

California Water and Infrastructure Report

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



For March 8, 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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... “significant transcontinental infrastructure is necessary to support the development, spur economic growth, and boost intraregional trade on the continent.” But that infrastructure—for example, urgently needed new electric power—is exactly what U.S. policy does not help with, and China’s does.

U.S. Secretary of State Rex Tillerson on his trip to Africa this week

A Note To Readers

A momentous point of history is upon us. The U.S. faces today, as it did in 1957, a scientific and technological challenge which was presented by President Putin on March 1, announcing revolutionary new weapons that make the U.S. missile defense system useless. See the last section, “Feature” in this report.

The point is, that as President Trump has said again and again, we must work with Russia. President Putin has made an offer that the President must accept, and I am sure he would like to accept.

That can begin the necessary dialogue in the United States of thinking 50 years into the future. And guess who is the first to do so?

John Entsminger, general manager of the Southern Nevada Water Authority, who said this week that with the Las Vegas area population growth that, “The projections have SNWA seriously thinking about a desalination plant on the shores of the Pacific Ocean to turn ocean water into drinking water for Southern Nevada, he said.”

That should remind us of the “impossible project” initiated in 1905 by William Mulholland to build the

Los Angeles Aqueduct, completed in 1913.

With this issue of this report, I do declare that the drought is back. There is about a zero percent chance of a “Miracle March.” The question a drought always presents to us humans is, have we prepared ourselves to manage whatever it is that nature decides to hand us? For now, the answer must be, “not yet.” William Mulholland did prepare Los Angeles for the future more than 100 years ago, building the Los Angeles Aqueduct. So did Franklin Roosevelt in the 1930s and Governor Pat Brown in the 1960s. It is time, and the opportunity to do so, is once again before us.

So, the governor and everyone else can argue about the Delta tunnels, which, as you can read below, they are still engaged in such, but we will discuss in the weeks to come, the great projects that will meet the needs of the state and the nation for 50-100 years to come.

There are a few more items on California water in this week's report, but the “Feature” this week is my focus. The quote above from Secretary of State Tillerson is from an item in that section that is part of the report on the biggest infrastructure project on the planet that just moved forward-- the Transaqua Project to refill Lake Chad in the heart of Africa.

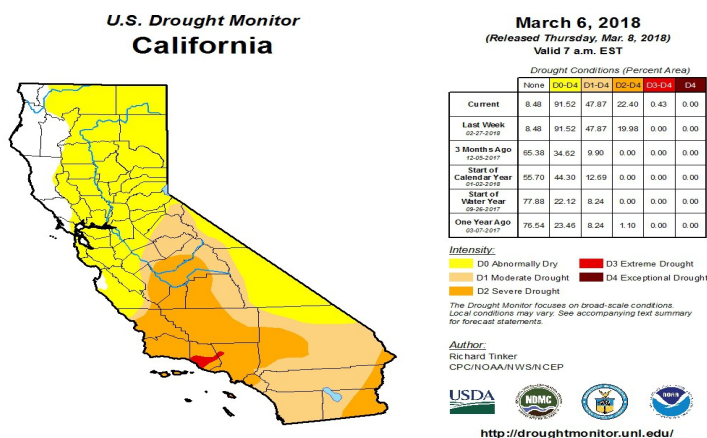
Of interest too is the President's announcement and signing today of tariffs on steel and aluminum. Several items are included in that report. I'll just say here, that in itself tariffs will not do much for an actual real industrial recovery of the nation.

That requires that the U.S. return to the “American System,” and that system as several items highlight, is exactly what has been adopted by China, and it works.

The Verdict Is In: We Are Back In a Drought

U.S. Drought Monitor

Despite the storm last week, this week's U.S. Drought Monitor shows a slight uptick in the portion of the state now officially in drought. The “Severe Drought” category increased by two percent, and for the first time since the end of the five year drought, the “Extreme Drought” category actually registers.



Eight feet of snow in the Sierras last week may have gotten some skiers excited, but it did little to make up for a snowpack that just was not there. And now, after that dump the snowpack still remains at just 39 percent of the average for this time of the year. No one is looking to see a “March miracle” that will improve that very much.

As we learned during the five-year drought that ended last year, not too many were prepared the first year of that drought for the next four years. So this time, some are warning that action should begin

Storm leaves California with just 39 percent average snow

By Ellen Nickmeyer and Rich Pedroncelli

Associated Press

March 5, 2018

http://www.heraldpalladium.com/news/regional/welcome-snow-slows-california-s-plunge-back-to-drought/article_011f2238-52a9-540e-ab8c-d2ceb6855f5c.html

PHILLIPS STATION, Calif. (AP) — California water officials tromped through long-awaited fresh snowdrifts in the Sierra Nevada mountains Monday, but a welcome late-winter storm still left the state with less than half the usual snow for this late point in the state's important rain and snow season.

Runoff from snow in the mountains historically provides Californians with nearly a third of their water for the whole year. Monday's snow surveys in the mountains by state water officials, with news crews in tow, is one of several closely watched gauges of how much water California cities and farms will have.

On Monday, the Phillips Station measuring location was up to 39 percent of the historical average for the date, compared to just 7 percent of its usual snow before the storm dropped up to 8 feet 2.4 meters) of snow, Gehrke said. Across the Sierra, the state was at 37 percent of normal snowfall as of Monday.

California had accumulated less than a quarter of its normal snowpack for the year before last week's storm. By February, most of Southern California was back in drought, owing to a dud of a rain and snow season so far this year.

It would take six more storms to bring the state up to its normal winter precipitation by April. The odds of that happening are about one-in-50, the National Weather Service cautioned.

Weekend storm to deliver welcome rain to drought-stricken California

By Kyle Elliott, AccuWeather meteorologist

March 7, 2018

<https://www.accuweather.com/en/weather-news/weekend-storm-to-deliver-much-needed-rain-to-drought-stricken-california/70004338>

Following a storm system set to bring drenching rain and mountain snow to the Pacific Northwest late this week, another system will track into Southern California this weekend.



The latest U.S. drought monitor from March 1 showed that nearly 20 percent of California remains in severe drought, with moderate drought gripping about 50 percent of the state.

Areas from central to Southern California are being gripped by the worst of the drought, including the cities of Fresno, Los Angeles and San Diego.

Spanning December to February, only 1.51 inches of rain fell at Los Angeles International Airport when the city typically receives 8 inches in that period.

San Diego received only 38 percent of its normal rainfall from December through February, and only about a quarter of an inch of rain has fallen so far in March.

Will This Ever End? Probably Not

The tunnel(s) projects that is. What comes to mind as I monitor, as I described it last week-- the Byzantine maneuvering around the California WaterFix tunnel project-- is the phrase-- "if what you are doing is not working, just double down on it," it appears at this time that the governor is going to drive it through, come Hell or high water.

California WaterFix project picking up speed

[Tony Kukulich](#)

Mar 1, 2018 Updated Mar 1, 2018

https://www.thepress.net/news/california-waterfix-project-picking-up-speed/article_2e1b46b2-1d7f-11e8-bf73-dbe47f925036.html

The pace of activity related to the California WaterFix project has stepped up considerably in the last few weeks, and several major developments have arisen.

Those developments included the resumption of the Part 2 hearings, the issuance of a major ruling by the State Water Resources Control Board, the revelation that the Metropolitan Water District is examining the option of funding a majority of the cost of a two-tunnel solution and the release of an long-awaited economic analysis of the project.

The original WaterFix plan was based on the construction of two tunnels, each with a 4,500 cubic feet per second (cfs) capacity. On Feb. 7, Karla Nemeth, Department of Water Resources (DWR) director, issued a statement that called for the construction of a single tunnel with a 6,000 cfs capacity. This has been referred to as a single-tunnel plan, but that designation is a misnomer as the plan allows for the construction of a second tunnel at some undetermined point in the future when sufficient funding is available. The adoption of a staged construction approach came after Central Valley and Southern California water agencies expected to pay for the construction failed to commit to the cost.

Pressure mounts on WaterFix agencies

- [Tony Kukulich](#)
- *Mar 7, 2018 Updated 13 hrs ago*
- https://www.thepress.net/news/pressure-mounts-on-waterfix-agencies/article_35ab8f82-227e-11e8-8c36-3b33146a9f54.html

As the clock winds down on Gov. Jerry Brown's time in office, pressure appears to be mounting on state agencies to move the California WaterFix project forward.

The Metropolitan Water District of Southern California (MWD) surprised many during a Bay-Delta Special Committee meeting on Feb. 27 when it was disclosed that the agency was examining the opportunity to finance the \$11 billion cost of building the first of two tunnels in accordance with the Department of Water Resource's (DWR) revised construction plan. The plan would require increased financial commitment from the agency but would also cede greater control of water resources to the agency. That has critics concerned.

"There is so much to unpack for the public from what was revealed today at MWD's Bay-Delta

Committee meeting,” Barbara Barrigan-Parrilla, executive director of Restore the Delta, wrote in a press release. “On the surface, it is clear that the California Department of Water Resources is moving forward with a two-tunnels application for the change in the point of diversion to secure a State Water Project right for MWD, who will become the financier and operator of the project. California’s water management is being gamed to give the majority of power over watershed management throughout the state to Metropolitan Water District. The state is abdicating its responsibility to manage water for all people in California as a public trust resource.”

WaterFix has bogged down in recent months, as the reality of the project’s nearly \$17 billion price tag rattled the agencies expected to bear the burden of that cost. The financial commitments necessary for the project to advance failed to materialize, and DWR revised WaterFix in early February by adopting a staged approach to the tunnel construction. Within days of that announcement, MWD, believing the twin-tunnel approach provided greater benefits, announced it was looking at the feasibility of increasing its financial commitment to the project to ensure that both tunnels were built simultaneously. MWD’s analysis was expected to take four to six weeks to complete.

Oroville Dam Update

For the first time in more than one year since the spillway disintegrated, there is nothing to be found in the media or from the Department of Water Resources this past week on developments around the repair of the spillways.

So, here is at least something:

Sheriff’s Office publishes book documenting the Oroville Dam Spillway Crisis

Feb. 14, 2018

Posted By: Darren Leeds

Members of the Butte County Sheriff’s Office put in extremely long hours and were stretched thin during the Spillway Crisis...

During the incident, Sgt. Greg Reeves documented everything by taking pictures, and those pictures were then published into a book.

All 71-pages are meant to preserve the historic event that impacted the residents of not only Butte County but surrounding communities as well.

The book begins the night of the evacuations and the 16 days that followed.

Miranda Bowersox says, “They say a picture is worth a thousand words and it shows. You can see the emotion in a lot of the pictures, on a lot of the people in the images. You can tell that it was a very intense incident and just by the looks on people’s faces you can see that.”

There are 80 books that were made, the cost is \$40 and you can contact Sgt. Greg Reeves (GREEVES@ButteCounty.net) to get a copy for yourself.

Books have also been distributed to the libraries in Chico, Oroville and Gridley.

The money raised from book sales will support auxiliary programs at the sheriff’s office.

Remember East Porterville?

For more than two years the residents of East Porterville were without running water for their homes as their wells went dry. And it took those two years for the state and the county to hook them up to the Porterville water system. Two years!!! Outrageous. Had that been Bel Air or Cupertino, it would have been done in two weeks. For those two years the residents took showers in a church parking lot.

East Porterville residents now have safe, reliable water

By [Christina Fan](#)

Friday, February 23, 2018

<http://abc30.com/community-events/east-porterville-residents-now-have-safe-reliable-water/3132892/>

PORTERVILLE, Calif. (KFSN) --

In East Porterville, water is no longer a luxury. A limited supply held in tanks have been replaced by permanent underground lines.

For years, families in the unincorporated community had to carefully budget their resources. It began at the start of California's five-year drought when hundreds of residential wells became dry and contaminated.

For a while, the state delivered bottled water but the monthly price tag was too high. Officials decided to begin construction on a long-term project, hooking up homes in East Porterville to the city of Porterville's municipal system.

Since early 2016, more than 700 homes have hooked up to Porterville's water system, the last of the lines were put in this month.

At Least Someone Is Looking 50 Years Into the Future

Las Vegas considering Pacific Coast desalination plant in the future

Ray Hagar, Nevada Newsmakers

March 7, 2018

<http://www.rgj.com/story/news/2018/03/07/las-vegas-considering-pacific-coast-desalination-plant-future/404867002/>

The population of Southern Nevada and the Las Vegas area could grow to about 3.6 million in 50 years and could spark plans for a desalination plant on the shores of the Pacific Ocean, said John Entsminger, general manager of the Southern Nevada Water Authority.

Southern Nevada now has an estimated population of about 2.1 million, according to the UNLV Center for Business and Economic Research. The population jump to 3.6 million people would be big, but not the biggest in Las Vegas history, Entsminger said recently on [Nevada Newsmakers](#).

"Our valley saw about a 100 percent increase from 1985 to 2000, so historically speaking, 50 percent in 50 years is a lot less than 15 years at 100 percent," he said.

"The numbers take in all of Southern Nevada, all of Clark County, but obviously the vast majority would be in the Las Vegas Valley," he said.

The projections have SNWA seriously thinking about a desalination plant on the shores of the Pacific Ocean to turn ocean water into drinking water for Southern Nevada, he said.

"If I got my my crystal ball out, I believe that in 30, 40 years from now, Southern Nevada probably will have an equity interest in a desalination facility either on the coast of California or on the Pacific coast of Mexico," Entsminger said. "We've put in place a lot of legal agreements between the United States and Mexico to meet those types of exchanges possible."

Yet any serious desalination plant talks remain far in the future.

Feature:

The American System Goes Global; Will the U.S. Join It?

The purpose of an economy is to develop the nation, and that is exactly what the creator of the U.S. economic and financial system Alexander Hamilton intended. To build the nation requires driving the fundamental scientific discoveries that has always characterized a nation committed to such progress.

The following section of this week's report, though full of what may seem to be disparate elements, all are developments that are part of the emergence of a new paradigm of how mankind shall order his civilization. The two principles that are guiding that reorganization are: The end of geopolitics and the end of Wall Street.

Enjoy the tour.

President Vladimir Putin Presents a New Sputnik

President Putin of Russia gave the world a necessary shock in his State of the State address on March 1, announcing that the new weapons technology Russia was now deploying made the entire U.S. missile defense system now surrounding Russia useless. As NPR put it on March 1: "Experts are aghast at what Putin announced." You can find the details in the last quarter of his speech:

<http://en.kremlin.ru/events/president/transcripts/56957>

Here is further coverage: "Putin's Weapons Statements Intended To Explain U.S. BMD Won't Work."

<https://larouchepac.com/20180305/putins-weapons-statements-intended-explain-us-bmd-wont-work#.Wp6-Jht2NuI.facebook>

And one more from one of the United State's top nuclear weapons experts:

https://www.youtube.com/watch?v=mgBG_1QVUkE&feature=push-u-sub&attr_tag=v1WpbWJ4qQwvWcFt-6

In 1957 the Soviet Union launched the first satellite to orbit the Earth, Sputnik, which shocked the U.S. into the space age, and we responded and put a man on the Moon. Well, Russia has Sputniked us once again. The sane and necessary response, as President Putin offered, is to do what President Trump does not quit saying-- we must work with Russia. This time to cooperate on the frontiers of science led by space and fusion research and action.

Back in 1984, after President Ronald Reagan announced the Strategic Defense Initiative, in which Lyndon LaRouche, who on behalf of the Reagan administration, discussed with the Soviet representatives, Larouche wrote the following: ["The LaRouche Doctrine: Draft Memorandum of Agreement between the U.S. and the U.S.S.R.," \(PDF\)](#) whose principles remain as incisive and indispensable today, after Putin's "Sputnik Shock," as they were when they were written 34 years ago.:

"The political foundation for durable peace must be: a) The unconditional sovereignty of each and all

nation-states, and b) Cooperation among sovereign nation-states to the effect of promoting unlimited opportunities to participate in the benefits of technological progress, to the mutual benefit of each and all.

"The most crucial feature of present implementation of such a policy of durable peace is a profound change in the monetary, economic, and political relations between the dominant powers and those relatively subordinated nations often classed as 'developing nations.' Unless the inequities lingering in the aftermath of modern colonialism are progressively remedied, there can be no durable peace on this planet. Insofar as the United States and Soviet Union acknowledge the progress of the productive powers of labor throughout the planet to be in the vital strategic interests of each and both, the two powers are bound to that degree and in that way by a common interest. This is the kernel of the political and economic policies of practice indispensable to the fostering of durable peace between those two powers."

If China Can Do It, So Can the United States

Economist Identifies the American System behind China's Economic Miracle

<https://larouhepac.com/20170306/economist-identifies-american-system-behind-chinas-economic-miracle#.WL2ALswwtk4.facebook>

March 6, 2017

Michael Pettis, a professor of finance at the Guanghua School of Management at Peking University in Beijing, who also maintains a blog at the Carnegie Endowment, has reposted an article he first published in 2013 titled: "[China and the History of U.S. Growth Models.](#)" Pettis quite competently shows that the Hamiltonian "American System" has generated many economic development processes around the world, including the recent economic miracle in China. He traces the American System school while also ridiculing the economic ideas of Jefferson and Jackson. He reports on the influence of Hamiltonian ideas on periods of economic development in Chile, Mexico, Brazil, Japan, and now China, among others. While it is an old article, his reposting it at this time is telling.

A few excerpts:

"I have often argued that the Chinese development model is an old one and can trace its roots at least as far back as the American System of the 1820s and 1830s. This system was itself based primarily on the works of the astonishing first U.S. Secretary of the Treasury, Alexander Hamilton. (See especially his three main reports to Congress: his First Report on The Public Credit of January 14, 1790; his Second Report on The Public Credit of December 13, 1790, and most importantly his brilliant Report on Manufactures of December 5, 1791. The Second Report on The Public Credit is sometimes also known as the Report on a National Bank.)

"Aside from Alexander Hamilton, its intellectual and political godfather, the main proponents of the American System were figures like Henry Clay, Henry and Mathew Carey, John Calhoun, and even Abraham Lincoln himself. Their vision of economic policymaking was looked down upon as naïve and even foolish by most American academic economists schooled as they were in the laissez faire doctrines then fashionable in England. But I think it is hard for any economic historian not to feel relieved that neither the academics nor the Jeffersonian and Jacksonian factions had the clout to force what they deemed good economic policy onto U.S. development. America got rich in part by doing the wrong things." [He also discusses Friedrich List and E. Peshine Smith.]

U.S. Economy Could Grow Like China's, with Hamilton's Policies

March 4 (EIRNS) -- The economic website Quartz on Feb. 26 ran a long and interesting piece polemically comparing China's and America's economies with the touchstone of Treasury Secretary Alexander Hamilton's method of economy. "Could the U.S. grow as fast as China? Of course it could," is by Dr. Paul London, chief economist of the Stern Group.

London started out as an assistant to Sen. Walter Mondale in the 1970s, but has been at the American Enterprise Institute; and was Deputy Under Secretary of Commerce for Economics and Statistics in the Clinton Administration. He wrote that Hamilton's economics were the key to America's rapid growth in the 19th Century and afterwards, and are now the key to China's.

On the Belt and Road Initiative, for example: "The Chinese government understands, as the U.S. Congress does not, that high-speed intercity and commuter rail, new airports, highways, internet capacity, and even empty high-rises are the foundations of growth, productive even if they are not profitable. Once, Americans built canals and railroads that were not money makers, but that nevertheless made it a great nation. No more.

"The Chinese government is playing to win the future, not to maintain the value of outmoded assets like 50-year-old power plants, and steel mills and coal mines opened in the 1960s. China's aim is to create the world-beating facilities great countries need, the way far-sighted American governments did when Hamilton encouraged the building of light houses to aid commerce and water supply systems for growing cities."

Economist Ellen Brown: U.S. Should Create Government Banks Like China's To Fund Infrastructure

March 1 (EIRNS)—In a Feb. 28 article published on Global Research, the website for the Center for Research on Globalization, economist Ellen Brown, founder of the Public Banking Institute, argues that current proposals to fund President Donald Trump's \$1.5 trillion infrastructure program aren't viable. With only \$200 billion in actual Federal money offered, and the rest supposed to come from depleted state, municipal and city coffers, or failed public-private partnerships or privatization schemes, Brown says it's time to examine why the Chinese are "running circles" around the U.S. when it comes to financing their mega-infrastructure projects.

"Rather than regarding China as a national security threat, and putting our resources into rebuilding our military defenses," Brown states it would be more useful to study China's successful economic policies, "adapting them to rebuilding our own crumbling roads and bridges before it is too late."

She points to the role of China's state banks in financing its extensive high-speed rail network, for example. The country's five largest banks are majority-owned by the central government, and they lend primarily to large, state-owned companies. In addition, China's central bank, the People's Bank of China (PBOC), uses an "innovative way of quantitative easing"—sometimes referred to as "qualitative easing"—in which "liquidity is directed, not at propping up the biggest banks, but at 'surgical strikes' into the most productive sectors of the economy," that is, the mega-projects of the Belt and Road Initiative.

Why not set up a national infrastructure bank, Brown asks, "that lends just as China's big public banks do, or the Federal Reserve could do qualitative easing for infrastructure as the PBOC does?"

President Trump Announces Tariffs

The best part of the President's announcement of tariffs is the resignation from the administration of Gary Cohn, the Wall Street man who has virtually wrecked the President's infrastructure policy, even before it got to the drawing board.

From a former Trump transition team infrastructure planner: Cohn leaving "will mean the White House will come forward with a more substantial, infrastructure bank-type approach to Congress, more Federally oriented. You may not like it, but it will be an invitation to Congress to proceed with something better if it can."

Prior to the announcement by President Trump that the U.S. would put tariffs on steel and aluminum, Chinese President Xi Jinping's top economic advisor Liu He, just inducted into the Politburo last October, was in Washington from Feb. 27 through March 3 for high-level meetings with the administration. Liu is the author of a study which compared the crisis of the 1930s Great Depression with that of 2008-09 crash through the present, and concluded among other things that the finance-friendly policy of the past decade, prevented the sort of recovery which the U.S. had experienced under Franklin Roosevelt.

President Trump announced two days ago that the U.S. and China were discussing a reduction of the China trade surplus to the U. S. by "one billion dollars. That was corrected today, and the correct figure is \$100 billion, about 25% of the more than \$300 billion surplus.

He said, "Our relationship with China has been a very good one," Trump tweeted Wednesday. "We look forward to seeing what ideas they come back with. We must act soon!"

The trade deficit with China surged 16.7 percent to \$36 billion in January, its highest level since September 2015. Meanwhile, the United States' total trade deficit increased to a more than nine-year high during the first month of 2018.

So, the following is some discussion of this issue, and we begin with the real story, that without the U.S. adopting LaRouche's *Four Laws*-- https://action.larouchepac.com/know_the_full_story -- and joining with China in its Belt and Road policy of global infrastructure development, tariffs (or tax reform) will not fix the U.S. economy.

Tariffs Divert Again from Productive Investment, Silk Road Link



Yangshan Deep-water Harbour Zone, Port of Shanghai

<https://larouchepac.com/20180305/tariffs-divert-again-productive-investment-silk-road-link>

March 5, 2018

The steel and aluminum tariffs announced by President Trump are his second attempt — following "tax reform" — to improve the U.S. economy while being blocked from following through on his "build American infrastructure" platform which won him the election. This attempt is likely to be no more successful. Neither the absence of corporate taxes nor the absence of some metals imports can match the presence of new investments in the U.S. physical economy, new technologies, and new

infrastructure platforms, and thus growing real productivity.

"Trade adversary" China's extremely moderate reaction to the tariffs contrasted sharply to "allies" in Europe and Canada. Chinese Foreign Ministry spokeswoman Hua Chunying said on March 2 that world trade could be harmed: "The basis for the global recovery is still unstable. All countries should make concerted efforts to cooperate to resolve the relevant issues, instead of taking trade-restrictive measures unilaterally." But European Commission President Jean-Claude Juncker, after first vowing retaliation on March 2, made specific threats the next day: "We will put tariffs on Harley-Davidson, on bourbon, and on blue jeans — Levis. We cannot simply put our head in the sand." (President Trump responded with a tweet threatening to tax European auto exports.) Canadian officials vowed retaliation. Bernd Lange (Germany, SPD), head of the European Parliament's Committee on International Trade, said, "With this, the declaration of war has arrived."

When the actual tariff targets are announced this week, there will be no "ally exemptions" for Canada, German, South Korea, etc., according to White House Director of the Office of Trade and Manufacturing Policy Peter Navarro and Commerce Secretary Wilbur Ross, who appeared on Sunday talk shows.

The reaction of the Republican establishment, Business Roundtable, etc., has been to demand that the tariffs be levied on China alone. Business Roundtable head Josh Bolton stressed this on Fox News Sunday, claiming that "China's excess steel capacity" is the real source of all steel exports to the United States. The Washington Post, in its March 3 lead editorial "How To Make Trump's Terrible Trade Decision a Bit Less Terrible," explained, "If the end result were a package of tariffs on steel and aluminum from China and Russia only, that would be a more acceptable outcome ... in terms of clarifying U.S. geopolitical commitments."

The crime of this is that China's export earnings throughout this century have been turned into investments in real productive infrastructure projects at home and increasingly abroad, and into U.S. Treasury securities; and now, Chinese economists and officials repeatedly offer large investments of these into a U.S. infrastructure investment institution, to augment U.S. national credit capacity.

These proposals are an integral part of the Chinese invitations to the United States to join the Belt and Road Initiative. And they represent what has enabled the world economy to recover, such as it has, from the 2008 crash. Now another crash is looming, and this partnership, together with Lyndon LaRouche's proposals for the U.S. economy, are the only way to prevent it

Let Them Eat Cake

Gary Cohn resigns

Gary Cohn announced his resignation Tuesday. Despite the pleasant statements of mutual praise both by him and by President Trump Tuesday afternoon, Cohn is going out as he served, as a disloyal representative of Wall Street and the GOP Congressional leadership in the White House. By both announcing his resignation to "weaken" Trump, and saying that he will stay on the job for several weeks to try to reverse Trump's trade and tariff decisions, Cohn is trying to give Wall Street puppets Paul Ryan, Mitch McConnell et al. greater power over Trump. If Trump rapidly hires a replacement, he can push Cohn out quickly, and perhaps follow that by ousting McMaster as National Security Advisor. But Trump's reported favorite is Larry Kudlow, CNBC-TV personality and serial denier of debt bomb problems in the trans-Atlantic banking system. But Kudlow on CNBC yesterday said he regrets Cohn's resignation and thinks tariffs against China only are the best solution.

Wall Street Alarmed as Cohn Departure Fires Up Trade War Angst

By Jackie Edwards, Lu Wang , and Elena Popina
March 6, 2018

<https://www.bloomberg.com/news/articles/2018-03-06/in-trump-country-the-stock-bulls-are-freaking-out-their-brokers>

“I can’t believe this is happening,” Michael Purves, Weeden & Co.’s chief global strategist, said by phone. “I wrote up Cohn’s departure this morning as a real risk to consider. I thought it’s like a 35 percent probability event. I was just amazed that Trump is letting this happen.”

The president’s announcement last Thursday that he would press forward with a 25 percent tariff on steel imports and 10 percent on aluminum left markets reeling and served as a public rebuke of Cohn, the director of the National Economic Council, who had furiously lobbied against the penalties.

A Look at the Steel Industry

Some Steel and Aluminum Makers to Restart Plant Operations Amid Tariff Plans U.S. Steel and Century plan to fire up idle furnaces and increase their workforces

By Bob Tita and Andrew Tangel
March 7, 2018

<https://www.wsj.com/articles/u-s-steel-to-restart-illinois-plant-operations-to-handle-demand-1520430223>

Some U.S. steel and aluminum makers are restarting idle mills and boosting capacity to make up for imports that face being priced out of the market if President Donald Trump’s [proposed import tariffs](#) take hold.

[United States Steel](#) Corp. [X 2.60%](#) on Wednesday said it would fire up a blast furnace in Granite City, Ill., and call back 500 workers. [Century Aluminum](#) Co. [CENX 3.91%](#) said last week it will restart lines at a smelter in Kentucky that have been curtailed since 2015, doubling its workforce there to 600.

But, tariffs are not the full story. The following article (excerpted) presents a picture of how the loss of the driving spirit of enterprise and mission actually wrecked the U.S. steel industry after WWII. I urge readers to go to the link for the full article.

How the U.S. Squandered Its Steel Superiority

Spoiler alert: Unfair trade practices of foreign nations had nothing to do with it.
by Stephen Mihm
March 5, 2018

<https://www.bloomberg.com/view/articles/2018-03-05/steel-history-shows-how-america-lost-ground-to-europe>

Donald Trump wants to help the steel industry in this country, and he’s announced plans for protective tariffs, claiming that “trade wars are good, and easy to win.” By way of explanation, Trump claims that steel -- and many other industries -- has been “decimated by decades of unfair trade and bad policy.”

He’s correct about one thing: This has been a problem many decades in the making. But it’s a problem rooted in disastrous decisions made by the steel companies themselves when Trump was still in elementary school.

At the end of World War II, American steel had no real challengers. It produced nearly three quarters of the world's steel, and the factories of its biggest competition -- Japan and Germany -- lay in ruins. Giants like U.S. Steel looked poised to dominate the world for the foreseeable future.

Instead, the industry was lapped by foreign producers -- and unfair trade practices were simply not a factor. Instead, the blame lies with U.S. manufacturers who held onto the so-called "open hearth" method of steel production decades after its expiration date.

Great Projects Shall Define the Future

Just as great projects initiated or carried out by Franklin D. Roosevelt, like the Tennessee Valley Authority, Hoover Dam, Grand Coulee Dam and the Central Valley Project of California, uplifted the nation to a new higher productive platform of production and technology, so too will tomorrow be created by such projects initiated today.

The conference last week in Nigeria to set in motion the Transaqua Project to refill Lake Chad is the biggest project in the world.



Transaqua Moves Forward: Water Transfer Is Not an Option, It Is a Necessity



President of the Federal Republic of Nigeria and Commander-in-Chief His Excellency Muhammadu Buhari GCFR delivering welcome address at the saving the Lake Chad conference, Abuja, Nigeria. Photo: @lbcconference2018

<https://larouhepac.com/20180302/transaqua-moves-forward-water-transfer-not-option-it-necessity>
February 2, 2008

The official outcome of the Feb. 26-28 International Conference on Lake Chad in Abuja, Nigeria is an unequivocal statement of support for the Transaqua project, calling for the transfer of water from the Congo River basin to Lake Chad. It clearly states:

**There is no solution to the shrinking of Lake Chad that does not involve recharging the lake by transfer of water from outside the basin.*

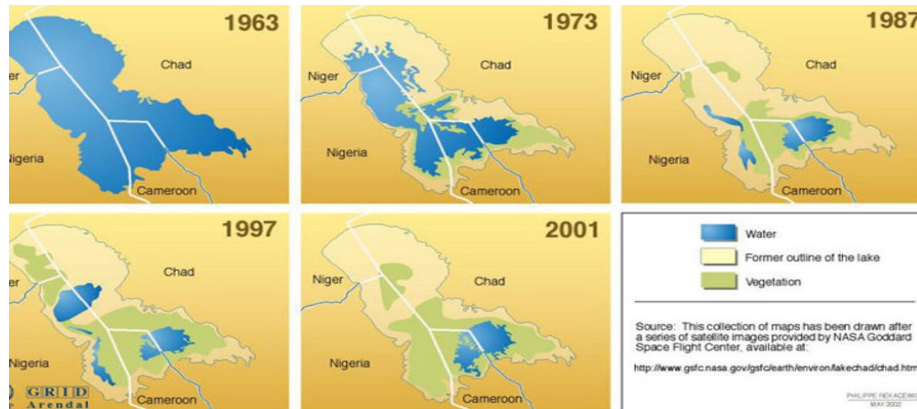
**That Inter-basin water transfer is not an option, but a necessity.*

**The Transaqua Project, which would take water from the right tributary of River Congo, conveying*

the water 2,400 kilometers through a channel to Chari River, is the preferred feasible option.

Lake Chad Conference an Enormous Breakthrough: Time To Think ‘Big, Big, Big’

March 1 (EIRNS)—In her international webcast today, Schiller Institute Founder and President Helga Zepp-LaRouche characterized as “fantastic” the tremendous breakthrough that occurred at the International Conference on Lake Chad in Abuja, Nigeria which officially adopted the Transaqua project which the Schiller Institute has been promoting for almost two decades as part of its World Land-Bridge project. “So, it’s really our work,” Zepp-LaRouche said, recalling an article in *People’s Daily* last year which identified the Schiller Institute’s critical role in bringing together the forces prepared to build this project.



In the 1960s, Lake Chad covered 26,000 sq. km, making it the fourth largest lake in Africa. By 2000, it had shrunk to a mere 1,500 sq. km.

Transaqua: The Project that Can Transform Africa

https://www.youtube.com/watch?time_continue=4&v=GFpWi-HH9Nk
LaRouchePAC Videos

Published on Sep 5, 2017

Meet the Transaqua Project, a plan to replenish Africa’s dwindling Lake Chad, and bring the 30 million people who live in the Lake Chad basin, into the 21st century. The project, many decades in the making, is now moving forward, thanks in large part to a commitment from China.

Now what about the U.S. in Africa? Can we overcome the dangerous and absurd geopolitical outlook that sees China as not a partner, but a potential enemy? Secretary of State Tillerson and the State Department are a little schizophrenic yet on that question.

Tillerson Pledges \$533 Million Aid for Africa; and on China's Role in Africa?

March 7 (EIRNS)—Speaking at George Mason University on March 6, hours before his departure for Ethiopia, U.S. Secretary of State Rex Tillerson said the United States sees a “bright future” for Africa as its population grows and said the Trump administration is “committed to saving lives in Africa,” AP reported; but he repeated known falsehoods about China’s economic development activity in the continent.

Regarding China, Tillerson said: “Chinese investment has the potential to address Africa’s infrastructure gap, but its approach has led to mounting debt and few, if any, jobs in most countries. When coupled with political and fiscal pressure, this endangers Africa’s natural resources and its long-term economic and political stability.”

He acknowledged, "significant transcontinental infrastructure is necessary to support the development, spur economic growth, and boost intraregional trade on the continent." But that infrastructure—for example, urgently needed new electric power—is exactly what U.S. policy does not help with, and China's does. "We're there to facilitate and we're there to help companies understand what the opportunities are.... But it's really to create the conditions in these countries where U.S. businesses and others—European businesses, Chinese, others to the extent they're ready to participate under a rules-based system...."

Here is a quote from the State Department Special Teleconference Briefing March 2, where you can see that the critics towards China, although stupid and incompetent, are not reflection of a prejudicial hostility:

"The other issues aside too, though, is China builds things. We don't construct. And so in that regard China can play a helpful role. The other issue, too, is that China has some really good ideas on development in developing areas, such as how to do better healthcare, how to do water production. So those are things that are good. Also China did a good favor for us in Sudan, providing an engineer battalion to provide assistance to the UN operations there.

Yeah. Okay. So here's an interesting point is that we, the United States, especially part in -- by region. So in the Africa region, we are going to have a heart-to-heart discussion with the Chinese. We've invited the Chinese to come to Washington to talk about their programs in Africa."

Meanwhile, some U.S. corporations are getting on board China's New Silk Road:

Caterpillar drives sales on China's new Silk Road

[Rajesh Kumar Singh, Brenda Goh](#)

<https://www.reuters.com/article/us-caterpillar-china-b-r/caterpillar-drives-sales-on-chinas-new-silk-road-idUSKBNIGG146>

CHICAGO/NANTONG, China (Reuters) - At a Caterpillar facility in the eastern Chinese city of Nantong, an array of excavators, earth movers and road-making machinery is displayed on slopes and in mud pits.

The audience is Caterpillar's local network of dealers, who inspect the machines for the latest technological innovations to help make their sales pitches to buyers in China.

However, much of the heavy equipment could find its way to construction and mining projects in places like Pakistan or Kazakhstan, or as far away as Africa.

Caterpillar has been investing heavily in China – the Nantong facility is one of 25 similar ones it has set up across the country – in the hopes of cracking the largest construction and mining equipment market in the world.

Helping fuel the growth of that market, Caterpillar executives and analysts say, is China's Belt and Road initiative, a huge infrastructure spending spree that builds on the old Silk Road trading routes. The ambitious and ever-growing \$1 trillion initiative now includes projects spanning Asia, Europe, the Middle East and Africa.

Once purchased in China, the equipment is shipped off to projects across the vast geography of the initiative and put to work building power plants in Pakistan, constructing highways in Belarus or developing new mines in Africa. Most of the equipment sent is made in China, Chen said.