

# California Water and Infrastructure Report

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



**For October 11, 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>

[patruckert@hotmail.com](mailto:patruckert@hotmail.com)

*The new report by the anti-scientific crew known as the UN Intergovernmental Panel on Climate Change (IPCC), calling for all-out destruction of the world economy in the name of the false notion that carbon causes global warming, can and must be refuted by real science and real scientists.*

## **A Note To Readers**

As our quote above indicates, addressing the “man-caused climate change” hoax this week is necessary, as the IPCC has issued a new report demanding an acceleration of the shut-down of industry and electricity production world-wide to supposedly slow down global warming. As I write below in the section on this topic, only a few foolish countries will go along with such a suicide policy. Most, especially China and the nations of Africa, will only accelerate their transition to industrial countries.

The other major development addressed in the final section of this week's report is the long-developing financial and speculative bubble that appears to perhaps begun to crash this week with the market shock of Wednesday and today. Well, we shall see if this is the beginning of a new 2008-style collapse or not in the days ahead. But, whether it is or is not, what is required is the “Four Laws of LaRouche” policy now. <https://larouchepac.com/four-laws>

In a webcast by Helga Zepp-LaRouche today, she addressed both major topics:

“The world is at a turning point, with a looming financial crash so evident that even the International Monetary Fund is warning of a likely new “Great Depression.” Combine this with the just-released report by the Inter-Governmental Panel on Climate Change (IPCC), which calls for a genocidal deindustrialization and depopulation of the planet, and the need for urgent change to an entirely new paradigm couldn’t be more clear....

“You need a New Bretton Woods system; you need Glass-Steagall; we need to get rid of the casino economy; we have to have credit for the financing of the real economy and we have to have a new credit system to basically finance investments on a multinational level among all the countries of this world, to get the world out of this danger of a depression....” <https://larouchepac.com/20181011/war-and-peace-stake-midterm-elections>

### **Now on to the news for the week:**

The drought intensity in the state is holding steady with little or no change over the past several weeks. But, there should be no complacency, as 84% of the state is “Abnormally Dry,” and 23% is in “Severe Drought.”

So, what will the rainy season that officially begins the first of November bring? There is a 70% chance of an El Nino, which usually, but not always, brings lots of precipitation to the state. Two items discuss this. The first item is very technical and you will have to go to the link if you wish to follow the technical details.

That section is followed by a report forecasting that the future will bring less snowpack to the Sierras. That study correlates with the IPCC new report. That has been discussed above and the two sections on these reports found below, discuss the topic further.

For years the building crisis of the Colorado River has been discussed and argued about. This week a first definitive action has been initiated as the headline reads, “California Voluntarily Cuts Back Colorado River Water Allotment.” This is a part of a broader negotiation process involving the seven states and Mexico on how to handle the shrinking water flow of the Colorado.

A round-up article on the year of fires for California emphasizes that while the acreage burned is a record, we are still in the historically worst month for fires right now.

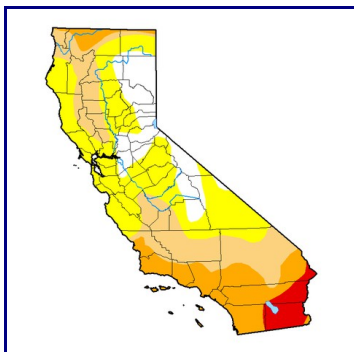
As mentioned above, the last section of this week's report is on the financial market crash this week.

Note: There is no Oroville Dam Update this week, as little has been reported.

## **U.S. Drought Monitor - California**

As of October 9, 2018






[Author: Richard Tinker, CPC/NOAA/NWS/NCEP](#)



Drought Conditions (Percent Area)

Week	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
<b>Current</b> 10/09/2018	15.16%	84.84%	47.94%	22.77%	4.87%	0.00%
<b>Last Week</b> 10/02/2018	12.18%	87.82%	47.97%	22.82%	4.93%	0.00%
<b>Three Months Ago</b> 7/10/2018	14.85%	85.15%	44.12%	20.75%	2.77%	0.00%
<b>Start of Calendar Year</b> 1/02/2018	55.70%	44.30%	12.69%	0.00%	0.00%	0.00%
<b>Start of Water Year</b> 10/02/2018	12.18%	87.82%	47.97%	22.82%	4.93%	0.00%
<b>One Year Ago</b> 10/10/2017	77.88%	22.12%	8.24%	0.00%	0.00%	0.00%

## Drought Intensities

- None: No Drought
-  D0: Abnormally Dry
-  D1: Moderate Drought
-  D2: Severe Drought
-  D3: Extreme Drought
-  D4: Exceptional Drought

## *El Niño: Good, Bad, or Something In Between?*

### *EL NIÑO/SOUTHERN OSCILLATION (ENSO) DIAGNOSTIC DISCUSSION*

*issued by  
CLIMATE PREDICTION CENTER/NCEP/NWS  
and the International Research Institute for Climate and Society*

*11 October 2018*

**ENSO Alert System Status: *El Niño Watch***

[http://www.cpc.ncep.noaa.gov/products/analysis\\_monitoring/enso\\_disc\\_oct2018/ensodisc.shtml](http://www.cpc.ncep.noaa.gov/products/analysis_monitoring/enso_disc_oct2018/ensodisc.shtml)

### ***Why You Shouldn't Get Your Hopes up About an El Niño This Winter***

*It's become almost common currency that El Niño conditions in the Pacific Ocean mean wet winters in the West. But history shows that's not necessarily so, partly because many other weather phenomena also play a role in precipitation.*

*By Matt Weiser*

October 11, 2018

<https://www.newsdeeply.com/water/community/2018/10/11/why-you-shouldnt-get-your-hopes-up-about-an-el-nio-this-winter>

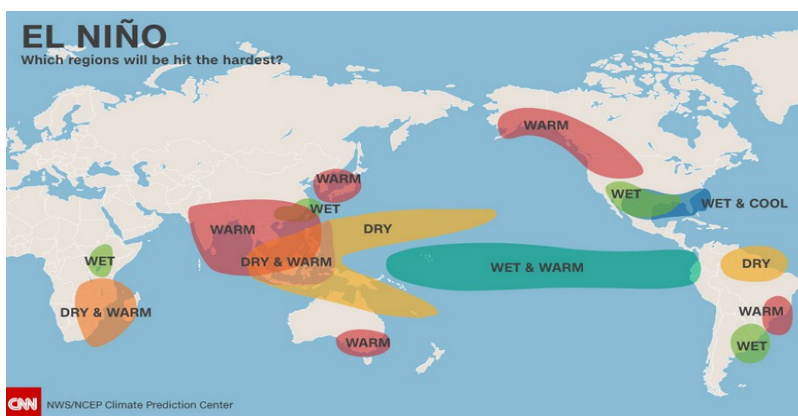
*The sun illuminates storm clouds near Lemoore, California, in December 2002, a year when a moderate El Niño was brewing in the Pacific. That winter ended up delivering below-normal precipitation to the San Joaquin Valley and Southern California. Renee Knoeber, The Fresno Bee*

*An El Niño is forecast for the winter ahead, and we all know what that means. Or do we?*

*El Niño – that cyclical warming of the equatorial Pacific Ocean – has long been associated with wet winters across much of the West. Which is always welcome news across the chronically water-short region. But in reality, whether El Niño actually delivers greater-than-normal precipitation is strictly a toss-up, says Jan Null, owner of [Golden Gate Weather Services](#), a consultancy based in Saratoga, California.*

*The National Weather Service Climate Prediction Center tells us, in its [most recent forecast](#) of the El Niño Southern Oscillation (ENSO), that there is as much as a 70 percent chance of El Niño conditions forming during the winter ahead. And it's likely to be a “weak” El Niño. But what does that mean? Elementally, it means the equatorial Pacific is expected to be warmer than normal, and this may alter weather events around the globe.*

*But it doesn't mean you should get your hopes up for a wet winter. Null has taken it upon himself to try to bring a dose of reality to the situation, via an [exhaustive breakdown](#) of precipitation results from past El Niño events. In an interview with Water Deeply, he explains why our expectations about this weather phenomenon are often wrong.*



## Another Study Says Less Snow For the Sierras

This study leads us to the next section on the IPCC new report warning that global warming is about to be much worse much sooner than previous reports had forecast.

### *Less Snow Could Be Coming To California's Sierra Nevada Mountains*

By Ezra David Romero

Wednesday, October 10, 2018 | Sacramento, CA

[http://www.capradio.org/124331?utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed%3A+CapitalPublicRadioLatestNewsRSS+%28Capital+Public+Radio%3A+Latest+News+RSS%29](http://www.capradio.org/124331?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+CapitalPublicRadioLatestNewsRSS+%28Capital+Public+Radio%3A+Latest+News+RSS%29)

## ***Reduced Sierra Nevada snowmelt runoff to threaten California agriculture***

October 9, 2018, [University of California, Irvine](https://phys.org/news/2018-10-sierra-nevada-snowmelt-runoff-threaten.html)

<https://phys.org/news/2018-10-sierra-nevada-snowmelt-runoff-threaten.html>

*An estimated three-quarters of the water used by farms, ranches and dairies in California originates as snow in the Sierra Nevada mountain range, but the future viability of that resource is projected to be at heightened risk due to global climate change.*

*In a study published today in Proceedings of the National Academy of Sciences, University of California, Irvine researchers argue that a 1.0 degree Celsius increase in the global average winter [temperature](#) will lead to a 20 percent jump in the likelihood of below-average snow accumulation in the high country, resulting in lower spring runoff. In this article, the authors describe how snow water equivalent, an important measure of water availability, and the elevation of the snowpack respond to different levels of warming.*

*The scientists from UCI's Henry Samueli School of Engineering said that historically, 2.0 degrees of average winter warming can cause the probability of below-average snow water equivalent to climb to 40 percent.*

*"Changes in average temperature around the world will have an impact on how widespread and long lasting the seasonal mountain snowpack will be," said lead author Laurie Huning, UCI postdoctoral scholar in civil & environmental engineering. "In general, we have found that warmer conditions will decrease the amount of water stored in the mountain snowpack, forcing its center of mass to higher elevations."*

*The researchers analyzed historical data to quantify the volume and the extent of the Sierra snowpack, finding that warmer temperatures should cause the bulk to gradually shrink and be concentrated at higher elevations over time. For example, under a 1.5 degree Celsius temperature increase, there is a nearly 80 percent likelihood that the center of mass of the mountain snowpack will inch above 8,300 feet in elevation; the probability goes to 90 percent with 2.0 degrees of heating.*

*"The Paris Agreement calls for nations to band together to keep this century's temperature increases within a global 2 degree Celsius threshold above pre-industrial levels," said Huning. "Our results show that even a change in the Sierra Nevada's winter temperature from 1.0 to 1.5 degrees Celsius can threaten the natural water storage capability of the range. Similar responses may also been seen in other mountain ranges that provide melt runoff to much of the western United States."*

*The researchers said the impact will vary depending on what sector of the Sierra Nevada range is being observed, identifying the northwestern quarter to be most threatened.*



Frank Gehrke, chief of snow surveys for the California Department of Water Resources, left, leads his group out to measure snow levels near Echo Summit, Calif., on Friday, Jan. 3, 2014. The readings Friday showed the water content in the statewide snowpack at just 20 percent of average for this time of year. (AP Photo/Steve Yeater)

*"In addition to the resources used in the state's agricultural sector, the Sierra Nevada [snowpack](#) also provides about 60 percent of the water supply for the people of Southern California," said co-author*



*Amir AghaKouchak, associate professor of civil & environmental engineering, and Earth system science. "Our study has shown that this important natural water storage mechanism that supports our economy and the lives of millions is highly sensitive to change from global warming."*

## **The New IPCC Report On Global Warming**

Some people are easily excitable. So this week we have a new report from the IPCC stating that unless we virtually shut down all industry, all the production of electricity by coal and natural gas, etc., etc., we shall all soon drown in rising sea levels and many other catastrophic disasters.

Well, for sure, China is not going to do that as it proceeds with the industrialization of the African continent. So who will do that? President Trump has already pulled the United States out of the IPCC Accord, and he will not shut down the industries he has been restarting. Well some of the European suicide nations will attempt to comply with such a policy. Take Germany, for example, it is already shutting down its nuclear power plants and now is heading to shut down the coal and gas plants. The Germans are doing to themselves what the "Morgenthau Plan" of the immediate post-World War II proposal envisioned: A bucolic pasture of peasants. While the Cold War put that plan aside, perhaps from the grave Mr. Morgenthau is now smiling.

I especially call attention to the *LaRouche PAC* statement below, "*IPCC Shows Us All Why Trump Was Right To Pull America Out of the Paris 'Climate Agreement,'*" of which I have just included an excerpt.

### ***IPCC: Report makes case for more ambitious global climate pact***

*Jean Chemnick, E&E News reporter*

*Climatewire: Tuesday, October 9, 2018*

<https://www.eenews.net/stories/1060101813>

*The goal posts for the Paris Agreement have moved.*

*The world's top climate scientists this weekend declared that keeping temperature rise to 2 degrees Celsius — 3.6 degrees Fahrenheit — is no longer sufficient. Instead, they said, the globe must prevent warming of 1.5 C above preindustrial levels or abandon billions of people to the social and natural dangers of runaway warming.*

*The U.N. Intergovernmental Panel on Climate Change, a consortium of experts from 40 countries, authored the [report](#), which incorporated findings from 6,000 scientific studies aimed at assessing the difference between a 1.5 C increase and a 2 C increase.*

*The difference would be stark. The higher level of warming would come with a damaging 4 inches of additional sea-level rise; Arctic summers without sea ice occurring once a decade instead of once a century; and damage to agriculture, forestry and other economic activities.*

*In short, the long-term goal enshrined in the 2015 Paris Agreement to keep warming to "well below 2 degrees" isn't enough anymore.*

### ***Trump questions global report on climate change***

*Zack Colman, E&E News reporter*

*October 10, 2018*

<https://www.eenews.net/stories/1060102157>

*President Trump expressed skepticism yesterday about a major U.N. report on climate change that warned of irreversible warming if the world fails to act immediately.*

*Trump said he wanted to know more about who wrote the report. He has been historically dismissive of climate science, calling it "bullshit" and a "hoax" before he was elected. More recently, he [claimed](#) that low temperatures disprove climate change.*

*The IPCC report released Monday in Incheon, South Korea, warned that keeping global temperatures from rising 1.5 degrees Celsius by 2100 is necessary to avoid the worst damage from climate change. Achieving that mark requires a 45 percent global greenhouse gas reduction by 2030 and carbon neutrality by 2050, the report said ([Climatewire](#), Oct. 9).*

## ***IPCC Shows Us All Why Trump Was Right To Pull America Out of the Paris 'Climate Agreement'***

*October 9, 2018*

<https://larouhepac.com/20181009/ipcc-shows-us-all-why-trump-was-right-pull-america-out-paris-climate-agreement#.W7ypL60SreQ.facebook>

*Less than two years after the Paris Climate Accord was adopted, President Donald Trump withdrew the United States from it, charging correctly that it would carry huge economic costs and eliminate employment without achieving its stated intention of improving the environment.*

*Now the United Nations Intergovernmental Panel on Climate Change (IPCC) has, in effect, repudiated the Paris Agreement as not carrying huge enough economic costs. It threatened terrifying consequences to the planet if all nations do not "take rapid, far-reaching and unprecedented changes in all aspects of society." Holding "global warming" below 2 degrees centigrade over the 21st Century is not enough, says IPCC in its new report released Oct. 7. The carbon emissions reduction pledges of all the countries in the Paris Agreement "are not enough." Rather, large steps backward in human productivity and industrial activity, and in the human diet, must commence right now. Cutting industrial activity, livestock and meat production, and cutting carbon emissions by 1 million tonnes every year, must start immediately and be pursued until there are NO carbon emissions — i.e., no petrocarbon fuels, and no nuclear power, either — by 2050 or earlier.*

*This is an attack on Trump's pro-growth policies. Even more, it is an attack on China's policy of spreading its economic growth and poverty reduction to Africa; on its Belt and Road Initiative as a whole and particularly its enthusiastic acceptance in Africa. The IPCC report expresses Barack Obama's disgusting, absurd, and deadly threat at a "leadership" meeting in Africa several years ago, that "if you all want air conditioning and a western diet, you'll boil the planet." Most fundamentally the IPCC is attacking the science of human economic development itself, a science stemming from the universal genius Gottfried Leibniz three centuries ago and revived by Lyndon LaRouche and his movement in the very teeth of the British Empire's post-World War neo-Malthusianism. Central to that science is what LaRouche calls the rise of potential relative population density, the sign of progress both of the human species and of the Earth's biosphere which human beings, uniquely, can consciously improve.*

## ***America's Future: Jacobin Mobs, or The New Paradigm?***

<https://larouhepac.com/20181011/americas-future-jacobin-mobs-or-new-paradigm>

*The new report by the anti-scientific crew known as the UN Intergovernmental Panel on Climate*

*Change (IPCC), calling for all-out destruction of the world economy in the name of the false notion that carbon causes global warming, can and must be refuted by real science and real scientists. This fraud is a central tenet of the British Empire's anti-human demand to reduce the world's population by any means necessary. The 2015 EIR Special Report, ["Global Warming' Scare Is Population Reduction, Not Science."](#) is more relevant and more important today than ever. Defeating the "impeachment party" in November is critical to freeing Trump to return to his original commitments: to establish friendly relations with Russia and China, and restore the American System of Alexander Hamilton in order to revive the nation's industry and infrastructure. The independent Congressional campaigns of [Kesha Rogers in Texas](#) and [Ron Wiczorek in South Dakota](#), backed by LaRouchePAC, are demonstrating that the American people are ready to dump the two-party system, defend the President against the British coup, join in the spirit of the New Silk Road, and rebuild the nation with LaRouche's Four Laws. The showdown between anarchy and the new paradigm is now fully engaged, and requires all hands on deck.*



## ***EU Emissions Lunacy Threatens 100,000 German Jobs at Volkswagen***

*Oct. 11 (EIRNS)—Volkswagen Chief Executive Herbert Diess warns that the decision just taken by EU environment ministers to reduce CO2 emissions by 35% by 2030 will lead to massive layoffs in Germany. Speaking to the Süddeutsche Zeitung, Diess said that “the change with such rapidity and its consequences are barely manageable.” It will force a reduction of one-fourth of the VW labor force in 10 years, or some 100,000 jobs. “Such an industry can crash quicker than many want to believe,” said the head of what is far and away Europe’s largest manufacturing company.*

*Both German Environment Minister Svenja Schulze (SPD) and Chancellor Angela Merkel defended the EU agreement. The SPD wants to go even further: A paper by the SPD Bundestag faction calls for a 40% reduction by 2030, according to the Munich-based daily.*

## **When a Headline Does Not Match the Content**

The headline with the phrase “massive water-projects bill” would be a humorous example of an absurd headline writer, if the topic was not so serious. The article goes on to describe what “massive” means-- \$6 billion over 10 years!, for water projects for the entire nation. Hell, just repairing the Oroville Dam spillway is costing over \$1 billion.

### ***Congress approves massive water-projects bill***

*By MATTHEW DALYyesterday*

<https://www.apnews.com/1abdd1733b5448268349a6cdd8899e44>



*WASHINGTON (AP) — Congress has approved a sprawling bill to improve the nation's ports, dams and harbors, protect against floods, restore shorelines and support other water-related projects.*

*If signed by President Donald Trump, America's Water Infrastructure Act of 2018 would authorize more than \$6 billion in spending over 10 years for projects nationwide, including one to stem coastal erosion in Galveston, Texas, and restore wetlands damaged by Hurricane Harvey last year.*

*The bill also would help improve harbors in Seattle; Savannah, Georgia; and San Juan, Puerto Rico, and extend a federal program to improve drinking water quality in Flint, Michigan and other cities.*

*The bill also sets up a new framework for large water projects run by the U.S. Army Corps of Engineers. The changes are intended to increase local input and improve transparency.*

## **Colorado River: A Crisis In the Making**

Managing a crisis is all water managers today are capable of thinking of. Thinking big, and thinking really big, is something we used to do, but do no more. Next week I shall provide a few examples of thinking really big-- what we used to do on a regular basis in the U.S.

So, now the crisis that has been developing for years now on the Colorado River and its reservoirs is forcing cut-backs supplying water to some of the 40 million people who depend upon it.

### ***California Voluntarily Cuts Back Colorado River Water Allotment***

*October 9, 2018*

<https://sacramento.cbslocal.com/2018/10/09/colorado-river-water-allotment/>

*A 'bathtub ring' surrounds Lake Mead near Hoover Dam, which impounds the Colorado River at the Arizona-Nevada border, on March 30, 2016. The white ring shows the effects of a drought which has caused the level of the lake to drop to an historic low. Robert Alexander—Getty Images*

*DENVER (AP) – Seven Southwestern U.S. states that depend on the overtaxed Colorado River have reached landmark agreements on how to manage the waterway amid an unprecedented drought, including a commitment by California to bear part of the burden before it is legally required to do so, officials said Tuesday.*

*The agreements are tentative and must be approved by multiple states and agencies as well as the U.S. government. But they are seen as a milestone in the effort to preserve the river, which supports 40 million people and 6,300 square miles of farmland in the U.S. and Mexico.*

*“I think it's a critical step,” said Pat Mulroy, former manager of the Southern Nevada Water Authority, which serves Las Vegas and other cities, and now a senior fellow at the University of Nevada-Las Vegas law school.*

*The agreements create a collection of drought contingency plans designed to manage and minimize the effects of declining flows in the Colorado and its tributaries. Some plans were made public Tuesday. The U.S. Bureau of Reclamation, which manages major reservoirs across the West, is expected to release others Wednesday.*

*A nearly two-decade-long drought has drained the river's two largest reservoirs, Lake Mead and Lake Powell, to alarmingly low levels. The Bureau of Reclamation says the chances of a shortfall in Lake Mead are 57 percent by 2020. If that happens, mandatory cutbacks would hit Arizona, Nevada and*

*Mexico first.*

*The reservoir never has fallen low enough to trigger a shortage.*

*California agreed to soften the blow by voluntarily reducing its Colorado River use by about 6 percent if conditions are bad enough, said Jeffrey Kightlinger, general manager of the Metropolitan Water District of Southern California, a wholesaler serving 19 million people.*

## **October: It Is Now the Peak Month for California Wildfires**



### ***California Enters Peak Fire Season With Delaware-Sized Burn Scar***

By [Brian K Sullivan](#) and [Mark Chediak](#)

October 6, 2018

<https://www.bloomberg.com/news/articles/2018-10-06/california-enters-peak-fire-season-with-delaware-sized-burn-scar>

*California is poised to set an annual record it never wanted to break: the amount of earth scorched by wildfires.*

*Blazes have already ripped through enough acres to blacken the entire state of Delaware, and what's typically California's worst month for fires is just beginning. At least 11 people have died this year from wildfires that shut down Yosemite National Park, drove thousands from their homes and destroyed more than 2,000 buildings. And forecasters say prospects for rain are slim.*

*"We are going into a difficult period of the year," said Scott McLean, a deputy chief at the [California Department of Forestry & Fire Protection](#), or Cal Fire. And unlike in past years, when blazes were more intermittent, "the fires just haven't stopped" in 2018, he said.*

*Eleven of California's 20 [deadliest](#) fires occurred in previous Octobers, along with 11 of its most [destructive](#), according to Cal Fire. They include last year's Tubbs fire, which was the most destructive on record.*

*Parched grasses and brush are providing ample fuel for more fires to start. About 88 percent of California was abnormally dry as of Oct. 2, and almost half of it was in some stage of drought, according to the U.S. [Drought Monitor](#) in Lincoln, Nebraska. A year ago, only 8.2 percent of the state was in drought.*

More than 600,000 acres went up in flames on land under the jurisdiction of state and local fire agencies in the first nine months of the year, according to Cal Fire statistics. That's 2.5 times more than during the first nine months of 2017 and 22 percent higher than the full-year total. About 1.36 million acres have burned on both state and federal lands through September, compared with 1.25 million in all of 2017.

One silver lining is that most of the state's large reservoirs are at about average capacity.

It's hard to say how wet California's rainy season, which is just starting, will be. Both Anderson and Pete Fickenscher, a service coordination hydrologist with the California Nevada River Forecast Center in Sacramento, said there is a chance a weak El Nino could form in the Pacific. While the weather-changing phenomenon can bring more rain to California when it's strong, weaker events don't offer many clues.

And in the short term, it may not matter.

"Rain will not make a difference," Cal Fire's McLean said, noting that grass can dry out in an hour and "the vegetation is still very dry."

Rain can be a mixed blessing. While it can soak dry plants -- potentially slowing fires -- it also can trigger deadly floods and mudslides in areas where fires have already scorched the earth, McLean said.

## **And Now, That Crisis That I Have Warned Of May Be Upon Us**

President Trump mistakenly has touted the rising stock market as something representing a healthy economy. No, this stock market is a financial, speculative bubble that like corporate debt and the derivatives market are a cancer that has been destroying the real physical economy for decades. Earlier this week the International Monetary Fund (IMF) issued a warning that the world financial system may be on the verge of collapse. The IMF has never before said anything like that.

Well yesterday and today we have seen a shocking crash of the markets world wide. Whether this is the beginning of a new and bigger 2008 crisis is yet to be seen.

So now is the time for LaRouche's Four Laws

### ***IMF Warns that 'A Second Great Depression' Is Looming***

Oct. 9 (EIRNS)—The International Monetary Fund just warned in its annual economic outlook that "large challenges loom for the global economy to prevent a second Great Depression." The report was issued as part of the preparations for the IMF's annual meeting, which will be held next week in Bali.

Speaking earlier this week, the IMF's Managing Director Christine Lagarde also sounded the alarm, noting that the total value of global public and private debt has risen by 60% since the 2008 financial crisis. She warned that the long years of quantitative easing led to huge build-up of debt in so-called emerging markets, and that rising U.S. interest "could trigger a flight of funds and destabilize their economies," the London Guardian reported. The daily wrote that the IMF report explained that "the huge rise in borrowing by corporates and government at cheap interest rates had not shown up in higher levels of research and development or more general investment in infrastructure." Lagarde warned: "This should serve as a wake-up call."

The Guardian added: "With global debt levels well above those at the time of the last crash in 2008,

*the risk remains that unregulated parts of the financial system could trigger a global panic,” according to the IMF.*

*It should be noted that neither the IMF nor the Guardian mention what is an even larger explosive charge than debt, which is the derivatives bubble—now totaling over \$1.5 quadrillion, or an order of magnitude greater than the debt.*

### **‘Great Depression’ ahead? IMF sounds dire warning**

By [William Pesek](#) October 9, 2018

<http://www.atimes.com/article/great-depression-ahead-imf-sounds-dire-warning/>

*Is another “Great Depression” on the horizon? It would be easier to dismiss these words from Nouriel Roubini, Marc Faber or other doom-and-gloom prognosticators. Coming from Christine Lagarde’s team, though, they take on a new dimension of scary.*

*The International Monetary Fund head isn’t known for breathlessness on the world stage. And yet the IMF sounded downright alarmist in its latest Global Financial Stability report, stating that “large challenges loom for the global economy to prevent a second Great Depression.”*

### **Dow drops over 500 points, with stock market extending slide following Wednesday's plunge**

Janna Herron, USA TODAY

Oct. 11, 2018 |

<https://www.usatoday.com/story/money/2018/10/11/stock-market-drop-continues/1598789002/>

*U.S. stocks plunged again on Thursday, a day after the market's biggest rout since February.*

*Investors remain jittery about a number of factors – from the recent jump in interest rates to the potential harm tariffs could cause tech companies.*

*The Dow Jones industrial dropped another 531 points, or a 2.07 percent, after losing more than 800 points Wednesday. That drop in U.S. stocks was followed by sizable losses in Asian and European markets overnight.*



#### **LaRouche’s Four Laws for Economic Recovery**

- 1. Restore Glass-Steagall**
- 2. Re-establish a National Bank**
- 3. Issue Federal Credit for Infrastructure**
- 4. Prioritize high pay-back programs like Fusion and Space**