
Economics in Brief

Euro Crisis

‘Spain Is Dead’: Rajoy Imposes EU-IMF Cuts

April 5—A Madrid-based investigative journalist told *EIR* today that the economic package announced by Prime Minister Mariano Rajoy earlier this week, means that “Spain is dead. That is what even all the mainstream press are saying here, so that means that things are really turning nasty.”

Rajoy’s package imposed a stunning EU27.3 billion in cuts, with the public investment budget hardest hit (36% reduction). In a country that already has 23% official unemployment, benefits for the unemployed will be cut by 5.5%, at the same time that total unemployment is officially expected to increase by 630,000 this year, bringing the unemployment rate to 26%. All of this is being imposed in the context of skyrocketing interest payments, while the tax base is contracting rapidly. Most of the EU27.3 billion in cuts in services already went to free up funds to pay interest on past monies owed.

Railways

Yakunin Again Calls for Bering Strait Tunnel

April 7—In a discussion with journalists following a conference on “Management of the Future—2012,” Russian Railways President Vladimir Yakunin stated: “I am convinced that Russia needs to bring railway transport to sections of the Far East and Kamchatka, and I believe that a decision on building [the tunnel under the Bering Strait] should be taken within the next three to five years. I mean, this is essentially what needs to be done.” He emphasized the objective mutual interest in the project on the part of not only the U.S.A. and Russia, but also China.

Yakunin added that, in 2010, he was approached by American businessmen, who proposed to do research on building this transport link. “So this is not dream-

ing. Generally speaking, this is already at the design stage,” he said. “As for the actual implementation, I think this should take 10-15 years.”

Infrastructure

Port Sudan-Dakar Railway Steams Ahead

April 8—A source attending a conference in Khartoum, Sudan, arranged by the Islamic Development Bank (IDB), reported to *EIR* that the Port Sudan-Dakar transcontinental African railway project was one of the main subjects of the conference. The 4,000-km railway, from East to West Africa, is part of the African Land-Bridge envisioned by Lyndon LaRouche and associates and supported by the African Union and China. It will go through Darfur to Chad, as the Sudan and Chad governments have decided to stop the British-American manipulation of the conflict there in order to work for peace through joint economic development.

Water

Transaqua Author Blasts ‘Water Security’ Report

April 7—Italian engineer Marcello Vichi, author of the Congo water transfer program, “Transaqua,” blasted the “Global Water Security” report newly released by the U.S. Office of the Director of National Intelligence (see *EIR*, April 6, 2012). Vichi challenged the report’s veracity, when it claimed that on the African continent, only the Nile River is a resource, while “ignoring that on the same continent there exists a river named Congo.”

Today 1.6 billion people are in need of water, according to the UN Food and Agriculture Organization (FAO), which “tells us that 10,000 persons a day die from drought,” Vichi noted. “International media indifferently, with no criticism

whatever, pick up the U.S. intelligence Water Report to claim that there is no solution to this tragedy,” he added.

The solution is at hand, but it is not wanted by the interests dominating the current economic and political global system, he said.

The Transaqua project, developed by Vichi in the 1970s on behalf of Bonifica, a company belonging to the Italian state conglomerate IRI, was endorsed by all Central African leaders, but not one Western agency or government ever showed serious interest.

U.S. Employment

What Bernanke Knew: Employment Remains Bleak

April 6—In a speech March 25, Federal Reserve Chairman Ben Bernanke undermined President Obama’s boasting about “private-sector jobs growth.” Bernanke said, “Despite the recent improvement, the job market remains far from normal. The number of people working and total hours worked are still significantly below pre-crisis peaks.”

The March non-farm payrolls report of the Bureau of Labor Statistics (BLS) announced a sharp drop in creation of employment in the U.S. economy.

The “headline figures” (as opposed to the real figures) are 120,000 jobs created in March (90,000 from the “virtual” business startups assumed by BLS computers) and an 8.2% official unemployment rate; with a jump in teenage unemployment by almost 1.5%, to 25%; and the broader measure of unemployed, discouraged, and forced part-timers at 24 million Americans.

The BLS said that another 333,000 people abandoned the labor force in March, which shrank by 164,000 net; and the number of eligible-to-work Americans outside the labor force hit another record of just under 88 million. Labor force participation and employment/population ratio both reportedly fell by 0.1%. The average workweek fell by 0.2 hours, and average weekly wages dropped.