

# California Water and Infrastructure Report

Formerly, the “California Drought (and Flood) Update”



**For February 1, 2018**

**by Patrick Ruckert**

**Published weekly since July, 2014**

**An archive of all these weekly reports can be found at both links below:**

<http://www.californiadroughtupdate.org>

<https://www.facebook.com/CaliforniaDroughtUpdate>

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*“I could go on for hours about ... how things are so different now.... I have a call ... directly with the White House about this project.... It’s astounding, absolutely astounding, to have that kind of relationship with the White House on this project. And then with the market, the producers—the stars are absolutely aligned on this,”*

*Alaska Governor Bill Walker, discussing the \$43 billion investment China is making in Alaska*

## **A Note To Readers**

President Trump's State of The Union Address two days ago did not specify how, as he promoted last February and March, he would return the country to the “American System of Economics,” of, as he said then, Alexander Hamilton, Henry Clay and Abraham Lincoln. Thus the section of his speech on rebuilding America's infrastructure was pretty empty.

And, as you can read in the last section of this report below, there is much wailing and flailing both before his speech and after on that topic. That section also includes an item on what we used to do as a nation and warnings about the Achilles Heel of the President-- the financial speculative bubble that will pop, and some more reports on our broken-down infrastructure. It concludes with the report from Alaska and West Virginia on the tens of billions China is investing in those two states.

The rest of the report this week focuses on the following:

First, I think some people are becoming hysterical as the rain and snow do not come and the Sun shines

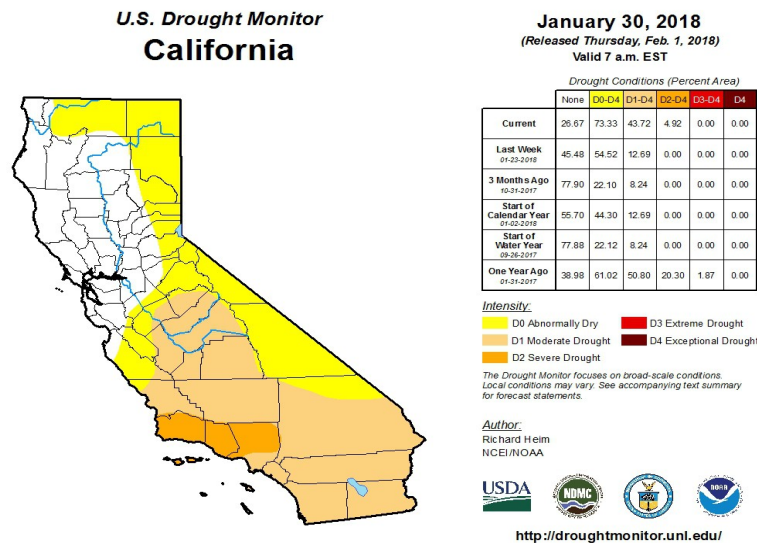
every day. “Drought, drought, drought, oh thou is returning,” may be an appropriate characterization of dozens of articles this week. So, I include a good selection of them below. And as the U.S. Drought Monitor chart shows, drought has returned.

Second, there is a plethora of news about the Oroville Dam. That is led by the announcement that the cost of repair leaped upward by one-third to \$870 million.

Finally, there is some action by the state on funding some desalination work. Not much, and no where what is necessary, but, hey, in California even that is worth noting.

## The U.S. Drought Monitor

Yes, drought is returning and we now have almost 5 percent of the state in “severe drought,” and 44 percent of the state in now in “moderate drought.” Just last week those figures were zero and 12 percent, respectfully.



## The Reservoirs Are Full, But....

### *Dry winter means less water for many California districts*

January 29, 2018

<http://www.registercitizen.com/news/article/Dry-winter-means-less-water-for-many-California-12534668.php>

*SACRAMENTO, Calif. (AP) — California is planning on doling out smaller amounts of water to cities and farms after a dry start to the winter.*

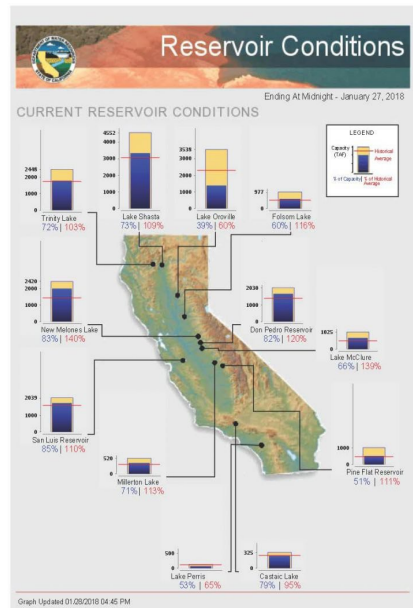
*The Department of Water Resources said Monday it currently expects to provide customers of the State Water Project with just 20 percent of their requested amounts.*

*California has had a disappointing winter, with just a quarter of the normal snowpack in the Sierra Nevada by earlier this month.*

*The State Water Project provides drinking water to more than half of California's nearly 40 million*

people, as well as to farms. Allocations from the water system have dropped as low as 5 percent in 2014, at the peak of California's 5-year drought.

## Reservoir Conditions



## What Snowpack?

### *Drought deja vu: California snowpack at 30 percent of normal*

By [Kurtis Alexander](#)

January 29, 2018

<https://www.sfgate.com/news/article/Drought-deja-vu-California-snowpack-at-30-12534662.php>

Mile-high mountainsides were low on snow Monday and alpine skies remained a stubborn summer blue. The forecast called for above-average temperatures and virtually no precipitation through at least the first 10 days of February — the third and final month of the state's peak wet season.

When state water officials march into the high country Thursday to take their monthly measurements of snow, they're going to find a deficit nearly as acute as what they found during the depths of the recent drought. At the start of the week, statewide snowpack averaged just 30 percent of normal for the date, not far from the 25 percent logged at the same time in 2015, a record-low year.

The seasonal snowmelt in the Sierra, which accounts for about a third of California's water supply, was projected earlier this month to come in short — 71 percent of average in the San Joaquin River watershed and 89 percent in the Sacramento River watershed. Those estimates are expected to slip further with this week's snow measurements.

"Right now we have a snowpack that is very close to the all-time record low for this time of year," said Daniel Swain, a climate scientist at UCLA who closely tracks California's water supplies.

## ***Rain's Below Average and Snowpack Is Meager; But Don't Worry — Things Are Going to Get Worse***

By [Dan Brekke](#) January 29, 2018

<https://ww2.kqed.org/news/2018/01/29/california-mountain-snowpack-sierra-nevada-2018/>

*There's more: DWR data show the snowpack in all three California regions scraping along near the record-low figures recorded at the deepest point of the five-year drought:*



*The 2017-18 snowpack, depicted by the heavy blue lines in the graphs above, is close to the record low recorded in 2014-2015. (California Department of Water Resources)*

*As avid weather watchers know, long-range forecast models have been suggesting for a while that we'd be in for a prolonged period of high pressure — and dry weather — after the recent storms moved through. The question is how long the dry spell will last.*

*So, in a nutshell: A poor snowfall season to date. Much of the snow that has fallen could vanish as warm, dry weather sets in, even over the mountains. And our next hope for what we used to think of as winter weather appears to be weeks away.*

## ***Specter of drought looms as California's weather turns dry again***

By Dale Kasler And Ryan Sabalow

January 29, 2018 01:23 PM

<https://www.sacbee.com/news/weather/article197260689.html>

*The storms have passed and California's dry winter has returned, raising the specter that the state could be entering another drought less than a year after the last one officially ended.*

*After a brief spell of rain and snow improved California's water conditions last week, the National Weather Service said Monday it's forecasting at least two weeks of dry weather.*

*Experts such as Mount caution the state needs multiple wet winters to erase the water deficit left by the last drought.*

*For instance, the state's groundwater, a key source of California's supply, still remains woefully overdrafted in some areas, [particularly in San Joaquin Valley farm country](#) where farmers pumped record amounts to make up for lost surface water during the drought.*

*Groundwater makes up about 60 percent of all fresh water consumed in California during drought years, and about 40 percent in average years. The state is still in the process of rolling out a new groundwater law that [attempts to set limits in overdrafted areas for the first time](#).*

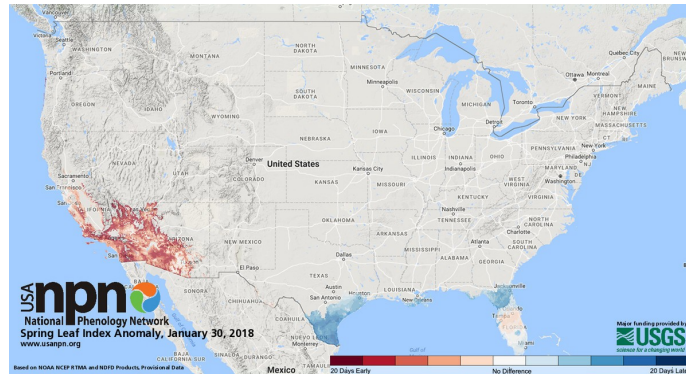


## *The calendar says it's winter. But it's actually more like spring*

*High temperatures are breaking records, and flowers are blooming early*

By [Elijah Chiland](#) Jan 30, 2018, 2:57pm PST

<https://la.curbed.com/2018/1/30/16950598/spring-los-angeles-weather-heat>



Spring weather is arriving ahead of schedule across the Southwest. [USA National Phenology Network](#)

## *Persistent dryness 'worrisome' for Southern California as drought, water supply shortage issues loom*

By [Faith Eherts](#), *AccuWeather meteorologist*

January 29, 2018

<https://www.accuweather.com/en/weather-news/persistent-dryness-worrisome-for-southern-california-as-drought-water-supply-shortage-issues-loom/70003990>

Unlike the winter of 2016-2017, this season is turning out quite dry for Southern California and the majority of the southwestern United States.



“There are growing worries for [the] water supply picture, especially in California, but even over more of the Southwest,” warned AccuWeather Meteorologist Jim Andrews.

“You can trace this multi-year drought back to 2011,” Andrews said.

Despite plenty of rain and snowfall last winter, which ended the state's five-year drought, it wasn't

enough to keep drought conditions from quickly coming back.

Over 54 percent of California is experiencing abnormally dry conditions, while just over 12 percent of the state is under moderate drought conditions, according to the [United States Drought Monitor](#).

## **Rockies drought another problem for SoCal water supply**

<https://www.theweathernetwork.com/us/news/articles/colorado-river-california-water-supply-climate-change-drought-global-warming-sierra-nevada-cascades-snow-melt-utah-new-mexico-arizona-san-joaquin-sacramento/94654>

**Dr. Mario Picazo**  
**Meteorologist, PhD**

Tuesday, January 30, 2018, 13:33 - The Colorado River is essential for life in the southwest U.S. and northwest Mexico. It provides water for over 35 million people and over 5 million acres of farmland. Close to 18 million of those residents live in the greater Los Angeles area, the second most populated city in the country.

**Below: Map of Colorado River basin**



The sixth longest river in the U.S. is 1,450 miles long and drops about 10,000 feet from the Rocky Mountains into the Gulf of California while traversing a total of seven states. It has been tapped by humans for almost 1500 years, and today more water is exported from its basin than from any other river in the US.

Water from the Colorado River goes a long way, as it travels over the Continental Divide into Denver and other Front Range cities. It also gets diverted into to Utah's Salt Lake Valley and to the Rio Grande basin. Cities like Albuquerque in New Mexico or Cheyenne in Wyoming drink it's water, but so

do other major urban areas far from the Rockies like [Los Angeles](#) and [San Diego](#) in Southern California.

Since 2000, the basin has been experiencing an intense and extended drought that has impacted regional water supplies, hydropower, recreation and ecologic services. Sixteen of those 19 years have been characterized by the lowest period of inflow in over 100 years, with the river lately running at half capacity.

Since the drought began in 2000, Lake Mead has seen water levels decline close 140 feet.

### **How could drought in the Rockies affect water supplies in Southern California?**

The water Southern Californians use to drink, shower or water their gardens, comes from a variety of sources, but about 90% of it is imported.

The main sources include the Colorado River Basin and the San Joaquin-Sacramento River Delta. Water from the two sources travels hundreds of miles through canals and pipelines making the entire network, the largest aqueduct in the world.

### **Los Angeles hopes for 'miracle' to avoid drought**

Published: Wednesday, January 31, 2018

<https://www.eenews.net/climatewire/stories/1060072427/feed>

The region's in the middle of a heat wave, with Lake Forest's 93-degree weather making it the hottest place in the country on Monday. More records could fall later this week, and there are no rain clouds on the horizon.

"We're about halfway through the rain season, so we've only got February and March, and they better be a miracle," said climatologist Bill Patzert. "If they're not, we just backflipped into the drought again" (Rong-Gong Lin II, [Los Angeles Times](#), Jan. 30).

### **Winter heat wave bakes the Southwest, bringing renewed worries of severe drought**

[Ian James](#), The Desert Sun Published

Jan. 30, 2018

<https://www.desertsun.com/story/news/environment/2018/01/30/winter-heat-wave-bakes-southwest-bringing-renewed-worries-severe-drought/1076059001/>

A winter heat wave has settled over the Southwest and is bringing record-high temperatures to parts of Southern California, along with dry, gusty winds that have prompted warnings of fire danger.

For Cantú, who has managed water agencies for more than two decades, the extraordinary winter heat is also a stark reminder of how the warming climate is compounding the strains on water supplies in the West.

"For January, that's ridiculously warm, and that's not the first time we've hit 80 here this month," Cantú said. "It makes you feel nervous. It's not right. It's too early."

"We'll have a couple of wet years, like we did in 2010 and 2011, like we did in 2016 and 2017," Famiglietti said. "But in between we have these very powerful droughts that lead to a lot of groundwater depletion, and unfortunately the outflows of groundwater are much greater than the inflows. And so, we're continuing to see this progressive depletion."

# Oroville Dam Update

## ***Now \$870 million, price of Oroville Dam crisis jumps by a third***

*By Dale Kasler And Ryan Sabalow*

*January 26, 2018 02:03 PM*

<http://www.sacbee.com/news/local/article196930769.html>

*Oroville Dam's battered flood-control spillways have been largely rebuilt, but the cost of last February's near-disaster keeps rising. On Friday, state officials put the total price tag at \$870 million.*

*The latest figure from the California Department of Water Resources represents a 32 percent increase from DWR's estimate in October, when the cost was pegged at approximately \$660 million.*

*State officials insist the climbing pricetag is not from unexpected cost overruns. Instead, DWR spokeswoman Erin Mellon said the agency has finally been able to estimate the cost of recovery work that includes removal of debris from the Feather River channel below the dam; relocation of power transmission lines; staff time and other work that's been undertaken since last winter's crisis. Those costs came to \$210 million.*

*Of the total \$870 million cost, the largest expense is the reconstruction of the dam's two badly-damaged flood-control spillways. Mellon said the reconstruction work, which is proceeding in two phases and is expected to be completed this fall, is [expected to cost \\$500 million](#). That estimate hasn't changed since last October.*

*In the initial days of the crisis, before 188,000 residents had to be evacuated, DWR officials said it might cost \$200 million to fix Oroville. The price has more than quadrupled since then.*

*State officials expect the Federal Emergency Management Agency to reimburse California for up to 75 percent of the crisis' costs, with the rest to be covered by the Metropolitan Water District of Southern California and other water agencies that store water behind the nation's tallest dam. That would put federal taxpayers on the hook for \$652 million.*

*So far FEMA has agreed to pay 75 percent of the first \$115.9 million in costs submitted by the state, totaling \$86.9 million, according to Mellon.*

***However, state officials have said FEMA reimbursements could decline if the federal agency determines that the emergency was [caused by improper maintenance](#). "Is there a maintenance issue here? Because they're not going to cover that," then-DWR director Bill Croyle, who has since retired, told a legislative committee last spring.***

***An independent forensic team concluded earlier this month that the dam's main flood-control spillway failed in part because of poor maintenance. (emphasis added-PR)***

## ***OROVILLE DAM SPILLWAYS: Construction update for January 26<sup>th</sup>***

[http://www.water.ca.gov/news/newsreleases/2018/012618oroville\\_cost-construction\\_update.pdf](http://www.water.ca.gov/news/newsreleases/2018/012618oroville_cost-construction_update.pdf)

*Department of Water Resources (DWR)*

*January 26, 2018*



## ***Emergency response and recovery effort costs total \$870 million***

*From the Department of Water Resources:*

*Today the Department of Water Resources (DWR) provided an update on costs and construction activities for the Lake Oroville Spillways Emergency Recovery Project.*

### ***Cost Update***

*DWR is submitting to the Federal Emergency Management Agency (FEMA) estimated emergency response and recovery effort costs totaling \$870 million, which covers completion of the project through January 2019. FEMA reimburses up to 75 percent of the requested costs for a federal emergency. To date, the Agency has approved reimbursement of \$86.9 million of the \$115.9 million submitted by DWR.*

### ***Construction Update on the Main Spillway***

*Phase Two of construction on the main spillway is expected to start in May, but exact timing depends on weather.*

### ***Construction at the Emergency Spillway***



*Workers place leveling concrete into surface depressions before the placement of the roller-compacted concrete splashpad between the Lake Oroville emergency spillway and the underground secant pile, or cut-off wall, in Butte County, California.  
Photo taken January 23, 2018 by DWR.*

## ***DWR says there was redundant power for spillway gates***

*By [Risa Johnson](#), Chico Enterprise-Record*

*Posted: 01/25/18*

*<http://www.chicoer.com/general-news/20180125/dwr-says-there-was-redundant-power-for-spillway-gates>*

*Oroville >> The state Department of Water Resources now says there were “many redundant systems” to ensure the Oroville Dam spillway radial gates had power during February’s crisis.*

*This comes after environmental groups voiced concern in [an article published in this newspaper Wednesday](#) about, seemingly, a lack of backup generators that would allow the department to control the gates even if crucial power lines went down. Radial gates at the top of the spillway allow for water releases.*

*Erin Mellon, a department spokeswoman, responded via email on Thursday to a request for comment for the original story two days prior.*

*She said there was personnel on site at all hours during the spillway emergency to evaluate and monitor main and backup power sources needed to control the gates.*

*“The Oroville Complex has redundant power sources including backup generators to ensure operation and control of critical equipment at the facility including the spillway gates,” Mellon wrote. “Those redundant systems existed before the emergency. Additional generators were brought in during the emergency to provide a back up to the existing emergency generators.”*

## ***State now facing cascade of litigation over Oroville Dam***

*By Dale Kasler*

*January 31, 2018NewParadigm*

<http://www.sacbee.com/news/state/california/water-and-drought/article197739424.html>

*More than 40 farmers and business owners in the Oroville area sued the state Wednesday over the effects of the Oroville Dam crisis, seeking hundreds of millions of dollars in damages.*

*The giant lawsuit against the California Department of Water Resources was filed by the same law firms representing [the city of Oroville](#) in a suit it filed in early January against DWR. It accuses DWR of harboring a “culture of corruption and harassment” that compromised dam safety and led to last February’s near-catastrophe.*

*The cascade of litigation was expected. The plaintiffs had filed monetary claims with the state Department of General Services, which is a necessary precursor to suing the state. DGS refused to pay any of the claims, essentially telling the plaintiffs to go to court.*

*According to the lawsuit, DWR workers engaged in shoddy maintenance practices, which was covered up by supervisors. African-American employees were subjected to racist taunts by co-workers, which further weakened the workplace environment and hurt dam safety, the suit says.*

## **A New Enron? No Thanks**

And here we have the ultimate folly being proposed: Privatize Oroville Dam. Using the excuse of the failure of the Department of Water Resources to do proper planning and maintenance, the parasites leap in, as Enron did two decades ago, and promise that those whose only interest is private profit, are the ones who should own the assets paid for by the tax payers and rate payers. Well, I have a suggestion, if someone is chomping at the bit to own Oroville Dam, let them have it with a cash payment for what it is worth-- at least \$20 billion, maybe more. And let them be indemnified for maybe a few 10s of billions more, in case something goes wrong. That should also be a cash deposit. And of course, there shall be a few rules they must adhere to, like the state setting a cap on what they can charge for water, which will be no more than the lowest rate charged by public agencies. You can read the authors' stupid argument by going to the link.

## ***No more patch and pray — privatize Oroville Dam***

*By Lawrence J. McQuillan and Hayeon Carol Park*

*January 30, 2018*

<http://www.sfchronicle.com/opinion/openforum/article/No-more-patch-and-pray-privatize-Oroville->

[Dam-12538032.php](#)

Earlier this month, an independent forensic team [found](#) that decades of reckless mismanagement by the California Department of Water Resources caused the crisis. Instead of making needed changes, Sacramento has responded by increasing the department's control.

What's needed instead is to transfer Oroville Dam and California's 43 other state-owned dams to private ownership and operation.

Government ownership of infrastructure such as the Oroville Dam comes with little accountability and the automatic assumption of taxpayer bailouts when problems arise, which increases the likelihood that they will.

Lawrence J. McQuillan is director of the Center on Entrepreneurial Innovation at the [Independent Institute](#). Hayeon Carol Park is a policy researcher.

## Desalination

### **California water: Desalination projects move forward with new state funding**

By [Paul Rogers](#)

Bay Area News Group

January 29, 2018

<https://www.mercurynews.com/2018/01/29/california-water-desalination-projects-move-forward-with-new-state-funding/>

California water officials have approved \$34.4 million in grants to [eight desalination projects](#) across the state, including one in the East Bay city of Antioch, as part of an effort to boost the water supply in the wake of the state's historic, five-year drought.

The money comes from Proposition 1, a water bond passed by state voters in November 2014 during the depths of the drought, and it highlights a new trend in purifying salty water for human consumption: only one of the projects is dependent on the ocean.

Instead, six of the winning proposals are for brackish desalination and one is for research at the University of Southern California. In brackish desalination, salty water from a river, bay or underground aquifer is filtered for drinking, rather than taking ocean water, which is often up to three times saltier and more expensive to purify.

Water experts say it's not surprising that the state is throwing more money behind projects that don't rely on seawater.

"More communities are looking at brackish desal because it's less expensive, it can have fewer environmental impacts and it isn't limited to coastal communities," said Heather Cooley, water program director for the Pacific Institute, a nonprofit research organization in Oakland.

Although ocean desalination is a major source of drinking water in Israel, Saudi Arabia and other Middle Eastern counties, in California there are just five active ocean desalination plants that provide less than 1 percent of the state's drinking water.

The largest, by far, is a \$1 billion plant on the coast in Carlsbad, 35 miles north of San Diego, that opened in 2015. The largest desalination plant in the United States, it generates up to 56,000 acre-feet of water a year — roughly 8 percent of San Diego County's water supply. But the cost is high,

*from \$2,131 to \$2,367 an acre-foot, depending on how much is produced, which is double the price that Metropolitan Water District of Southern California charges for the same amount of water from other sources such as local dams, the Colorado River or the Sacramento-San Joaquin Delta. By comparison, the Santa Clara Valley Water District in San Jose pays about \$400 an acre foot for water from the Delta.*

*The other ocean desalination plants are in Santa Barbara, Catalina Island, Marina and San Nicholas Island. Together they can produce about 4,000 acre-feet a year.*



(AP Photo/Lenny Ignelzi, File) In this Sept. 4, 2015 photo is the Carlsbad, Calif. desalination plant. America's largest seawater desalination plant, the \$1 billion facility produces 50 million gallons of drinking water for the San Diego area each day, but at a cost double the price of other sources.

*About a dozen other ocean desalination projects are still pending or are in various states of environmental studies, design or funding. One of the most prominent is in Huntington Beach, where Poseidon, the company that built the Carlsbad plant, has proposed a similarly sized plant but is running into opposition from environmental groups worried about the impact on fish and other aquatic life.*

## **Wailing and Flailing: The Debate On Infrastructure**

Since I repeat every week that the only way the U.S. can and will launch the necessary \$2-3 trillion per year required to move the nation to a new platform of productivity with advanced science and technology in space, fusion, high-speed rail, nuclear power and more, I'll not do that again here.

So, we shall skip a week of the serialization of the LaRouche PAC report, "**LaRouche's Four Laws & America's Future On The New Silk Road,**" which, of course, presents how that can be accomplished. Instead, what follows are reports on both the collapsing infrastructure of the nation, and the stupid, pointless, off-the-wall, inane, noise now dominating the discussion of building infrastructure.

Here is the link to the pamphlet, and you may want to skip much of what follows and instead read it: <https://larouchepac.com/20170225/four-laws-pamphlet>

First, some of the wailing and flailing. Go to the links if you wish to immerse yourself in stupidity.

### ***Trump's \$1.5 Trillion Public Works Plan Doesn't Say Who Pays***

*By Mark Niquette, Yueqi Yang, and Arit John  
February 1, 2018*



<https://www.bloomberg.com/news/articles/2018-02-01/the-1-5-trillion-question-in-trump-public-works-plan-who-pays>

President [Donald Trump](#) wants \$1.5 trillion for infrastructure. All he needs is a way to pay for it.

Lawmakers from both parties and industry representatives say they're still waiting for key details months after Trump promised a plan to restore the nation's roads and bridges. They're also skeptical about prospects for legislation that doesn't include robust federal contributions for projects and specific financing sources.

### **Lawmakers left with more questions than answers on Trump infrastructure plan**

By [Mallory Shelbourne](#) and [Melanie Zanona](#) - 02/01/18 10:13 AM EST

<http://thehill.com/policy/transportation/371790-lawmakers-left-with-more-questions-than-answers-on-trump-infrastructure>

[President Trump](#) is pressing Congress to take action on an infrastructure plan, but lawmakers say they remain confused over how the project would be funded, what it would include and how grand it will really be.

### **Trump's infrastructure plan under fire ahead of State of the Union**

By [Mallory Shelbourne](#) - 01/30/18

<http://thehill.com/policy/transportation/infrastructure/371479-trumps-infrastructure-plan-under-fire-ahead-of-state-of>

The draft suggests that half of the appropriations under the administration's plan would go toward an incentive program to encourage private, state and local investment in infrastructure projects.

But the proposed expansion of public-private partnerships quickly ran into opposition from critics, who say the incentive program won't provide an adequate revenue source for a comprehensive overhaul of U.S. infrastructure.

Critics of the administration's expected principles emphasize the federal government's crucial role in funding infrastructure, while Trump himself has [questioned whether the use of public-private partnerships](#) for infrastructure would work.

### **Trump's infrastructure plan comes with a huge hole**

By JOAN LOWY and ZEKE MILLER Associated Press

<http://www.fresnobee.com/news/business/article196789994.html>

When President Donald Trump unveils his plan to beef up the nation's infrastructure plan next month, it will include a crater-sized hole.

**Next, let us remember what we used to do as a nation:**

### **60th Anniversary of First U.S. Satellite**

Jan. 31 (EIRNS)—On Jan. 31, 1958 the U.S. succeeded in placing its first satellite in Earth orbit. The Explorer 1 science satellite was built at the Jet Propulsion Laboratory. The scientific instrument which would discover the Earth's radiation belts was the responsibility of James Van Allen at the University of Iowa. And the rocket that would launch it was built by the team at the Army Ballistic Missile Agency

*in Huntsville, Alabama, headed by Wernher von Braun.*

*Today NASA is celebrating the 60th anniversary of the launch, and the opening of the scientific study of the Earth from space. The National Academy of Sciences is hosting a half-day symposium for the anniversary.*

### **And, now, some items on the Achilles Heel of President Trump:**

The biggest financial speculative bubble in human history will explode, sooner or later. Unless the President rids himself of both the treasonous coup attempt to remove him and goes with what he promised-- restoring the Glass-Steagall banking law-- the crash of this system will wreck the nation and himself.

### ***U.S. Stock Market Bubble Accelerates to \$30 Trillion***

*Jan. 28 (EIRNS)—The U.S. stock market has been blown up into the biggest stock bubble ever. On Jan. 18, CNBC reported: “The U.S. stock market has added nearly \$6.9 trillion in market cap since President Trump was elected.” Market capitalization simply represents the sum of the value of each company’s stock times the number of shares of that stock, summed up for all stocks.*

*The market capitalization of all U.S. stocks stood at \$23.7 trillion when President Trump was elected, and it has grown to \$30.6 trillion as of the third week of January, a growth of 29%.*

*The growth in stock market valuation is based largely on companies purchasing back their own stock, and by individuals buying stock on margin; i.e., borrowing money to purchase stocks (U.S. margin debt rose to a record \$580 billion in November 2017). The stock market’s present valuation today is more than 1,000 times greater than 1929.*

*This \$6.9 trillion increase in market capitalization is what Lyndon LaRouche characterizes as pure fictitious speculation, backed up by nothing physical; it is dangerous. When a spark is lit in one of the markets, the new stock capitalization will turn to ashes.*

*LaRouche has called for surgically lancing such a bubble and drying it out. LaRouche’s Four Laws are the necessary scalpel.*

### ***Many Counterindications to Trump's Rosy Picture at Davos***

<https://larouhepac.com/20180130/many-counterindications-trumps-rosy-picture-davos>

*January 30, 2018*

*(Just a few excerpts from this report. Please go to the link for the full picture)*

*The "booming America open for business" presentation President Donald Trump gave at the Davos World Economic Forum was being belied, at the time, by a number of indicators.*

*The Commerce Department reported Jan. 25 that fourth-quarter U.S. GDP rose at rate of 2.6%, meaning that the rate for 2017 as a whole was just 2.3% — better, at least, than Obama's 2016, but not such as to make the United States an engine of growth. Durable goods orders excluding aircraft and defense — the proxy datum for business capital investment in the economy — dropped by 0.3% in December, although it had grown the previous three months, which were revised downward. Sales of both new and existing homes fell substantially in December, after rising sharply in November (again, now revised downward). The Federal Reserve's report on fourth-quarter "employment dynamics," out Jan. 26, showed that employment grew by just about 500,000 in the quarter, the 2 million jobs/year pace which characterized 2017 as a whole, and was substantially lower than either 2015 or 2016.*

*Global Times, in an op-ed Jan. 29, blamed "the Federal Reserve's policy of quantitative easing which was pursued for many years after the 2008-09 financial crisis; the extraordinary expansion in money supply made the U.S. dollar worth less. Some now claim that the U.S.' massive money-printing to flood the world market with dollars could be about to backfire." They mean that the Chinese and Japanese central banks have agreed to hold these trillions of dollars; if the Trump Administration pursues tariffs on Asian exports, that could end, and the dollar will really plunge.*

*Speculative investment is, indeed, pouring into the United States; the stock market rises at least 100 points every day. At Davos, the most experienced economists warned that this is about to end, in disaster.*

*It is estimated that the U.S. Treasury will issue \$1.42 trillion net debt in 2018, nearly triple the \$550 billion in 2017. That, and pressure from a falling dollar, could make interest rates rise rapidly, the most likely trigger for the crash.*

**And now, the bridges are falling down:**

### ***New Report: 54,000 Bridges That Americans Use 174 Million Times Daily Are 'Structurally Deficient'***

*Jan. 30 (EIRNS)—The American Road & Transportation Builders Association (ARTBA) issued a report yesterday on the eve of President Donald Trump's State of the Union address, on the sorry state of bridges ("Over 54,000 American Bridges Structurally Deficient, Analysis of New Federal Data Shows"). Some 54,259 American highway bridges are "structurally deficient," it shows, on structures that "cars, trucks, and school buses cross these ... compromised structures 174 million times every day." One in three bridges (226,837) in the country is in need of repair, in addition to 17,726 bridges along the 48,000 miles of the Interstate Highway System. The ARTBA's website lists the bridges by state and by congressional district.*

*At the current pathetic rate of repair or replacement, the ARTBA's analysis reveals, it would take 37 years to remedy all of the deficient bridges, says ARTBA's chief economist Dr. Alison Premo Black.*

### ***Over 54,000 American Bridges Structurally Deficient, Analysis of New Federal Data Shows***

*Data Available: [www.artbabridgereport.org](http://www.artbabridgereport.org)*

*<https://www.artba.org/2018/01/29/54000-american-bridges-structurally-deficient-analysis-new-federal-data-shows/>*

*Here is an NBC News video highlighting the report:*

*<https://www.nbcnews.com/nightly-news/video/new-report-shows-dangerous-new-cases-of-crumbling-infrastructure-1148802627664>*

### ***Hundreds of millions required to fix critical water infrastructure damaged by subsidence***

*by Kyle Harvey, Eyewitness News*

*Monday, January 29th 2018*

*<http://bakersfieldnow.com/news/investigations/hundreds-of-millions-required-to-fix-critical-water->*

### *infrastructure-damaged-by-subsidence*

*BAKERSFIELD, Calif. (KBAK/KBFX) — There's a \$300 million problem with a major piece of water infrastructure that threatens the future of Kern County's bountiful and profitable crops.*

*In the Central Valley's complicated of water infrastructure, there are two major canals that are of particular importance to Kern County's agriculture, the California Aqueduct on the west side of the valley and the Friant-Kern canal on the east side.*

*Subsidence occurs over time when farms and cities pump more water out of the ground than they put back in. Without the groundwater, the earth sinks, which lowers the valley's altitude compared to sea level. Subsidence is a valley-wide problem, and some spots are worse than others.*

*In some places, the earth has settled dozens of feet in the last several decades.*

*This becomes a problem for the canals because of the way they were designed. The Friant-Kern works the way it does because of gravity. Engineers built the canal at a slight downward slope for 150 miles, from the Friant Dam at Millerton Lake down to the Bakersfield area.*

*Subsidence creates large craters dozens of miles wide that interrupt the slope, causing water to pool instead of flow south.*

**Finally, while the federal government is stuck, some of the states are joining the New Silk Road of China. Here, Alaska and West Virginia are leading the way.**

### ***Alaska Set for Arctic Development with China; Governor Exclaims, 'Stars Are Aligned on This'***

*Jan. 27 (EIRNS)—Alaska was second to West Virginia in size of its 2017 Memorandum of Understanding with China, for energy infrastructure and gas sales development—\$43 billion over the coming years. On Jan. 24, Gov. Bill Walker met in Fairbanks with his cabinet and local mayors, and spoke optimistically about what's ahead, with plans for an 800-mile gas pipeline from the North Slope to Kenai Peninsula, and pledged sales of 75% of the gas to go to China. Walker was the only governor in the Trump delegation to go to Beijing in November, and Walker hosted President Xi Jinping in Anchorage last May.*

*Walker made a point of praising the support he is getting from the White House. "I could go on for hours about ... how things are so different now.... I have a call ... directly with the White House about this project.... It's astounding, absolutely astounding, to have that kind of relationship with the White House on this project. And then with the market, the producers—the stars are absolutely aligned on this," said Walker, reported Fairbanks' NBC News affiliate.*

*Alaska, working with China, is set to figure prominently in Arctic gas development, as well as the newly opened LNG operations in Yamal, Russia. China covers the principles involved, in its new "[China's Arctic Policy](#)," which states explicitly that this is part of its Belt and Road Initiative.*

*In West Virginia this week, there were also optimistic statements about what's to come from China's commitment to work with the state on gas infrastructure and industry development in Appalachia. At the Jan. 22-23 Economic Development Council Legislative Conference in Charleston, representatives of the major economic associations spoke out on this. West Virginia will receive an \$83.7 billion investment from China for energy development over 20 years. Announcements are awaited from the governor and Commerce Department on what the first projects regarding a site for a gas hub, for one or more cracker plants, for pipelines, and other components, will be.*