

London Burns: Riots Spread Through UK Capital City

BY DAVID STRINGER
AND RAPHAEL G. SATTER

Associated Press

LONDON — Violence and looting spread to new areas of London on Monday — and to a second major city — as shops and cars were set ablaze and authorities struggled to contain the spiraling disorder on a third night of rioting in Britain's capital, which will host next summer's Olympic Games.

The worst unrest in London in decades saw buildings, vehicles and garbage dumps set alight, stores burglarized and police officers pelted with bottles and fireworks, as groups of young people rampaged through neighborhoods across the capital.

Fire crews battled to control a raging blaze that swept through a 100-year-old family run furniture store in Croydon, in south London, and forced nearby homes to be evacuated.

In the nation's central city of Birmingham, dozens of people attacked shops in a main retail district — spreading the chaos beyond London for the first time since violence broke out on Saturday night.

As authorities struggled to keep pace with the unrest, Prime Minister David Cameron cut short his summer vacation in Italy and will convene a meeting of the government's crisis committee on Tuesday to toughen the response to the escalating violence.

It began late Saturday in London's northern Tottenham district when a peaceful protest over the police's shooting of a suspect turned violent, leaving parts of the high street charred and its shops looted. But some have blamed the unrest on unemployment, insensitive policing and frustration across Britain over the government's austerity budget, which will bring deep cuts to social services and welfare payments.

"There is significant disorder breaking out in a number of our communities across London," Tim Godwin, the acting London police commissioner said Monday, acknowledging that the 1,400 officers police deployed across London were struggling to halt the unrest.

Some residents called for police to deploy water canons to disperse rioters, or call on the military for support.

Witnesses in several neighborhoods said police were slow to respond as violence broke out in communities in the east and south of London previously untouched by the chaos, leaving young thugs free to set fires and steal from high street stores.

The small groups of youths — most with their heads and faces covered — used SMS messages, instant messaging on BlackBerry cell phones and social media such as Twitter to coordinate their attacks and outwit the police.

Once the preserve of businesspeople, BlackBerry handsets are popular with teenagers, thanks to their free, fast instant messaging system. Blackberry's manufacturer, Research In Motion, said in a state-

ment that they were assisting authorities in their investigation and "feel for those impacted by the riots in London."

Police were also monitoring Twitter, and warned that those who posted messages inciting the violence could face arrest.

In the Peckham district of south London, where a building was set ablaze along with a bus — which was not carrying passengers — onlookers said the scene resembled a conflict zone. Cars were torched in nearby Lewisham, and shops looted in south London's Clapham district.

"There's been tension for a long time. The kids aren't happy. They hate the police," said Matthew Yeoland, a 43-year-old teacher watching the unrest in Peckham. "It's like a war zone and the police weren't doing anything. There were too many people and not enough police."

In the Hackney area of east London, hundreds of youths attacked shops and set fire to cars. Hussain Sayem, a 25-year-old retail worker, said he had sympathy for

London's stretched police. "How can the police handle it?" he said.

Violence broke out late Saturday in London's northern Tottenham district when peaceful protest over the fatal police shooting of Mark Duggan, a 29-year-old father of four, who was gunned down in disputed circumstances Thursday, turned violent.

Two police cars and a double-decker bus were set alight, stores were looted and several buildings along Tottenham's main street — five miles (eight kilometers) from the site of the 2012 Olympics — were reduced to smoldering shells.

Duggan's death stirred old animosities despite efforts by London police to build better relations with the city's ethnic communities after high profile cases of racism in recent decades.

Police say Duggan was shot dead when police from Operation Trident — the unit that investigates gun crime in the black community — stopped a cab he was riding in.

Dow

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be a triple-A country."

Across the Atlantic, policy-makers struggled to contain a debt crisis of their own. The threat of default has spread from relatively small countries like Greece and Portugal to bigger ones — Italy and Spain.

If those countries failed to meet their debt payments, Italian and Spanish banks would absorb losses on their holdings of their countries' government bonds.

Then the pain could spread outward — to foreign banks that made loans to Spanish or Italian banks and beyond.

The European Central Bank stepped in Monday, buying billions of euros' worth of Italian and Spanish bonds to drive down dangerously high interest rates.

But the move does nothing to address the underlying problem: huge Italian and Spanish debts that could require a bailout and strain the resources of the European Union.

S&P added to the anxieties Friday night by downgrading long-term U.S. government debt — Treasury securities with maturities of more than a year — by one notch, from AAA to AA+.

Then on Monday, it downgraded the credit ratings of Fannie Mae, Freddie Mac and other government agencies that rely on the creditworthiness of the federal government.

In withdrawing the top credit rating, S&P blamed political paralysis in Washington. Republicans and Democrats agree on the need to reduce massive annual budget deficits that have left the United States holding \$14.3 trillion in debt. But they can't agree how to do it. Republicans refuse to raise tax revenues, and De-

mocrats resist cuts to social programs such as Medicare and Social Security.

But in their first opportunity to buy long-term Treasuries after S&P declared them riskier, investors paid a premium for them. The yield on 10-year Treasury bonds fell to 2.34 percent Monday from 2.56 percent Friday as investors bid prices up.

"What you're seeing amply demonstrated today is that, should there be any question about the stability of the global economic backdrop, the U.S. dollar rises in value, and Treasuries are still the pre-eminent flight-to-quality security in the world markets," said Robert Tipp, chief investment strategist with Prudential Fixed Income.

The drop in Treasury yields signals that investors are more worried about slowing growth than they are about the credit risk posed by the U.S. government. Investors showed Monday

that nothing has shaken their confidence that the U.S. will pay its creditors.

Many investors flee to Treasuries when there are signs economic growth is deteriorating. Steven Major, a strategist at HSBC Bank, said 10-year yields could drop as low as 2 percent if the U.S. stumbles back into recession. It fell as low as 2.06 percent during the financial crisis in 2008.

S&P's decision does pose one risk, said Jan Hatzius, Goldman Sachs' chief economist: It could force the U.S. government to cut spending and reduce its budget deficit faster than it would otherwise.

Hatzius is already forecasting that cuts in government spending could reduce U.S. growth by 1 percentage point in 2012. Overall, the U.S. economy is likely to grow a meager 2 percent to 2.5 percent through next year, Hatzius said in a conference call

Monday.

But the pressure on policy-makers to reduce government deficits could lead to additional steps that will slow growth. For example, the White House and Congress could allow a cut in Social Security taxes to expire at the end of this year, as scheduled. That could subtract another one-half percentage point from the economy's growth rate, Hatzius said, and raise the risk of a recession.

Government spending cuts, especially at the state and local level, are already a drag on economic growth. From April through June, public cuts lowered economic growth, which was running at a weak 1.3 percent annual rate, by 0.23 percentage points.

Since the federal government seems unlikely to do much to stimulate the economy, attention is turning again to the Federal Reserve, which meets Tuesday.

City

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the Menards development.

The agreement was approved in a 7-0 vote. Commissioners Paul Lowrie and Brad Woerner were absent from the meeting.

In other business Monday, the commission:

- heard a presentation from Historic Downtown Yankton about the efforts of the organization. It more than doubled the number of business memberships by lowering the fee for joining, according to director Hanna Sitting Crow;
- approved a Fox Run subdivision drainage easement related to a Lewis and Clark Specialty Hospital addition; and
- held an executive session for contractual matters, as well as to consult with legal counsel about labor negotiations.

YAPG

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"One thing that has impressed me, for Yankton to have a population base of 15,000, it's really a large city attitude and offerings," he said. "That's one thing that will help attract businesses."

The theme of a city-college partnership resonated with YAPG members, including Mike Dellinger, Yankton's economic development director.

Dellinger and Benoit have held conversations about promoting entrepreneurship. They are also discussing the importance of creating an educated workforce for recruiting new businesses and meeting local needs.

"We don't have a high unemployment rate, but we do have a need for a good education base that can provide a workforce with lifelong learning," Dellinger said. "We do it in creative ways that we haven't done before."

Yankton was represented on the Governor's Office of Economic Development (GOED) trip to the biotechnology conference in Washington, D.C., Dellinger said. The conference will help Yankton develop medical-related and similar businesses, he said.

In turn, Yankton can attract firms with its workforce and business-friendly environment, Dellinger said. That's particularly important with the GOED recruiting firms from states such as Illinois and California which are suffering from budget problems, he said.

Yankton has built a track record with its workforce devel-

opment and entrepreneurship, said YAPG chairman Rob Stephenson. He pointed to efforts through Mount Marty and with the Regional Technical Education Center (RTEC) and Black Hills State University (BHSU).

Yankton's rapid job growth in the manufacturing sector has shown the need for a ready-made trained workforce, Stephenson said. The YAPG had set a goal of 300 new jobs for its YES! Campaign, now in the fourth year of the five-year effort, he said.

L&M Radiator and Dakota Trailer have recently created jobs, which has helped recover many of the local manufacturing losses during the recession, Stephenson said.

L&M doubled its plant size to 82,000 square feet, while Dakota Trailer recently hosted Gov. Dennis Daugaard at the ribbon cutting for its expanded facility, he added.

"We have a lot of manufacturers who are building back up," he said. "There are a lot of new hires, a lot of ads in the paper. They need to keep up with their (hiring) projections. We hope to have an announcement of more good things over the next 30 days."

To help meet those local de-

mands, Mount Marty is embarking on an aggressive academic and building campaign, Benoit said.

MMC is completing its Marian Auditorium renovation this summer, which will offer a place for hosting conferences and cultural events, he said. This fall, the college is kicking off renovation of its old library into a science and nursing complex.

MMC will offer forensic science courses in the new science center, Benoit said. The field has gained a great deal of popularity because of the "CSI" television series, and the MMC program will provide a realistic preparation for a career, he added.

The college is also developing its information systems, graphic arts and data warehousing programs, he said.

Also this fall, the school will become one of the few undergraduate programs in the nation offering a leadership minor based on the IBM program, Benoit said.

"The students get more experience, and they are around people who have been there and done those things in the real world," he said. "It's how we recruit and retain future leaders."

Other programs on the hori-

zons include masters studies in teacher education, a minor in entrepreneurship and more specialized studies in health

administration, ag banking and finance, and sports management. MMC is also resuming its Masters in Business Administration (MBA) program in 2012 or 2013, Benoit said.

"We will create a program that will serve a defined population of individuals (with programs tailored to their needs), not just a generic business program," he said.

Yankton and Mount Marty are already partnering in a number of ways, Benoit said. Local businesses are using student interns, the archery complex is drawing students to Mount Marty from across the nation, and the college is attracting students looking for a safe environment and enjoying Yankton's quality of life.

This fall's enrollment is hitting its targets, enjoying a spike in Yankton High School graduates choosing to remain in the com-

munity for their college education, Benoit said.

"We had 15 (YHS students) enrolled as of Friday, and we have two more that we're working with," he said. "Many of them are coming here to play intercollegiate athletics while they get their degree."

Benoit would like to increase next year's incoming class by about 10 percent, or 12 to 14 students.

MMC will remain committed

to the liberal arts and Benedictine values, producing students who are good role models in the community, Benoit said.

In the process, Mount Marty and Yankton can continue working together on local growth, he said.

"We want to form an economic development partnership," he said. "We have a lot to offer local businesses, and we will take a hard look at what they need for their workforce."

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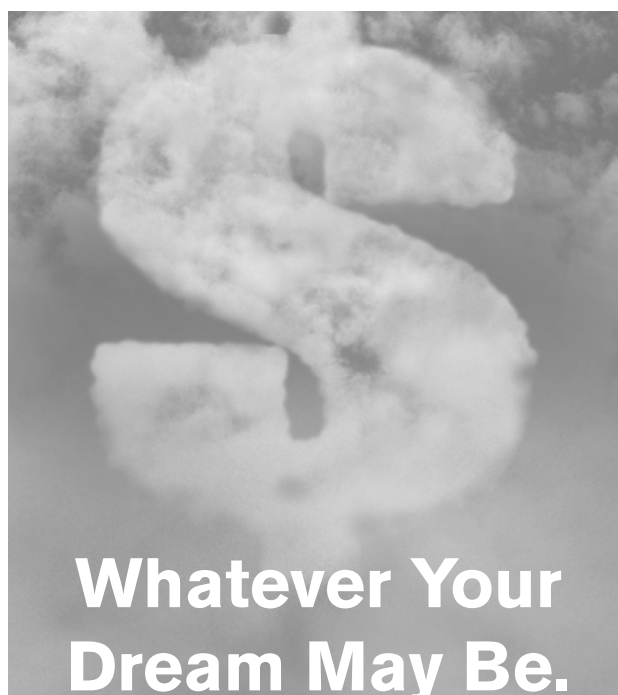
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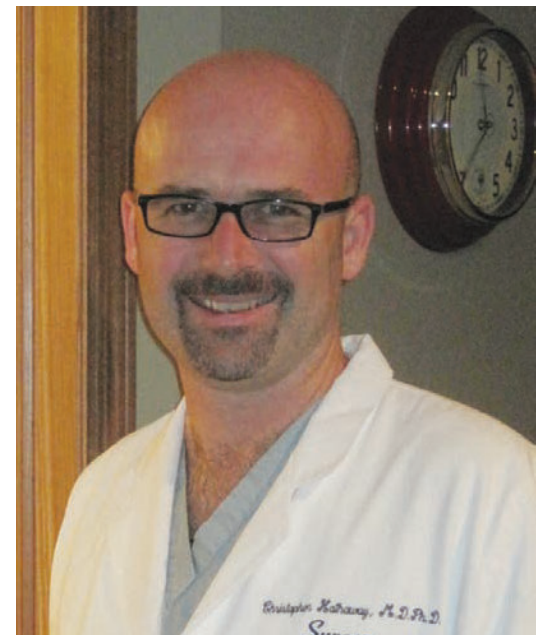
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