asian, countries.

If we in Germany also want to have a future, then we have to have a real mobilization of citizens for the reconstruction of the world economy. That is the only way we can avoid the growing poverty of an increasing portion of the population, and shift to productive employment. We need investments in the real economy. The development of the Transrapid maglev throughout Germany, as part of the Eurasian Land-Bridge, for example, would cost a fraction of the sum spent on rescue packages for the banks, which were of no benefit whatsoever.

Join us in this mobilization. It’s about Germany and our future. It’s about our human dignity!

Desertec: A Malthusian Mirage in the Sahara

by Claudio Celani

Aug. 27—The Malthusian plan to cover North Africa with solar concentrating plants, windmills, and biomass plants, to produce electricity to be shipped to Europe, gained new momentum at the end of July, when the organizers reached an agreement with the King of Morocco to start the first pilot plant.

The project, called Desertec, is a creation of the Club of Rome, the ultra-malthusian organization that launched the famous “limits to growth” campaign in 1972, predicting that mankind would soon exhaust fossil-fuel resources through continued technological development. The plan is so bizarre that it will probably never be built, but it is being used to lure European and North African nations into abandoning plans for nuclear development and desert greening. In fact, Desertec aims at covering part of the Sahara Desert with solar mirrors, and building thousands of kilometers of high-capacity electroducts to ship 100 GW to Europe, an odd enterprise in itself.

Desertec is so insane that it has drawn critics even from environmentalist and solar industry circles. The website EurActiv.de says that “the initiative looks like the world-domination strategy of a James Bond villain.” Hermann Scheer, chairman of Eurosolar, appropriately calls it a “mirage” and warns against the costs and the difficulties in managing the international power grid.

Nevertheless, a group of German firms and financial institutions came together under the initiative of the insurance giant Munich Re, and founded the Trans-Mediterranean Renewable Energy Corp. (TREC), to build Desertec. Siemens, RWE, E.ON, Deutsche Bank, HSH Nordbank, MAN Solar, Schott Solar, are among the founders, as well as the Algerian firm Cevital, and the Spanish Albengoa Solar. And to avoid antagonizing France, whose nuclear industry has plans for Africa, French firms were involved as well.

Another industrial consortium has emerged in the meantime, of French inspiration, which will build infrastructure to transport the electricity from Africa to Europe. That project, proposed by the Transgreen com-