

California Drought (and Flood) Update



For March 16, 2017

by Patrick Ruckert

Published weekly since July, 2014

<http://www.californiadroughtupdate.org>

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

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Water should be used. Land west of the 100th parallel was never regarded as fertile until some days after the Civil War a few men began to come out here and made determinations of what could be done. And we have moved ahead, and this project is only the most recent. I am proud of it. It was opposed for many years.... For too long this water ran unused to the sea. For too long surplus water in one area was wasted, while there was a deficit nearby. Now, by diverting these waters to the eastern slope, we can irrigate crops on the fertile plains of the Sacramento Valley and supply water also for municipal and industrial uses to the cities to the south.... And while running their course, these waters will generate millions of kilowatts of energy and help expand the economy of the fastest growing state in the Nation. In these ways, Whiskeytown Reservoir and the Trinity division will add to our natural beauty and will show that man can improve on nature, and make it possible for this state to continue to grow.

President John F. Kennedy

Whiskey Town CA

September 28, 1963

A Note To Readers

We have had a week or more of relief from the rain, snow and floods, and it may last a little longer-- or maybe a lot longer. Whatever the weather gods decide, the emerging picture of the breaking down of the California water management system continues to make itself visible.

This week, after the Oroville Dam near disaster, a second major element of the California State Water Project became disabled as the intake structure at the Clifton Court Forebay, a 2½ mile-wide reservoir

in eastern Contra Costa County, was shut down after heavy inflows of water caused significant damage to the structure. This is the pumping station that delivers water to much of Southern California and the Silicon Valley. More detailed coverage of this can be found in the report below.

While the drought may appear to be over, we should remember that appearances can be deceptive. The reservoirs are full, that is true, and the snowpack is huge, but when we look beneath the surface-- literally in this case-- we find that the groundwater reserves have been severely depleted, subsidence of the ground level, especially in the Central Valley, is more than a serious problem, and many many wells are still dry, while those who can afford it must dig their wells deeper. The article excerpted below by Dennis Wyatt provides a good picture of a drought that really has not gone away.

As the brawl between the Trump administration versus the press, some of the Democrats, elements of the intelligence community, and even the neo-con Republicans continues, what has gone unnoticed by most is that the administration is pushing forward on the strategic policy areas that will possibly make this government a real success. While the President's infrastructure program remains somewhat vague yet, the first step required for it to work, the President's commitment to reinstating the Glass-Steagall banking law, was reaffirmed last Thursday by his spokesman Sean Spicer. In addition, on March 13, a speech by the Vice-President of the the FDIC, Thomas Hoenig, presented his moderated version of Glass-Steagall. In response the financial press of the U.S. and Britain set off the alarm bells of their fear of such a development.

Meanwhile, the President has reportedly invited President Xi of China to spend two days with him at the White House and in Florida. Recall that several Chinese sources has offered to invest hundreds of billions of the U.S. Treasury bonds they hold in financing U.S. infrastructure.

Back to the California water management system. I reported last week on the new report by the American Society of Civil Engineers on U.S. infrastructure. Here I must correct a mistake in that report. I wrote that the estimated price tag to fix the nation's infrastructure was \$3.6 trillion. That was the price tag from their 2013 report. The new report ups the cost to \$4.5 trillion. I include more from their report below.

To conclude this week's report I include the draft legislation required to organize the funding of a serious infrastructure building policy that begins with reaching for the stars-- driving a leap in the productivity of the entire economy by a focus on the most advanced areas of science and technology-- the space program and the development of fusion. I might add that the President's budget released this week cuts the climate change programs at NASA and increases the funding for the manned space program.

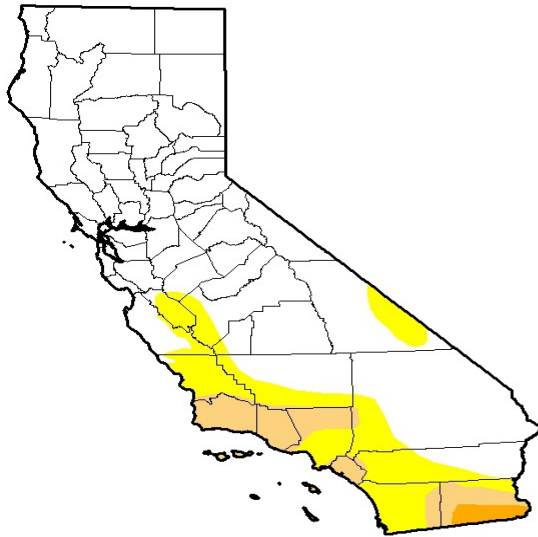
Unless the American people have a clear understanding of the traditional American System methods of Alexander Hamilton, on how to organize, finance and focus the real physical economy, guided by that word seldom heard these days-- PROGRESS-- there will be no real infrastructure building policy, and the blowout of the financial system once again is guaranteed.

Toward that understanding I include also at the end of this report several more items on the topic in addition to draft legislation mentioned above.

The U.S. Drought Monitor

**U.S. Drought Monitor
California**

March 14, 2017
(Released Thursday, Mar. 16, 2017)
Valid 8 a.m. EDT



Drought Conditions (Percent Area)

| | None | D0-D4 | D1-D4 | D2-D4 | D3-D4 | D4 |
|---------------------------------------|-------|--------|-------|-------|-------|-------|
| Current | 76.54 | 23.46 | 8.24 | 1.06 | 0.00 | 0.00 |
| Last Week 3/7/2017 | 76.54 | 23.46 | 8.24 | 1.10 | 0.00 | 0.00 |
| 3 Months Ago 12/13/2016 | 12.16 | 87.84 | 73.04 | 60.27 | 42.80 | 21.04 |
| Start of Calendar Year 1/3/2017 | 18.07 | 81.93 | 67.61 | 54.02 | 38.17 | 18.31 |
| Start of Water Year 9/27/2016 | 0.00 | 100.00 | 83.59 | 62.27 | 42.80 | 21.04 |
| One Year Ago 3/15/2016 | 0.43 | 99.57 | 93.28 | 73.64 | 55.31 | 34.74 |

Intensity:
■ D0 Abnormally Dry ■ D3 Extreme Drought
■ D1 Moderate Drought ■ D4 Exceptional Drought
■ D2 Severe Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

Author:
Brian Fuchs
National Drought Mitigation Center



<http://droughtmonitor.unl.edu/>

Reservoirs

We shall skip posting the Reservoir Graph this week and just feature the San Luis Reservoir with excerpts from this article:

Stunning turnaround: San Luis Reservoir, nearly empty in August, now full for first time in six years

By Paul Rogers

San Jose Mercury News

March 11, 2017 UPDATED: March 12, 2017

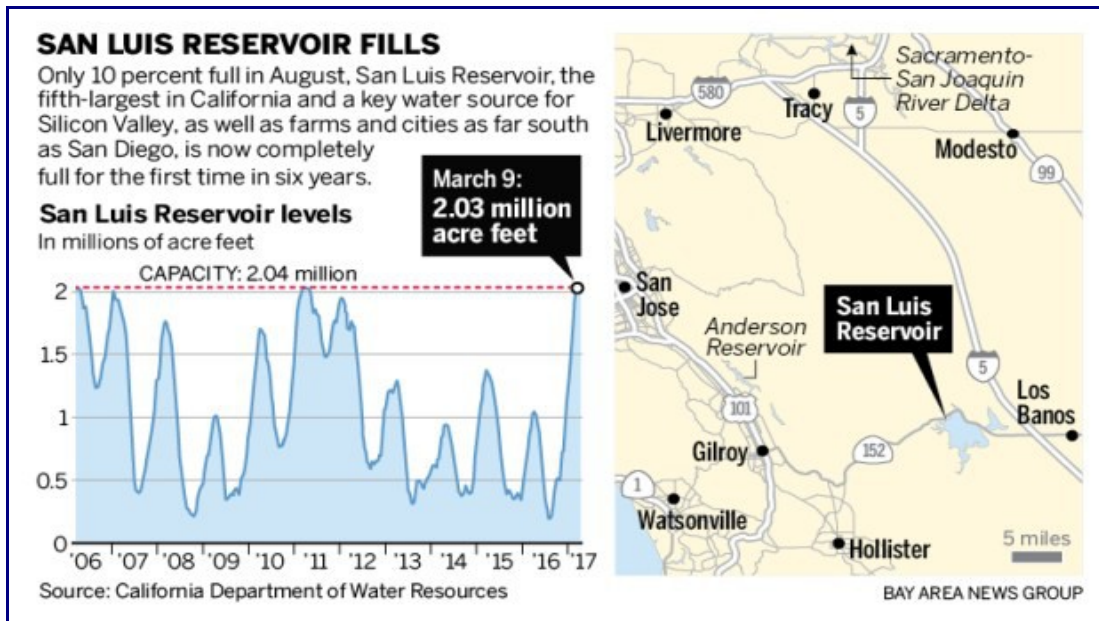
<http://www.mercurynews.com/2017/03/11/stunning-turnaround-san-luis-reservoir-nearly-empty-in-august-now-full-for-first-time-in-six-years/>

Bay Area News Group



The water level is at 100 percent at the San Luis Reservoir near Los Banos, Calif., Tuesday, Mar. 7, 2017. In August, San Luis Reservoir, the vast lake along Highway 152 between Gilroy and Los Banos,

and a key source of water for farmers and millions of Californians, was just 10 percent full, the lowest level in 27 years. But now, in a stunning turnaround, San Luis Reservoir is full. (Patrick Tehan/Bay Area News Group)



The lake holds 2 million acre feet, enough water for 10 million people for a year. Nine miles long, it contains 12 times as much water as Los Vaqueros Reservoir in Contra Costa County, five times as much as Yosemite's Hetch Hetchy and 100 times as much as Lexington Reservoir in Los Gatos.

Appearances Can Be Deceptive

"Is the drought over?" has been a headline in numerous media for the last two or three weeks. Dennis Wyatt gives his view of the question in the excerpted article below:

The drought is just now beginning in California

Dennis Wyatt
dwyatt@mantecabulletin.com
209-249-3519
March 15, 2017

<http://www.cerescourier.com/section/22/article/8468/>

Is the drought over?

You might view that as an insane question given the near record snowfall for modern times in the Sierra and the fact the runoff will be testing levees for the coming months.

But before you get too giddy and think it's ok to revert to old water use patterns and plant water guzzling turf all over creation, you might want to remember that there is a lot more to California water than meets the eye.

Consider:

- *The Central Valley water aquifers during the past four years lost a third of what they did during the*

previous 50 years according to the U.S. Geological Survey California Water Service Center.

- *During four years of drought, 37.5 percent of all wells in the state dropped 10 to 49.9 feet with another 12 percent falling 50 feet or more. Among those some plunged over 100 feet.*
- *In normal water years, 38 percent of the state's water supplies come from groundwater. During the drought, we took 60 percent of our water from aquifers.*
- *From 2013 to 2016, ground water fell by more than 40 million acre-feet. Storage in the state's largest reservoirs during the same time period fell in the highest years of loss to as much as a third of average. If the loss were a third of average for ever year that would translate to 20 million acre feet of water loss in reservoirs from 2013 to 2016.*
- *While one heavy year of snow and rain as we are now experiencing can bounce surface water reservoirs and lakes all the way up to the brim, it takes years to decades for underground water to be replenished according to the Center for Watershed Sciences at the University of California, Davis.*
- *In some cases, the loss of water leads to severe soil compaction meaning some ground permanently losses the ability to hold water.*

What this means is simple. The meteorologist on TV may tell you the drought is over and so may your own eyes.

But a hydrologist who looks at the entire water system that includes manmade as well as nature both above and below ground will tell you different.

California Water Management System Is Falling Apart

A year or two ago I compared the management of the California water management system to a juggler who adds more and more balls to those he is keeping in the air. There is a limit to that number. So, as the California Department of Water Resources and the Water Board attempt to juggle both the lack of water or the flood of water in the system that is aging and inadequate, something will break I wrote. This week we have another break, on the heels of the Oroville Dam disaster.

The two excerpted articles cover this:

Just weeks after Oroville Dam crisis, damage found in another key California reservoir

By Ryan Sabalow and Dale Kasler

Sacramento Bee

March 14, 2017

<http://www.sacbee.com/news/state/california/water-and-drought/article138528578.html#storylink=cpy>

California water officials, still struggling with fixes at [Oroville Dam](#), will have to temporarily shut down the pumping station that delivers water to much of Southern California and Silicon Valley after discovering damage at another key state reservoir.

The state Department of Water Resources confirmed Tuesday that operators discovered damage to the intake structure at the Clifton Court Forebay, a nearly two-mile-wide reservoir that stores water for the State Water Project pumping plant in the Sacramento-San Joaquin Delta near Tracy. Repairs will

begin Wednesday. It's not clear how long they will last.

However, state officials said State Water Project customers won't lose any water deliveries.

"This is not an emergency of any kind," said Doug Carlson, a spokesman for the Department of Water Resources. "The water is going to continue to flow to contractors."

Clifton Court is a crucial piece of the State Water Project's plumbing. Water stored in the forebay is piped to the nearby pumping station, where it's delivered to 19 million residents of Southern California, portions of Silicon Valley and about 750,000 acres of farmland in the Central Valley. A third of Southern California's drinking water typically flows from the Delta pumps.



In this Sept. 23, 2013, file photo, water flows through fish diversion louvres from the Clifton Court Forebay on its way to the Banks Pumping Plant, near Tracy. (Photo: Rich Pedroncelli, Associated Press)

Can California repair damaged Delta reservoir within 45 days?

By Ryan Sabalow and Phillip Reese

Sacramento Bee

March 15, 2017

<http://www.sacbee.com/news/state/california/water-and-drought/article138789393.html#storylink=cpy>

State officials said Wednesday that Californians reliant on water pumped out of the Sacramento-San Joaquin Delta won't face supply shortages, even as crews shut down a massive pumping station that serves much of Southern California for at least a month to make repairs to its intake reservoir.

The repair effort involves Clifton Court Forebay, a shallow reservoir that serves as an entryway for a Delta pumping station critical to the State Water Project, the state-run water delivery network that moves water north to south through California. Doug Carlson, a spokesman for the California Department of Water Resources, which operates the pumping plant near Tracy, said that crews discovered damage within the last two weeks on the intake gates at the reservoir. Erosion was scouring the base of a 175-foot-wide concrete "apron" on the intake that sits below the water's surface.

And here is a report on one angle of the California problem (excerpted):

Why California's Dams are Breaking

March 12, 2017 By Charles Crumpley

<http://www.capoliticalreview.com/top-stories/why-californias-dams-are-breaking/>

Here's a study you may find interesting:

Among all states, California spends the lowest percent of its budget on infrastructure, according to a report last year from the Center for Budget and Policy Priorities.

The Golden State invested only 3.3 percent of its budget in 2013 on infrastructure, one of only three states that spent less than 4 percent. Texas, the most comparable state in size and population, spent almost twice as much at 6.4 percent.

We can easily see the result of this neglect. California's roads and bridges are among the worst in the country, and the Oroville dam's two spillways, when finally called upon to work in February, were quickly rendered useless, creating the potential for a devastating flood.

That the bureaucracy that "runs" the system is not only incompetent and corrupted by environmentalism, but are virtual Sophists when confronted with the evidence, as seen in this article on the Oroville Dam:

Oroville Dam: Photos taken weeks before spillway broke show something wrong

By Dan Reidel

Chico Enterprise-Record

March 11, 2017

<http://www.eastbaytimes.com/2017/03/11/oroville-dam-photos-taken-weeks-before-spillway-broke-show-something-wrong/>

Oroville – Something was wrong with the Oroville Dam spillway weeks before the Department of Water Resources noticed a hole in the concrete.

Two photos taken by photographers from this newspaper show discoloration and possible damage to the concrete of the spillway at the spot where a gaping hole opened Feb. 7. Those pictures were taken Jan. 13 and Jan. 27.

When asked for a response to the photos, California Natural Resources Agency deputy secretary for communication Nancy Vogel wrote in an email to this newspaper, "Oroville dam was frequently inspected by multiple state and federal agencies. Reports of those inspections did not reveal any major causes for concern. DWR will soon name a panel of independent experts to investigate the cause of the main spillway failure and ascertain if such a failure could occur again. We hope that what we learn about the cause of this incident and how to prevent it elsewhere will help dam owners around the world."

She did not ask to view the photos.

So why didn't the water agency see what the pictures show?

The answer may have to do with inspections of the dam and spillway.

A Few Items of Interest and Amusement

After near-record Northern California storms, signs of El Niño rise

By [Kurtis Alexander](#)

Thursday, March 9, 2017

<http://www.sfgate.com/bayarea/article/After-near-record-Northern-California-storms-is-10991042.php>

If you don't think California has seen enough rain this year, just wait. There may be more to come.

Federal forecasters said Thursday that the chances of an El Niño developing by fall are on the rise — now between 50 and 55 percent — an outlook that could skew the odds in favor of yet another wet winter.

Are we living in a warm peak between ice ages?

- Ned Rozell, Alaska Science Forum
- Feb 26, 2017

http://www.newsminer.com/features/sundays/alaska_science_forum/are-we-living-in-a-warm-peak-between-ice-ages/article_46a03fd6-fb0b-11e6-98ff-5b737d703f07.html

Those pictures of dried-up California lakes bothered Syun-Ichi Akasofu, who recently gave a talk, “The Forthcoming Ice Age,” at the University of Alaska Fairbanks. He thinks we humans are perhaps living in a period of warmth between cold periods and we consider it normal. Mankind’s effects on climate, he said, are a minor act in a much grander play.

Akasofu, whom an Anchorage Daily News reporter a decade ago called “Alaska’s best known climate-change skeptic,” is now 86. Every weekday, he walks into the rear entrance of a building with his name on it (home to the International Arctic Research Center) and works in his modest partitioned space until early afternoon.

Since he was a boy, Akasofu has been a contrarian, finding himself looking for an alternative explanation when many people agree on an unproven notion. He has spent many hours of his retirement looking for cracks in the argument of the importance of humanity’s role in global warming, one of the noisiest debates of his time.

“The public should be aware that we are at the peak of this change (the warm recovery from a past ice age),” he said. “We are luckily at the peak of an impulsive heat input.”

Cannibalism Promotion Project Unleashed by a Dying Empire

*Feb. 20 (EIRNS)—The same media crying war against President Donald Trump for threatening “our system,” are currently competing to see which publishes the most disgusting promotional of human cannibalism. The pretext for this effort to drive their readers into joining them in the depths of their depravity, is the publication of a new book, released this week, by a zoologist named Bill Schutt, titled *Cannibalism: A Perfectly Natural History*. His thesis: *Animals eat each other; humans have done so, too, throughout history and cultures*. Schutt wants you to get used to the idea, because he foresees a coming explosion of humans eating humans on an epic scale, under the conditions of famine and overpopulation which he argues “climate change” will bring.*

The New York Times coverage suffices to get the flavor of this campaign:

“Cannibalism is a jolly book, written in a breezy style, but the research behind it is impressive,” wrote New York Times reviewer Sy Montgomery on Jan. 31. “You might think a book on cannibalism would be upsetting,” he concluded; but this one is “refreshing. Cannibalism, in fact, restores my faith in humanity: It’s good to know that, as regards this particular behavior, at least, people are no more horrifying than, or as splendidly surprising as, any other species out there.”

Schutt, an expert in vampire bats who uses @draculae as his twitter identification, is simply an appendage (albeit a sick one), of the British oligarchic system, which coldly justifies mass murder, if that is required to save their monetarist system. Thus, it is no surprise to find that Schutt is a research associate at the American Museum of Natural History, that bastion of man-is-nothing-but-an-animal outlook infamous, among other crimes, for hosting Averell Harriman’s and William Draper’s 1932 International Congress of Eugenics promoting Hitler and eugenics.

And the political elites fail to understand why the American people are in revolt against this media?

Trump to Drop Climate Change From Environmental Reviews, Source Says

*by Jennifer A Dlouhy
March 14, 2017*

<https://www.bloomberg.com/news/articles/2017-03-14/trump-said-to-drop-climate-change-from-environmental-reviews>

President Donald Trump is set to sign a sweeping directive to dramatically shrink the role climate change plays in decisions across the government, ranging from appliance standards to pipeline approvals, according to a person familiar with the administration’s plan.

The order, which could be signed this week, goes far beyond a targeted assault on Obama-era measures blocking coal leasing and throttling greenhouse gas emissions from power plants that has been discussed for weeks. Some of the changes could happen immediately; others could take years to implement.

It aims to reverse President Barack Obama’s broad approach for addressing climate change. One Obama-era policy [instructed](#) government agencies to factor climate change into formal environmental reviews, such as that for the Keystone XL pipeline. Trump’s order also will compel a reconsideration of the government’s use of a [metric](#) known as the “social cost of carbon” that reflects the potential economic damage from climate change. It was used by the Obama administration to justify a suite of regulations.

President Trump and Infrastructure

American Society of Civil Engineers Gives U.S. a ‘D+’ in Infrastructure

March 10 (EIRNS)—Although the Trump Administration promises to spend \$1 trillion to improve U.S. infrastructure, the American Society of Civil Engineers (ASCE), in its quadrennial report issued today, says it will take almost \$4.6 trillion over the next eight years to even bring American infrastructure systems up to an even acceptable standard.

Considering that new infrastructure platforms must also be built, such as a national high-speed rail network, this brings into focus the overall estimate of \$8 trillion in needed investments over a decade, made in January by China Investment Corp. President Deng Xuedong—who proposed that his fund

invest its Treasury holdings in the U.S. project.

The ASCE has given the United States a grade of “D+” on its 2017 Infrastructure Report Card—the same grade the U.S. received in 2013, the last ASCE four-year report issued.

This report starkly demonstrates that the U.S. must move into a new infrastructure paradigm: join China’s Belt and Road Initiative world infrastructure program; consider Japan’s offers to build high-speed rail lines in America, and most importantly, adopt the Four Laws of American statesman Lyndon LaRouche to finance and build modern infrastructure, with science driver input, on the principle of Alexander Hamilton’s National Bank.

In a realistic move on the need for financing, beyond the tired, ripoff “public-private partnerships” flotsam, ASCE itself focuses on a \$0.25/gallon increase in the Federal gas tax as the infrastructure funding mechanism, as well as indexing the gas tax to inflation.

Political leaders at all levels say that while private investors might put money into select projects in urban areas from which they expect a return, they would avoid investments in rural areas, and would rather build new, limited infrastructure than replace entire deteriorated systems, Ashley Halsey III reported in today’s Washington Post. Connecticut Gov. Dan Malloy told the paper, “I think the Federal government has to play a larger role.”

The American Society of Civil Engineers’ 2017 Infrastructure Report Card was posted on their website: <http://www.infrastructurereportcard.org/>

Wall Street is out to kill any Trump Infrastructure plan

CFR Attack on Trump's 'Infrastructure': Mr. Mallaby Plays the Fool

Feb. 19 (EIRNS) -- The Council on Foreign Relations (CFR), in the Sunday Washington Post, joins the drive to stop President Trump's "infrastructure investments." The City of London/Wall Street establishment clearly thinks they can wipe out Trump's \$1 trillion infrastructure idea as quickly and thoroughly as they stamped out Bill Clinton's \$110 billion infrastructure bank idea in 1993. (Clinton abandoned it within months under an all-points media, think-tank and Congressional barrage. The nation's productivity has continued to pay the price since.)

Sebastian Mallaby -- who is a British-trained economist, Alan Greenspan's biographer, and the Paul Volcker Senior Fellow at the CFR -- followed up Greenspan's Feb. 17 interview attacking Trump's (or anybody else's) plans for infrastructure investment in the U.S. economy. Mallaby's Post op-ed, titled, "The Economy Is Already Pretty Great," is laughably false but quite centered on Greenspan's and London and Wall Street's target.

Mr. Mallaby tells us that the "Obama expansion could soon become the third-longest of the post-war era." How very extraordinary. And, that "Wage growth has picked up to around 3.5% per year." This statement is also extraordinary -- extraordinarily false, as current data on 2016 from the Bureau of Labor Statistics make clear. Moreover, "Household income grew rapidly in 2015." In fact, that was the only year of Obama's eight in which real household income grew at all, and median real weekly income is still somewhat below the 2007 level.

But then comes the real point: "In some past recoveries growth ... exceeded the sustainable rate." Obama's crawling "recovery," then, is quite enough. "The main cloud on the horizon is that ... infrastructure spending could drive growth above its sustainable rate." Chair Janet Yellen's Federal Reserve is also on this line, and Mallaby threatens the Fed "would put on the brakes" with high interest rates if under Trump, infrastructure investments led to "overheating."

And don't worry about the lack of any productivity growth for a decade, Mallaby adds: "Official measures of productivity exclude the value to consumers of cool new stuff" like Internet search, auto navigation. Productivity growth is completely unpredictable anyway, he says, defying decades of economic research. So the CRF's conclusion: Let's have no "railing at the poor performance of the economy, and using that ... to justify rash populist measures" like investment in new infrastructure.

Meanwhile, infrastructure draft legislation may be coming from the White House. Senate GOP leader Mitch McConnell said at his Feb. 17 press conference that he "expects to receive some kind of recommendation on an infrastructure bill shortly, a subject that we frequently handle on a bipartisan basis." McConnell's wife is the Transportation Secretary Elaine Chow.

The Real American System

Below are several items representative of the American System of finance, economy, banking and investment, including the draft legislation just published by *Executive Intelligence Review*.

The United States Requires a Hamiltonian National Bank (excerpts)

<https://larouhepac.com/20170126/united-states-requires-hamiltonian-national-bank-20170126-national-bank.pdf>

January 26, 2017

Restoring and enforcing the Glass-Steagall banking system regulation once and for all empties the Wall Street casino, but to begin refinancing a physical recovery for the American people, much like Hamilton initiated after the Revolutionary War, or as Lincoln did to overcome the destruction of the Civil War, or as Franklin Roosevelt did to overcome the Great Depression, President Trump and Congress must create a 'Hamiltonian' National Bank. Only the creation of a large-scale national credit institution to replace the speculative swamp which has dominated our economic policy for decades, can finally substantiate the U.S. economy with productive employment and high rates of productivity per worker.

This means that the United States must be able to create approximately \$1 trillion in national economic credit, and rapidly, to mobilize the American economy and raise its productivity. This is not simply a matter of providing funds for the renewal of the nation's infrastructure, but also requires substantial credit for innovative manufacturing—including and especially by small and medium-sized companies—through a large national system of commercial banks, for an overall reconstruction of both the nation's basic economic infrastructure platform, as well as a revival of our advanced manufacturing capabilities.

Alexander Hamilton, U.S. Treasury Secretary during George Washington's Presidency, created a system that closely coordinated the relationship of public credit with the role of the national government. The task of the national banking system, via the U.S. Treasury, is to create and circulate new currency which is sound in the immediate term, and to invest it in the broad national purposes of developing the productivity of the American economy and labor force, and in a such a way, that it will be more than repaid in the medium and long term. Hence any and all national currency is national debt, which is repaid by the increased productivity of the economy over the long term.

Draft Legislation to Create a Bank of the United States for Infrastructure and Manufacturing (Excerpt).

By Executive Intelligence Review

<https://larouhepac.com/20170314/legislation-create-bank-united-states-infrastructure-and-manufacturing>

Section I: Findings and Purposes

(a) To return to a policy of building modern economic infrastructure and productivity which it has lacked for half a century, the United States should return to a Hamiltonian credit and banking system as under the original Bank of the United States; the Second Bank of the United States; the 1841 Fiscal Bank of the United States; the Lincoln Administration Banking Acts of 1863 and 1864; and the Roosevelt Administration's Agricultural Adjustment Act and Reconstruction Finance Corporation. Alexander Hamilton's bank and credit policies were extremely successful whenever used in the advancement of productivity and production.

LaRouche's Four Laws & America's Future on the New Silk Road (excerpt).

And just in time, today, the LaRouche PAC released its new report, [LaRouche's Four Laws & America's Future on the New Silk Road](#).

Introduction

In November 2014, Chinese President Xi Jinping officially invited the United States to leave confrontational geopolitics aside and join the largest infrastructure and economic development initiative in human history, centering around the New Silk Road program. This “win-win” collaboration, together with LaRouche's Four Laws, will be the fastest way for America to rebuild its decaying infrastructure, create productive employment, and secure a prosperous future. President Obama rejected this offer at the time. Will President Donald Trump now accept it?

The year 2017 begins a new era of mankind. It marks a shift away from the sixteen years of the misguided and destructive leadership of George W. Bush and Barack Obama, the old order which has driven the trans-Atlantic nations into economic ruin and a process of perpetual warfare under the old British Imperial mentality of “regime change.” This archaic system of zero-sum geopolitics brought us precariously close to war with Russia and China, propelling the world to the brink of Armageddon.

But this old order is dying. At the core of the dying system is the remnants of the British Empire's “too big to fail” banks in the City of London and on Wall Street, bloated with worthless gambling debts, while the physical economies of the trans-Atlantic nations have been drained of productive credit, their populations driven into idle joblessness, alcohol and drug addiction, violence and despair. The illegal wars of the past sixteen years have expended hundreds of thousands of innocent lives, driven a refugee crisis in Southwest Asia and Europe, and depressed and demoralized the populations of the Western nations.

A revolt against this insanity is now fully engaged. The British people voted for Brexit, breaking the chains of the supra-national EU dictatorship; the Italian people voted against a referendum aimed at further tightening those same EU chains; and the American people voted against the war-mongering puppet of Wall Street, Barack Obama, and his clone Hillary Clinton. What direction Donald Trump will take is far from certain, but he was elected on a promise to rebuild the decayed infrastructure and industrial capacity of the nation, and to establish cooperation with Russia in fighting terrorism, while ending the “regime change” imperial policies.

Whether the Trump Administration will carry out those promises, or not, depends on you, the American people, and on people around the world who wish to join together to create a new paradigm, based on the common aims of mankind—mutual economic development, joint scientific progress, and a Renaissance bringing together all the great classical cultures of the world.

FDIC Chairman Hoenig Proposes Bank Separation in Washington Speech

March 13 (EIRNS)—Called a “plan to modernize Glass-Steagall” by American Banker and a “throwback to the 1933 Glass-Steagall Act” by Washington Examiner, FDIC Vice-Chair Thomas Hoenig’s speech to the Institute of International Bankers in Washington, D.C. today was really a much simpler proposal to adopt one element of Glass-Steagall, although a significant one.

Hoenig himself said “The proposal would not reduce the ability of a universal bank to conduct any of its current [including speculative] portfolio of activities.” But only the commercial bank unit’s deposits could be insured by taxpayers through the FDIC. He proposed that U.S. financial firms should partition their investment banking activity, putting all those units into a separate intermediate holding company with its own board, management and its own capital. That holding company would not have access to FDIC insurance.

The second part of Hoenig’s proposal requires all bank holding companies to have a tangible capital equal to 10% of all (not risk-weighted) assets, including the total value-at-risk of their derivatives exposure. If they were unable to do this they would have to be broken up, and this level is roughly double the capital ratio (half the leverage) which the Wall Street megabanks have, at best.

Hoenig proposed to accompany this with the removal of a large number of Dodd-Frank regulations; and said he had briefed the leaders of the House Financial Services Committee and Senate Banking Committee on the proposal before making it public.

Bloomberg News noted that “President Trump has worried Wall Street by promising to bring back a version of the Glass-Steagall Act. Hoenig told reporters after the speech that his plan, which would require new legislation, wouldn’t bring Glass-Steagall back, but could meet the Trump Administration’s goal of enacting a modern form.