## 1nc – politics disad

**The debt ceiling will pass but it will be a fight**

**Washington Post, 9/15/13** (“Congress can turn back to the budget now” http://www.washingtonpost.com/opinions/congress-can-turn-back-to-the-budget-now/2013/09/15/e05c975c-1ca5-11e3-82ef-a059e54c49d0\_story.html)

WITH PRESIDENT Obama’s bid for congressional support for a military strike against Syria on hold for the time being, members of the House and Senate can devote their attention to what was previously supposed to have been their priority for September: **avoiding a potential political and economic train wreck over the federal government’s finances**.

Specifically, Congress needs to fund the government after the current spending law expires on Sept. 30, and it needs to raise the $16.7 trillion debt limit, which will be reached sometime in the second half of October, and which must be increased to avoid the possibility of a U.S. default.

Alas, these two pieces of what should be routine business have become entangled in the politics of Obamacare, which is to say the decreasingly comprehensible politics of the House Republican caucus. A sizable minority of GOP members insists on “defunding” the health care law before the major parts of it begin to take effect in January. According to a recent Congressional Research Service analysis, this is an operationally futile goal. It would be bad policy even if it were possible.

What’s more, it’s bad politics for the GOP to risk a government shutdown in pursuit of this chimera — a fact Speaker John A. Boehner (R-Ohio) recognizes but which has, so far, failed to sway his back-benchers. This is why Democrats are content, for now, to sit back and cheer on the Republicans’ internal feud. Also, that’s easier than countering the Republicans’ anti-Obamacare crusade with realistic budget alternatives.

How this latest impasse plays out is anyone’s guess, though there are plausible scenarios under which Mr. Boehner can give the ultras in his caucus a chance to vote one more time against Obamacare, while engineering Democratic acquiescence in a short-term continuation of the current $988 billion annual spending rate. Such a result would avoid a partial government shutdown — for a few months.

The debt ceiling, too, probably can be finessed, as it has been in the past. Exactly how is admittedly difficult to predict given Mr. Obama’s insistence that raising it is not negotiable and Mr. Boehner’s seemingly incompatible insistence that he won’t increase Washington’s borrowing capacity except in return for progress on deficit reduction. But a default would not be in either side’s political interest.

## The plan’s aura of spending ensures loss of PC — political opposition turns the case

Reilly 13 — reporter at Federal Times (Sean Reilly, Federal Times, 03-06-2013, “Private investors sought for border infrastructure”, http://www.federaltimes.com/article/20130306/DEPARTMENTS03/303060009/Private-investors-sought-border-infrastructure, Accessed 07-31-2013 | AK)

Cross-border trade is booming, but federal building money to expand and enhance border crossings **has dried up**.

In response, a spate of proposals aim to leverage private funding to make up the difference, particularly along the U.S.-Mexico border.

The Department of Homeland Security has created a task force to look at ways to encourage private investment in roads and other infrastructure at border crossings. In a recently proposed overhaul of the immigration system, the Obama administration also suggested allowing DHS to accept donations from citizens, businesses, and state and local governments to enhance border crossings, officially known as land ports of entry, according to a copy of the package obtained by USA Today, a sister paper of Federal Times.

On a separate track, Sen. John Cornyn, R-Texas, in January reintroduced a bill that would allow Customs and Border Protection, part of DHS, to charge fees in return for providing extra customs and immigration services. The bill would also order the General Services Administration, which owns or leases about three-quarters of the 168 land ports of entry in CBP’s inventory, to set up a process for evaluating cost-sharing proposals for upkeep or construction of new infrastructure. The idea is to ensure that proposals for such alternative financing arrangements “no longer **sit on desks in Washington for decades**,” Cornyn said in a news release.

Customs and Border Protection estimates it would take some $6 billion to fully modernize its ports of entry, which are more than 40 years old on average and lack the capacity to handle steadily growing traffic volumes.

But as **lawmakers crack down on federally funded construction**, ports of entry projects have gotten **no money** from GSA’s Public Buildings Fund since 2010, according to numbers provided by the Texas Border Coalition, an advocacy group.

“We think it’s a big deal,” John Cook, mayor of El Paso, Texas, and a backer of Cornyn’s bill, said in a phone interview. “Our No. 1 economic driver is international trade. Anything we can do to enhance and protect it is in our best interest.”

There are no rules forbidding public-private partnerships, said Chris Wilson, a trade expert at the Mexico Institute at the Woodrow Wilson International Center for Scholars. “It’s more a matter of creating a stable legal framework that everyone can refer to.”

One example of how this could work is underway along the California-Mexico border, where a group of investors have government approval to build an enclosed pedestrian bridge from San Diego to the Tijuana airport. In return for paying a toll, users will be able avoid traffic tie-ups elsewhere along the border. The walkway is scheduled to open next year.

Congress has yet to act on any specific legislation to spur similar endeavors. And even if it does, **permitting requirements** and other hurdles means that new projects probably won’t take off for **five more years**, Wilson said.

**Capital is finite and spending it elsewhere prevents a debt ceiling deal**

**Moore, 9/10/13 -** Guardian's US finance and economics editor.(Heidi, “Syria: the great distraction” The Guardian, http://www.theguardian.com/commentisfree/2013/sep/10/obama-syria-what-about-sequester)

The country will crash into the debt ceiling in mid-October, which would be an economic disaster, especially with a government shutdown looming at the same time. These are deadlines that Congress already learned two years ago not to toy with, but memories appear to be preciously short.

The Federal Reserve needs a new chief in three months, someone who will help the country confront its raging unemployment crisis that has left 12 million people without jobs. The president has promised to choose a warm body within the next three weeks, despite the fact that his top pick, Larry Summers, would likely spark an ugly confirmation battle – the "fight of the century," according to some – with a Congress already unwilling to do the President's bidding.

Congress was supposed to pass a farm bill this summer, but declined to do so even though the task is already two years late. As a result, the country has no farm bill, leaving agricultural subsidies up in the air, farmers uncertain about what their financial picture looks like, and a potential food crisis on the horizon.

The two main housing agencies, Fannie Mae and Freddie Mac, have been in limbo for four years and are desperately in need of reform that should start this fall, but there is scant attention to the problem.

These are the problems going unattended by the Obama administration while his aides and cabinet members have been wasting the nation's time making the rounds on television and Capitol Hill stumping for a profoundly unpopular war. The fact that all this chest-beating was for naught, and an easy solution seems on the horizon, belies the single-minded intensity that the Obama White House brought to its insistence on bombing Syria.

More than one wag has suggested, with the utmost reason, that if Obama had brought this kind of passion to domestic initiatives, the country would be in better condition right now. As it is, public policy is embarrassingly in shambles at home while the administration throws all of its resources and political capital behind a widely hated plan to get involved in a civil war overseas.

The upshot for the president may be that it's easier to wage war with a foreign power than go head-to-head with the US Congress, even as America suffers from neglect.

This is the paradox that President Obama is facing this fall, as he appears to turn his back on a number of crucial and urgent domestic initiatives in order to spend all of his meager political capital on striking Syria.

Syria does present a significant humanitarian crisis, which has been true for the past two years that the Obama administration has completely ignored the atrocities of Bashar al-Assad.

Two years is also roughly the same amount of time that key domestic initiatives have also gone ignored as Obama and Congress engage in petty battles for dominance and leave the country to run itself on a starvation diet imposed by sequestration cuts. Leon Panetta tells the story of how he tried to lobby against sequestration only to be told:

Leon, you don't understand. The Congress is resigned to failure.

Similarly, those on Wall Street, the Federal Reserve, those working at government agencies, and voters themselves have become all too practiced at ignoring the determined incompetence of those in Washington.

Political capital – the ability to horse-trade and win political favors from a receptive audience – is a finite resource in Washington. Pursuing misguided policies takes up time, but it also **eats up credibility in asking for the next favor.** It's fair to say that congressional Republicans, particularly in the House, have no love for Obama and are likely to oppose anything he supports. That's exactly the reason the White House should stop proposing policies as if it is scattering buckshot and **focus with intensity** on the domestic tasks it wants to accomplish, **one at a time**.

**Default will destroy the U.S. and global economy**

**Davidson, 9/10/13** – co-founder of NPR’s Planet Money (Adam, “Our Debt to Society” New York Times, http://www.nytimes.com/2013/09/15/magazine/our-debt-to-society.html?pagewanted=all)

If the debt ceiling isn’t lifted again this fall, some serious financial decisions will have to be made. Perhaps the government can skimp on its foreign aid or furlough all of NASA, but eventually the big-ticket items, like Social Security and Medicare, will have to be cut. At some point, the government won’t be able to pay interest on its bonds and will enter what’s known as sovereign default, the ultimate national financial disaster achieved by countries like Zimbabwe, Ecuador and Argentina (and now Greece). In the case of the United States, though, it won’t be an isolated national crisis. If the American government can’t stand behind the dollar, the world’s benchmark currency, then the global financial system will very likely enter a new era in which there is much less trade and much less economic growth. It would be, by most accounts, the largest self-imposed **financial disaster in history.**

Nearly everyone involved predicts that someone will blink before this disaster occurs. Yet a small number of House Republicans (one political analyst told me it’s no more than 20) appear willing to see what happens if the debt ceiling isn’t raised — at least for a bit. This could be used as leverage to force Democrats to drastically cut government spending and eliminate President Obama’s signature health-care-reform plan. In fact, Representative Tom Price, a Georgia Republican, told me that the whole problem could be avoided if the president agreed to drastically cut spending and lower taxes. Still, it is hard to put this act of game theory into historic context. Plenty of countries — and some cities, like Detroit — have defaulted on their financial obligations, but only because their governments ran out of money to pay their bills. No wealthy country has ever voluntarily decided — in the middle of an economic recovery, no less — to default. And there’s certainly no record of that happening to the country that controls the global reserve currency.

Like many, I assumed a self-imposed U.S. debt crisis might unfold like most involuntary ones. If the debt ceiling isn’t raised by X-Day, I figured, the world’s investors would begin to see America as an unstable investment and rush to sell their Treasury bonds. The U.S. government, desperate to hold on to investment, would then raise interest rates far higher, hurtling up rates on credit cards, student loans, mortgages and corporate borrowing — which would effectively put a clamp on all trade and spending. The U.S. economy would collapse **far worse than anything we’ve seen** in the past several years.

**Nuclear war**

**Friedberg and Schoenfeld 8**

[Aaron, Prof. Politics. And IR @ Princeton’s Woodrow Wilson School and Visiting Scholar @ Witherspoon Institute, and Gabriel, Senior Editor of Commentary and Wall Street Journal, “The Dangers of a Diminished America”, 10-28, http://online.wsj.com/article/SB122455074012352571.html]

Then there are the dolorous consequences of a potential collapse of the world's financial architecture. For decades now, Americans have enjoyed the advantages of being at the center of that system. The worldwide use of the dollar, and the stability of our economy, among other things, made it easier for us to run huge budget deficits, as we counted on foreigners to pick up the tab by buying dollar-denominated assets as a safe haven. Will this be possible in the future? Meanwhile, traditional foreign-policy challenges are multiplying. The threat from al Qaeda and Islamic terrorist affiliates has not been extinguished. Iran and North Korea are continuing on their bellicose paths, while Pakistan and Afghanistan are progressing smartly down the road to chaos. Russia's new militancy and China's seemingly relentless rise also give cause for concern. If America now tries to pull back from the world stage, it will leave a dangerous power vacuum. The stabilizing effects of our presence in Asia, our continuing commitment to Europe, and our position as defender of last resort for Middle East energy sources and supply lines could all be placed at risk. In such a scenario there are shades of the 1930s, when global trade and finance ground nearly to a halt, the peaceful democracies failed to cooperate, and aggressive powers led by the remorseless fanatics who rose up on the crest of economic disaster exploited their divisions. Today we run the risk that rogue states may choose to become ever more reckless with their nuclear toys, just at our moment of maximum vulnerability. The aftershocks of the financial crisis will almost certainly rock our principal strategic competitors even harder than they will rock us. The dramatic free fall of the Russian stock market has demonstrated the fragility of a state whose economic performance hinges on high oil prices, now driven down by the global slowdown. China is perhaps even more fragile, its economic growth depending heavily on foreign investment and access to foreign markets. Both will now be constricted, inflicting economic pain and perhaps even sparking unrest in a country where political legitimacy rests on progress in the long march to prosperity. None of this is good news if the authoritarian leaders of these countries seek to divert attention from internal travails with external adventures.

## 1nc – china disad

## China’s sphere of influence in Mexico is high – the plan trades off

**Fabens 8/14** (Isabella, Research Associate at the Council on Hemispheric Affairs, 8/14/13, “CHINA’S LATEST INVESTMENTS IN MEXICO: THE PLIGHT OF MAQUILADORA WORKERS,” http://www.coha.org/chinas-latest-investments-in-mexico-the-plight-of-maquiladora-workers/)//DR. H

Mexican President Enrique Peña Nieto, in the course of a trip to Asia last April, initiated important trade discussions on a stopover in China. [1] In return, Chinese President Xi Jinping returned the courtesy during his visit to Mexico on June 4. [2] Mexico is attempting to reduce its trade deficit with China by exporting some of its natural resources. In return, China is stepping up its role in Latin America as a major consumer of primary products. President Xi’s plans include potential investments in the hydrocarbon and natural gas sectors of the Mexican economy. There is every reason to believe that increased trade between the countries will augment Mexico’s economic growth. The trouble is that, to date, there has been no real consideration given to working conditions in Mexican facilities owned by U.S. companies, which too often pay their workers a low wage and overlook the unsafe conditions under which their employees labor.

Mexico and China

Formal relations between Mexico and China began in 1972 when Mexican President Luis Echeverría Álvarez (1970-1976) established diplomatic ties with the Asian nation. [3] Tensions flared in 2011, however, when Mexican President Felipe Calderón Hinojosa (2006-2012) hosted the Dalai Lama in Mexico City, as China has always considered Tibet to be under its jurisdiction. [4]

Since President Peña Nieto took office on December 1, 2012, he has attempted to rebuild bilateral relations with China and to promote economic growth through heightened foreign investment in natural resources. For his part, President Xi hopes to gain influence in Mexico and elsewhere in the region, as the United States and China move into competition for economic hegemony. [5] In response, Washington has launched a somewhat half-hearted effort to establish closer relations with key Asian countries known to be engines of growth. [6] **China seems to be winning this competition,** moving forward to achieve important economic victories in Mexico, Latin America’s second largest economy.

**Chinese influence is key to its economy.**

**Arnson et al. ‘9** (Cynthia Anderson, Mark Mohr, Riordan Roett, writers for Woodrow Wilson International Center for Scholars, “Enter the Dragon? China’s Presence in Latin America”, http://www.wilsoncenter.org/sites/default/files/EnterDragonFinal.pdf) (JN)

China’s role in Latin America is, above all, based on trade, despite U.S. concerns about China’s military inﬂuence in Latin America. The major exception to this rule is Cuba, for which China represents a political relationship as well as one based on economic interests. Although Venezuelan authorities may also prefer that its relationship with China have political as well as economic dimensions, it is not clear that China has the same expectations of its relationship with Venezuela. To China, Latin America **represents a signiﬁcant source of the necessary natural resources** that will help China **maintain its economic growth**. Due primarily to trade with China, Latin America’s trade volume grew from $2.8 billion in 1988 to $49 billion in 2005. Also, and as publicly announced, China intends to surpass $180 billion in trade with Latin America by 2010, not only due to the country’s need for natural resources, but also as a result of China’s intention to diversify and expand its markets in the region. Thus, Latin America represents a substantial market for Chinese goods.

## Weak economy is the only incentive for aggressive foreign policy and great power involvement.

**Chuang 2001** (Major Liow Boon, Singapore Armed Forces, Pointer (The Journal of Singapore’s Armed Forces), “A Weak or Strong China: Which Is Better for the Asia-Pacific Region?” Volume 27, Number 1, January-March,

http://www.mindef.gov.sg/safti/pointer/back/journals/2001/Vol27\_1/7.htm)

'In the past, a weak China, beset by social disorder, inflation and civil war attracted foreign intervention by the great powers. The result was turbulence and instability inside China and at its borders'. China was invaded twice and suffered from several decades of civil wars and occupation by Japan.25 A loosening of China's political system has already been brought about by economic liberalization, more will follow as communications and education improve with economic growth. Indeed, lessons from Europe and the Soviet Union have taught that a rapid political liberalization unsupported by economic growth can easily lead to social disintegration, which if it divides China, will jeopardize the stability of the whole Asia-Pacific.26 Slow growth of the economy could increase the level of social discontent that would result in political instability. Chinese leaders will attempt to implement the structural reforms necessary to provide a sound framework for sustained future economic growth while minimising political unrest. China's leadership understand that for China to achieve great power status, economic power with a commensurate amount of military power will be the key.

It is commonly asserted that national leaders who are unable to overcome domestic difficulties sometimes pursue an aggressively extroverted foreign policy to distract their people from the problems at home. Samuel S. Kim seems to have this idea in mind when he argues that 'Today the main danger to the peace and stability of the Asia-Pacific region stems more from China's domestic weakness than from its external assertiveness a weak, reactive, insecure and fragmenting China is more unpredictable and dangerous than a strong, confident and cohesive China.'27

There are already signs of unrest and secessionist movements in China, and if China is weak economically and governed by a weak government that does not handle these problems well, an internal break-up could occur and it could precipitate the fall of the country. Controlling the widening income gap between city dwellers and peasants is one pressing problem the Chinese government has to tackle, and keeping the secessionist movement of Muslims in Xinjiang Province and the banned Falungong cult under control are some urgent tasks.

## 1nc – t

## Engagement towards a government must be conditional, the plan isn’t.

Haass and O’Sullivan, 2k - \*Vice President and Director of Foreign Policy Studies at the Brookings Institution AND \*\*a Fellow with the Foreign Policy Studies Program at the Brookings Institution (Richard and Meghan, “Terms of Engagement: Alternatives to Punitive Policies” Survival,, vol. 42, no. 2, Summer 2000, http://www.brookings.edu/~/media/research/files/articles/2000/6/summer%20haass/2000survival.pdf

Many different types of engagement strategies exist, depending on who is engaged, the kind of incentives employed and the sorts of objectives pursued. Engagement may be conditional when it entails a negotiated series of exchanges, such as where the US extends positive inducements for changes undertaken by the target country. Or engagement may be unconditional if it offers modifications in US policy towards a country without the explicit expectation that a reciprocal act will follow. Generally, conditional engagement is geared towards a government; unconditional engagement works with a country’s civil society or private sector in the hopes of promoting forces that will eventually facilitate cooperation.

## Its means ownership.

**Glossary of English Grammar Terms, 05**

(http://www.usingenglish.com/glossary/possessive-pronoun.html)

Mine, yours, his, hers, its, ours, theirs are the possessive pronouns used to substitute a noun and to show possession or ownership.

EG. This is your disk and that's mine. (Mine substitutes the word disk and shows that it belongs to me.)

## Voter – for limits and ground – engagement is a huge mechanism; requiring the affirmative to use a predictable mechanism like a quid pro quo is essential for disad links and critiques of attaching strings – view this debate through competing interpretations.

## 1nc kritik – generic

## The intersection between economic engagement and neoliberalism is the root cause of the current economic crisis—it ushers in an unsustainable model of debt-driven growth.

**Palley, PhD in economics from Yale, 10** (Thomas, MA in IR from Yale, and a BA from Oxford, “AMERICA’S EXHAUSTED PARADIGM: MACROECONOMIC CAUSES OF THE FINANCIAL CRISIS AND GREAT RECESSION”, New School Economic Review, Volume 4(1), 2010: 15-43, ZBurdette)

This paper traces the roots of the current financial crisis to a faulty U.S. macroeconomic paradigm. One flaw in this paradigm was the neoliberal growth model adopted after 1980 that relied on debt and asset price inflation to drive demand in place of wage growth. A second flaw was the model of U.S. engagement with the global economy that created a triple economic hemorrhage of spending on imports, manufacturing job losses, and off-shoring of investment. Financial deregulation and financial excess are important parts of the story, but they are not the ultimate cause of the crisis. These developments contributed significantly to the housing bubble but they were a necessary part of the neoliberal model, their function being to fuel demand growth by making ever larger amounts of credit easily available. As the neoliberal model slowly cannibalized itself by undermining income distribution and accumulating debt, the economy needed larger speculative bubbles to grow. The flawed model of global engagement accelerated the cannibalization process, thereby creating need for a huge bubble that only housing could provide. However, when that bubble burst it pulled down the entire economy because of the bubble’s massive dependence on debt. The old postWorld War II growth model based on rising middle-class incomes has been dismantled, while the new neoliberal growth model has imploded. The United States needs a new economic paradigm and a new growth model, but as yet this challenge has received little attention from policymakers or economists.

## Neoliberal engagement of Latin America results in a laundry list of tear-invoking events.

**Makwana 06** (Rajesh, STWR, 23rd November 06, http://www.stwr.org/globalization/neoliberalism-and-economic-globalization.html, ZBurdette)

Neoliberalism and Economic Globalization

The goal of neoliberal economic globalization is the removal of all barriers to commerce, and the privatization of all available resources and services. In this scenario, public life will be at the mercy of market forces, as the extracted profits benefit the few, writes Rajesh Makwana.

The thrust of international policy behind the phenomenon of economic globalization is neoliberal in nature. Being hugely profitable to corporations and the wealthy elite, neoliberal polices are propagated through the IMF, World Bank and WTO. Neoliberalism favours the free-market as the most efficient method of global resource allocation. Consequently it favours large-scale, corporate commerce and the privatization of resources.

There has been much international attention recently on neoliberalism. Its ideologies have been rejected by influential countries in Latin America and its moral basis is now widely questioned. Recent protests against the WTO, IMF and World Bank were essentially protests against the neoliberal policies that these organizations implement, particularly in low-income countries.

The neoliberal experiment has **failed to combat extreme** **poverty**, has **exacerbated global inequality**, and is hampering international aid and development efforts. This article presents an overview of neoliberalism and its effect on low income countries.

Introduction

After the Second World War, corporate enterprises helped to create a wealthy class in society which enjoyed excessive political influence on their government in the US and Europe. Neoliberalism surfaced as a reaction by these wealthy elites to counteract post-war policies that favoured the working class and strengthened the welfare state.

Neoliberal policies advocate market forces and commercial activity as the most efficient methods for producing and supplying goods and services. At the same time they shun the role of the state and discourage government intervention into economic, financial and even social affairs. The process of economic globalization is driven by this ideology; removing borders and barriers between nations so that market forces can drive the global economy. The policies were readily taken up by governments and still continue to pervade classical economic thought, allowing corporations and affluent countries to secure their financial advantage within the world economy.

The policies were most ardently enforced in the US and Europe in the1980s during the Regan–Thatcher–Kohl era. These leaders believed that expanding the free-market and private ownership would create greater economic efficiency and social well-being. The resulting deregulation, privatization and the removal of border restrictions provided fertile ground for corporate activity, and over the next 25 years corporations grew rapidly in size and influence. Corporations are now the most productive economic units in the world, more so than most countries. With their huge financial, economic and political leverage, they continue to further their neoliberal objectives.

There is a **consensus between the financial elite, neoclassical economists and the political classes** in most countries that neoliberal policies will create global prosperity. So entrenched is their position that this view determines the policies of the international agencies (IMF, World Bank and WTO), and through them dictates the functioning of the global economy. Despite reservations from within many UN agencies, neoliberal policies are accepted by most development agencies as the most likely means of reducing poverty and inequality in the poorest regions.

There is a **huge discrepancy** between the measurable result of economic globalization and its proposed benefits. Neoliberal policies have unarguably generated massive wealth for some people, but most crucially, they have been unable to benefit those living in extreme poverty who are most in need of financial aid. Excluding China, annual economic growth in developing countries between 1960 and 1980 was 3.2%. This dropped drastically between 1980 and 2000 to a mere 0.7 %. This second period is when neoliberalism was most prevalent in global economic policy. (Interestingly, China was not following the neoliberal model during these periods, and its economic growth per capita grew to over 8% between 1980 and 2000.)

Neoliberalism has also been unable to address growing levels of global inequality. Over the last 25 years, the income inequalities have increased dramatically, both within and between countries. Between 1980 and 1998, the income of richest 10% as share of poorest 10% became 19% more unequal; and the income of richest 1% as share of poorest 1% became 77% more unequal (again, not including China).

The shortcomings of neoliberal policy are also apparent in the well documented economic disasters suffered by countries in Latin America and South Asia in the 1990s. These countries were left with no choice but to follow the neoliberal model of privatization and deregulation, due to their financial problems and pressure from the IMF. Countries such as Venezuela, Cuba, Argentina and Bolivia have since rejected foreign corporate control and the advice of the IMF and World Bank. Instead they have favoured a redistribution of wealth, the re-nationalization of industry and have prioritized the provision of healthcare and education. They are also sharing resources such as oil and medical expertise throughout the region and with other countries around the world.

The dramatic economic and social improvement seen in these countries has not stopped them from being demonized by the US. Cuba is a well known example of this propaganda. Deemed to be a danger to ‘freedom and the American way of life’, Cuba has been subject to intense US political, economic and military pressure in order to tow the neoliberal line. Washington and the mainstream media in the US have recently embarked on a similar propaganda exercise aimed at Venezuela’s president Chavez. This over-reaction by Washington to ‘economic nationalism’ is consistent with their foreign policy objectives which have not changed significantly for the past 150 years. Securing resources and economic dominance has been and continues to be the USA’s main economic objective.

According to Maria Páez Victor:

“Since 1846 the United States has carried out **no fewer than 50 military invasions** and destabilizing operations involving 12 different Latin American countries. Yet, none of these countries has ever had the capacity to threaten US security in any significant way. The US intervened because of **perceived threats to its economic control** and expansion. For this reason it has also supported some of the region’s most vicious dictators such as Batista, Somoza, Trujillo, and Pinochet.”

As a result of corporate and US influence, the key international bodies that developing countries are forced to turn to for assistance, such as the World Bank and IMF, are major exponents of the neoliberal agenda. The WTO openly asserts its intention to improve global business opportunities; the IMF is heavily influenced by the Wall Street and private financiers, and the World Bank ensures corporations benefit from development project contracts. They all gain considerably from the neo-liberal model.

So influential are corporations at this time that many of the worst violators of human rights have even entered a Global Compact with the United Nations, the world’s foremost humanitarian body. Due to this international convergence of economic ideology, it is no coincidence that the assumptions that are key to increasing corporate welfare and growth are the same assumptions that form the thrust of mainstream global economic policy.

However, there are huge differences between the neoliberal dogma that the US and EU dictate to the world and the policies that they themselves adopt. Whilst fiercely advocating the removal of barriers to trade, investment and employment, The US economy remains one of the most protected in the world. Industrialized nations only reached their state of economic development by fiercely protecting their industries from foreign markets and investment. For economic growth to benefit developing countries, the international community must be allowed to nurture their infant industries. Instead economically dominant countries are ‘kicking away the ladder’ to achieving development by imposing an ideology that suits their own economic needs.

The US and EU also provide huge subsidies to many sectors of industry. These devastate small industries in developing countries, particularly farmers who cannot compete with the price of subsidized goods in international markets. Despite their neoliberal rhetoric, most ‘capitalist’ countries have increased their levels of state intervention over the past 25 years, and the size of their government has increased. The requirement is to ‘do as I say, not as I do’.

Given the tiny proportion of individuals that benefit from neoliberal policies, **the chasm between what is good for the economy and what serves the public good is growing fast**. Decisions to follow these policies are out of the hands of the public, and the national sovereignty of many developing countries continues to be violated, preventing them from prioritizing urgent national needs.

Below we examine the false assumptions of neoliberal policies and their effect on the global economy.

Economic Growth

Economic growth, as measured in GDP, is the yardstick of economic globalization which is fiercely pursued by multinationals and countries alike. It is the commercial activity of the tiny portion of multinational corporations that drives economic growth in industrialized nations. Two hundred corporations account for a third of global economic growth. Corporate trade currently accounts for over 50% of global economic growth and as much as 75% of GDP in the EU. The proportion of trade to GDP continues to grow, highlighting the belief that economic growth is the only way to prosper a country and reduce poverty.

Logically, however, a model for continual financial growth is unsustainable. Corporations have to go to extraordinary lengths in order to reflect endless growth in their accounting books. As a result, finite resources are wasted and the environment is dangerously neglected. The equivalent of two football fields of natural forest is cleared each second by profit hungry corporations.

Economic growth is also used by the World Bank and government economists to measure progress in developing countries. But, whilst economic growth clearly does have benefits, the evidence strongly suggests that these benefits do not trickle down to the 986 million people living in extreme poverty, representing 18 percent of the world population (World Bank, 2007). Nor has economic growth addressed inequality and income distribution. In addition, accurate assessments of both poverty levels and the overall benefits of economic growth have proved impossible due to the inadequacy of the statistical measures employed.

The mandate for economic growth is the perfect platform for corporations which, as a result, have grown rapidly in their economic activity, profitability and political influence. Yet this very model is also the cause of the growing inequalities seen across the globe. The privatization of resources and profits by the few at the expense of the many, and the inability of the poorest people to afford market prices, are both likely causes.

Free Trade

Free trade is the foremost demand of neoliberal globalization. In its current form, it simply translates as greater access to emerging markets for corporations and their host nations. These demands are contrary to the original assumptions of free trade as affluent countries adopt and maintain protectionist measures. Protectionism allows a nation to strengthen its industries by levying taxes and quotas on imports, thus increasing their own industrial capacity, output and revenue. Subsidies in the US and EU allow corporations to keep their prices low, effectively pushing smaller producers in developing countries out of the market and impeding development.

With this self interest driving globalization, economically powerful nations have created a global trading regime with which they can determine the terms of trade.

The North American Free Trade Agreement (NAFTA) between the US, Canada, and Mexico is an example of free-market fundamentalism that gives corporations legal rights at the expense of national sovereignty. Since its implementation it has caused job loss, undermined labour rights, privatized essential services, increased inequality and caused environmental destruction.

In Europe only 5% of EU citizens work in agriculture, generating just 1.6% of EU GDP compared to more than 50% of citizens in developing countries. However, the European Common Agricultural Policy (CAP) provides subsidies to EU farmers to the tune of £30 billion, 80% of which goes to only 20% of farmers to guarantee their viability, however inefficient this may be.

The General Agreement on Trade and Services (GATS) was agreed at the World Trade Organization (WTO) in 1994. Its aim is to remove any restrictions and internal government regulations that are considered to be "barriers to trade". The agreement effectively abolishes a government’s sovereign right to regulate subsidies and provide essential national services on behalf of its citizens. The Trade Related agreement on International Property Rights (TRIPS) forces developing countries to extend property rights to seeds and plant varieties. Control over these resources and services are instead granted to corporate interests through the GATS and TRIPS framework.

These examples represent modern free trade which is clearly biased in its approach. It fosters corporate globalization at the expense of local economies, the environment, democracy and human rights. The primary beneficiaries of international trade are large, multinational corporations who fiercely lobby at all levels of national and global governance to further the free trade agenda.

Liberalization

The World Bank, IMF and WTO have been the main portals for implementing the neoliberal agenda on a global scale. Unlike the United Nations, these institutions are over-funded, continuously lobbied by corporations, and are politically and financially dominated by Washington, Wall Street, corporations and their agencies. As a result, the key governance structures of the global economy have been primed to serve the interests of this group, and market liberalization has been another of their key policies.

According to neoliberal ideology, in order for international trade to be ‘free’ all markets should be open to competition, and market forces should determine economic relationships. But the overall result of a completely open and free market is of course market dominance by corporate heavy-weights. The playing field is not even; all developing countries are at a great financial and economic disadvantage and simply cannot compete.

Liberalization, through Structural Adjustment Programs, forces poorer countries to open their markets to foreign products which largely destroys local industries. It creates dependency upon commodities which have artificially low prices as they are heavily subsidized by economically dominant nations. Financial liberalization removes barriers to currency speculation from abroad. The resulting rapid inflow and outflow of currencies is often responsible for acute financial and economic crisis in many developing countries. At the same time, foreign speculators and large financial firms make huge gains. Market liberalization poses a clear economic risk; hence the EU and US heavily protect their own markets.

A liberalized global market provides corporations with new resources to capitalize and new markets to exploit. Neoliberal dominance over global governance structures has enforced access to these markets. Under WTO agreements, a sovereign country cannot interfere with a corporation’s intentions to trade even if their operations go against domestic environmental and employment guidelines. Those governments that do stand up for their sovereign rights are frequently sued by corporations for loss of profit, and even loss of potential profit. Without this pressure they would have been able to stimulate domestic industry and self sufficiency, thereby reducing poverty. They would then be in a better position to compete in international markets.

## Our alternative is to reject the aff to create space for alternatives to neoliberal engagement.

**Munck, professor of Globalization and Social Exclusion, 3** (Ronaldo, Department of Sociology, Social Policy & Social Work Studies and Globalisation and Social Exclusion Unit, University of Liverpool, “Neoliberalism, necessitarianism and alternatives in Latin America: there is no alternative (TINA)?”, Third World Quarterly, Vol 24, No 3, pp 495–511, 2003, http://www-e.uni-magdeburg.de/evans/Journal%20Library/Trade%20and%20Countries/Neoliberalism,%20necessitarianism%20and%20alternatives%20in%20Latin%20America.pdf, ZBurdette)

Taking as its point of departure the position that there are or must be alternatives to neoliberalism, this article explores the issue in relation to some examples from Latin America. The 2001–02 virtual collapse of the economy of Argentina and the recent victory of Workers Party candidate, Lula, in Brazil highlight, in very different ways, the need for a viable alternative democratic economic strategy for Latin America. Many progressive analysts seem to be paralysed by a false ‘necessitarianism’ which grants more coherence and solidity to the neoliberal project than it merits. Argentina puts paid to that illusion. Will the exciting experience of Porto Alegre’s ‘participatory budget’ in Brazil now be scaled up to the national level or does ‘globalisation’ block this option? Do the old questions of imperialism and dependency now come to the fore again after being left dormant under the spell of globalisation? We may not have all the answers yet but Latin America is back in the foreground of thinking and practice around alternative economic theories.

There is no alternative (TINA) was an oft-repeated expression of Margaret Thatcher’s, used to dismiss any plausible alternatives to her brand of hard-nosed neoliberalism. One imagines that her friend General Pinochet, with whom she shared tea during his enforced stay in London, would agree with her. What is more surprising is the influence the TINA philosophy has had on social science analysis of neoliberalism in Latin America since Pinochet. What I propose is a radically anti-necessitarian approach to neoliberalism, inspired by the work of Roberto Mangabeira Unger. Things are not always how they are because they have to be so. There is life beyond neoliberalism. There are alternatives taking shape all the time at all levels of society in Latin America. The so-called Washington Consensus is no longer so consensual even in Washington and there is growing recognition that globalisation requires global governance. We therefore need to return to the rise of neoliberalism and globalisation in a nonnecessitarian spirit and examine the whole horizon of possibilities that is now opening up in Latin America as elsewhere. If the virtual collapse of Argentina in 2001–02 shows that ‘actually existing’ neoliberalism simply does not work even on its own terms, the exciting but also challenging prospects now opening up in Brazil under Lula underline the urgency of developing a credible and viable alternative to its policies.

## 1nc – cp

## Text: All relevant states and territories should substantially increase its investment in surface transportation infrastructure, deploy large-scale atmospheric carbon-capture systems to address global emissions, construct and maintain self-sufficient, global, remote, permanently occupied refuges meant to protect humanity from extinction events, support the cultivation and distribution of natural history collections modeled on the Darwin Initiative.

## The counterplan solves for warming – new polyethylenimine material discoveries make it possible

Dillow 12– staff writer, Popular Science(Jan 2012, Clay, http://www.popsci.com/science/article/2012-01/new-material-can-pull-carbon-dioxide-right-out-air-unprecedented-rates)JCP

If cleaning carbon dioxide from the atmosphere was easy, we’d already be doing it. But carbon capture has proven to be a tough technology to feasibly roll out on a grand scale, and that means all the things we do that produce carbon dioxide emissions--which seems to be just about everything these days--are still roughly as bad for the planet as they were several years ago. That’s a problem in a warming world, and one that a team of researchers may have just found a solution for via an inexpensive polymeric material.

Reporting their findings in the Journal of the American Chemical Society, the team (which includes a Nobel laureate in chemistry) descirbes a new solid material based on polyethylenimine that can be used to capture carbon dioxide at the source--be that an industrial smokestack or a car’s exhaust pipe--under real-world conditions where the air contains moisture.

Science, Clay Dillow, carbon capture, carbon dioxide, carbon sequestration, energy, environment, greenhouse gas emissionsThat last part is important. Previous methods of scrubbing CO2 from the air have enjoyed varying degrees of success (usually under controlled conditions), but none has been particularly effective in the presence of humidity. The new material, which is inexpensive and readily available, has shown some of the highest carbon dioxide removal rates of any material ever tested in the presence of humidity.

It’s also reusable. After capturing carbon, the material also gives it up easily so it can be sequestered or recycled through the manufacture of other substances. The polyethylenimine material can then also be reused over and over again to capture more carbon dioxide. Used to line smokestacks or even out in the open atmosphere, the material could blunt the impact of all of those things we humans do that are contributing to the carbon glut in the atmosphere.

## History plank solves.

James et al 11, Postdoctoral researcher at the Natural History Museum in London**,** [ February, Karen E. James, Adrian M. Lister, Ellinor Michel, Mark Spencer, Jonathan A. Todd, Eugenia Valsami-Jones, Jeremy R. Young, John R. Stewart, Climate Change and Biosphere Response: Unlocking the Collections Vault ]

Over the past few decades, ecologists have been using data from repeated surveys, time-series stations, and other monitoring activities to study the biotic response to climate change (e.g., Eggleton et al. 2009). Such surveys are the most powerful tools we have for finding correlations between biotic changes and climate change; however, the numbers of these surveys and their duration have been limited, and funding has often been intermittent. For many questions, data of this type are simply unavailable, and alternative sources of data must be creatively repurposed. Historical records provide a second source of temporal information on biotic change; these include diaries and memoirs, collection logs, official catch or hunting records, personal memories, ships’ logs, photographs, and paintings and other images of landscapes or biota. Such sources recently have been mined for information in ways previously unexplored (Wheeler and García-Herrera 2008). Natural history collections (NHCs), held worldwide in museums and research institutions, provide a third valu- able set of resources for climate change research (Pyke and Ehrlich 2010). These collections hold billions of specimens collected over the past two centuries, each potentially wit- ness to past ecological conditions and irrefutable evidence of historical biogeographic distributions (Krishtalka and Humphrey 2000). These collections have evolved ad hoc in response to changing institutional collecting priorities. Most were assembled to serve research in taxonomy, sys- tematics, and biogeography, and were supplemented by material obtained through the opportunistic acquisition of donations, rescue of orphaned collections, and purchase of specimens for exhibition. This history presents opportuni- ties and barriers to the use of NHCs in research on biotic response to climate change. One advantage is that NHCs typically have broad taxonomic and geographic coverage, and often include material obtained through repeated col- lecting over long periods using a variety of methods. These complementary collections are usually held by multiple institutions and will require enhanced tools for discovery and integration. Existing NHCs can possibly provide a more complete sampling of biotic diversity than other sources; some examples of NHC resources are published systematic works and floral and faunal lists, unpublished reports, new survey observations, or new collections (Mikkelsen and Bieler 2000). Moreover, study of NHCs can inform the need for new surveys and suggest areas to be resampled, informa- tion that is invaluable when resources are limited and the need for results is urgent.

## CP prevents the worst effects of warming.

Matheny 07 Jason G., Research Associate at the Future of Human Institute at Oxford University, Ph.D. Candidate in Applied Economics at Johns Hopkins University, holds a Master’s in Public Health from the Bloomberg School of Public Health at Johns Hopkins University and an M.B.A. from the Fuqua School of Business at Duke University, 2007 (“Reducing the Risk of Human Extinction,” *Risk Analysis*, Volume 27, Issue 5, October, Available Online at http://jgmatheny.org/matheny\_extinction\_risk.htm, Accessed 07-04-2011)

Perhaps more cost effective than building refuges in space would be building them on Earth. Elaborate bunkers exist for government leaders to occupy during a nuclear war (McCamley, 2007). And remote facilities are planned to protect crop seeds from "nuclear war, asteroid strikes, and climate change" (Hopkin, 2007). But I k now of no self-sufficient, remote, permanently occupied refuge meant to protect humanity from a range of possible extinction events. Hanson (2007) argues that a refuge permanently housing as few as 100 people would significantly improve the chances of human survival during a range of global catastrophes. The Americas and Polynesia were originally populated by fewer than 100 founders (Hey, 2005 ; Murray-McIntosh et al., 1998 ). Although it would take thousands of years for 100 people to repopulate Earth, this would be a small setback compared to extinction.

## Domestic transportation infrastructure is key to manufacturing.

Council on Competitiveness 12, 2/29/12, “Report on the U.S. Manufacturing Competitiveness Initiative: Dialogue on Next Generation Supply

Networks and Logistics,” Georgia Tech, pdf)//DR. H

From a supply chain standpoint, the most visible impediment to expanding America’s global manufacturing and export capacity is the growing inadequacy of its infrastructure. An estimated one in four of the nation’s 152,000 bridges is in need of repair. The U.S. ranks twenty-fourth in the world among trade-competitive nations in terms of infrastructure quality; the Society of Civil Engineers gives the nation’s roads and bridges a D grade.

The interstate highway system is the backbone of the trucking industry, which moves 97 percent of all consumer goods and 70 percent of all goods by weight. But highways and bridges are in a state of serious disrepair, producing time-wasting bottlenecks and traffic congestion. These conditions slow down the movement of raw materials and finished products, placing competitive restraints on manufacturing and economic growth. Moreover, the highway and rail networks are not growing—even as the population increases. Besides adding to congestion problems, this means the current transportation network is not aligned with shifts in population and manufacturing centers.

## 1nc – warming

## no internal link—border infrastructure is not technical assistance for renewables—just because a card mentions NADbank doesn’t mean they actually reduce CO2

## Squo solves

**Meyer 13** – Analyst in Latin American affairs for the Congressional Research Service (Peter J. Meyer, “Brazil-US Relations”, Congressional Research Service, 2/27/13, https://www.fas.org/sgp/crs/row/RL33456.pdf)//js

Energy has been another important area of U.S.-Brazilian cooperation in recent years. Brazil is widely regarded as a world leader in energy policy for successfully reducing its reliance on foreign oil through the development of alternative energy resources and increased domestic production. In addition to being the world’s second-largest producer of ethanol (after the United States), Brazil currently generates 85% of its electricity through hydropower. Brazil also has recently discovered large offshore oil deposits that have the potential to turn the country into a major oil and gas producer and an important source of energy for the United States.106 To facilitate greater cooperation in the development of safe, secure, and affordable energy, President Obama and President Rousseff launched a Strategic Energy Dialogue in March 2011. Ethanol and Other Biofuels107 Brazil stands out as an example of a country that has become a net exporter of energy, partially by increasing its use and production of ethanol. In 1975, in response to sharp increases in global oil prices, the Brazilian government began a national program to promote the production and consumption of sugarcane ethanol. Brazil now produces some 390,000 barrels per day.108 Within Brazil, pure ethanol is available at nearly every fueling station and gasoline is required to include a 20% ethanol blend. About 90% of new cars sold in Brazil each year are fitted with “flex-fuel” engines capable of running on fuel blends ranging from pure ethanol to pure gasoline. As a result, ethanol accounts for over half of all fuel pumped in Brazil.109 On March 9, 2007, the United States and Brazil, the world’s two largest ethanol-producing countries, signed a memorandum of understanding to promote greater cooperation on ethanol and biofuels. The agreement involves (1) technology sharing between the United States and Brazil; (2) feasibility studies and technical assistance to build domestic biofuels industries in third countries; and (3) multilateral efforts to advance the global development of biofuels.110 Over the past six years, the United States and Brazil have moved forward on all three facets of the agreement. Presidents Obama and Rousseff signed onto a partnership agreement for the development of aviation biofuels in March 2011,111 and in October 2011, Boeing and Brazil’s Embraer announced plans to build a joint research center.112 Brazil and the United States have also worked together in a number of Latin American, Caribbean, and African countries. In March 2011, Presidents Obama and Rousseff agreed to commit $3 million to support the development of legal regimes and domestic biofuels production in the Dominican Republic, El Salvador, Guatemala, Haiti, Honduras, Jamaica, and Senegal.113 Additionally, the United States and Brazil are working with other members of the International Biofuels Forum (IBF) to make biofuels standards and codes more uniform. Brazil and the United States have taken steps to liberalize trade in ethanol over the past year. In December 2011, the Brazilian government issued a resolution to extend its duty-free treatment of imported ethanol until December 31, 2015.114 Similarly, the U.S. Congress allowed a 54-cent-pergallon duty on imported ethanol to expire at the end of 2011. Prior to its expiration, the duty served as a significant barrier to direct imports of Brazilian ethanol in most years. Although some Brazilian ethanol was allowed to enter the United States duty-free after being reprocessed in Caribbean Basin Initiative (CBI) countries, such imports could only account for up to 7% of the U.S. ethanol market. A 2.5% ad valorem tariff on ethanol imports to the United States remains in place permanently unless the Harmonized Tariff Schedule code is changed.

## plan can’t solve—their Passell evidence describes subsidizing renewables R&D, at best the plan is just technical assistance

## Warming won’t cause extinction

**NIPCC 11** – Nongovernmental International Panel on Climate Change. Surviving the unprecedented climate change of the IPCC. 8 March 2011. http://www.nipccreport.org/articles/2011/mar/8mar2011a5.html

In a paper published in Systematics and Biodiversity, Willis et al. (2010) consider the IPCC (2007) "predicted climatic changes for the next century" -- i.e., their contentions that "global temperatures will increase by 2-4°C and possibly beyond, sea levels will rise (~1 m ± 0.5 m), and atmospheric CO2will increase by up to 1000 ppm" -- noting that it is "widely suggested that the magnitude and rate of these changes will result in many plants and animals going extinct," citing studies that suggest that "within the next century, over 35% of some biota will have gone extinct (Thomas et al., 2004; Solomon et al., 2007) and there will be extensive die-back of the tropical rainforest due to climate change (e.g. Huntingford et al., 2008)." On the other hand, they indicate that some biologists and climatologists have pointed out that "many of the predicted increases in climate have happened before, in terms of both magnitude and rate of change (e.g. Royer, 2008; Zachos et al., 2008), and yet biotic communities have remained remarkably resilient (Mayle and Power, 2008) and in some cases thrived (Svenning and Condit, 2008)." But they report that those who mention these things are often "placed in the 'climate-change denier' category," although the purpose for pointing out these facts is simply to present "a sound scientific basis for understanding biotic responses to the magnitudes and rates of climate change predicted for the future through using the vast data resource that we can exploit in fossil records." Going on to do just that, Willis et al. focus on "intervals in time in the fossil record when atmospheric CO2 concentrations increased up to 1200 ppm, temperatures in mid- to high-latitudes increased by greater than 4°C within 60 years, and sea levels rose by up to 3 m higher than present," describing studies of past biotic responses that indicate "the scale and impact of the magnitude and rate of such climate changes on biodiversity." And what emerges from those studies, as they describe it, "is evidence for rapid community turnover, migrations, development of novel ecosystems and thresholds from one stable ecosystem state to another." And, most importantly in this regard, they report "there is very little evidence for broad-scale extinctions due to a warming world." In concluding, the Norwegian, Swedish and UK researchers say that "based on such evidence we urge some caution in assuming broad-scale extinctions of species will occur due solely to climate changes of the magnitude and rate predicted for the next century," reiterating that "the fossil record indicates remarkable biotic resilience to wide amplitude fluctuations in climate."

## Modeling impossible—developing countries don’t’ have transmission infrastructure for new forms of energy generation

## Agricultural crises are creating global food shortages – that kills a billion people – increased CO2 is key to solve

**Idso’s 11** – [Sherwood PhD and former research physicist for the Department of Agriculture, Keith PhD Botany, Craig PhD Geography, 6/6/2011, “Meeting the Food Needs of a Growing World Population”, http://www.co2science.org/articles/V14/N27/EDIT.php] DHirsch

Parry and Hawkesford (2010) introduce their study of the global problem by noting that "food production needs to increase 50% by 2030 and double by 2050 to meet projected demands," and they note that at the same time the demand for food is increasing, production is progressively being limited by "non-food uses of crops and cropland," such as the production of biofuels, stating that in their homeland of the UK, "by 2015 more than a quarter of wheat grain may be destined for bioenergy production," which surely must strike one as both sad and strange, when they also note that "currently, at least one billion people are chronically malnourished and the situation is deteriorating," with more people "hungrier now than at the start of the millennium." So what to do about it: that is the question the two researchers broach in their review of the sad situation. They begin by describing the all-important process of photosynthesis, by which the earth's plants "convert light energy into chemical energy, which is used in the assimilation of atmospheric CO2 and the formation of sugars that fuel growth and yield," which phenomena make this natural and life-sustaining process, in their words, "a major target for improving crop productivity both via conventional breeding and biotechnology." Next to a plant's need for carbon dioxide comes its need for water, the availability of which, in the words of Parry and Hawkesford, "is the major constraint on world crop productivity." And they state that "since more than 80% of the [world's] available water is used for agricultural production, there is little opportunity to use additional water for crop production, especially because as populations increase, the demand to use water for other activities also increases." Hence, they rightly conclude that "a real and immediate challenge for agriculture is to increase crop production with less available water." Enlarging upon this challenge, they give an example of a *success story*: the Australian wheat variety 'Drysdale', which gained its fame "because it uses water more efficiently." This valued characteristic is achieved "by slightly restricting stomatal aperture and thereby the loss of water from the leaves." They note, however, that this ability "reduces photosynthetic performance slightly under ideal conditions," but they say it enables plants to "have access to water later in the growing season thereby increasing total photosynthesis over the life of the crop." Of course, Drysdale is but one variety of one crop; and the ideal goal would be to get nearly all varieties of all crops to use water more efficiently. And that goal can actually be reached by doing nothing, by merely halting the efforts of radical environmentalists to deny earth's carbon-based life forms -- that's all of us and the rest of the earth's plants and animals -- the extra carbon we and they need to live our lives to the fullest. This is because allowing the air's CO2content to rise in response to the burning of fossil fuels naturally causes the vast majority of earth's plants to progressively reduce the apertures of their stomata and thereby lower the rate at which water escapes through them to the air. And the result is even better than that produced by the breeding of Drysdale, because the extra CO2 in the airmore than overcomes the photosynthetic reduction that results from the partial closure of plant stomatal apertures, allowing even more yield to be produced per unit of water transpired in the process. Yet man can make the situation better still, by breeding and selecting crop varieties that perform better under higher atmospheric CO2 concentrations than the varieties we currently rely upon, or he can employ various technological means of altering them to do so. Truly, we can succeed, even where "the United Nations Millennium Development Goal of substantially reducing the world's hungry by 2015 will not be met," as Parry and Hawkesford accurately inform us. And this truly seems to us the moral thing to do, when "at least one billion people are chronically malnourished and the situation is deteriorating," with more people "hungrier now than at the start of the millennium."

## warming inevitable—their Hanseon evidence from 2008, indicates that CO2 will remain in the atmosphere for thousands of years

## Elevated CO2 key to cotton

**Kakani et al 04** – Department of Plant and Soil Sciences, Mississippi State University, Department of Plant and Soil Sciences, Mississippi State University, Department of Plant and Soil Sciences, Mississippi State University, and USDA UV-B Monitoring and Research Program, Natural Resource Ecology Laboratory, Colorado State University, Fort Collins (Vijaya Gopal Kakani, Kambham Raja Reddy, Duli Zhao and Wei Gao, 2004, “Senescence and hyperspectral reflectance of cotton leaves exposed to

ultraviolet-B radiation and carbon dioxide”, PHYSIOLOGIA PLANTARUM 121: 250–257. 2004, pubmed.gov | JJ)

Considerable growth and developmental variations occur in plants exposed to UV-B radiation and atmospheric [CO2 ]. Selection of leaves from a plant at different node positions provided us with leaves that differed in age, and the leaves at same node in different treatments enabled us to study the effect of different intensities of UV-B radiation and [CO2 ] on leaves of the same age. In cotton (Gossypium hirsutum L. cv. DES119), Sassenrath-Cole et al. (1996) found that changes in leaf photosynthetic responses to light environment during leaf ageing were solely as a result of physiological changes within the senescing leaf and not the result of photon flux density environment or shading. Decline in photosynthesis and chlorophyll are early symptoms of senescence, with chloroplasts as one of the primary targets for degradation (Thomas and Stoddart 1980, Grove and Mohanty 1992). In cotton, remobilization of leaf N to reproductive organs appears to be the principle component leading to photosynthetic decline (Pettigrew et al. 2000) and the data also suggest that environmental factors can play a role in causing the photosynthetic decline. In our study, atmospheric [CO2 ] did not alter the senescence as indicated by Pn and chlorophyll pigments. Elevated [CO2 ], however, increased Pn by 35% similar to that recorded in earlier studies in well-watered and well fertilized conditions (Reddy et al. 1997, 2000). In this study, at 0 kJ of UV-B and with increase in leafage, a decrease in Pn was recorded with no change in chlorophyll pigments indicating that decline in Pn is a stimulant for leaf senescence in cotton. The photosynthesis activity below a certain threshold level is known to induce leaf senescence (Smart 1994, Dai et al. 1999). Hensel et al. (1993) postulated that a decrease in photosynthesis efficiency reduces sugar levels that may be an early signal for induction of senescence. In the current study, near ambient UV-B radiation (7.7 kJ) reduced the Pn of30day-old leaves by 50% compared with that at 0 kJ UV-B radiation. In detached maize leaves, senescence induced loss of chlorophyll and photosynthesis was significantly enhanced by UV-B radiation (Biswal et al. 1997). Under high UV-B of15.1 kJ, the 12-day-old leaves had Pn on par with the 30-day-old leaves in the control treatment. The 21-day-old leaves exposed to high UV-B were on par with the 30-day-old leaves exposed to ambient and high UV-B, suggesting that these leaves were in a similar senescence phase as a result of their exposure to UV-B radiation. Thus, the UV-B radiation resulted in accelerated leaf ageing.

## Cotton’s key to the Pakistani economy – we control uniqueness

**Nadeem et al, 10** - Department o f Agronomy, University o f Agriculture, Faisalabad , Pakistan, 1 = University College of Agriculture and Environmental Sciences , Islamia University, Bahawalpur , Pakistan (Muhammad Ather Nadeem, Asghar Ali, Muhammad Tahir , Muhammad Naeem 1 , Asim Raza Chadhar and Sagheer Ahmad, 2010, “Effect of Nitrogen Levels and Plant Spacing on Growth and Yield of Cotton”, Pakistan Journal of Life and Social Sciences, Vol. 8 No. 2, http://www.pjlss.edu.pk/sites/default/files/121-124%20(dr.%20Athar%202).pdf | JJ)

Cotton (Gossypium hirsutum L.) is considered as mainstay of Pakistan’s economy. It is an important cash crop, major source of foreign exchange and plays an important role in agriculture, industry and economic development of the country. In Pakistan cotton is grown on an area is 3.22 million hectares with total production of 12417 thousand bales and average seed cotton yield of 732 kg ha -1 (Anonymous, 2007). Despite of concerted efforts of breeders and agronomists, yield per unit area is still far below from many other cotton producing countries of the world. Low yield of cotton in Pakistan is attributed to some production as well as economic constraints. Poor quality seed, low seed rate, low plant population, poor management or agronomic practices, conventional sowing methods, imbalanced fertilizer application, weed infestation and insect attack are main causes of its low yield. In cotton plant, spacing has effects on the growth and yield characteristics of the plant. Plant population (density) is very important for attaining optimum crop growth and yield under irrigated conditions. Mostly, farmers maintain plant spacing and density according to their traditional methods of planting rather than variety requirement and hence do not obtain the high crop yield. Hussain et al. (2000) reported that 30 cm spacing between cotton plants increased plant height, number of bolls per plant and boll weight as compared to 10 cm and 20 cm. However, plant spacing did not affect ginning out turn or fiber quality. On the other hand Muhammad et al. (2002) found that boll weight decreased by increasing plant population. The field conditions that produce short stature plants can generally tolerate higher plant density without incurring significant yield reduction (Hake et al., 1991). Adequate plant population facilitates the efficient use of applied fertilizers and irrigation (Abbas, 2000). When density is low, fruiting branches are longer and a greater percentage of bolls are produced on outer position of fruiting branches but first position bolls produced by high density are the biggest and best resulting in high yield. Fruit initiation was influenced by plant density in upland cotton (Buxton et al., 1977).

## Nuclear War

**Guthrie 2k –** (Grant, J.D. candidate, 2000, University of California, Hastings College of the Law., Hastings International and Comparative Law Review “Nuclear Testing Rocks the Sub-Continent: Can International Law Halt the Impending Nuclear Conflict Between India and Pakistan?” Spring/Summer 2000, pg lexis wyo-ef)

Nuclear testing creates political instability because it requires a substantial economic investment. One, small fission device typically costs five million U.S. dollars to manufacture. 84 Pakistan's economy is fragile already. 85 Pakistan's total budget for 1996-1997 was $ 12.5 [\*503] billion, out of which 45 percent was spent on debt service and 24 percent on defense. 86 If Pakistan begins increasing its defense budget there will be nothing left for its people. 87 The spending effects of continued nuclear tests might bankrupt the Pakistani economy. One day, the Pakistani government might be forced to sell nuclear fuel, nuclear weapons or nuclear technology to generate capital. Uncontrollable nuclear proliferation could ensue and the world political regime might become destabilized. There are strong political forces contending for control of Pakistan. 88 Pakistan has been ruled on and off by the military for half of its history. 89 In October of 1999, Pakistan's democratically elected government was overthrown and traded for a military regime. 90 If Pakistan's political climate does not eventually stabilize, Pakistan may become divided and compartmentalized, like a warlord-ridden, nuclear Somalia. Each faction would control nuclear weapons and a nuclear civil war could ensue. The world could be at the mercy of a rogue nuclear state. The effect on the world could be incredibly destabilizing.

## 1nc – mexico manufacturing

## can’t solve congestion--

## US Manufacturing competitiveness bounced back, the plan’s not sufficient, and the past 3 decades should’ve triggered your impacts.

IMFD 9/10, International Monetary Forum’s Interactive Forum, Around 10 quallified bloggers, “Hi-Fis and Low Gears: Manufacturing’s Bounce in the U.S.,” http://www.economonitor.com/blog/2013/09/hi-fis-and-low-gears-manufacturings-bounce-in-the-u-s/)//DR. H

It’s no secret that the manufacturing sector in the United States has been in decline for the past three decades. But a strong rebound in durable goods, such as cars and electronics, has helped revive the manufacturing sector and has supported the post-recession recovery.

As of early 2013, manufacturing output was only 4 percentage points below its pre-recession peak. Comparing across countries, the United States has performed more strongly than most of its G-7 counterparts, with the exception of Germany. Yet, the recovery in Germany has stagnated since mid-2011, while the U.S. recovery continues to gain steam.

Is this strong rebound in U.S. manufacturing here to stay, or just a temporary phenomenon?

A lopsided recovery

Our new study, The U.S. Manufacturing Recovery: Uptick or Renaissance?, looks at the U.S. manufacturing sector and shows that while the headline recovery numbers for U.S. manufacturing are impressive, they mask significant differences between the sectors producing durable goods and nondurable goods (such as food and clothing).

The post-recession recovery has been driven almost entirely by a rebound in durable goods production. On the other hand, nondurable goods have fared poorly—their production is still 10 percent below its pre-recession levels and only 6 percent above its trough.

Even within the durable sector, production growth rates have varied substantially. Automobiles, computers and electronics, and machinery have driven the majority of the rebound. However, the rebounds in machinery and automobiles have strong cyclical components (both had declined substantially during the crisis), while growth in the production of computers and electronics has been unrelenting over the last decade.

The energy revolution

What factors can explain the strong rebound in durable goods production in the United States?

Lower labor costs in the United States compared with those in emerging markets have been the most important factor in explaining the recent revival in U.S. manufacturing. But other factors, such as a more competitive real exchange rate (a depreciation of the dollar relative to other currencies, corrected for differences in inflation) and lower energy prices, may have also played a significant role.

The increasing U.S. production of oil and gas through unconventional extraction techniques—such as natural gas extracted from shale rock formation—could provide a boost to the manufacturing sector. However, our analysis suggests that the “pull” from the energy boom to manufacturing has been limited. Based on the scenarios in the 2013 Annual Energy Outlook by the U.S. Energy Information Administration, additional production of oil and gas would result in a positive contribution to manufacturing growth of around 0.1 – 0.3 percentage points per year through the end of the decade.

Nondurable goods, such as the production of chemicals or primary metals, would benefit much more than sectors that rebounded strongly from the recession, such as computers and electronics and automobiles.

## Deterrence fails – 5 reasons.

**Wilson 1/13**/13 -senior fellow at the James Martin Center for Nonproliferation Studies at the Monterey Institute of International Studies (1/13/2013, “The Myth of Nuclear Necessity,” http://www.nytimes.com/2013/01/14/opinion/the-myth-of-nuclear-necessity.html?pagewanted=all)JCP

There is also a small group of people who still believe fervently in nuclear weapons. President Obama had to buy passage of the New START treaty with Russia, in 2010, with a promise to spend $185 billion to modernize warheads and delivery systems over 10 years — revealing that while support for nuclear weapons may not be broad, it runs deep. **That support endures because of five** widely held **myths**. The first is the myth that nuclear weapons altered the course of World War II. Leaving aside the morality of America’s decision to drop atomic bombs on Hiroshima and Nagasaki, new research by the historian Tsuyoshi Hasegawa and other scholars shows that Japan surrendered not because of the atom bomb but because the Soviets renounced neutrality and joined the war. Sixty-six Japanese cities had already been destroyed by conventional weapons — two more did not make the difference. **Attributing surrender to the bomb was** also **convenient for Japan’s leaders,** allowing them to blame defeat on a “miracle” weapon. **Second is the myth of “decisive destruction.”** **Mass destruction doesn’t win wars; killing soldiers does**. No war has ever been won simply by killing civilians. The 1941-44 siege of Leningrad didn’t deter Soviet leaders from pressing the fight against Hitler. Nor did the 1945 firebombing of Dresden force Germany to submit. As long as an army has a fighting chance at victory, wars continue. Building ever more destructive weapons simply increases the horror of war, not the certainty of ending it. **Third is the myth of reliable nuclear deterrence**. Numerous leaders have taken risks and acted aggressively during nuclear crises. In 1962, President John F. Kennedy and his advisers knew that blockading Cuba risked nuclear war; they mentioned the possibility 60 times while debating their options. Yet they went ahead. Nuclear proponents might argue that no cold war crisis ever erupted into nuclear war, so deterrence must work. But they’re moving the goal posts. Originally it was claimed that nuclear weapons would assure success in negotiations, prevent any sort of attack — conventional or nuclear — and allow countries to protect their friends with a nuclear umbrella. When the Russians weren’t intimidated during talks after World War II, the claim about negotiations was dropped. When the Yom Kippur War and the Falkland Islands War showed that fighting against nuclear-armed countries was possible, the prevention of conventional war claim was dropped. The nuclear umbrella claim ought to have been dropped at the same time, but there was too much American foreign policy riding on it for anyone to make this argument. After all, if Britain couldn’t deter an attack on its own far-flung islands, how could deterrence prevent attacks on other countries? **Fourth is the myth of the long peace**: the argument that the absence of nuclear war since 1945 means nuclear weapons have “kept the peace.” **But we don’t accept proof by absence in any circumstance where there is real risk**. We wouldn’t fly an airline that claimed to have invented a device that prevented metal fatigue, proved it by equipping 100 planes with the devices for one year without a single crash, and then suddenly ceased all metal-fatigue inspections and repairs, and decided instead to rely solely on these new devices. **The last and most stubborn myth is that of irreversibility**. Whenever idealists say that they want to abolish nuclear weapons, so-called realists shake their heads and say, in tones of patient condescension, “You can’t stuff the nuclear genie back in the bottle.” This is a specious **argument. It’s true that no technology is ever disinvented, but technology does fall out of use all the time.** (If you don’t believe me, try to get tech support on any electronic device more than three years old.) Devices disappear either because they are displaced by better technology or because they simply weren’t good. The question isn’t whether nuclear weapons can be disinvented, but whether they are useful. And their usefulness is questionable, given that no one has found an occasion to use them in over 67 years. **NOT everyone wants nuclear weapons**. What most people don’t realize is that **12 countries have either abandoned nuclear programs, dismantled existing weapons**, as South Africa did in the early 1990s, **or handed them over**, as Kazakhstan did after the 1991 breakup of the Soviet Union. **By contrast, only nine have nukes today** (the United States, Russia, Britain, France, China, India, Israel, Pakistan and North Korea). It’s often assumed that Israel would be the last nation to give up nuclear weapons, given its history and a deep sense of responsibility to protect the Jewish people after the horrors of the Holocaust. But Israel has a powerful conventional military, is allied with the strongest country in the world and its leaders have a keen appreciation of military realities. They understand that nukes pose a greater danger to small countries than large ones. Twenty nuclear weapons used on Israel would do far more overlapping damage than 20 used on Iran. **Small nations have always been vulnerable. In a world without nuclear weapons they would preserve themselves as they always have: by forming alliances with the powerful and avoiding antagonizing neighbors**. France, not Israel, would most likely be the last country to give up nuclear weapons, which help preserve its image as a world power. In a nuclear-free world, France would just be another middle-size power with great cuisine. The real value of nuclear bombs is as status symbols, not as practical weapons. America and other nuclear powers must pursue the gradual abolition of nuclear weapons, but it will not be easy. Many leaders have little interest in giving up power, real or perceived. Any agreement would have to include stringent inspections and extensive safeguards. It would have to include all current nuclear-armed states in a complicated diplomatic process. But bans on other dangerous but clumsy armaments, like chemical and biological weapons, have been negotiated in the past. These bans — like laws — are sometimes broken. But the world is far safer with the bans than it would be without them. As Reagan knew, nuclear weapons make the world more dangerous, not less. Imagine arming a bank guard with dynamite and a lighter and you get a good idea of nuclear weapons’ utility: powerful, but too clumsy to use. Nuclear weapons were born out of fear, nurtured in fear and sustained by fear. They are dinosaurs — an evolutionary dead end. The trend in warfare today is toward smaller, smarter, more effective precision-guided weapons. Nuclear weapons — extremely dangerous and not very useful — are the wave of the past.

## No China war.

**Rosecrance et al 10** – (Richard, Political Science Professor @ Cal and Senior Fellow @ Harvard’s Belfer Center and Former Director @ Burkle Center of IR @ UCLA, and Jia Qingguo, PhD Cornell, Professor and Associate Dean of School of International Studies @ Peking University, “Delicately Poised: Are China and the US Heading for Conflict?” Global Asia 4.4, http://www.globalasia.org/l.php?c=e251)

Will China and the US Go to War? If one accepts the previous analysis, the answer is “no,” or at least not likely. Why? First, despite its revolutionary past, China has gradually accepted the US-led world order and become a status quo power. It has joined most of the important inter-governmental international organizations. It has subscribed to most of the important international laws and regimes. It has not only accepted the current world order, it has become a strong supporter and defender of it. China has repeatedly argued that the authority of the United Nations and international law should be respected in the handling of international security crises. China has become an ardent advocate of multilateralism in managing international problems. And China has repeatedly defended the principle of free trade in the global effort to fight the current economic crisis, despite efforts by some countries, including the US, to resort to protectionism. To be sure, there are some aspects of the US world order that China does not like and wants to reform. However, it wishes to improve that world order rather than to destroy it. Second, China has clearly rejected the option of territorial expansion. It argues that territorial expansion is both immoral and counterproductive: immoral because it is imperialistic and counterproductive because it does not advance one’s interests. China’s behavior shows that instead of trying to expand its territories, it has been trying to settle its border disputes through negotiation. Through persistent efforts, China has concluded quite a number of border agreements in recent years. As a result, most of its land borders are now clearly drawn and marked under agreements with its neighbors. In addition, China is engaging in negotiations to resolve its remaining border disputes and making arrangements for peaceful settlement of disputed islands and territorial waters. Finally, even on the question of Taiwan, which China believes is an indisputable part of its territory, it has adopted a policy of peaceful reunification. A country that handles territorial issues in such a manner is by no means expansionist. Third, China has relied on trade and investment for national welfare and prestige, instead of military conquest. And like the US, Japan and Germany, China has been very successful in this regard. In fact, so successful that it really sees no other option than to continue on this path to prosperity. Finally, after years of reforms, China increasingly finds itself sharing certain basic values with the US, such as a commitment to the free market, rule of law, human rights and democracy. Of course, there are still significant differences in terms of how China understands and practices these values. However, at a conceptual level, Beijing agrees that these are good values that it should strive to realize in practice. A Different World It is also important to note that certain changes in international relations since the end of World War II have made the peaceful rise of a great power more likely. To begin with, the emergence of nuclear weapons has drastically reduced the usefulness of war as a way to settle great power rivalry. By now, all great powers either have nuclear weapons or are under a nuclear umbrella. If the objective of great power rivalry is to enhance one’s interests or prestige, the sheer destructiveness of nuclear weapons means that these goals can no longer be achieved through military confrontation. Under these circumstances, countries have to find other ways to accommodate each other — something that China and the US have been doing and are likely to continue to do. Also, globalization has made it easier for great powers to increase their national welfare and prestige through international trade and investment rather than territorial expansion. In conducting its foreign relations, the US relied more on trade and investment than territorial expansion during its rise, while Japan and Germany relied almost exclusively on international trade and investment. China, too, has found that its interests are best served by adopting the same approach. Finally, the development of relative pacifism in the industrialized world, and indeed throughout the world since World War II, has discouraged any country from engaging in territorial expansion. There is less and less popular support for using force to address even legitimate concerns on the part of nation states. Against this background, efforts to engage in territorial expansion are likely to rally international resistance and condemnation. Given all this, is the rise of China likely to lead to territorial expansion and war with the US? The answer is no.

## **No internal link.**

Boushey 12 – (Heather, Chief Economist at American Progress, where her research focuses on U.S. employment, social policy, and family economic well-being. She is also currently a visiting fellow at the Institute for Public Policy Research in London, “Tax Reform and the U.S. Manufacturing Sector Testimony before the U.S. House of Representatives Committee on Ways and Means,” July 19th, 2012, Center for American Progress Action Fund, http://www.americanprogressaction.org/issues/general/report/2012/07/19/11949/tax-reform-and-the-u-s-manufacturing-sector/ //EH)

Second, there are a variety of ways that policymakers can support manufacturing, of which reforming the corporate tax code is one piece of the puzzle. Manufacturers make their investment decisions based on a variety of factors, not only the level of taxation. The research is clear that any set of policies aimed at supporting U.S. manufacturing should include investments in education and training, infrastructure, basic and applied research and development, and improvements to basic data collection. To support manufacturing, I recommend that this Congress focus on a few key items: Pass comprehensive business tax reform that both eliminates loopholes and inefficient business tax expenditures without disadvantaging domestic manufacturing. Currently, loopholes allow companies to avoid paying U.S. taxes by artificially shifting their profits offshore. Closing these loopholes by adopting strong provisions to prevent base erosion and will promote job growth in the United States and insure businesses are both competitive and fairly taxed. Find a fiscally responsible way to make the research and experimentation, or R&E, tax credit permanent in order to boost and attract domestic investment in research and development, or R&D, from the private sector. Studies have shown that the R&E tax credit stimulates as much research and development investment as a direct subsidy and that the social returns on R&D are greater than returns for private investors who finance R&D. The Obama tax proposal finances the credit exclusively through business tax reform. Introduce a minimum tax on foreign earnings to prevent production from going to tax havens overseas. This would also ease the tax code’s current bias towards foreign, as opposed to domestic, investment and level the playing field among competing businesses. I want to stress, however, that the level of taxation is only one piece of the puzzle and the statutory corporate tax rate is only one aspect of the corporate tax code and how it affects businesses. Supporting manufacturing requires a deeper policy commitment and while I will focus my time in my remarks specifically on tax policy, given the jurisdiction of this committee, there are also a variety of other ways that we can promote manufacturing and innovation in the United States—or least not disadvantage it relative to other industries—including: Improve infrastructure so that U.S. goods can be more easily transported and marketed at home and abroad. This will also make the U.S. more appealing to businesses and globally competitive. Implement the Obama administration’s proposal to start an $8 billion “Community College to Career Fund” to encourage collaboration and partnerships between community colleges and businesses in training our future workforce. Two million workers would learn skills vital to working in burgeoning industries like advanced manufacturing and heath care. A highly skilled workforce would also give the U.S. and its regional economies further advantages over its global competitors. Increase government investment in advanced manufacturing by 19 percent, to $2.2 billion in fiscal year 2013, as outlined by the current administration. Manufacturing workers receive better pay and benefits, while the manufacturing sector is the driving force behind innovation in our economy. Additional investments in this area will benefit workers, improve our standard of living, and strengthen our economy. Follow through on President Obama’s plan to establish a National Network for Manufacturing Innovation. This network, comprised of up to 15 new manufacturing institutes, would facilitate and promote collaboration between companies and research universities, all with the aim of increasing and scaling up manufacturing production. Having a strong manufacturing industry in the United States should be at the top of our national economic agenda. Without a vibrant and innovative manufacturing base, we will not be a global leader for long. Moreover, as more of our energy future will rely on high-tech manufacturing, our economic competitiveness will be even more closely aligned with our ability to be an innovator and producer of manufactured goods. Further, this is an urgent national issue and one of those cases where success begets success. Economists have begun to study and show that the “industrial commons” matters for innovation and the extent to which we allow manufacturing processes to continue to go overseas, we only make it that much harder to regain our place as a global leader. As my colleagues Michael Ettlinger and Kate Gordon have put it, “the cross-fertilization and engagement of a community of experts in industry, academia, and government is vital to our nation’s economic competitiveness.”

## No impact to off-shoring.

Heineman, 3/26 – (Ben, The Atlantic, 3/26/13, http://www.theatlantic.com/business/archive/2013/03/why-we-can-all-stop-worrying-about-offshoring-and-outsourcing/274388/, "Why We Can All Stop Worrying About Offshoring and Outsourcing," alp)

Labor markets have for the past quarter century been at the center of the globalization disputes under the "off-shoring and out-sourcing" rubric. How many jobs were lost at home to cheap labor abroad? What were conditions for those overseas workers? But the rapidly changing nature of the global economy has changed much, though not all, of that "off-shoring/out-sourcing" debate. Today, cheap labor is only one of many factors leading global companies to choose where to do business in diverse nations across the world. Major economic changes like the internal growth of emerging markets have scrambled debates about the global economy, posed challenges for international business, stimulated contradictory public policies and confused the general public. It was often cheap labor in emerging markets that, more than two decades ago, led companies in developed markets to move company jobs away from the home country either to company owned facilities (off-shoring) or to third parties (out-sourcing) in developing markets. The broad idea was that less expensive manufacturing or inexpensive white collar workers would create goods and services in developing nations that would serve world markets. China, especially, would be the global product-manufacturing center; India, via the web, would be the global service provider. The well known debate ensued between free-trade (more competition, cheaper goods in U.S., growth in developing markets) and fair trade (only wealthy benefit, hollowing out of U.S. middle class, exploitive labor standards overseas). The debate heated up in political years (including 2012), when "outsourcing" became an especially a dirty word. But, in addition to dramatic economic growth in emerging markets, four recent trends have significantly modified this old off-shoring and out-sourcing schematic. First, labor costs for many businesses may no longer be the critical or even primary factor in global location decisions. Wages are rising in many emerging markets due, in part, to increased demand, new labor laws, and greater worker voice. Wages are declining in developed markets like the U.S. where depressed economic conditions for workers have led to lower wage and benefit packages, especially for lower entry level workers, and often through negotiations with organized labor. New technology, such as robotics, and higher productivity have also lowered the price of labor as a percentage of total product or service costs. When labor cost differences are not as dramatic or important, other costs like materials, energy, transportation, currency, capital, government imposed costs (tariffs, regulation) -- which were always important -- may have as great (or greater) impact on the location as cheap workers. Second, companies are retaining but modifying their global supply chains by selectively reversing the long-term trend of outsourcing. They are "making" important parts of the products or services rather than "buying" from third parties, as described recently by U.S. business people and journalists, Companies are recognizing that closely interrelating, even co-locating, research and development, design and marketing, manufacturing and assembly close to the markets served can lead to much faster response to market shifts and to much faster innovation. The old practice of designing at home and then manufacturing abroad can slow the pace of innovation and product change to a crawl. So companies are making complex trade-offs between "making" and "buying" -- and between the need to develop technology at connected global R&D centers and the need to apply it in a variety of local settings in a variety of ways. Similarly, companies which were enamored of outsourcing key service functions like information technology to nations like India are discovering that these, too, are key to fast-paced innovation and should be "made" not "bought" -- bringing them back in-house, with corporate units integrated across the world under global/local management. The "de-verticalizing" outsourcing process - when a company sent many of its functions between raw materials and the finished product to third parties - is now being partially reversed with "re-verticalization." But, even with changes, global supply chains, even if owned more by the company and less by third parties, will remain critical.

## Squo solves aerospace.

**RNCOS 1/31** – specializes in Industry intelligence and creative solutions for contemporary business segments. Our professionals analyze the industry and its various components, with a comprehensive study of the changing market behavior. Our accuracy and data precision proves beneficial in terms of pricing and time management that assist the intending consultants in meeting their objectives in a cost-effective and timely manner (1/31/12, RNCOS, “US Leads Global Aerospace and Aviation Industry” http://www.avionics-intelligence.com/news/2012/01/1594542084/us-leads-global-aerospace-and-aviation-industry.html) CB

According to our research report, "Aerospace Industry Forecast to 2013", global aerospace industry has witnessed an impressive growth over the past few years, with civil aviation

 segment emerging as the major contributor. Increase in air traffic and considerable increase in military budget have provided the much required impetus to the industry. **The US represents the biggest aerospace market and is anticipated to grow at a CAGR of around 3.2% during 2011-2013.**

The US is the leader of aerospace and aviation industry as it is both the largest producer and marketplace for the industry. As per our findings, civil aircrafts account for a major share in the US aerospace market. Civil aircraft sales were mainly driven by the sales of large commercial jetliners in the past. Moreover, **the positive growth expected from** the market for **large jetliners is likely to boost** the civil **aerospace** market **in the coming years**.

Besides, the report covers the other major aerospace markets including both developed and emerging markets. The countries covered in the developed markets include, the US, Canada, UK, and many others, while the emerging markets are comprised of countries like the Middle East, China, India, and various others. Besides, overall growth in the global aerospace market is mainly driven by aircraft and aircraft part segments. These segments have witnessed a double digit growth during the last decade. Our report also contains information about the various M&A activities in the global aerospace industry.

It entails information of the key competitors in the market along with their business details and areas of expertise. The report shows a highly concentrated structure of the market, with the top players dominating the market. It provides segment-wise analysis of the industry along with emerging trends that may shape up with the betterment of economic conditions. The research will facilitate consultants, industry analysts, and vendors to obtain an in-depth knowledge of the current, past, and future performance of the industry. It provides an extensive research on the recent trends of the aerospace industry trends to provide cutting-edge market intelligence.

# 2nc econ overview

## DA outweighs and turns the case –

## 1). magnitude—

**economic decline causes all global hotspots to escalate—Iran, North Korea, Russia, China—increases the incentive to challenge competitors with nuclear weapons—that’s Friedberg and Schoenfeld**

## 2). timeframe—

**debt ceiling is the only instantaneous impact b/c it’s based off of the action of US default—prefer it over their long systemic internal link chains**

## Turns case

## 1). prevents implementation—

**government shutdown means that they can’t fund/initiate new programs**

**2). economic growth solves their war scenarios—**

**trade ties and interdependence eliminates rational incentives for war**

**Economic strength kt to deterrence/competitiveness**

**Khalilzad 1995** (Zalmay, chair of RAND’s project Air Force Security and Doctrine Program, “Losing the Moment,” Washington Quarterly, Sping, lexis)

The United States is unlikely to preserve its military and technological dominance if the U.S. economy declines seriously. In such an environment, the domestic economic and political base for global leadership would diminish and the United States would probably incrementally withdraw from the world, become inward-looking, and abandon more and more of its external interests. As the United States weakened, others would try to fill the Vacuum.

**Chinese collapse.**

**Pethokoukis** 9/22 (James, money and politics blogger for U.S. News & World Report , where he writes the monthly Capital Commerce magazine column. Pethokoukis is also the assistant managing editor of the magazine's Money & Business section, “Bailout Prevents Great Depression 2.0,” **2008**, http://www.usnews.com/blogs/capital-commerce/2008/09/22/bailout-prevents-great-depression-20.html)

Nope, I think they believed, and got Congress to believe, that the economy was on the verge of something far worse than the worst downturn in a generation. And that is why they went with the so-called nuclear option: the biggest financial bailout in history. In the words of JPMorgan Chase economist **James Glassman,** "Thankfully, we and our friends around the world who are watching the economic lights come on will never know where events would have led, if the clock had not stopped [last] Thursday afternoon.... Last week's events made the 1987 stock market crash look like child's play." As plumbers say about pricey repairs, "Sure, it costs money. It costs money because it saves you money." And plumber in chief Paulson had a pretty big pipe, loaded with toxic debt, to unclog. OK, let's run the numbers. Paulson is asking for $700 billion. But that massive amount doesn't include previous government actions to cure the credit crisis (like propping up Fannie Mae and Freddie Mac), nor does it take into account money the government may get back from selling the bad assets it will be purchasing. So let's say those situations cancel each other out, and we are really talking about $700 billion. Now that money is being borrowed. **So you take $700 billion borrowed for 30 years at prevailing interest rates, and you are talking about $2.5 trillion.** But as Paulson said last week, "I am convinced that this bold approach will cost American families far less than the alternative: a continuing series of financial institution failures and frozen credit markets unable to fund economic expansion." Now let's do the math on the "alternatives." What would doing nothing cost? 1) **Scenario 1: Great Depression "Lite."** This is supposed to be the worst financial crisis since the 1930s. So let's assume that the total freezing up of American and global credit markets caused something half as bad as the Great Depression. From 1930 through 1933, the U.S. economy shrank by about 25 percent. Now let's say that by doing nothing and letting Mr. Market do his worst, the $12 trillion U.S. economy shrinks by half that amount (12.5 percent), or around $1.5 trillion over four years. (Also, figure a near doubling in unemployment.) But there's also the opportunity cost of not returning to growth, even at a so-so 2.0 percent a year. Doing nothing costs $1.1 trillion more in lost growth. So now we are down $2.6 trillion. But wait: There's more. Let's assume the stock market drops an additional 25 percent or so. That's $3 trillion more in lost market capitalization. Plus, we are forgoing the opportunity to gain back what we have lost in the market, about $3 trillion. So, add the $6 million in lost market capitalization to the lost economic output, and we are at $8.6 trillion. Then there is housing, already down $5 trillion, or roughly 20 percent. Let's conservatively say that we lose another $5 trillion by doing nothing. Plus, we forgo a partial rebound, say, $2.5 trillion. Adding together further housing losses (plus the lost opportunity to recoup some losses), and we are talking about a total cost of doing nothing of $15 trillion in four years for the whole megillah. But it could be worse. 2) **Scenario 2: Great Depression 2.0.** The economy shrinks by 25 percent over four years, or $3.2 trillion, plus $1.1 trillion in lost opportunity growth. Economic cost: $4.3 trillion. The market falls two thirds from its peak, losing $7 trillion in value from its current level, plus $3 trillion from not getting a rebound. Stock market cost: $10 trillion. Housing falls an additional $10 trillion from current levels, plus the lost opportunity of $2.5 trillion from a rebound. Housing cost: $12.5 trillion. Total four-year financial and economic cost of doing nothing: $26.8 trillion. Now this is all a very rough guesstimate and doesn't include the costs of all sorts of other ramifications. Here is a fun one: the dissolution of China. Its economy is built for hypergrowth. A dramatically rising standard of living is both keeping the Communist Party in power and keeping the country together. Neither might survive a global economic meltdown. What is the economic impact of that? I don't know. My guesstimator just blew up.

**Economic growth key to solve warming**

**Anderson 4** [Terry L. professor of economics at Montana State University, Ph.D. in economics http://www.perc.org/articles/article446.php]

Hansen's essay concludes on an optimistic note, saying "the main elements [new technologies] required to halt climate change have come into being with remarkable rapidity." This statement would not have surprised economist Julian Simon. He saw the "ultimate resource" to be the human mind and believed it to be best motivated by market forces. Because of a combination of market forces and technological innovations, we are not running out of natural resources. As a resource becomes more scarce, prices increase, thus encouraging development of cheaper alternatives and technological innovations. Just as fossil fuel replaced scarce whale oil, its use will be reduced by new technology and alternative fuel sources. Market forces also cause economic growth, which in turn leads to environmental improvements. Put simply, poor people are willing to sacrifice clean water and air, healthy forests, and wildlife habitat for economic growth. But as their incomes rise above subsistence, "economic growth helps to undo the damage done in earlier years," says economist Bruce Yandle. "If economic growth is good for the environment, policies that stimulate growth ought to be good for the environment."

# 2nc kt econ

**Raising the debt ceiling is key to the economy**

**1). sovereign default—prevents US government from paying interest on bonds + creates a financial disaster**

**2). financial system collapse—decline of the dollar’s credibility kills trade flows and global economic growth**

**3). treasury bond sell-off—perceived by investors as unstable investment, increases interest rates on consumer borrowing and spending**

## 4). systemic consequences

**Schwarcz, 8/14/13** – professor of law at Duke, founding director of the Duke Global Capital Markets Center (Steven, “Rollover Risk: Ideating a U.S. Debt Default” SSRN)

A U.S. debt default153 would also have both microeconomic and macroeconomic, or systemic,154 consequences. Observers have argued that a default would likely result in stocks, bonds, and the dollar “plummet[ing] in the immediate aftermath.”155 Credit markets would likely freeze,156 harming both companies and consumers.157 The downgrading of credit ratings on U.S. debt would also make it much more difficult and expensive for the country to borrow.158

Even a mere “technical” default, caused by illiquidity, could harm the real economy.159 The 1979 debt defaults, which were temporarily caused by a federal debt ceiling limit on new borrowings,160 resulted in a 60 basis point increase in the interest rate on Treasury bills161—an increase that appears to be permanent.162 Such a rate increase could also increase the cost of private borrowings. Treasury Secretary Timothy Geithner has observed, for example, that a U.S. debt default would “raise all borrowing costs”163 because “US Treasuries set the benchmark borrowing rate” for private loans.164

Investment bank J.P. Morgan recently issued a report updating the potential economic impact of a technical default. The report assumes that the United States temporarily misses an interest or principal payment on its debt.165 Even if this temporary default does not reflect an actual deterioration of U.S. solvency, it still would “almost certainly have large systemic effects with long-term adverse consequences for Treasury finances and the U.S. economy.”166 At a minimum, the United States would likely see a one percent reduction in gross domestic product (GDP) due to higher interest rates and a likely equity selloff.167 Even worse, the report concluded, the default also “could leave lasting damage in its wake due to a permanent decline in foreign demand [for U.S. Treasury securities], which will likely lead to [continuing] higher borrowing costs and larger deficits.”168

# 2nc wall

**It will pass – 1nc Washington Post says the diplomatic response on Syria has freed up time and energy for a debt ceiling compromise – a deal will be difficult but maintaining focus will secure one, because it’s in the interest of both Obama and the GOP leadership**

## Obama is winning the debate now

**Easley, 9/18/13 -** spent four years as a political columnist and the politics editor at 411mania.com, where he covered such issues as the Iraq War, warrant less wiretapping, and the daily workings of the American legislative process. Jason has also written for the Blogger News Network, and saw his 2008 presidential election coverage quoted in over 300 newspapers worldwide. Jason has a Bachelor’s Degree in Political Science(Jason, “Obama’s Genius Labeling of GOP Demands Extortion Has Already Won The Debt Ceiling Fight” Politics USA, http://www.politicususa.com/2013/09/18/obamas-genius-labeling-gop-demands-extortion-won-debt-ceiling-fight.html)

President Obama effectively ended any Republican hopes of getting a political victory on the debt ceiling when he called their demands extortion. Nobody likes being extorted. The American people don’t like feeling like they are being shaken down. The White House knows this, which is why they are using such strong language to criticize the Republicans. Obama is doing the same thing to House Republicans that he has been doing to the entire party for the last few years. The president is defining them before they can define themselves.

Obama is taking the same tactics that he used to define Mitt Romney in the summer of 2012 and applying them to John Boehner and his House Republicans. While Republicans are fighting among themselves and gearing up for another pointless run at defunding Obamacare, the president is already winning the political battle over the debt ceiling. His comments today were a masterstroke of strategy that will pay political dividends now and in the future. If the president is successful anytime a Republican talks about defunding Obamacare, the American people will think extortion. Republicans keep insisting on unconstitutional plots to kill Obamacare, and the president is calling them out on it.

Republicans haven’t realized it yet, but while they are chasing the fool’s gold of defunding Obamacare they have already lost on the debt ceiling. By caving to the lunatic fringe in his party, John Boehner may have handed control of the House of Representatives back to Democrats on a silver platter.

While Republicans posture on Obamacare, Obama is routing them on the debt ceiling.

**Business pressure will change minds – but Obama’s capital is key to mobilizing it**

**Sink, 9/18/13** (Justin, The Hill, “Amid fiscal fights, Obama courting business leaders”

http://thehill.com/homenews/administration/322883-amid-fiscal-fights-obama-courting-business-leaders)

President Obama will address the Business Roundtable (BRT) on Wednesday as he works to get corporate leaders on his side during this fall’s fiscal showdowns with the GOP.

The White House is hoping that Obama can rally the influential organization, made up of conservative chief executives from the nation’s largest corporations, to help build pressure on congressional Republicans.

According to a White House official, the president will ask business leaders "to help send the message to Congress that a default would be disastrous for our economy and for businesses across the country."

"Some Republicans in Congress are playing a reckless political game by threatening to leave the economy hanging in the balance for an ideological agenda that has no chance of becoming law—a game that last time had real consequences, hurting growth and business confidence," the official said.

Obama is expected to note that during debt ceiling negotiations in the summer of 2011, the stock market decreased 17 percent, the nation's credit rating was downgraded, and consumer confidence dropped to its lowest level since the financial crisis. He'll argue to the assembled corporate executives that failure to strike a deal would again endanger the economy — and their bottom lines.

“The president’s focus, as is always the case when he meets with this group, is what we can do together to keep the American economy growing,” White House press secretary Jay Carney said on Tuesday.

But **the sell will not be an easy one** — the association’s officials have been critical of the president, and members of the group are wary of the administration’s aggressive regulatory push on labor and environmental issues.

And congressional Republicans are accusing the president of employing "scare tactics" to gain leverage.

"No one is threatening to default," said Brendan Buck, a spokesman for House Speaker John Boehner (R-Ohio). "The president only uses these scare tactics to avoid having to show the courage needed to deal with our debt crisis. Every major deficit deal in the last 30 years has been tied to a debt limit increase, and this time should be no different."

Obama has leaned on the organization in the past. Shortly after the president’s last visit in December for a speech and closed-door discussion, the CEOs sent a letter to congressional leaders arguing all options — including tax increases — should be on the table as negotiators sought a “fiscal-cliff” deal.

That gesture, a reversal from the group’s stance just five months earlier, ratcheted up pressure on congressional Republicans. The GOP subsequently stumbled, and Obama struck a deal that many Democrats embraced.

**PC will achieve a compromise**

**Langer, 9/18/13** (“Public Splits on Debt Limit Even with Fears of Damage” ABC News,

http://abcnews.go.com/blogs/politics/2013/09/public-splits-on-debt-limit-even-with-fears-of-damage/)

COMPROMISE – Mixed emotions on the debt are reflected in sharply divided trust to handle the issue: Forty-three percent of Americans prefer Barack Obama’s approach, while 40 percent hold greater trust in the Republicans in Congress, with typical partisan and ideological divisions.

That said, Obama has the upper hand on another measure, **perceived willingness to compromise.** While 49 percent of Americans say Obama’s doing “too little” to compromise with Republican leaders in Congress on a budget plan, far more, 64 percent, say the Republicans are doing too little to compromise with Obama.

The difference is largely among political independents. Fifty-five percent of them say Obama is doing too little to compromise – but 72 percent say that about Republican leaders. The GOP, though, also has comparative trouble in its base. Among self-identified Republicans, 43 percent say their own party is doing too little to compromise. Just half as many Democrats say that about Obama.

The president may be seeking to **press his advantage in perceived willingness to compromise** vs. Republican leaders. At a speech today before the Business Roundtable, he reiterated that raising the debt ceiling is non-negotiable and accused the GOP of using the debt ceiling to “extort” concessions on “issues that have nothing to do with the budget and nothing to do with the debt.”

# at: intrinsicness

**Reject the team—create a strategic cost to instrinsicness or they will always make blips that end the round if we drop them, voting neg here deters future abuse**

**Anti-topical**—our disad proves a bill IS an opportunity cost of the plan because they make it politically impossible, means they have to fiat passage of an extra-topical item which crushes all stable offense and makes them a moving target.

**Neg ground**—everything but impact turns can be fiated through, this hoses generic strategies that we need to have a shot even if they aren’t perfectly specific.

**Not reciprocal**—we get to test their internal links as a response to the fiat of the plan, letting them choose a plan AND blow off these disads is more biased towards them.

# 2nc politics link wall

## Zero chance they will win a link turn while reading the border infrastructure AFF – the AFF is mired in political opposition to large federally funded construction projects – port of entry projects have gotten no money due to Congressional in-fighting – that’s Reilly

## gridlock link – the plan uniquely poisons the well on immigration reform — ensures GOP backlash over spending, and assumes their link turns

Irwin 13 — Neil Irwin, Washington Post columnist and the economics editor of Wonkblog, The Post’s site for policy news and analysis (Neil Irwin, Washington Post: Wonkblog, 02-11-2013, “Is Congress really going to miss its free lunch on infrastructure?”, http://www.washingtonpost.com/blogs/wonkblog/wp/2013/02/11/is-congress-really-going-to-miss-its-free-lunch-on-infrastructure/, Accessed 08-01-2013 | AK)

\*the plan is massively unpopular, our Irwin evidence serves as a gridlock link, we don’t have to win our PC links from the 1nc – bipartisan deal-making over immigration reform exists now however new proposals on border infrastructure spending signals a return to the ugly politics of the last decade – despite support in several distinct lobbies, support for the AFF continues to hit a massive blockade of Republican bickering who hate any new major federal funding projects on infrastructure – causes them to unify and gridlock Obama on immigration reform

Since the election, there have been **hints** that we could be entering a period with some actual productive, bipartisan dealmaking, **most explicitly on immigration reform**. But the Republican reaction to Obama’s expected proposals on **infrastructure** in Tuesday’s State of the Union address may be a better indicator of whether we are in for a year of real legislative give-and-take—or a **return of the ugly politics** of the last several years.

It will also be an indication of whether the U.S. government is going to let a once-in-a-lifetime opportunity to rebuild the nation’s roads and bridges more or less for free slip through its fingers.

The early buzz from the White House is that while Obama will discuss the current legislative hot-buttons of immigration and gun control, the economy is a major focus of his speech. In particular, he will call for new infrastructure investment—roads, bridges, power grid, that sort of thing.

The big question on infrastructure is whether the White House is **correctly reading the politics of the moment**. Could Congressional Republicans be ready to sign on to some form of large-scale investment in the nation’s transportation and energy infrastructure? Or is Obama **tilting at windmills** (literally, in this case).

It comes as we may be approaching the end of a five year period in which investing in the nation’s physical infrastructure has been something close to a free lunch. With interest rates near all-time lows and millions of construction workers unemployed, the last few years have been a time that it would have been a historical bargain for the United States to do upgrades to roads, bridges, and airports that will eventually need to take place anyway. It has been a **political breakdown**—in particular conservatives’ view of almost **any non-defense federal spending as wasteful**—standing in the way.

This graph shows total private fixed investment relative to the nation’s potential GDP, going back to 1949. (That’s how much the private sector is spending on both houses and commercial installations). After averaging 15.5 percent from 1949 to 2007, private investment fell as low as 10.6 percent in the economic collapse starting in 2008 (it was 12.2 percent at the end of 2012).

In other words, for the last few years private construction activity has been far below its historic norms. And so long as the private sector isn’t building houses and office buildings and factories, the government can build without crowding out private investment.

But that window might not last much longer; at the current pace, private investment will be back to its historical average in another few years. It’s not now or never, exactly, but it very likely will be cheaper now to spruce up the nation’s transportation and energy infrastructure than it will be in the not-too-distant future.

**In concept**, this is an area where there should be room for the two parties to work together. Business interests tend to favor new infrastructure spending, for both the benefits it brings for the companies that would like faster and more efficient ways to ship their goods and the construction companies that stand to make money actually building the stuff. Even small government conservatives want to have quality roads in their districts. Wisely chosen infrastructure spending should not increase the national debt over time, as upfront expenditures are paid back either through tolls and user fees, greater economic development, or both.

Over the last few years, though, those facts have **crashed headlong** into a widespread view in the Republican caucus that **any federal spending is wasteful**. “Anything that is akin to the stimulus bill is not going to be acceptable to the American people,” House Majority Leader Eric Cantor said in September 2011, after Obama proposed a series of job-creation measures centered around new infrastructure.

But a few things have changed since then. First, Republicans have seen electoral damage by their image as an obstruction-at-all-cost party, losing the White House and seats in both houses of Congress in the 2012 elections. Cantor himself delivered a speech last week aimed at presenting a more pragmatic face to the party. Second, the president has been re-elected, so there is no longer the odd dynamic where bipartisan dealmaking could make Obama look more statesmanlike and help his re-election chances.

Much of the Republican opposition to infrastructure spending has been rooted in a conviction that **all government spending is a boondoggle**, taxing hard-working Americans to give benefits to a favored few, and exceeding any reasonable cost estimate in the process. That’s always a risk with new spending on infrastructure: that instead of the Hoover Dam and the interstate highway system, you end up with the Bridge to Nowhere and the Big Dig.

# at: fiat solves the link

**1. No it doesn’t**—even if it happens immediately that doesn’t shield blame, if people dislike the plan they would be more upset they didn’t get to debate it.

**2. Hoses neg ground**—politics is a core generic an a measure of the opportunity cost of the plan, actions have political consequences and are perceived in congress

# at: syria thumper

**Our uniqueness accounts for Syria – 1nc Washington Post says that the Syria deferral freed up capital for the debt ceiling – even if Congress is still pissed about Syria, our 1nc fully accounts for it**

**Obama’s political capital is key to the debt fight – Syrian costs were real, but are behind him now**

Daniel **Indiviglio, September 19**, 2013. http://www.breakingviews.com/activist-would-contest-obamas-capital-allocation/21108651.article

In both politics and business, leaders have limited resources to produce results. In business, the key investment resource is cash; in government, it has more to do with time. In the White House, hours spent persuading the public or politicians, brokering deals and crafting strategy earn the president more capital, as expenditures should in boosting corporate returns. In this spirit, Breakingviews tried to pinpoint Obama’s capital allocation by analyzing news, speeches, and Oval Office blog posts. Though unscientific, the results are worth considering. Defense and security issues snagged the most attention, including the Syrian conflict, Afghanistan and Iraq, and leaks by a rogue National Security Agency contractor. The economy and jobs came in second, absorbing 16 percent of Obama’s output. Arguably these areas deserve significantly more capital – perhaps 25 percent or more of the president’s effort. Growth remains modest, and unemployment is too high at 7.3 percent. If he can get the economy cranking faster, it should make other things easier to tackle – like his third most significant talking point, education. Social issues like immigration and gun control garnered nearly the same 15 percent portion of Obama’s rhetorical pie as education. But spending and deficits, where potential emergencies loom, accounted for only 6 percent. Poorly constructed budget cuts threaten the tepid recovery. And Congress looks poised to make raising the federal debt limit as painful as it did two years ago. The broad economic risks make this an area demanding far more **presidential attention**. Capital also needs to be deployed effectively. Much was wasted on intervention in Syria, which is unpopular and **has been avoided for now**. Education and social reforms may be popular with the Democratic base, but capital has also been poorly spent there because they’re being blocked by today’s House of Representatives.

**Obama’s handling of Syria preserved political capital – prefer our warrants over their rhetorically powerful cards – also issue specific trumps**

Matthew **Braun September 16**, 2013. http://america.aljazeera.com/articles/2013/9/16/obama-opinion-pollingsyria.html

In the span of two weeks, U.S. plans caromed from the seemingly imminent use of force to a surprise time-out for consultation with Congress to a full-throttled presidential media blitz on the need for military strikes to slamming on the brakes and calling off the congressional vote in favor of renewed diplomacy with Russia, the U.S.'s erstwhile nemesis on Syria.¶ The Obama administration **undoubtedly dodged** a very large domestic political bullet, at least in the short term. The president took a calculated but substantial risk when he decided to slow the seemingly inexorable march toward military action against Syria and invite Congress to weigh in on the matter. All available evidence suggests that even if he somehow managed to persuade a reluctant Senate to go along, House approval was improbable at best. Had he lost a congressional vote on a military strike, the costs in political capital at home and credibility abroad, as well as to the executive branch itself, **could have been severe**.

# at: ww (theory)

**doesn’t apply to the AFF – suddenly forcing a bill through doesn’t boost political capital – our links outweigh because the AFF overstretches**

\*fiat of the plan means you can’t access winners win – suddenly forcing a bill through Congress doesn’t boost political capital but obliterates Obama’s chance to use the bully pulpit to push controversial decisions

\*fiat makes the plan sancrosanct – it circumvents the deliberative policymaking that is associated with passing contentious issues which is what all their “winners win” authors say is crucial to rebuilding capital

Ryan **Lizza**, **1/7**/13, Will Hagel Spike the G.O.P.’s Fever?, www.newyorker.com/online/blogs/newsdesk/2013/01/how-much-will-the-nomination-of-chuck-hagel-hurt-obamas-second-term-agenda.html

But **Obama’s victory has made almost no difference in changing the psychology or incentives of the members of the G.O.P. who matter most**: the House Republicans. The idea that a bloc of conservative, mostly Southern, Republicans would start to coöperate with the President on issues like tax policy and immigration may have rested on a faulty assumption.¶ The past few weeks of fiscal-cliff drama have taught us that “**breaking the fever” was the wrong metaphor**. **There is no one event**—even the election of a President—**that can change a political party overnight**. Congress is a co-equal branch of government, and House Republicans feel that they have as much of a mandate for their policies as Obama does for his. Shouldn’t House Republicans care that their views on Obama’s priorities, like tax cuts for the rich and immigration, helped cost Romney the White House and will make it difficult for their party’s nominee to win in 2016? In the abstract, many do, but that’s not enough to change the voting behavior of the average House Republican, who represents a gerrymandered and very conservative district.¶ **A better metaphor for the coming battles with Congress may be** what Woody Hayes, the college-football coach, famously called “**three yards and a cloud of dust”: a series of grinding plays where small victories are earned only after lots of intense combat**. **While the fiscal-cliff showdown demonstrated that there’s potential for bipartisan deal-making in the Senate, passing any Obama priority through the House of Representatives is nearly impossible unless the political pressure is extremely intense**.¶ **The fiscal-cliff bill** passed the House only when Speaker John Boehner’s members realized that their only alternative was blowing up the settlement negotiated by Joe Biden and Mitch McConnell—and accepting all the blame and consequences.¶ That episode **offers the White House a general template for the coming fights over spending**, immigration, and gun control—three **issues where there is very little consensus between Obama and most House Republicans. Deals will have to be negotiated in the Senate and gain the imprimatur of some high-profile Republicans. Then a pressure campaign will have to be mounted to convince Boehner to move the legislation to the floor of the House under rules that allow it to pass with mostly Democratic votes. It’s easier to see how this could happen with the coming budgetary issues,** which have deadlines that force action, than for the rest of Obama’s agenda, which is more likely than not to simply die in the House.¶ Err neg- their ev is hype and wishful thinking¶ Jackie **Calmes**, NYTimes, **11/12**/12, In Debt Talks, Obama Is Ready to Go Beyond Beltway, mobile.nytimes.com/2012/11/12/us/politics/legacy-at-stake-obama-plans-broader-push-for-budget-deal.xml¶ **That story line,** stoked by Republicans but shared by some Democrats, **holds** that Mr. **Obama is too passive and deferential to Congress**, a legislative naïf who does little to nurture personal relationships with potential allies in short, **not a** particularly **strong leader**. Even as voters re-elected Mr. Obama, those who said in surveys afterward that strong leadership was the most important quality for a president overwhelmingly chose Mr. Romney.¶ George C. Edwards III, a **leading scholar of the presidency** at Texas A & M University who is currently teaching at Oxford University, **dismissed such criticisms as shallow and** generally **wrong**. Yet Mr. **Edwards**, whose **book on** Mr. **Obama's** presidency is titled **"Overreach**," said, "**He didn't understand the limits of what he could do**."¶ "**They thought they could continuously create opportunities and they would succeed, and then there would be more success and more success, and we'd build this advancing-tide theory of legislation**," Mr. Edwards said. "And **that was very naïve, very silly**. Well, **they've learned** a lot, I think."¶ "**Effective leaders**," he added, "**exploit opportunities rather than create them."**¶ **The budget showdown is an opportunity.** **But** like many, **it holds risks** as well as potential rewards.¶ "This election is the second chance to be what he promised in 2008, and that is to break the gridlock in Washington," said Kenneth M. Duberstein, a Reagan White House chief of staff, who voted for Mr. Obama in 2008 and later expressed disappointment. "But it seems like this is a replay of 2009 and 2010, when he had huge majorities in the House and Senate, rather than recognizing that 'we've got to figure out ways to work together and it's not just what I want.' "¶ For now, at least, Republican lawmakers say they may be open to raising the tax bill for some earners. "We can increase revenue without increasing the tax rates on anybody in this country," said Representative Tom Price, Republican of Georgia and a leader of House conservatives, on "Fox News Sunday." "We can lower the rates, broaden the base, close the loopholes."¶ **The challenge for** Mr. **Obama is to use his postelection leverage to persuade Republicans** **or to** **help** Speaker John A. **Boehner persuade Republicans** **that a tax compromise is in their party's political interes**t since most Americans favor compromise and higher taxes on the wealthy to reduce annual deficits.¶ Some of the business leaders the president will meet with on Wednesday are members of the new Fix the Debt coalition, which has raised about $40 million to urge lawmakers and their constituents to support a plan that combines spending cuts with new revenue. That session will follow Mr. Obama's meeting with labor leaders on Tuesday.¶ His first trip outside Washington to engage the public will come after Thanksgiving, since Mr. Obama is scheduled to leave next weekend on a diplomatic trip to Asia. Travel plans are still sketchy, partly because his December calendar is full of the traditional holiday parties.¶ Democrats said the White House's strategy of focusing both inside and outside of Washington was smart. "You want to avoid getting sucked into the Beltway inside-baseball games," said Joel Johnson, a former adviser in the Clinton White House and the Senate. "You can still work toward solutions, but make sure you get out of Washington while you are doing that."¶ **The president must use his leverage soon,** some Democrats added, **because it could quickly wane** as Republicans look to the 2014 midterm elections, when the opposition typically takes seats from the president's party in Congress.

**Winners don’t win, several reasons –**

**Obama cannot win – legislative wins don’t spillover**

\*prefer Obama specific evidence – even if other presidents are able to regenerate capital quickly, Obama cannot – every time Obama allocates political capital on unpopular legislation it turns into a journalistic convention of pointing fingers – makes it impossible to get legislation through

Todd **Eberly** **13** – is coordinator of Public Policy Studies and assistant professor in the Department of Political Science at St. Mary's College of Maryland. His email is teeberly@smcm.edu. This article is excerpted from his book, co-authored with Steven Schier, "American Government and Popular Discontent: Stability without Success," to published later this year by Routledge Press., **1-21**-2013 http://articles.baltimoresun.com/2013-01-21/news/bs-ed-political-capital-20130121\_1\_political-system-party-support-public-opinion/2

As Barack Obama prepares to be sworn in for the second time as president of the United States, he faces the stark reality that **little of what he hopes to accomplish** in a second term **will** likely **come to pass**. Mr. Obama occupies an office that many assume to be all powerful, but like so many of his recent predecessors, the president knows better. He faces a political capital problem and a power trap.¶ In the post-1960s American political system, presidents have found the exercise of effective leadership a difficult task. To lead well, a president needs support — or at least permission — from federal courts and Congress; steady allegiance from public opinion and fellow partisans in the electorate; backing from powerful, entrenched interest groups; and accordance with contemporary public opinion about the proper size and scope of government. This is a long list of requirements. If presidents fail to satisfy these requirements, they face the prospect of inadequate political support or political capital to back their power assertions.¶ What was so crucial about the 1960s? We can trace so much of what defines contemporary politics to trends that emerged then. Americans' confidence in government began a precipitous decline as the tumult and tragedies of the 1960s gave way to the scandals and economic uncertainties of the 1970s. Long-standing party coalitions began to fray as the New Deal coalition, which had elected Franklin Roosevelt to four terms and made Democrats the indisputable majority party, faded into history. The election of Richard Nixon in 1968 marked the beginning of an unprecedented era of divided government. Finally, the two parties began ideologically divergent journeys that resulted in intense polarization

in Congress, diminishing the possibility of bipartisan compromise. These changes, combined with the growing influence of money and interest groups and the steady "thickening" of the federal bureaucracy, introduced significant challenges to presidential leadership.¶ Political capital can best be understood as a combination of the president's party support in Congress, public approval of his job performance, and the president's electoral victory margin. The components of political capital are central to the fate of presidencies. It is difficult to claim warrants for leadership in an era when job approval, congressional support and partisan affiliation provide less backing for a president than in times past. In recent years, **presidents' political capital has shrunk while their power assertions have grown,** making the president a volatile player in the national political system.¶ Jimmy Carter and George H.W. Bush joined the small ranks of incumbents defeated while seeking a second term. Ronald Reagan was elected in two landslides, yet his most successful year for domestic policy was his first year in office. Bill Clinton was twice elected by a comfortable margin, but with less than majority support, and despite a strong economy during his second term, his greatest legislative successes came during his first year with the passage of a controversial but crucial budget bill, the Family and Medical Leave Act, and the North American Free Trade Agreement. George W. Bush won election in 2000 having lost the popular vote, and though his impact on national security policy after the Sept. 11 attacks was far reaching, his greatest domestic policy successes came during 2001. Ambitious plans for Social Security reform, following his narrow re-election in 2004, went nowhere.¶ Faced with obstacles to successful leadership, recent presidents have come to rely more on their formal powers. The number of important executive orders has increased significantly since the 1960s, as have the issuance of presidential signing statements. Both are used by presidents in an attempt to shape and direct policy on their terms. Presidents have had to rely more on recess appointments as well, appointing individuals to important positions during a congressional recess (even a weekend recess) to avoid delays and obstruction often encountered in the Senate. Such power assertions typically elicit close media scrutiny and often further erode political capital.¶ Barack Obama's election in 2008 seemed to signal a change. Mr. Obama's popular vote majority was the largest for any president since 1988, and he was the first Democrat to clear the 50 percent mark since Lyndon Johnson. The president initially enjoyed strong public approval and, with a Democratic Congress, was able to produce an impressive string of legislative accomplishments during his first year and early into his second, capped by enactment of the Patient Protection and Affordable Care Act. But with each legislative battle and success, his political capital waned. His impressive successes with Congress in 2009 and 2010 were accompanied by a shift in the public mood against him, evident in the rise of the tea party movement, the collapse in his approval rating, and the large GOP gains in the 2010 elections, which brought a return to divided government.¶ By mid-2011, Mr. Obama's job approval had slipped well below its initial levels, and Congress was proving increasingly intransigent. In the face of declining public support and rising congressional opposition, Mr. Obama, like his predecessors, looked to the energetic use of executive power. In 2012, the president relied on executive discretion and legal ambiguity to allow homeowners to more easily refinance federally backed mortgages, to help veterans find employment and to make it easier for college graduates to consolidate federal student loan debt. He issued several executive orders effecting change in the nation's enforcement of existing immigration laws. He used an executive order to authorize the Department of Education to grant states waivers from the requirements of the No Child Left Behind Act — though the enacting legislation makes no accommodation for such waivers. Contrary to the outcry from partisan opponents, Mr. Obama's actions were hardly unprecedented or imperial. Rather, they represented a rather typical power assertion from a contemporary president.¶ Many looked to the 2012 election as a means to break present trends. But Barack Obama's narrow re-election victory, coupled with the re-election of a somewhat-diminished Republican majority House and Democratic majority Senate, hardly signals a grand resurgence of his political capital. The president's recent issuance of multiple executive orders to deal with the issue of gun violence is further evidence of his power trap. Faced with the likelihood of legislative defeat in Congress, the president must rely on claims of unilateral power. But such claims are not without limit or cost and will likely further erode his political capital.¶ Only by solving the problem of political capital is a president likely to avoid a power trap. **Presidents** in recent years **have been unable to prevent their political capital from eroding**. When it did, their power assertions often got them into further political trouble. Through leveraging public support, presidents have at times been able to overcome contemporary leadership challenges by adopting as their own issues that the public already supports. Bill Clinton's centrist "triangulation" and George W. Bush's careful issue selection early in his presidency allowed them to secure important policy changes — in Mr. Clinton's case, welfare reform and budget balance, in Mr. Bush's tax cuts and education reform — that at the time received popular approval.¶ However, short-term legislative strategies may win policy success for a president but do not serve as an antidote to declining **p**olitical **c**apital over time, as the difficult final years of both the Bill Clinton and George W. Bush presidencies demonstrate. None of Barack Obama's recent predecessors solved the political capital problem or avoided the power trap. It is the central political challenge confronted by modern presidents and one that will likely weigh heavily on the current president's mind today as he takes his second oath of office.

#### 3. Jobs and productivity.

Hermann 11– President American Society of Civil Engineers, P.E. SECB, F.ASCE (Andrew, 2011, “Impact Of Infrastructure Investment On The Manufacturing Sector,” lexis//um-ef)

ASCE commends the Joint Economic Committee for holding a hearing today on how surface transportation investment is a key factor for continued economic recovery and job creation. The Society is pleased to present to the Committee our views on investing in the nation's infrastructure and the critical link to U.S manufacturing. An agenda that fosters economic growth and job creation through policies that strengthen U.S. manufacturing and infrastructure will allow the nation to remain competitive in the Twenty-First Century. Infrastructure Receives a Grade of "D" ASCE's 2009 Report Card for America's Infrastructure graded the nation's infrastructure a "D" based on 15 categories (the same overall grade as ASCE's 2005 Report Card). The report also concluded that the nation needs to invest approximately $2.2 trillion from 2009 - 2014 to bring our nation's infrastructure to a state of good repair. This number, adjusted for a three percent rate of inflation, represents capital spending at all levels of government and includes current expenditures. Even with current and planned investments from federal, state, and local governments from 2009 - 2014, the "gap" between the overall need and actual spending will exceed $1 trillion by the end of the five-year period. In the Report Card, the nation's surface transportation system included roads receiving a grade of "D-," bridges receiving a grade of "C," and transit receiving a grade of "D". With nearly one-third of roads in poor or mediocre condition, a quarter of the nation's bridges either structurally deficient or functionally obsolete, and transit use increasing to its highest levels in 50 years, the nation's surface transportation system is in a state of critical decline. Additionally, to bring just these three surface transportation categories up to an acceptable condition would require a five-year investment of $1.2 trillion, according to ASCE estimates. If the nation continues to under- invest in infrastructure and ignores this backlog until systems fail, we will incur even greater costs. While Congress is in the process of developing a comprehensive multi-year surface transportation authorization bill, and as President Obama emphasizes the infrastructure investment needs for the nation, our roads, bridges, and transit systems continue on in a state of decline. According to the Congressional Budget Office, the total of all federal spending for infrastructure has steadily declined over the past 30 years. The results of years of under investment can be seen in traffic and airport congestion, unsafe bridges and dams, deteriorating roads, and aging drinking water and wastewater infrastructure. Infrastructure Investment = Jobs Money invested in essential public works can create jobs, provide for economic growth, and ensure public safety through a modern, well-engineered national infrastructure. The nation's transportation infrastructure system has an annual output of $120 billion in construction work and contributes $244 billion in total economic activity to the nation's gross domestic product (GDP). In addition to the overarching economic benefits, the Federal Highway Administration estimates that every $1 billion invested in the nation's highways supports 27,823 jobs, including 9,537 on-site construction jobs, 4,324 jobs in supplier industries, and 13,962 jobs throughout the rest of the economy. Standard and Poor's has stated that highway investment has been shown to stimulate the economy more than any other fiscal policy, with each invested dollar in highway construction generating $1.80 toward the gross domestic product in the short term, while Cambridge Systematics estimates that every dollar taxpayers invest in public transportation generates $6 in economic returns. The transportation industry's experience with the American Recovery and Reinvestment Act of 2009 illustrated the strong job creation impact of dedicated transportation investment, with the $48 billion for transportation improvements in the legislation supporting tens of thousands of jobs in engineering, construction, and supporting industries. Infrastructure Investment = A Healthy Economy The job-creation potential of infrastructure investment is only one contributing factor of the interaction between surface transportation and the nation's ability to compete in the global marketplace. Equally important are the benefits to a region's long term growth and productivity. A significant challenge to this economic growth is increased congestion, which contributes to the deterioration of the nation's infrastructure. Therefore, the importance of freight movement and the impact of congestion on the nation's economy must be emphasized. ASCE is concerned with the increasing deterioration of America's infrastructure, reduced investment for the preservation and enhancement of our quality of life, and the threatened decline of U.S. competitiveness in the global marketplace. In response, ASCE has not only issued multiple Report Cards on the condition of infrastructure, but has also sought to advance policy solutions that provide for a clean and safe quality of life, as well as fuel economic growth. While taken for granted by most Americans, our infrastructure is the foundation on which the national economy depends. As the economy grows, we cannot only think in terms of repairing what we have, but of creating a modernized transportation system that addresses long-term needs. The current system was originally built in the 1950's and 1960's at a time when the country had different transportation needs and a smaller population. With an expanding population and a larger economy, the nation needs a transportation system that can keep pace. Unfortunately, due to the rapid growth of the country, highway and freight capacity failed to keep up. In July 2011, ASCE released an economic study that measures the potential impacts to the economy in 2020 and 2040 if the nation maintains current levels of surface transportation investments. The report is the first in a series of four reports that will focus on the correlation between the nation's infrastructure and the economy. Subsequent reports will detail the economic correlation to the nation's drinking and waste water systems, energy grid, and ports and airports. The first study, Failure to Act: the Economic Impact of Current Investment Trends in Surface Transportation Infrastructure, found that if investments in surface transportation are not made in conjunction with significant policy reforms, families will have a lower standard of living, businesses will be paying more and producing less, and our nation will lose ground in a global economy. The nation's deteriorating surface transportation will cost the American economy more than 876,000 jobs, and suppress the growth of the country's GDP by $897 billion in 2020.The study results estimate that more than 100,900 manufacturing jobs will be lost by 2020. Ultimately, Americans will also get paid less. While the economy will lose jobs overall, those who are able to find work will find their paychecks cut because of the ripple effects that will occur through the economy. In contrast, a study from the Alliance for American Manufacturing shows that roughly 18,000 new manufacturing jobs are created for every $1 billion in new infrastructure spending. These manufacturing jobs would be created in fabricated metals, concrete and cement, glass-rubber-plastics, steel, and wood product industries. Furthermore, the Alliance for American Manufacturing study shows that using American-made materials for these infrastructure projects yields a total of 77,000 additional jobs, based on a projected investment of $148 billion a year (including $93 billion of public investment). International Competitiveness Failure to Act also shows that failing infrastructure will drive the cost of doing business up by adding $430 billion to transportation costs in the next decade. Firms will spend more to ship goods, and the raw materials they buy will cost more due to increased transportation costs. Productivity costs will also fall, with businesses underperforming by $240 billion over the next decade; this in turn will drive up the costs of goods. As a result, U.S. exports will fall by $28 billion, including 79 of 93 tradable commodities. Ten sectors of the U.S. economy account for more than half of this unprecedented loss in export value - among them key manufacturing sectors like machinery, medical devices, and communications equipment. On the contrary, most of America's major economic competitors in Europe and Asia have already invested in and are reaping the benefits of improved competitiveness from their infrastructure systems. To illustrate further the correlation between transportation and a strong national economy, the U.S. Chamber of Commerce in late 2010 released a transportation performance index that examines the overall contribution to economic growth from a well-performing transportation infrastructure. The index displays a decline in the nation's economic competitiveness due to a continued lack of investment in surface transportation systems on all levels. However, the results also indicate that a commitment to raising the performance of transportation infrastructure would provide long-term value for the U.S. economy. At this juncture, even Treasury Secretary Tim Geithner is underscoring the importance of investing in our nation's infrastructure and the value of export promotion for the competitiveness of U.S. businesses. On a recent trip to a North Carolina manufacturing plant, Secretary Geithner drew parallels between investment in infrastructure, jobs creation, and growth of the domestic manufacturing sector. While efforts such as the American Recovery and Reinvestment Act of 2009 have provided some short term relief to a struggling engineering and construction sector, a sustained economic recovery, will remain difficult without a new multi-year surface transportation bill. Five Key Solutions As part of ASCE's 2009 Report Card for America's Infrastructure, ASCE identified five Key Solutions that illustrate an ambitious plan to maintain and improve the nation's infrastructure: Increase federal leadership in infrastructure;

#### No large-scale wars over water sources

Yang ’11 – contributing columnist to The Dartmouth (Lorelei, “Water Wars,” The Dartmouth, November 22, 2011, <http://thedartmouth.com/2011/11/22/opinion/water>)//SS

Some policy analysts have predicted the outbreak of “water crises” caused by large, water-poor nations like China attacking smaller, water-rich areas like Tibet while seizing resources at a terrible cost to human life. However, formal water wars are unlikely. While water scarcity does result in regional conflict, even two bitter enemies such as India and Pakistan have a peaceful water partnership. What we should be concerned about instead is internationally sanctioned water privatization in the developing world.

#### Diplomacy checks.

KevinWatkins and AndersBerntell International Herald Tribune, 8/23/06, < “a global problem: How to avoid war over water” http://www.iht.com/articles/2006/08/23/opinion/edwatkins.php#>

The threats posed by competition for water are real enough - but for every threat there is an opportunity. Cooperation tends to attract less news than violent conflict. Perhaps that is why "water wars" get such exaggerated coverage. The agreement under which Lesotho provides water to the greater Johannesburg area in South Africa in return for watershed management finance does not make front page news. Nor does the Nile Basin Initiative, through which Egypt, Ethiopia and other countries are exchanging the benefits of cooperation on the Nile. And cooperation in West Africa between Senegal, Mali and Mauritania to share the Senegal River is not likely to make prime- time new slots in Europe. Yet cooperation over water is far more widespread than conflict.

#### Natural gas solves.

Matusky 8/27, Greg, 8/27/13, “How natural gas is helping shrink the U.S. manufacturing trade gap,” http://www.marcellusdelval.org/shale-news/how-natural-gas-is-helping-shrink-the-u-s-manufacturing-trade-gap/)//DR. H

The article cites data compiled by the Manufacturers Alliance for Productivity and Innovation showing that after years of losing manufacturing business to China, the U.S. trade deficit has finally started to shrink. In the first half of the year, this manufacturing trade gap went from $227 billion to $225 billion. The article moves on to point out that onshoring, or the return of manufacturing to U.S. shores, is spurring national economic activity and could generate anywhere from 2.5 to 5 million American jobs by 2020. That would go a long way toward reducing our stuttering unemployment rate, which has been stalled at 7.4 percent.

Dig deeper into the numbers and you’ll find that this reduction in the manufacturing trade gap is largely due to falling energy prices here in America, where shale-drilling technology is making U.S. manufacturing more cost-competitive against foreign players. In fact, the story quotes a Boston Consulting Group study that claims the U.S. is steadily becoming one of the lowest-cost countries for manufacturing in the developed world.

#### Their internal links all cite the Wilson report – that was full of contradictions.

The Economist 12 – (6/12/12, “Questions at the border,” http://www.economist.com/blogs/graphicdetail/2012/06/american-mexican-trade)JCP

THE border between America and Mexico is perhaps best known for the illegal trade and people passing though it. But the growth in legitimate things crossing over is the far bigger story. Last year the value of bilateral trade reached half a trillion dollars by one measure, without any fanfare at all. But a stiffening of controls since 9/11 has led to congestion and unpredictable delays that cost both countries billions of dollars a year in trade, according to a report\* released this month.

The study, by Erik Lee and Christopher E. Wilson of the Border Research Partnership, produces two interesting charts (which we have cut and pasted below). The problem is that they present apuzzling discrepency.

The first chart dramatically shows how the value of bilateral trade increased more than four-fold over the past two decades—almost entirely in manufactured goods; services have only increased a bit.

The second chart shows how personal vehicle and pedestrian traffic increased after the signing of the North American Free-Trade Agreement (NAFTA) in 1995, but retreated after 9/11.

The peculiarity is that lorry traffic, which the report states accounts for more than 70% of all bilateral trade, has actually grown slightly.

A reasonable chap might wonder why the value (albeit not volume) of trade can grow so tremendously while the number of border crossings to transport the goods has budged only barely.

How to square the seeming inconsistency? In short: more goods are crammed into lorries, and more valuable goods are flowing northward, particularly by other means than lorries. As Mr Wilson explains in response to our query:

"I take the growth in trade without a corresponding growth in truck traffic to be further evidence of the 'thickening' of the border. That is, with congestion and delays, there is an incentive to be as efficient as possible. Trucks are packing more value in the same space. As evidence, the number of loaded truck containers grew faster than the number of trucks crossings (since the 90s), and loaded containers increased much faster than the growth of empty truck containers.""

It also appear that trade by road has grown at a somewhat slower pace that trade by air, water, rail, or pipeline—again, likely related to the slowdown at the border crossings. Also, Mexico is moving away from industries like apparel and doing more things like flat screen tvs and medical devices. Seems likely that the value/volume ratio could be increasing. And, trade values are not inflation adjusted, so some growth of trade values without corresponding increases in vehicles or tonnage makes sense."

The point of the report is a call to invest more in infrastructure and revise procedures to improve the flow of traffic at border crossings—and thus trade between the countries. Yet what is subtly revealed by the data is that Mexico's economy is becoming more efficient and moving up the value chain.

## xt – squo solves

#### Their internal link is generic to renewables investment – NADBank funding solar energy solves.

EP 12 (Eagle Pass Business Journal, 1/11/12, “NAD Bank closes $77.4 million loan to support Solar Energy in California,” http://www.epbusinessjournal.com/2012/01/nad-bank-closes-77-4-million-loan-to-support-solar-energy-in-california/)//DR. H

The North American Development Bank (NADB) has signed a US$77.4 million loan agreement with Imperial Valley Solar Company 1, LLC, for the construction of a 23-megawatt (MW) solar energy generation plant in Niland, California. The project, which will generate enough energy to power approximately 14,000 homes, consists of building a solar park using fixed-tilt polycrystalline silicon photovoltaic (PV) modules. The solar park will be constructed on a 123-acre lot located within the Imperial Irrigation District (IID) and adjacent to the Niland electric substation. The project was certified by NADB’s sister institution, the Border Environment Cooperation Commission (BECC) on June 6, 2011. IID will purchase 20 MW of the energy generated by the solar park. The District currently serves roughly 146,000 electricity customers in Imperial County and parts of Riverside and San Diego Counties, making it the sixth largest electrical utility in California. Last year, IID reached its highest peak demand of 1,104 MW, so this solar project has the potential of providing approximately 1.2% of the total energy requirements. This project is part of IID’s plan to comply with California’s Renewable Portfolio Standard (RPS), which requires electricity service providers to adopt the new RPS goals of 20 percent of retails sales from renewable by the end of 2013, 25 percent by the end of 2016, and the 33 percent requirement being met by the end of 2020. The estimated environmental impact for the expected life of the project over the next 40 years is equivalent to a carbon dioxide (CO2) reduction of nearly 1 million metric tons. The solar park will displace greenhouse gas emissions produced by traditional fossil-fuel based energy generation thus improving air quality, while providing the citizens of Imperial County with a reliable energy alternative. “We are very pleased to participate in this project that will provide a cleaner energy alternative to citizens in southern California,” stated NADB Managing Director Gerónimo Gutiérrez. “We have been working to build partnerships in the renewable energy sector, with both public entities and private companies and with the signing of this loan we are opening a new chapter in the evolution of the Bank that will help us move forward in the development of renewable energy projects.” Imperial Valley Solar Company 1, LLC is a subsidiary of the California-based SunPeak Solar, LLC, a privately-held solar energy project developer and asset manager with extensive experience in the development, financing, construction and operation of renewable energy projects. SunPeak is focused exclusively on providing utility clientele with custom-tailored solar energy solutions. NADB’s previous work in support of IID includes having provided US$3.76 million in grants for two water conservation projects that are estimated to be saving more than 3,700 acre/feet per year. To date, NADB is helping finance 150 infrastructure projects throughout the U.S.-Mexico border region worth more than US$3.26 billion. NADB is providing approximately US$1.31 billion in loans and grants for these projects that are benefiting an estimated 13 million people in the border region.

#### So are border key cards.

Hendricks 12, David, 11/8/13, “NADBank expands renewable energy portfolio,” http://www.mysanantonio.com/business/article/NADBank-expands-renewable-energy-portfolio-4021606.php)//DR. H

Directors of the San Antonio-based North American Development Bank on Thursday expanded the bank's portfolio of renewable energy projects with loans to a wind farm project in Imperial County, Calif., and a solar park project planned for Pima County, Ariz. NADBank executives also signed a 12-year, $50 million line-of-credit agreement with a German development bank that will be used to lend money to water and sewage projects in Mexico's border zone. NADBank is lending up to $110 million to the Ocotillo Express Wind Energy Project for a wind farm in Imperial County, Calif. Power from the 112 wind turbines will be sold to San Diego Gas & Electric. NADBank is lending up to $45 million to Davis-Monthan AFB Solar Park, which will provide electricity to the Tucson Electric Power Co. The two renewable energy loans are among five loans totaling more than $158 million in loans and grants approved at the joint annual meeting Thursday in San Antonio of the NADBank and the Border Environment Cooperation Commission, based in Ciudad Juárez, Mexico. The BECC certifies border projects for NADBank financing. NADBank, founded in 1994, only started lending to renewable energy projects in the last several years after devoting its first decade toward financing water, sewage, landfill and road-paving projects. Renewable energy projects now account for 29 percent of the bank's loan portfolio. The other projects approved for financing Thursday involve water and sewage. A $792,440 grant is being made to assist in water and sewage construction in San Agustín, a municipality within Ciudad Juárez. A loan of about $1.65 million was approved for a sewage collection system in Tijuana, Mexico. A $761,309 grant is being made for a sewage collection system in Bisbee, Ariz. NADBank will draw on its new $50 million line of credit from Germany's Kreditanstalt für Wiederaufbau, or KfW, over the next 12 years at an interest rate of 1.9 percent. The rate is lower than the 2.4 percent NADBank is paying for its most recent bond sales, which were conducted to raise more capital for loans, said Juan Antonio Flores, NADBank spokesman. The German bank's line of credit is accompanied by a grant fund of about $1.3 million that will be used for technical assistance with the projects financed by the loans. The grant fund will be administered by the BECC. NADBank currently has $504.45 million in outstanding loans for border projects. Ten projects with pending loans valued at a total of $27.7 million are in the pipeline through 2013, said NADBank Managing Director Gerónimo Gutiérrez.