



# California Water and Infrastructure Report

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

**For November 8, 2018**

**by Patrick Ruckert**

**Published weekly since July, 2014**

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

<http://www.californiadroughtupdate.org>

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

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*During his press conference today, President Donald Trump reported that he had had a very friendly discussion with Rep. Nancy Pelosi (D-CA), presumed to become the next Speaker of the House, whose capabilities he praised to the press. Roll Call reports that Republican Senate Majority Leader Mitch McConnell (R-KY), who will continue as Senate Majority Leader, is talking about his history of cooperation with Pelosi dating to their joint work on the House Appropriations Committee.*

## **A Note To Readers**

Perhaps with a new Congress, as expressed by President Trump in his press conference yesterday, at least something can get done. Below is the full article from which the quotation above is an excerpt. Actual bi-partisan legislation, for those who have not been paying close attention, was passed and signed by the President last month. One bill was dealing with the opioid crisis. The other was the Water Infrastructure Act of 2018. That the President discussed infrastructure legislation with Congresswoman Pelosi on election night just may point in the direction we are heading.

One of the sponsors of the water infrastructure legislation, Representative for Oregon’s 2nd congressional district Greg Walden, was re-elected on Tuesday.

Here is the full article:

## **President Trump Is Composing a More Harmonious Congress**

Nov. 7 (EIRNS)—While the “resist” Democrats rant about what they will do to Trump and his cabinet, he and more clear-headed Republicans and Democrats are considering how they may make the Congress function.

During his press conference today, President Donald Trump reported that he had had a very friendly discussion with Rep. Nancy Pelosi (D-CA), presumed to become the next Speaker of the House, whose capabilities he praised to the press. *Roll Call* reports that Republican Senate Majority Leader Mitch McConnell (R-KY), who will continue as Senate Majority Leader, is talking about his history of cooperation with Pelosi dating to their joint work on the House Appropriations Committee.

Trump tweeted his support for Pelosi as Speaker of the House, and, referring to Democrats considering replacing her, offered, “If they give her a hard time, perhaps we will add some Republican votes. She has earned this great honor!” He assured incredulous reporters that he was completely serious in this.

Another possible change in Republican Congressional leadership was reported by *The Hill*. Jim Jordan (R-OH), a founder of the House Freedom Caucus and a leading Trump supporter, has announced a campaign for House Minority Leader. His main opponent is likely to be retiring Speaker Paul Ryan’s chosen successor, Kevin McCarthy (CA).

Jordan said, “In 2016, the American people elected Republicans to come here and change this town. I think the President is doing just that, but I don’t think they see the same intensity from folks in Congress, folks in the House of Representatives.... Now that we’re in the minority ... about all we can do is debate, but fight hard in the debate for the principles, for the things that we know the American people sent us here to do in 2016. Show them that we deserve to be back in power in 2020.” The Freedom Caucus has fought hard against the Mueller witch-hunt against Trump, and, unlike some other Republicans, has generally not opposed Trump’s attempts to develop positive collaborative relationships with China and Russia.

## **Will It Ever Rain Again In California?**

That may be a question that is a little extreme, but this past week has seen articles that expressed that sentiment.

### ***October's low rainfall increases concern for California farmers***

*October's low rainfall increases concern for California water*

*November 02, 2018*

<https://abc30.com/weather/octobers-low-rainfall-increases-concern-for-california-farmers/4604499/>

*The lack of rain in California during the month of October has officials concerned about what this means for farmers.*

*Central Valley growers only received about one-third of the normal October rainfall.*

*As of now, it looks like conditions will remain dry across the state for at least the next few weeks.*

*But, the California Farm Water Coalition says there's still hope that rain later this month will make up for a dry start to the season.*

"Well we are expecting some precipitation in November and we're hopeful that we'll catch up on what we didn't get in October. But we have a long time ahead of us and some very wet months that can make up for that," says Mike Wade of California Farm Water Coalition.

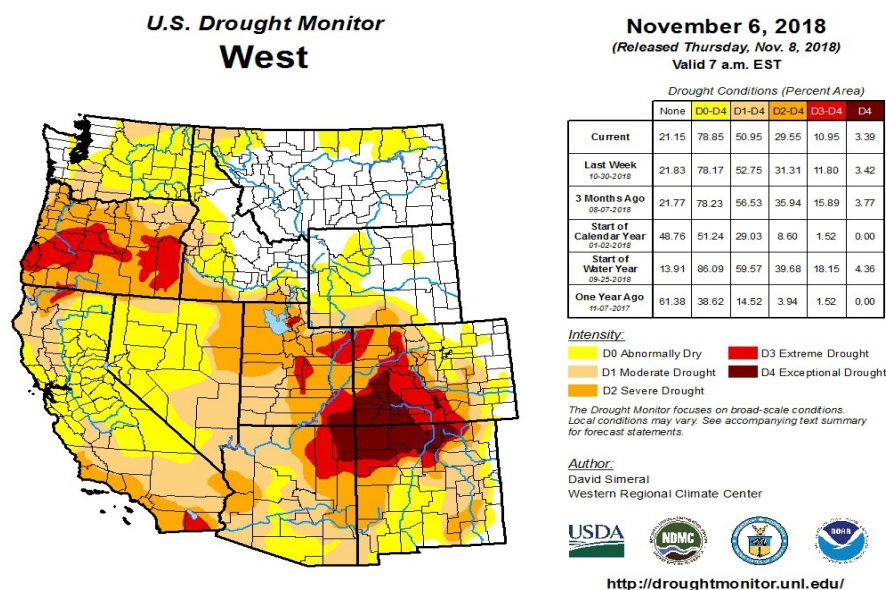
Reservoirs here in the Central Valley are running higher than normal for this time of year.

But, water storage in Northern California is running a bit lower.

The Farm Water Coalition says the state needs at least average rainfall during the winter season to ensure farmers have adequate supplies through next year.

## U.S. Drought Monitor

This week I thought the map of the West would be useful. Note that large parts of Oregon are in a more severe drought than is California.



## *With this dry forecast, we're starting to wonder, where is El Nino?*

*El Nino gets a lot of noise in the forecasting world, but it's back and could help us nudge the forecast in a few different directions.*

*Author: Rob Carlmark*

*November 5, 2018*

<https://www.abc10.com/article/weather/with-this-dry-forecast-were-starting-to-wonder-where-is-el-nino/103-611381295>

*Before we even go there, yes it's true that sometimes El Nino forecasts can be a total bust.*

*Famously, the last big one did the exact opposite of what we were thinking. Around the world, the El Nino of 2015-16 was spot on, but not in California, and that is what we remember.*

*With that out of the way, let's look ahead to the current status of El Nino. For a quick primer, El Nino is when the central Pacific at the equator is warmer than normal. When this happens, it can alter some common patterns and you can get wet areas, and areas of drought. You could also get large fires in Indonesia and coral bleaching, among other phenomena.*

*As of early November, the water in the prime Nino 3.4 zone is warm enough to be considered El Nino, it just needs to stay at that level for a few months for it to be official. There has been a big spike of even warmer water moving in, so it should have no problem becoming official and even has a chance of getting stronger.*

*What happens next is the whole point of the forecast for California. The typical textbook forecast leans to more rain for Southern California, and less for the Pacific Northwest. Northern California is somewhere in the middle, however if we get a big one, you tend to see more rain for the whole West Coast.*

*The stats back this up, and when you see the Climate Prediction Center issue the winter forecast, some version is usually what it is based on. You also tend to see warmer weather for the West Coast because this year, the whole Pacific is just straight up warm, so the air moving in is warmer.*

*If this pans out, it could be great for the most drought impacted region, the Southwest. Right now, there are major water restrictions looming for many western states that use water from the Colorado River. If El Nino stays on track, that could really help out that region.*

## **It Is Still Fire Season**

With high winds in many parts of California this week, warnings of wildfire danger have been issued. And though October passed with no major fires this year, a November fire again demonstrates that during droughts fire season is all year long.

### ***Camp Fire near Chico: California wildfire spreads to 6,000 acres; thousands evacuated***



*Photo: David Little, AP*

By [Megan Cassidy](#) and [Gwendolyn Wu](#)

Updated 12:37 pm PST, Thursday, November 8, 2018

<https://www.sfgate.com/california-wildfires/article/Evacuations-ordered-across-Butte-County-as-Camp-13374840.php>

*Thousands of people were ordered to evacuate several Sierra foothills towns near Chico on Thursday as a wildfire raged out of control, growing rapidly to more than 6,000 acres.*

*“Multiple” structures have burned, said Scott McLean, a spokesman with the state Department of Forestry and Fire Protection, or Cal Fire. There was no immediate word on whether anyone had been injured.*

*The blaze, dubbed the Camp Fire, started in the area of Camp Creek Road and Pulga Road near*

*Highway 70 in the Feather River Canyon, said Cal Fire officials said.*

## **Oroville Dam Update**

Construction on the repair of the spillways continues to be ahead of schedule, and is reported on in the article immediately below.

But the rebuilding of the spillways is not the only problem created by their disintegration nearly two years ago. First there are a shit-load of lawsuits that are going to be years in deciding, and for one a trial date is set for the suit against DWR. In addition, the feds are warning that the Oroville Dam repairs aren't enough, and the state could be forced to plan for a mega-flood. Articles on both are in this section.

### ***Oroville Dam: Final concrete slab placed on rebuilt spillway***

By [Risa Johnson](#)

*Chico Enterprise-Record*

*November 2, 2018*

<https://www.mercurynews.com/2018/11/02/cementing-the-future-final-concrete-slab-placed-on-oroville-dam-spillway/>

*OROVILLE — The state Department of Water Resources announced Wednesday that it met its self-set Nov. 1 deadline to finish placing concrete on the entirely rebuilt Oroville Dam spillway.*

*The department does not plan to use the spillway for at least one month as concrete continues to cure, but representatives say the structure is back to its original design capacity and could pass flows of up to 270,000 cubic-feet per second if needed.*

*Now the end of reconstruction is in sight with the main spillway ready to use and the emergency spillway expected to be complete in early 2019. The department is targeting midsummer 2019 for reopening the road over the dam and the spillway boat launch facility.*

*Observers may still see crews on the main spillway for some time, as there is still joint sealing, dry finishing and site cleanup work to be done.*



*A new concrete surface can be seen Tuesday on the energy-dissipating dentates at the bottom of the main Oroville Dam spillway. The structures were beaten up by concrete washing down the chute when the spillway broke up in February 2017.*

*The department said concrete placement on the spillway was finished ahead of the deadline, with the*

dentates or energy dissipators done by Oct. 20, the final concrete wall placed on Oct. 18 and the last concrete slab placed on the spillway chute on Oct. 11. A total of 612 new erosion-resistant concrete slabs were installed in phases one and two, according to DWR.

Kiewit Infrastructure West Co., the lead contractor on the Oroville recovery project, started literally from the ground up, placing reinforced structural concrete at the bottom of the spillway and temporary roller-compacted concrete, or RCC, in the middle, while patching the uppermost 730 feet, in time for the Nov. 1 deadline in 2017.

For the second phase of construction, the middle and upper chutes and walls and energy dissipators at the bottom of the spillway were filled with reinforced structural concrete. Work continues over at the emergency spillway, where a structural concrete cap is being built to connect the new roller-compacted concrete buttress to the emergency spillway weir.



Crews Tuesday work on backfilling the side walls of the main Oroville Dam spillway.

## ***Trial date set for Oroville Dam lawsuits against DWR***

By [Risa Johnson](#)

Chico Enterprise-Record

November 6, 2018

<https://www.chicoer.com/2018/11/06/trial-date-set-for-oroville-dam-lawsuits-against-dwr/>

The city of Oroville filed a lawsuit on Jan. 17 against the state Department of Water Resources for the Oroville Dam spillway crisis. Nearly 11 months later, a trial date has been set for June 1, 2020.

OROVILLE — A trial date has been set to hear several lawsuits against the state Department of Water Resources over the Oroville Dam crisis.

The court scheduled the trial for June 1, 2020 during the second case management conference Friday in the Sacramento County Superior Court. Nearly all cases against DWR over the spillway crisis are being considered together through what is called a coordinated proceeding.

A few new parties have been added to the proceeding [since the last conference](#), including PG&E, Butte County and Mary's Gone Crackers with Richard Wilbur Ranch, Inc.

Other plaintiffs include: the city of Oroville, Bains Properties, LP, and Bains Farming, LP; Goose Club Farms, LLC; the South Feather Water and Power Agency and the Association of California Water Agencies Joint Powers Insurance Authority; JEM Farms, LP, et al; and several proposed classes.

One proposed class is for all residents below the Oroville Dam who were forced to evacuate as a result of the failing spillway, represented by the Los Angeles-based law firm McNicholas & McNicholas, LLP, and Frantz Law Group, APLC.

*The other three proposed classes would include all owners of real property below the dam who saw their property values diminish because of the crisis, those who suffered business losses as a result and all who suffered \$100,000 or less in damage to real or personal property as a result.*

## ***Oroville Dam repairs aren't enough, feds warn. Should state be forced to plan for a mega-flood?***

*BY RYAN SABALOW AND DALE KASLER*

*[rsabalow@sacbee.com](mailto:rsabalow@sacbee.com)*

*November 01, 2018*

*<https://www.sacbee.com/news/state/california/water-and-drought/article220959620.html>*

*Federal regulators are raising new concerns about the troubled Oroville Dam, telling California officials their [recently rebuilt flood-control spillways](#) likely couldn't handle a mega-flood.*

*Although the chances of such a disastrous storm are considered extremely unlikely — the magnitude of flooding in the federal warning is far greater than anything ever experienced — national dam safety experts say the Federal Energy Regulatory Commission's concerns could have costly repercussions for California. The public [agencies that store water](#) in Lake Oroville may be forced to spend millions of dollars upgrading the dam.*

*State dam operators at the Department of Water Resources also could be forced to store less water in the lake to ensure there's more room to capture flood waters. Lake Oroville, the state's second largest reservoir, is a key source of drinking and irrigation water for millions of Californians.*

*The warning came late last month in a letter from FERC. It was sent just as [\\$1.1 billion in repairs](#) are wrapping up on the dam's two spillways following the February 2017 crisis at the dam that triggered the evacuation of 188,000 people.*

*The FERC letter shows that the near catastrophe in 2017 has made the federal government less likely to trust the state's claims that the 50-year-old dam is as safe as it can possibly be, said J. David Rogers, a dam-safety expert at Missouri University of Science and Technology.*

*"Given that track record, you've got to err on the side of what your safety culture is going to be. Are you going to be at the vanguard of safety?" Rogers said. "That's a big a facility to play with. That's the highest dam in the United States. You have to be a little more conservative."*

*In the 21 months since, construction crews have spent \$1.1 billion on emergency repairs and rebuilding and upgrading the two battered structures. DWR officials have said they're confident the rebuilt spillways can handle this winter's rains.*

*DWR officials said the work has left the spillways stronger than ever — and capable of withstanding what the U.S. Army Corps of Engineers considers the worst storm that can be reasonably expected.*

*"The newly rebuilt main spillway can easily do this, without using the emergency spillway," DWR spokeswoman Erin Mellon said in an email.*

*FERC, though, is warning about damage that could be expected from a "probable maximum flood," a*

*storm that would be magnitudes greater. In its letter to DWR last month, the federal agency said the hillside beneath the emergency spillway could face “substantial” erosion if such a storm ever hit — and told the state that the structure might need to be fortified.*

*“A more robust and resilient design of the emergency spillway may be required to prevent the possibility of moderate to severe damage to the emergency spillway structure for the expected full peak flow,” the Oct. 25 letter reads.*

*Early this year, the independent forensic team led by France heavily criticized California officials, saying the state did a poor job of designing, building and maintaining the structure and neglected safety while focusing on the “water delivery needs” of the water districts who keep water in Oroville. The forensic team described the festering problems at Oroville as a [“long-term systemic failure.”](#) In response, the state revamped its dam safety programs and ordered 93 dams it oversees to conduct thorough inspections and other ongoing safety upgrades.*

## **And Now, Back to the Water Wars**

In a dramatic development this week the decision that was to be made by the California State Water Resources Board on the Bay-Delta Water Quality Control Plan, a plan that agricultural and even the San Francisco water department opposed, has been delayed until December. The story is in the excerpted reports below. The reports are ordered chronologically and each one has elements that together give a good picture of the battle. And just to note, unless and until once again we revive the idea that there will never be enough water for the state until we think big, then the water wars will just continue.

### ***State Water Board Member D’Adamo: We must find a better approach***

*By Dorene D’Adamo*

*November 04, 2018*

<https://www.modbee.com/opinion/article221058410.html>

*Protecting California’s fish is an important duty of the State Water Resources Control Board. But it is not our board’s only duty.*

*I am one of five members on the board, and the only one who lives in the San Joaquin Valley. Our board is required to provide for the reasonable protection of all beneficial uses of water. This calls for balancing the needs of fish with the needs of cities and the people who live in them – people whose lives and jobs are dependent on that water. We must also consider the needs of agriculture, and the beneficial use of water to grow crops.*



*On Nov. 7, the State Water Resources Control Board is considering the adoption of a controversial and divisive plan that would require 40 percent of flows in the Stanislaus, Tuolumne and Merced rivers to remain in the rivers to benefit native fish. That is almost twice as much as currently is dedicated to environmental use, and could mean a 25 percent reduction in agricultural water supplies during normal years; more in dry years.*

*It is clear that in successive dry years our staff's proposal will result in major reductions in surface water supplies in 23 Bay Area cities and zero to near zero supplies for agriculture. This in turn will redirect impacts to already oversubscribed groundwater aquifers, devastate rural communities, and result in water rationing for residents, businesses and industries in the Bay Area.*

*Unfortunately, the high flow proposal before our board is unlikely to result in an increase in fish populations. There are other approaches that show greater promise. These alternative approaches would at the same time reduce the serious impacts to cities, agriculture and industry.*

### ***Showdown Coming On State Water Plan?***

*[11/02/2018 9:34 am PST](#)*

*BJ Hansen, MML News Director*

*<https://www.mymotherlode.com/news/local/488024/showdown-coming-on-state-water-plan.html>*

*Sacramento, CA — The state water resources control board is scheduled to vote on aspects of a controversial plan, November 7th, which lawmakers say would have big impacts on the region.*

*The board is planning to finalize parts of the Bay Delta Plan unless water districts come up with a voluntary settlement ahead of time with the board.*

*The proposal on the table requires rivers in the San Joaquin watershed to maintain 40-percent of unimpaired flow levels between February and June. It would impact the Tuolumne, Stanislaus and Merced rivers. It is adamantly opposed by many regional state and federal lawmakers, and it also sparked a [rally on August 20 in Sacramento](#) that was attended by local leaders like Tuolumne County supervisors Randy Hanvelt and Karl Rodefer.*

*Trump Administration Interior Secretary Ryan Zinke is also opposed, and has hinted that legal action could be taken if the state moves forward. The Interior Department has maintained that the state board must ensure that water decisions comply with federal directives. Irrigation districts in the central valley have also hinted they may take legal action.*

### ***Newsom and Brown wade into California water wars to delay plan to help fish***

*By Ryan Sabalow*

*November 7, 2018*

*<https://www.sacbee.com/latest-news/article221309535.html>*

*Gov. Jerry Brown and incoming Gov. Gavin Newsom have waded in [one of California's fiercest water wars](#), prompting state regulators to delay a key vote on a proposal meant to help struggling salmon and steelhead trout.*

*In a letter Tuesday to the California State Water Resources Board, Brown and Newsom urged it to postpone consideration of proposed regulations to give the various factions involved time to reach an agreement during confidential settlement talks.*

*The board was scheduled Wednesday to vote on a plan that would leave up to 40 percent of the water in lower San Joaquin River and its tributaries in their channels to benefit struggling fish. The move would mean more water will flow to the Pacific Ocean rather than be captured by dams or shunted into canals to grow crops and supply cities such as Modesto and San Francisco.*

## ***Brown, Newsom Win Brief Truce in Brewing California Water War***

*November 7, 2018 NICK CAHILL*

<https://www.courthousenews.com/brown-newsom-win-brief-truce-in-brewing-california-water-war/>

*SACRAMENTO, Calif. (CN) – Yielding to the governor’s office, California regulators on Wednesday agreed to postpone a restoration proposal that would reduce water for cities and farmers during droughts in hopes of spurring last-minute negotiations among the plan’s critics.*

*The State Water Resources Control Board spent more than three hours of discussion before agreeing to Gov. Jerry Brown and incoming Gov. Gavin Newsom’s “historic” request for an emergency 30-day bargaining period. The Democratic duo say the extension could allow the state, water districts, farmers and environmentalists to finally reach a new agreement on minimum flow standards for the San Joaquin River and its main tributaries after nearly a decade of debate.*

*For nearly a decade the [water board](#) has been preparing the river flow amendments to the Bay-Delta Water Quality Control Plan, which hasn’t been updated since 1995. It wants more water to remain in the San Joaquin River watershed during droughts in order to improve water quality in the state’s critical water-savings bank, the Sacramento-San Joaquin River Delta.*

*To get more snowmelt water to wind down from the Sierra Nevada and into the delta, the plan calls for major cuts to San Francisco’s take of water from the Tuolumne River in Yosemite over 100 miles away, along with expected cutbacks for some Central Valley farmers. The goal is to boost water quality and improve long-dwindling salmon and fish populations.*

*According to state data, the number of adult fall-run Chinook salmon numbers has dropped by 85 percent since the 1980s, from 70,000 to just 10,000 in 2016-2017.*

*The plan would require an average of 40 percent of the tributaries’ natural or unimpaired flow to remain in the waterways in order to reach the delta during periods when salmon are returning from the Pacific Ocean. At times, over 90 percent of the tributaries’ natural flows are diverted to farms and cities.*

*The water board was supposed to act on the proposal Wednesday, until Brown and Newsom stepped in. Now it promises to reconvene and act on the plan Dec. 11 if the governor and governor-elect can’t finagle a compromise.*

## ***Board agrees to Newsom-Brown request to delay decision on water plan***

*By Ken Carlson*

*November 07, 2018*

<https://www.modbee.com/news/article221308235.html>

*Brown has continued to push for his delta tunnels project in the final weeks of his storied political career, though it’s unclear exactly how the water board plan for the San Joaquin River and its tributaries serves the tunnels project.*

## ***Water board's concerns don't include us***

*By The Merced Sun-Star Editorial Board*

*November 07, 2018*

<https://www.mercedsunstar.com/opinion/editorials/article221329845.html>

*Don't ask us to feel sorry for the people who want to act as arbiters of our fate. When members of the State Water Resources Control Board failed to deliver a "victory" for Bay Area environmentalists Wednesday, their anguish was palpable. Any sympathy for a million lives possibly uprooted or ruined in the Northern San Joaquin Valley was, well, not apparent.*

*We're happy the state water board agreed – at the written request of Gov. Jerry Brown and governor-elect Gavin Newsom – to delay a vote that would devastate our region's ag-based economy. But listening to the rants, rationalizations and disclaimers of board members who finally acquiesced to the governors' request rubbed us the wrong way.*

*The board was scheduled to vote to implement a portion of the Bay Delta plan doubling the water flowing out our rivers into the Sacramento-San Joaquin Delta. Ostensibly a plan to help salmon, it offers no consideration for drought and no recognition of studies showing its obvious flaws. Concern for roughly 1 million people living here is minimal.*

*After three hours of comment, the board voted to delay action until its Dec. 12 meeting. Well, most of them voted. Two were so angry they abstained, making the vote 3-0. And chairwoman Felicia Marcus needed five minutes to explain how difficult it was for her to set aside her despair over accommodating a request from two governors that they be given time to work out a better plan – one people here can live with. Such a plan exists, but it discards the premise that flows alone create more fish, relying instead on river restoration and predator control.*

*"I don't want another month, two months or three months," proclaimed abstaining board member Tam Dudoc. "I think we need to demonstrate our (dedication) to this effort" and vote now.*

*The state has been focused on plummeting salmon populations on the Stanislaus, Tuolumne and Merced rivers since 2009. Its first plan, required 35 percent unimpaired flows. An updated plan, in 2016, demanded 40 or 50 percent flows.*

*Knowing that would result in 100,000 acres of fallowed farmland and reduce drinking water for people in Modesto, Manteca and 23 Bay Area cities, people here were outraged. There have been protests, thousands of public comments and peer-reviewed studies refuting the state's findings. All were ignored by four members of the board.*

## **The Economy and the Tariff War With China**

### ***U.S. Issues Positive Final Employment Report Before Midterm Elections***

*Nov. 2 (EIRNS)—The U.S. Labor Department's employment report for October, delivered today unusually early in November and thus prior to Election Day, showed strong employment growth and wage growth, which is strong relative to the stagnation of the last half-century since the Bretton Woods system was broken up internationally.*

*The unadjusted job creation figure since October 2017 in today's report is 2.55 million, close to the highest annual increase since the financial crash. The "headline" adjusted figure for October alone is 250,000 new jobs. One-quarter of that (67,000) was in goods-producing jobs; goods-producing employment is 675,000 higher over the past year, and manufacturing employment is up 290,000. Labor force participation has increased by about 700,000 Americans during the year.*

*It testifies to how lacking wage growth has been in the U.S. economy for 45 years, and particularly since the beginning of this century, that the past year's growth of 3.3% in weekly wages/salaries of all employees (3.1% for production and non-supervisory employees) is being hailed by media and the administration as "spectacular," "roaring," and "hot."*

*Another piece of economic news which won't hurt the President going into the midterms was National Economic Council Director Larry Kudlow's repeated and unequivocal statement in a Nov. 1 interview, that President Trump "will not touch major entitlements, Social Security and Medicare," in the next Congressional session. Kudlow told Washington Post interviewer Robert Costa that Trump's statement that he wanted to eliminate "the remnants of Obamacare" had been misreported to refer to Social Security and Medicare.*

## ***US soybean sales to China down 94 percent amid Trump tariffs: report***

*By Megan Keller - 11/05/18*

*[https://thehill.com/policy/finance/415028-us-soybean-sales-to-china-down-94-after-tariffs?fbclid=IwAR2OV0H4cjcS3CzH1tn\\_KcQk3LqIkHJPDmqIgrJmyhW7lJI0sQT6blGyZyA](https://thehill.com/policy/finance/415028-us-soybean-sales-to-china-down-94-after-tariffs?fbclid=IwAR2OV0H4cjcS3CzH1tn_KcQk3LqIkHJPDmqIgrJmyhW7lJI0sQT6blGyZyA)*

*U.S. soybean exports to China are down by 94 percent this year amid [President Trump's](#) trade war with Beijing.*

*[The New York Times](#) reported Monday that the latest federal data, which tracked up to mid-October, showed a dramatic drop in sales to China, which is by far the world's biggest soybean importer.*

*However, federal data through September show that soybean exports are up 1 percent over all this year above where they were at this time in 2017.*

*Eighty-seven percent of the reported 110 million tons of soybeans China consumed in 2017 were imported, largely from the U.S. or Brazil.*

*Trump has imposed tariffs on \$250 billion in Chinese goods and has threatened to tax the entirety of the country's U.S. exports, which are worth roughly \$500 billion. China has responded with tariffs on \$110 billion in U.S. goods and could expand its retaliation to stricter investment restrictions for American firms.*

*Secretary of Agriculture [Sonny Perdue](#) said late last month that the Department of Agriculture will not extend into 2019 an up-to-\$12 billion aid package that was announced to help farmers impacted by Trump's policies.*

*Though trade talks between the U.S. and China stalled earlier this year, both countries recently signaled that productive discussions may take place within the month.*

*On Friday, Trump expressed his confidence that he and Chinese President Xi Jinping [could reach a deal](#) in negotiations later this month.*

*"I think we'll make a deal with China," Trump said. "We're getting much closer to doing something. They very much want to make a deal."*

On Monday, [Xi made similar statements](#) at a trade expo, promising to lower tariffs, broaden market access, and increase imports.

## **California Alfalfa Exports Take Hit from China Tariffs**

November 5, 2018

<http://agnetwest.com/california-alfalfa-exports-hit-china-tariffs/>

*There are some export concerns from alfalfa growers as the Chinese tariffs continue to remain high. Prior to the increased tariffs being put in place, China's demand for alfalfa hay had been on the upswing for the past few years.*



*“We ship well over five million metric tons of hay out of the west coast of the United States and in about a 10-year period we’ve gone from very negligible exports of alfalfa to China to a million metric tons of alfalfa hay per year,” said Statewide Alfalfa and Forage Extension Specialist Dan Putnam. “So that’s a pretty major market.”*

*Earlier in the year projections were calling for continued growth in alfalfa exports to China, but the increased tariffs may have a significant impact on overall western exports. “We’ve estimated that well over 15 percent of our western hay production of alfalfa goes to export at this point in time,” Putnam noted.*

## **Feature**

### **LaRouche PAC Manhattan Project Dialogue with Will Wertz: Part IV**

November 1, 2018

There will be no infrastructure policy for the nation unless the fundamental question of how it is to be funded is clearly answered. That answer requires that we clearly understand how the nation has funded great infrastructure and industrial development in its past history. How did Abraham Lincoln fund the Transcontinental Railroad? How was California's Central Valley project funded during the administration of Franklin Roosevelt? Those are just two projects that required what some of the nation's leaders during the 19<sup>th</sup> Century called the “American System.”

President Trump has spoken of the “American System” as his model of how to rebuild the nation. The presentation by William Wertz, excerpted below, begins with Trump's speeches on that topic. But then, points out what is missing in the President's understanding of the “American System.” And that is how only national banking and a national credit system can provide the financial means to accomplish what the President clearly wishes to achieve.

Part IV, below, from this presentation continues the discussion of Abraham Lincoln's adoption of the principles of Alexander Hamilton through his "Greenback" policy of national banking.

Here are the links to the entire presentation:

## **Cutting the Gordian Knot with the Sword of Damocles**

<https://larouhepac.com/20181014/cutting-gordian-knot-sword-damocles> (video)

Here is the transcript:

[https://larouhepub.com/eiw/public/2018/2018\\_40-49/2018-42/pdf/05-14\\_4542.pdf](https://larouhepub.com/eiw/public/2018/2018_40-49/2018-42/pdf/05-14_4542.pdf)

### **Part IV**

Now, I just want to continue with further quotes from this book:

"In carrying on the existing war, and putting down the rebellion, it is necessary to bring into exercise all the sovereign power of the Government to sustain itself... This bill is a necessary means of carrying into execution the powers granted in the Constitution 'to raise and support armies,' and 'to provide and maintain a navy.'"

Spaulding continues: "Alexander Hamilton, in discussing these high powers of the Constitution says: 'These powers ought to exist, WITHOUT LIMITATION; because it is impossible to foresee or define the extent and variety of national exigencies and the correspondent extent and variety of the means necessary to satisfy them.... It must be admitted as a necessary consequence, that there can be NO LIMITATION of that authority which is to provide for the defense and protection of the community in any matter essential to its efficacy; that is, in any matter essential to the formation, direction, or support of the NATIONAL FORCES.'" This is from "The Federalist Papers."

Spaulding continues: "I am unwilling that this Government, with all its immense power and resources, should be left in the hands of any class of men, bankers or money-lenders.... Why, then, should it go into Wall street, State street, Chestnut street, or any other street begging for money?"

"The powers of the Government were given for the welfare of the nation. ... We need it to prevent foreign intervention."

Congressman Kellogg from Illinois spoke and said the following:

"The powers of the Old World, who have looked with a jealous eye on the mighty progress of the Western Continent, are seeking occasion to cripple our onward and upward career.... Our Government antagonizes theirs. The principles are different.... We must take all the power we have, we must throw every energy, all the means of our Government in the direction of the war power, for the purpose of self-preservation and perpetuation."

A Senator Wilson of Massachusetts said: "It is a contest between brokers, and jobbers, and money-changers on the one side," -- and think of Franklin Roosevelt's inaugural speech where he talked about the money changers in Wall Street -- "and the people of the United States on the other. I venture to express the opinion that ninety-nine of every hundred of the loyal people of the United States are for this legal tender clause."