

# IMF warns of economic riots, police ready for civil unrest

Paulson discussed worst-case scenario at bailout meeting – declare martial law

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Pentagon resources and U.S. troops may be used if needed to quell protests and bank runs during an economic crisis, the U.S. Army War College's Strategic Institute reported.

"Widespread civil violence inside the United States would force the defense establishment to reorient priorities in extremis to defend basic domestic order and human security," the War College study states.

Incidents of economic collapse, terrorism and disruption of legal order could require deployment of forces within the U.S., it said.

A "strategic shock" could require the nation to use "military force against hostile groups inside the United States."

International Monetary Fund Managing Director Dominique Strauss-Kahn has warned that advanced nations could face civil unrest during distressful economic times

"[S]ocial unrest may happen in many countries – including advanced economies" if the economic crises are not properly dealt with, Strauss-Kahn said.

"He added that violent protests could break out in countries worldwide if the financial system was not restructured to benefit everyone rather than a small elite," London's Guardian reported.

In a recession where consumer spending is plummeting, foreclosures are rampant, workers are losing jobs, credit is tight and markets are strained, some are warning about a worst-case scenario.

Last month, trends forecaster Gerald Celente told Fox News that America will morph into the first "undeveloped" nation of the world by 2012. He said there will be a tax revolution marked by "food riots, squatter rebellion, tax revolts and job marches." He also said by 2012, the holidays will be more about getting food rather than gifts.

According to the Phoenix Business Journal, U.S. Sen. James Inhofe, R-Okla., and U.S. Rep. Brad Sherman, D-Calif., said Treasury Secretary Henry Paulson considered the prospect of civil unrest while he pushed for September's Wall Street bailout – even suggesting martial law might be essential.

Arizona Gov. Janet Napolitano, Barack Obama's pick for secretary of Homeland Security, would not provide comment to the Business Journal on the possibility of civil unrest during economic crisis. But state and local police indicated that they have trained for such an event.

"The Phoenix Police Department is not expecting any civil unrest at this time, but we always train to prepare for any civil unrest issue. We have a Tactical Response Unit that trains continually and has deployed on many occasions for any potential civil unrest issue," Phoenix Police spokesman Andy Hill said.

"We have well established plans in place for such civil unrest," Scottsdale Police spokesman Mark Clark told the Business Journal.

Maricopa County Sheriff Deputy Chief Dave Trombi concurred: "We're prepared."

Nick Dranias, director of constitutional government at the libertarian Goldwater Institute, told the Phoenix Business Journal declaration of martial law would allow U.S. armed forces to control civilian authorities.

While he said the Posse Comitatus Act limits the military's role in domestic law enforcement, he referenced a 1994 U.S. Defense Department Directive (DODD 3025) that gives military commanders authority during domestic emergencies to "save lives, prevent suffering or mitigate great property damage," according to the report.

"I don't think it's likely," he said. "But it's not impossible."