



# California Water and Infrastructure Report

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

For April 11 , 2019

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>

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*“The United States lost manufacturing jobs faster between 2000 and 2015 than in the depths of the Great Depression; it lost about 6 million, or one-third, of all manufacturing jobs.”*

*From: “Economists Find That Trump Is—and EIR Has Always Been—Right About Manufacturing”*

## A Note To Readers

Without re-industrializing the nation, there will be no physical ability to build and rebuild the nation's decayed or even non-existent infrastructure. The article from which the quote above is from documents that the recent decades loss of manufacturing jobs has come from “foreign competition, not automation.” Of course, the outsourcing of American jobs to cheap labor nations is the dirty little secret that is hidden by the phrase “foreign competition.” To be clear, the article makes the fundamental point that there has been virtually no increase in the productivity of the manufacturing sector for the past two decades, and the delusion that robotics and IT have done so has now been buried. The full report is the last item in this week's report.

## In This Week's Report

Drought and dryness in the West continues to fade away as the Spring continues to deliver rain and

snow. The U.S. Drought Monitor this week provides the graphic representation.

Under the title, “Feel Good Platitudes Do Not Produce More Water,” we have another example of nice sounding plans that will never be implemented. At least it provides a foil to once again introduce something that can and will work-- That can be found later in this report under the title, “Here is How We Begin.”

Last week we reported on the disastrous Midwest flooding and how the decades of not completing the 1944 Pick-Sloan project for the Missouri and Mississippi rivers produced the devastating floods of 1993, 2011, and again this year. This week at least some governors of the states of the region are demanding such action. The governors of Iowa, Nebraska and Missouri met with the U.S. Army Corps of Engineers and FEMA, to demand that a flood-control building program of dams, levees, and other structures be launched now.

After a week of water flowing down the rebuilt spillway at Oroville Dam, the DWR has ended the release in order to build up the water behind the dam for release later in the year.

Legislation in the State Assembly to repair the Friant-Kern Canal, which has seen significant loss of water transport capability do to land subsidence, is making its way through the legislative process.

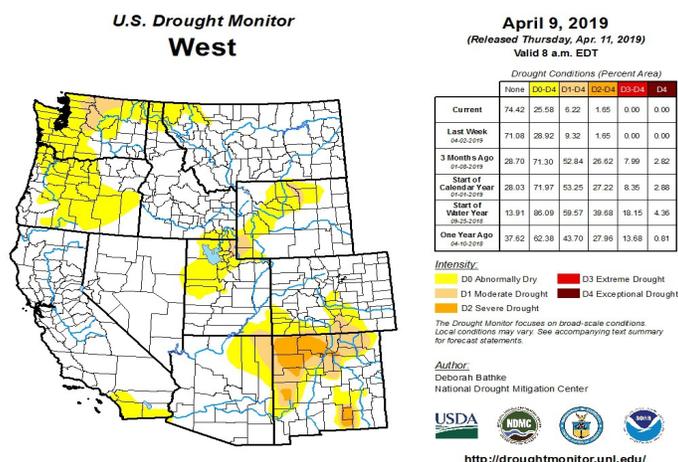
Both houses of Congress have now passed the Colorado River Agreement and the bill now goes to the President. To be stressed is that this agreement is only a temporary “fix” as the river is sure to continue dropping in the years ahead.

Next up is, “Here is How We Begin,” the first item is the Four Laws of Economic Development authored by Lyndon LaRouche. That is followed by the report of the Glass-Steagall banking law being once again introduced into the Congress.

And then, as we see, the reality is that the spirit of JFK's Apollo Project is once again stirring in the land, with the Trump administration's announcement last week of the country's accelerated drive to return to the Moon, on our way to Mars. NASA Administrator Jim Bridenstine delivered an enthusiastic keynote address to the Colorado Springs Space Symposium on April 9, where he stated: "This time we will go to the Moon to stay. And another thing that is unique is that, when we go to the Moon, we will go with a coalition of international partners."

Nuclear energy news this week is reported in two items, neither of which come from the U.S.

## U.S. Drought Monitor-- the West



## Feel Good Platitudes Do Not Produce More Water

The following report demonstrates once again the lack of any intent to get serious about how California, and the West will, 50 years from now, have the water required for tens of millions of more people. Again I say it, think big! Of course, that will not occur just because I said it. It requires the adoption of a policy that transforms the financial system, the economy, the culture and, most importantly, how we think. Below under the title, “Here is How We Begin,” I present once more the first steps required to do that.

### *Upgrading California’s Water Grid for Future Needs*

*April 9, 2019*

<http://agnetwest.com/upgrading-californias-water-grid-future-needs/>

*Lawmakers recently heard testimony about the needs of California’s water grid at a recent House Subcommittee meeting on Water, Oceans, and Wildlife. Several experts presented information about the current conditions of western water infrastructure and what will be required going forward.*

*“One of the first priorities is to really think about groundwater as a more active part of this grid; manage it more intensively and actively. The second piece is fix what’s broken and expand capacity where it’s needed,” Director of the Water Policy Center at the Public Policy Institute of California (PPIC), Ellen Hanak told the committee. “It might be surface reservoir capacity, it might be conveyance...but also infrastructure that you need to operate the groundwater storage in a more active way as well.”*

*Hanak also provided ways in which the federal government could help California achieve the goals for a more modern water grid. “One is be a really active partner with the state and with locals on assessing what investments are needed and how to manage it better...the second is data...things like measuring evapotranspiration using remote sensing is really key, stream gauges are key. These are all federal roles,” Hanak noted. “The third is, bring groundwater more into the family of what the federal government cares about and there are a lot of different ways that the federal government can help on that.”*

*In her prepared remarks, Hanak pointed out information from the PPIC’s 2018 report [Managing Drought in a Changing Climate](#) which cites specific climate pressures as causing significant challenges for water management in the future. When asked about the role of warmer temperatures in the need for better water storage in lieu of relying on storage via the snowpack, Hanak expressed the need for a diversified approach to storage. “What we’re highlighting is the importance of thinking about the combination of the surface reservoirs and the groundwater basins because in California there’s a tremendous untapped potential to store more water there as well.”*

## Once Again, It Takes a Disaster Before What Really Must Be Done Gets Traction

This week the governors of Iowa, Nebraska and Missouri, some of the states devastated by continued flooding, began a campaign that must kick into gear the long-neglected Pick-Sloan project for the Missouri and Mississippi River systems:

## ***Missouri Basin Governors Insist Feds Build River-Control Systems, Need Space Age Mobilization***



<https://www.cbsnews.com/news/historic-flooding-devastates-already-struggling-midwest-farmers/>

*April 8 (EIRNS)—On April 3 in Council Bluffs, Iowa on the Missouri River across from Omaha, Nebraska, the governors of Iowa, Nebraska and Missouri met with the U.S. Army Corps of Engineers and FEMA, to demand that a flood-control building program of dams, levees, and other structures be launched, to prevent the kind of devastation now taking place in the Midwest, because the infrastructure system was never properly built to manage the Missouri Basin run-off. With more rain, snow, and snowmelt, there are weeks ahead of still more damage, including in the Mississippi River Basin. The damage to the food chain to and agriculture capacity is enormous.*

*Iowa Gov. Kim Reynolds (R), Nebraska Gov. Pete Ricketts (R), and Missouri Gov. Mike Parson (R) briefed reporters after their meeting, to stress that they want a quick and big “Federal response,” and that in three weeks they will meet again—including with Kansas Gov. Laura Kelly (D) who was unable to attend last week—to receive options of what can be done, from the Army Corps and FEMA.*

*This is the moment for the U.S. to resume the space age deployment of technology on Earth, as well as in the skies. President Donald Trump has sounded the call in his directives for the Moon-Mars mobilization.*

*The chief reason for the Midwest flooding is that the infrastructure drive for water management during the Eisenhower/Kennedy years was later abandoned, at the same time the U.S. space program was downgraded, and monetarist casino economics was brought in.*

*In 1944, Congress had passed the “Flood Control Act of 1944,” which included the Missouri Basin Project (the “Pick-Sloan” plan, named after its engineer-designers), that intended to have 157 major and minor dams on the system. These dams, plus levees, impoundment lakes, and other structures, would have prevented the destruction now taking place, as well as previous flood episodes in recent decades, such as in 2011 and 1993.*

*From 1946 to 1966, six major “Pick-Sloan” dams were built in North Dakota and South Dakota. President John F. Kennedy personally dedicated the Oahe Dam in South Dakota in 1962. Also at this time, the giant California State Water Project was proceeding. On the continental scale, North American Water and Power Alliance was backed by Kennedy and Congress. But instead, as of the 1970s, NAWAPA and the full build-out of the Missouri River Basin Project, and the Upper Mississippi as well, were stopped. The Wall Street monetarism came to dominate, along with its anti-infrastructure “green” mind-control, undercutting both the U.S. space program, and terra-management on Earth.*

*Today’s Omaha World Herald argued the point in its editorial, “A Major Federal Response Is Needed*

*To Boost Missouri River Flood Control,” saying: “Just as the current flooding is virtually without precedent in our region, so the Federal response needs to be appropriate in scale. The governors [last week] mentioned significant options: Changing Federal laws to make flood control a higher priority in Missouri River management. Increasing levee capacity upstream. Shortening the permitting time for levee changes. Building more levees and building them higher. Using improved levee materials.*

*“Decades ago, the Federal government directed the Army Corps of Engineers to channelize the Missouri River in order to ‘tame’ it for barge traffic and flood control. But [that was never done, and] as experience this year shows, the Missouri ... retains enormous destructive power, and its fury is taking too heavy a toll....”*

*Furthermore, Federal emergency measures for farmers are also in order. They include, first, a moratorium on any farm foreclosure, given the financially impossible situation farmers face from the flooding, on top of low prices. Also, indemnity funds must be established to deal with such specific crises as the fact that insurance does not cover farmers' losses of crops stored on the farm, because Federally-subsidized crop insurance does not extend to storage. There are specific livestock needs that must be addressed as well.*

## **Oroville Dam Update**

### ***DWR stops releases from Oroville Dam spillway***

By [Chico Enterprise-Record](#) |

April 10, 2019

<https://www.chicoer.com/2019/04/10/dwr-stops-releases-from-oroville-dam-spillway/>

**OROVILLE** — *The state Department of Water Resources stopped releases from the Oroville Dam spillway on Wednesday because of forecasts showing upcoming dry weather.*

*The department said releases were halted at 1 p.m. on Wednesday. Outflows from the newly reconstructed spillway started at 8,300 cubic-feet per second, or cfs, on April 2 and peaked at 25,000 cfs on April 7*

*“Releases over the past 10 days have provided adequate space in the reservoir to help provide flood protection,” said Erin Mellon, assistant director of public affairs, in a written statement. “DWR’s experts, state and federal regulators have concluded the main spillway performed as designed. Once the spillway gates close, a team of engineers will inspect and assess the spillway, and continue to monitor the instrumentation and share those updates with the regulators.”*

## **Follow-up On Land Subsidence**

### ***Legislation to repair Friant-Kern Canal receives 7 – 0 bipartisan support, advances to appropriations committee***

THE RECORDER

Apr 10, 2019

<https://www.recorderonline.com/news/legislation-to-repair-friant-kern-canal-receives-bipartisan->

[support-advances/article\\_6562df0c-5b42-11e9-9de1-5b1fdfeba6d5.html](https://support-advances/article_6562df0c-5b42-11e9-9de1-5b1fdfeba6d5.html)

*Senate Bill 559 (SB 559), authored by Senator Melissa Hurtado (D-Sanger), representing the 14th Senate District in California, and principal co-authored by Senator Andreas Borgeas (R-Fresno), Assemblymember Devon Mathis (R-Visalia), Assemblymember Dr. Joaquin Arambula (D-Fresno), and Assemblymember Rudy Salas (D-Bakersfield), today advanced through the Senate Committee on Natural Resources and Water by 7-0 vote.*

*The legislation, which received bipartisan support, will invest \$400 million from the State's General Fund towards the Friant-Kern Canal, one of the Central Valley's most critical water delivery facilities.*

*"For 70 years, the Friant-Kern Canal has been the backbone of water delivery and regional groundwater sustainability on the San Joaquin Valley's eastside," said Jason Phillips, Chief Executive Officer of Friant Water Authority. "The canal's conveyance problem is coming at the time when we need to be expanding, not contracting, our ability to deliver water for recharge to meet the state's goals under the Sustainable Groundwater Management Act. Without SB 559, our communities will face even more severe real economic consequences, beginning next year when the Valley starts implementing groundwater sustainability plans."*

## **Congress Approves the Colorado River Deal and Now It Goes to the President**

### ***Congress approves seven-state Colorado River deal addressing drought conditions***

*By Rebecca Beitsch - 04/08/19*

<https://thehill.com/policy/energy-environment/437922-house-approves-seven-state-colorado-river-deal-addressing-drought>

*The House and Senate both approved a seven-state agreement Monday night designed to reduce use of water from the parched Colorado River by drought-stricken Western states.*

*The Colorado River is a water source for some 40 million people in Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming. But reservoirs along the river are increasingly drying up: Lake Mead and Lake Powell sit below 40 percent capacity.*

*"Unfortunately the last 19 years have been the Colorado Basin's driest on record," she said, leaving water supplies for major cities at risk of reaching crisis levels.*

*Congressional and presidential approval is required for interstate compacts, and supporters stressed the deal's importance to avoid dire consequences.*

*Lake Mead currently sits just 15 feet above the mark of 1,075 feet above sea level that would trigger mandatory water restrictions already hashed out by a 2007 agreement. The goal with this year's deal is to stave off those cuts with progressively severe cutbacks as the water level at the lake drops.*

*But more troubling than future restrictions is what would happen if Lake Mead, located outside Las Vegas, falls too low. At 950 feet above sea level, the water would no longer be high enough to supply electricity from the dam. And at 895 feet, water would fail to flow over the dam at all.*

## ***Colorado River drought plan heads to the White House***

- [\*By Tony Davis Arizona Daily Star\*](#)
- *Apr 10, 2019 Updated 8 hrs ago*

[https://tucson.com/news/local/colorado-river-drought-plan-heads-to-the-white-house/article\\_b66cd804-edf5-5658-b027-1a10879fb271.html](https://tucson.com/news/local/colorado-river-drought-plan-heads-to-the-white-house/article_b66cd804-edf5-5658-b027-1a10879fb271.html)



*The low water level in Lake Mead in 2015 left a “bathtub ring” along the shoreline, showing how far the water had dropped. Irfan Khan / Los Angeles Times 2015*

*Nearly six years after discussions started, a drought plan for the Colorado River is on the verge of becoming federal law.*

*Legislation for the drought contingency plan aimed at propping up Lakes Mead and Powell unanimously cleared the House and Senate Monday and Tuesday, respectively. The bill now heads to President Trump for his signature.*

*The plan calls on the Lower Colorado River Basin states of Arizona, California and Nevada to conserve up to 1.2 million acre-feet of the 7.5 million acre-feet to which they have a right between now and 2026. The cuts will kick in at small amounts almost immediately and will escalate when Lake Mead drops low enough.*

*Arizona, whose \$4 billion Central Arizona Project will take the first cuts during a Colorado River shortage, would lose 192,000 acre-feet of CAP water at first. (One acre-foot is enough water to serve four Tucson households for a year.)*

*When Lake Mead drops below 1,075 feet, which could happen by 2021, the CAP would lose nearly one-third of its supply, or 500,000 acre-feet. When Mead hits 1,025 feet, the CAP would lose more than 700,000 acre-feet.*

*The plan is aimed at delaying the time when the two reservoirs will drop so low that it will be difficult or impossible to get water and electric power from them.*

## **Here is How We Begin**

The Glass-Steagal banking law, the first of LaRouche's four laws is once again introduced as a bill in the Congress. And once again, note the fourth law-- the driving of real economic development by nuclear fission/fusion power and the space program. We are beginning to do that, but laws one through three are required if anything is going to work. We report on the Trump administration absolutely

serious policy a for return to the Moon by 2024 immediately below.

## **LaRouche's Four Laws for Economic Recovery and the Four Powers Agreement**

Lyndon LaRouche has provided us with the Four Laws which can produce the economic recovery of the United States:

1. Re-enactment of the Glass Steagall Act separating commercial from speculative banking and ending public bailouts of Wall Street gambling debts;
2. A new national bank or other credit-issuing mechanism, such as Lincoln's Greenbacks, capable of producing massive amounts of credit for long-term economic projects;
3. Use of this national banking mechanism to fund only such projects as will raise national productivity and create high-paying jobs in productive sectors of the economy; and
4. A crash program to develop fusion power, the energy source of the future, the energy flux density and power of which allows us to transform raw materials, power entire continents, and power space exploration and colonization.

### ***Kaptur Introduces H.R.2176 'To Restore Glass-Steagall Act'***

*April 10 (EIRNS)—Rep. Marcy Kaptur (D-OH), on April 9, as the House Financial Service Committee was holding a largely toothless hearing of major Wall Street bank CEOs, introduced a bill to restore the Glass-Steagall Act into the 116th Congress. The bill, H.R.2176, had 25 originating cosponsors, all Democrats, who are listed below. In addition, Kaptur was publicly supported by the AFL-CIO, Communications Workers of America, Public Citizen, the International Brotherhood of Teamsters, International Federation of Professional and Technical Engineers, and Take On Wall Street.*

*Representative Kaptur said that among other provisions, "The Return to Prudent Banking Act amends the Federal Deposit Insurance Act (FDIA) to prohibit any insured depository institution from being an affiliate of any broker or dealer, investment adviser, investment company, or any other person or entity engaged principally in the issue, flotation, underwriting, public sale, or distribution of stocks, bonds, debentures, notes, or other securities."*

*The act would allow a maximum of two years for separation and divestiture. It "Requires the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, or another appropriate federal banking agency to report to Congress a detailed description of the basis for its decision each time it makes a determination or grants an extension concerning such bank separation."*

*And it expands its prohibitions of the original 1933 Glass-Steagall Act against the transaction of deposit-and-loan banking activities by securities firms.*

*Originating cosponsors are Rep. Rosa DeLauro (CT-3); Rep. Susan Wild (PA-7); Rep. Stephen Lynch (MA-8); Rep. Ro Khanna (CA-17); Rep. Jackie Speier (CA-14); Rep. Bonnie Watson Coleman (NJ-12); Rep. Jan Schakowsky (IL-9); Rep. Peter DeFazio (OR-4); Rep. Eleanor Holmes Norton (DC-At-Large); Rep. Jim McGovern (MA-2); Rep. Ilhan Omar (MN-5); Rep. Tulsi Gabbard (HI-2); Rep. Steve Cohen (TN-9); Rep. Pramila Jayapal (WA-7); Rep. Chellie Pingree (ME-1); Rep. David Cicilline (RI-1); Rep. Anna Eshoo (CA-18); Rep. Paul Tonko (NY-20); Rep. Peter Welch (VT-At-Large); Rep. Barbara Lee (CA-13); Rep. Grace Napolitano (CA-32); Rep. Mark Pocan (WI-2); Rep. Raul Grijalva (AZ-3); Rep. John Yarmuth (KY-3); Rep. Lucille Roybal-Allard (CA-40).*

## **Forward to the Moon and Then on to Mars**

The reality is that the spirit of JFK's Apollo Project is once again stirring in the land, with the Trump administration's announcement last week of the country's accelerated drive to return to the Moon, on

our way to Mars. NASA Administrator Jim Bridenstine delivered an enthusiastic keynote address to the Colorado Springs Space Symposium on April 9, where he stated: "This time we will go to the Moon to stay. And another thing that is unique is that, when we go to the Moon, we will go with a coalition of international partners."

### ***Bridenstine Speaks Out on the Moon-Mars Mission, 'NASA Is Up to Doing It'***

*April 9 (EIRNS)—Speaking today at the 35th annual Space Symposium in Colorado Springs, NASA Administrator Jim Bridenstine laid out before the attendees what the mission is, and why it is important to carry it out.*

*He described how his generation missed out on the Apollo landing, and that his first space memory is from when he was in the 5th grade, and the class watched the Challenger accident. In 2003 Bridenstine was a military pilot aboard the aircraft carrier USS Abraham Lincoln, when the news was reporting the Columbia accident. He wants younger generations to "have memories of greatness, not tragedies," he said. Referencing a discussion with ESA head Jan Woerner, he mentioned a phrase he has adopted from him: "We are not going back to the Moon, we are going forward to the Moon." "NASA is up to do it," said Bridenstine.*

*He said the plan hasn't changed, just the timing. He described the Gateway, which apparently they will keep in the plan (some of the hardware is already being built). The elements that are still needed, he said, are a descent vehicle from the Gateway high orbit to a lower Lunar orbit, a vehicle to take the lander to the surface, and a propulsion stage from the surface back to low Lunar orbit; to be done with public/private and international partnerships.*

*Bridenstine was very clear that the Lunar landing goal is primary. The program will be carried out in two phases, he explained:*

*In the first phase, he said, NASA "will get rid of distractions" that interfere with the 2024 goal. It starts with NASA science payloads on commercial landers, maybe by the end of this year. It will culminate in the manned landing.*

*In the second phase, by 2028, "sustainability" is key, by which he means reusability of all vehicles—landers, tugs between Lunar orbit, etc. Other capabilities would also be added, including using the resources on the Moon (water ice is the only thing ever mentioned). There is no plan (yet) to develop the Moon's other resources. The Lunar program is envisioned as enabling the later mission to Mars. NASA will create a Moon-to-Mars group to consolidate all the related research.*

*Bridenstine then described the new discoveries by spacecraft on Mars, and the next, Mars 2020 rover, which is the first step in returning samples. He reported that the discoveries point further to the possibility of life on Mars.*

*He addressed, as he has before, the concern that funding the Lunar program will "cannibalize" other programs, especially in space science. He stated that there are political challenges (getting Congress onboard) and budget challenges (getting money out of the Office of Management and Budget), and that NASA is working on an amendment to the FY20 budget for an increase. NASA will also work on getting an exception if there is a continuing resolution.*

*Bridenstine again stressed that leadership will include partners, certainly the ISS partners, and also the many new space programs, which may not have a lot to contribute now, but will.*

## **And Now Nuclear Developments**

## ***Russia and China Plan To Help Africa Go Nuclear***

*Feb. 7 (EIRNS)—An article by Sebastien Malo for Thomson Reuters Foundation pointed to the increasing demand in Africa to install nuclear power generation. The article, however, did not detail how the African countries are preparing to usher in this high-tech power generation. As of now, South Africa is the only country on the continent operating a nuclear power plant.*

*Both Russia and China are involved in materializing this African dream, the article said. Ethiopia's memorandum of understanding on nuclear cooperation with Russia paves the way for the construction of a nuclear power plant and a research reactor in the long term, said Frehiwot Woldehanna, Ethiopia's State Minister for Water, Irrigation and Electricity. Like Ethiopia, emerging nuclear states Sudan, Kenya, Uganda, Nigeria, Rwanda, Zambia and Ghana have signed agreements with Russia's state nuclear corporation, Rosatom. Chinese state-owned nuclear firms have also taken the lead in the region, sealing deals with Kenya, Sudan and Uganda, according to World Nuclear Association data, writes Malo.*

*Ethiopia has invested heavily in hydropower. Its most ambitious project under construction is the Grand Renaissance Dam on the Nile River that will churn out 6,000 MW at full capacity when completed within the next four years, according to Ethiopian Electric Power, the state-owned utility. But Woldehanna worries about betting on an abundance of water for the country's main source of electricity, as droughts become more frequent. With rivers sometimes drying up, "you cannot fully rely on hydropower," said Woldehanna and that nuclear technologies have "environmental" advantages over other power sources. Plans for a nuclear power plant in Ethiopia remain at the "pre-feasibility stage," but the country is serious about building one, he emphasized.*

*Sub-Saharan Africa produces only as much electricity as Spain, but has 18 times the population, and with 6 out of 10 people having no access to electricity, nuclear is increasingly attractive. Even among those who have electricity, the frequent power outages make it difficult or impossible to run business or industry. Reuters cites the executive of an Addis Ababa cookie factory who paid out \$100,000 for equipment to keep machinery running during blackouts. She said that Ethiopia's plans to upgrade its power and electricity delivery would mean businesses would have reliable power—and people reliable jobs.*

## ***Expert: "Confidence" in 2019 Timeline for Russia's Floating Small Modular Nuclear Reactor***

*[Jason Deign](#) April 09, 2019*

*<https://www.greentechmedia.com/articles/read/confidence-in-russia-floating-nuclear-timeline#gs.4ybkqc>*

*A nuclear expert has confirmed his "good confidence" that the world's first purpose-built floating nuclear power plant will be working in pilot mode by this November in Chukotka, northeast Russia, according to Russian news agency TASS.*

*"Most probable, the full [operation] will begin in April 2020," Chukotka's First Deputy Governor Mikhail Sobolev [told TASS](#).*

*In the Arctic port town of Pevek, where the plant will be moored, "at times the air temperatures drop to minus 50 degrees, and we fear leaving the citizens without heating," Sobolev said, emphasizing the urgency. "Thus, most likely, it will begin working in spring."*

*Jonathan Cobb, senior communication manager for the World Nuclear Association, said there is little reason to doubt that the timeframe would be met. "The reactors have already operated during testing*

at Murmansk,” he said.

The 70-megawatt plant, built by the Baltic Shipyard in Saint Petersburg, is due to be handed over to its developer, the Russian state nuclear energy corporation Rosatom, before July, TASS said.

The news agency added that the Akademik Lomonosov’s output would be sufficient for a city of more than 200,000, roughly four times the population of the entire autonomous region of Chukotka. Once operational, the power plant will be the world’s northernmost nuclear installation.

### ***Among the world's first operational SMRs***

Despite its slow progress, the Akademik Lomonosov looks set to become one of the first small modular reactors (SMRs) in the world to begin commercial operations.

In the U.S., Portland, Oregon-based NuScale Power is hoping have the [country’s first SMR](#) hooked to the grid no sooner than the mid-2020s. SMRs are of interest partly because it is hoped they will avoid the massive upfront costs of full-scale nuclear power plants.

In addition, he said, Russia is planning to build future floating plants with newer reactors that would supply more power but weigh less, requiring smaller vessels.

Although the Akademik Lomonosov is the first purpose-built plant of it

## **The Report Cited on Manufacturing**

### ***Economists Find That Trump Is—and EIR Has Always Been—Right About Manufacturing***

April 10 (EIRNS)—The New York-based business news website Quartz carries on May 3 a significant takedown of modern economists’ claims about the wonders of automation and the IT/tech sector. The article by Gwynn Guilford, “The Epic Mistake About Manufacturing That’s Cost Americans Millions of Jobs,” takes up the sore subjects of productivity, foreign competition, and manufacturing job losses in the American economy since the 1990s. Its conclusion: “But it turns out that Trump’s story of U.S. manufacturing decline was much closer to being right, than the story of technological progress being spun in Washington, New York, and Cambridge.”

Virtually all academic and banking economists and business publications and sites—and, Quartz admits, that includes itself—have claimed that America has so many fewer productive jobs now, than 40 years ago, because of the advances of automation, increased productivity, and the benefits of free trade. Trump, of course, campaigned insisting that free trade robbed America of industrial jobs.

“Thanks to a painstaking analysis by a handful of economists,” says Quartz, “it’s become clear that the data that underpin the dominant narrative—or more precisely, the way most economists interpreted the data—were way off-base. Foreign competition, not automation, was behind the stunning loss in factory jobs. And that means America’s manufacturing sector is in far worse shape than the media, politicians, and even most academics realize.”

The United States lost manufacturing jobs faster between 2000 and 2015 than in the depths of the Great Depression; it lost about 6 million, or one-third, of all manufacturing jobs. The mainline economics explanation is higher productivity (driven by the IT/tech sector, from which industrial automation was supposedly coming).

The gist reported here is from a team of economists led by Dr. Susan Housman of Upjohn Institute. This

team “discovered” that this apparent productivity increase was the product of extremely strong “quality adjustments” to the data, applied selectively by economists and government agencies to the tech/IT sector. Correct for those “quality data adjustments” made at economists’ desks rather than on shop floors, and there is very little productivity growth since 1990-95. The loss of jobs is due to foreign competition and trade.

Trump was right, “data” were wrong, is the conclusion.

Of course, this very “discovery” was made already by EIR’s Economics editors, and published, in 1984-85!

## Some Words on the Credit System

As LaRouche's Four Laws make clear, it is a return to the American System of federal direction and control of credit issuance that not only built the nation during the 19<sup>th</sup> century, but is how President Franklin Roosevelt unleashed the greatest infrastructure building program in our nation's history.

Below are the introductory paragraphs of an article in this week's issue of *Executive Intelligence Review*:

### ***What Is America’s National Credit? Can We Use It for Real Economic Growth?***

Review by Paul Gallagher

[https://larouchepub.com/eiw/public/unlisted/2019/eirv46n14-20190412/olp875\\_wq312/4614-what\\_is\\_america\\_s\\_national\\_cre.html?utm\\_source=sendingblue&utm\\_campaign=EIR\\_April\\_12&utm\\_medium=email](https://larouchepub.com/eiw/public/unlisted/2019/eirv46n14-20190412/olp875_wq312/4614-what_is_america_s_national_cre.html?utm_source=sendingblue&utm_campaign=EIR_April_12&utm_medium=email)

April 5—Once again in March, a region of the United States has been devastated “by nature” because of the simple failure or refusal to build major systems of basic infrastructure—planned many decades ago. This is the fourth time since 1993 that the Upper Midwest of the country has been overwhelmed by massive flooding of the Missouri and Upper Mississippi basins, with widespread loss of human life, killing of millions of livestock, loss of stored crops, and harm to thousands of square miles of farmland and rural infrastructure. Even more heavy rain and flooding is forecast over the next months. The flood-control system for the Missouri and Upper Mississippi to prevent this mass destruction of life and wealth, was engineered out and proposed for the Army Corps of Engineers in 1944! As with the Tennessee Valley Authority (TVA), it would have cost a fraction of the wealth that floods have now destroyed. America’s unending failure to renew or even repair its economic infrastructure since the early- to mid-20th century has become a national crisis. Since the financial crash in 2007-08, trillions of dollars have been printed

and made available to Wall Street and City of London banks for their capital and liquidity. Not only has this denied national credit to the economy; it has made the crisis of our deindustrialized economy worse, and now threatens a new Wall Street financial blowout. Claims that these same banks are ready to “invest in infrastructure” are a joke; they demand 10-12% annual return to do so. Legislators constantly claim—even as they finish making impassioned pleas for new infrastructure!—that “We don’t know what the source of funds for this could be.” Everyone, from the engineering experts to the informed average citizen, knows that the more-or-less immediate investment needed, if we’re going to have a high-productivity industrial economy again, is counted in trillions. Yet elected officials are unable to guess where investments in the low hundreds of billions, even over a decade, could come from. Just imagine what would happen if they should suddenly be given the task of funding a war for the very survival of America. That is what the author of this “forgotten” book succeeded in doing.