# Auto Trade Off Dissad

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**Auto companies are opening new plants- revamps American economy**

**Lebeau ,CNBC correspondent**, **12** (Phil, Mar 16 12, <http://www.cnbc.com/id/46759926>, “Automakers Looking at Add Plants in US”, SS)

Here's something few could have imagined two years ago: **the Big 3 are** once **again looking at opening new plants.** Take a second to let that idea sink **in.** It says volumes about how far the auto industry and **America**'s economy have come. And yes, it's the kind of news that will stick in the craw of those workers and cities the Big 3 cut loose over the last two years. So how close are Detroit's automakers to opening new assembly plants or expanding current ones to add capacity? It won't happen this year and **probably not until 2014**. But to quote one auto executive, "This is a conversation we are starting to have because we have to be ready." **Big 3 executives** will be careful to publicly play down expansion talk, but make no mistake, they **see the need coming much faster than anyone expected**. During the recession/auto meltdown America's automakers closed 12 plants and stripped out 5.5 million vehicles of capacity. They right-sized an industry to be break-even with annual sales of 10 million vehicles and be near full capacity at close to 15 million in annual sales. Well, after finishing last year with annual sales of 12.8 million vehicles, look at what's happened so far this year. **The sales** pace (**thanks to pent-up demand and an improving economy) is well over 14 million.** Many now believe the industry will finish the year with a sales pace of at least 14.5 million**. The Big 3 have responded to higher sales by ramping-up production, adding third shifts and scrambling to keep up with demand.** Their engine plants are running full steam. In February, auto plants in the U.S. utilized 85% of their capacity. In the world of manufacturing, that's practically full capacity. So why don't the Big 3 just go back to the plants they shut down and reopen them? On paper that sounds good. In reality, you can't just unlock the doors and fire up a plant. The truth is, when the Big 3 expand, they want to do so prudently and limit the capital investment. I'd look for them to first investigate adding assembly lines at existing plants. That's not always possible given the footprint of the plants. Another option is adding capacity in Mexico where expansion could happen a little easier. Finally**, if the Big 3 talk of building an all new plant, it will be in the Midwest corridor** (Michigan/Ohio down through Alabama/Mississippi) where they have consolidated operations in the last two years. By the way, it's not just the Big 3 looking into adding more plants here in the U.S. The **foreign automakers are already in expansion mode. Toyota opened a new plant in Mississippi**. BMW and Mercedes are both adding an assembly line to their facilities in the U.S.. And don't forget Volkswagen’s new plant in Tennessee. This is the renaissance of **America's auto industry** and **it's coming much faster** **than many could have imagined** back in 2009.

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#### Auto Industry huge for job creators, growing faster than any other type of transporation. Best and fastest internal links to the econ

MSN 11 (Dee Ann Durbin, Associated Press, http://www.msnbc.msn.com/id/43657765/ns/business-autos/t/auto-industry-seeing-new-life-hiring-spree/#.T-i5LuZOxJM “Auto industry, seeing new life, on hiring spree: Industry growing faster than airplane manufacturers, health care providers, federal government” KA)

Volkswagen opened a plant in Tennessee last month with 2,000 workers. Honda is hiring 1,000 in Indiana to meet demand for its best-selling Civic. General Motors is looking for 2,500 in Detroit to build the Chevy Volt. Two years after the end of the Great Recession, the auto industry is hiring again — and much faster than the rest of the economy. As an employer, it's growing faster than airplane manufacturers, shipbuilders, health care providers and the federal government. The hiring spree is even more remarkable because memories of the U.S. auto industry's near-death experience are fresh. In 2009, General Motors and Chrysler both got government bailouts and entered bankruptcy, and auto sales hit a 30-year low. In June of that year, about 623,000 people were employed by the auto industry in the United States, the fewest since the early 1980s. Now the figure is almost 700,000, a 12 percent increase. Sales are back up, too, and automakers are hiring by the thousands to meet increased demand. "The buzz is incredible around here about what opportunity we're going to get if we can build a great product," says Ben Edwards, who went to work for Volkswagen in Chattanooga, Tenn., last year and is now a team leader on an assembly line that installs tires and seats. Edwards was working as a general contractor until the housing market dried up. He says the pay at Volkswagen, which starts at $14.50 an hour, is fair and the benefits are generous. Besides hiring 2,000 people itself, Volkswagen figures the plant, where it will make its new Passat, will create 9,000 spin-off jobs in the region, including 500 at auto-supplier plants that are springing up nearby. Story: Car shopping that is smart and patriotic Automakers are hiring again because car sales are rising. Americans bought 10.4 million cars and trucks in 2009 and 11.6 million in 2010. This year, they're on track to buy 13 million or more, and auto companies are adding shifts to meet the demand. "Everybody got so lean and mean during the downturn that they're trying to rebuild staff," says Charles Chesbrough, a senior economist with IHS Automotive. The auto industry's 12 percent increase in jobs compares with a 0.2 percent gain for the economy as a whole, excluding farming and adjusted for seasonal variation, since June 2009. The Labor Department reports Friday on jobs gained or lost last month. In a normal economic recovery, improvement in the housing market leads the way by creating construction jobs. But home prices haven't stopped falling, and the construction industry has shed 8 percent of its workers since June 2009 — 474,000 jobs in all. The gains in the auto industry have been small by comparison. But they do create positive ripple effects for the economy. The Center for Automotive Research estimates that every new auto manufacturing job leads to nine other jobs — from parts makers to restaurants that feed autoworkers. Story: Gas prices hit a sweet spot for US automakers The auto gains have been widespread, with the Midwest the biggest beneficiary. In Ohio alone, auto manufacturing jobs have risen 31 percent the past two years, while parts makers in Michigan have added nearly 20,000 jobs. Parts jobs are also up 15 percent in Alabama, where workers make parts for Mercedes SUVs and Honda minivans, and in Kentucky, where the Chevrolet Corvette and Toyota Camry are made. Before the turnaround, new auto jobs were scarce. Detroit's auto companies had too many factories, high wages and bloated bureaucratic management. Jobs began disappearing in 2006 and 2007 as U.S. automakers tried desperately to restructure. Dozens of auto suppliers were pushed into bankruptcy. Then came 2008, when gas prices spiked and the financial crisis struck. The industry lost almost one in every four of its jobs. By the time GM and Chrysler got out of bankruptcy, in June 2009, the industry employed about half as many people as it did in 2000. Sales and profits have risen ever since, and payrolls have followed. GM, Ford and Chrysler are all making money for the first time since the mid-2000s and adding workers to build popular models like the revamped Ford Explorer. Foreign companies, stung by the high cost of exporting cars to the U.S. when the dollar is weak, are racing to build more products here. Story: 'Have a leather recliner; I need to talk to my manager'

#### Economic decline causes war—empirically proven.

Mead 9 — Walter Russell Mead, Senior Fellow for U.S. Foreign Policy at the Council on Foreign Relations, 2009 (“Only Makes You Stronger,” *The New Republic*, February 4th, Available Online at http://www.tnr.com/story\_print.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8, Accessed 01-25-2009)

None of which means that we can just sit back and enjoy the recession. History may suggest that financial crises actually help capitalist great powers maintain their leads—but it has other, less reassuring messages as well. If financial crises have been a normal part of life during the 300-year rise of the liberal capitalist system under the Anglophone powers, so has war. The wars of the League of Augsburg and the Spanish Succession; the Seven Years War; the American Revolution; the Napoleonic Wars; the two World Wars; the cold war: The list of wars is almost as long as the list of financial crises.

Bad economic times can breed wars. Europe was a pretty peaceful place in 1928, but the Depression poisoned German public opinion and helped bring Adolf Hitler to power. If the current crisis turns into a depression, what rough beasts might start slouching toward Moscow, Karachi, Beijing, or New Delhi to be born?

The United States may not, yet, decline, but, if we can't get the world economy back on track, we may still have to fight.

## Uniqueness

Auto Industry consistently growing

Mattson, News Writer, 1/9 (Jennifer , January 9, 2012, Global Post http://www.globalpost.com/dispatch/news/regions/americas/united-states/120109/us-auto-industry-expects-profits-2012, “US auto industry expects profits in 2012” KA)

Auto industry executives and analysts say 2012 will be a good year for Detroit. They expect auto sales to grow from 4 to 9 percent, the third consecutive annual gain, according to Reuters.

At this week’s Detroit auto show, industry experts are seeing a US market that has relatively stabilized compared with just three years ago, when it hit bottom, but could see growth affected by Europe’s debt crisis and China’s slowdown.

#### US Auto Industry surging now

Klaymen, Journalist 6/29 (Ben Klaymen, June 29, 2012 Reuters, Chicago Tribune, http://www.chicagotribune.com/classified/automotive/sns-rt-us-usa-autosalesbre85s15s-20120629,0,1648634.story “June U.S. new-car sales seen highest in 5 years”)

The deteriorating European markets have led auto industry executives to worry about possible contagion spreading across the Atlantic, but June new-car sales in the United States are expected to hit a five-year peak for that particular month. Auto sales, which offer an early snapshot of consumer demand, have been one of the bright spots in the U.S. economy for several months until May results came in short of expectations and raised concerns about the sector's recovery. Analysts and industry officials, however, said there are just too many old cars that need to be replaced, which will drive consumers into dealers' showrooms. The average age of cars on the road is an all-time-high 11 years. "The most interesting thing is the ongoing battle between pent-up demand and concern over financial issues," said Karl Brauer, chief executive of research firm Total Car Score. "There is, by no means, clear sailing ahead on the financial issues, but people are getting really tired of driving their old cars." Economists polled by Thomson Reuters see the annual selling rate for new cars in the U.S. market in June finishing at 13.9 million vehicles. That would mark the second month in a row below the 14 million rate, but would exceed last month's 13.7 million. Opinions vary, however, as TrueCar.com expects a sales rate of 13.6 million, while General Motors Co CEO Dan Akerson said on Thursday the market was "surprisingly strong" and he saw it finishing between 14 million and 14.2 million. J.D. Power and LMC Automotive, and Edmunds.com see sales rising 20 percent from last year to about 1.27 million new cars and trucks, while TrueCar sees an increase of 18 percent. That would be the highest level since 1.46 million were sold in 2007, just before the U.S. economy slipped into a recession that forced GM and Chrysler into bankruptcy. Some of the projected increase will be due to a recovery by Toyota Motor Corp and Honda Motor Co from the impact of last year's earthquake in Japan that hurt U.S. supplies. Major automakers including GM, Ford Motor Co and Toyota will report June U.S. new-car sales on Tuesday. SECOND-HALF WORRIES The downward spiral of the European market has raised concerns, however. "I'm a little bit worried about the second half because we see softness in Europe," Akerson said Thursday at an event in Chicago. However, his positive forecast for June U.S. sales was based on the pent-up demand in the market. Ford echoed Akerson's concerns on Thursday when it warned that second-quarter losses from operations outside North America could triple the $190 million first-quarter loss, hurt mainly by weakness in Europe. The No. 2 U.S. automaker still sees an overall profit, however, as North America remains strong. "The good news is we still have growth in the economy. It is moderate," Ford North American chief Mark Fields said earlier in the week. "Some of the economic figures in the last six weeks are a little bit contradictory. The housing starts and permits actually were up. At the same time, we've seen consumer confidence come off its high earlier this year." Ford expects a June sales pace in the high 13 million-vehicle range, he said. "The (annual sales rate) does appear to be slowing down from the 14.6 million level in the first quarter, which we attribute to some demand pull forward into the first quarter with the warm winter and an increasingly cautious consumer given some signs of a slowing U.S. economy," RBC Capital Markets analyst Joseph Spak said in a research note. Spak expects a June sales rate of 13.9 million vehicles, but said lower gasoline prices, easier access to credit and newly launched cars will bolster second-half demand. He added there are more downside risks to his industry estimate at this time. Analysts expect sales in June to decline from May, but Kelley Blue Book said such a decrease is what normally occurs this time of year. Since 2007, the daily selling rate has dropped between 3 percent and 10 percent from May to June, putting the company's projected 8 percent decline within that trend. Despite the expected second straight month below a 14 million sales rate, analysts are not backing off full-year U.S. sales projections yet. "Despite the relative slowdown in the last few weeks, the first-half sales results this year indicate a relatively healthy car industry; perhaps the brightest spot in an otherwise struggling U.S. economy," said TrueCar analyst Jesse Toprak. "We expect second-half of 2012 to average around 14.5 million units."

#### US Auto sales resurging

CNBC 12 (CNBC, April 3, 2012, <http://finance.yahoo.com/news/car-sales-show-strong-growth-131454900.html>) “Auto Industry Shows Signs of Recovery as Car Sales Surge” KA)

U.S. auto sales continued at a robust pace in March, boosted by consumers with more confidence in a recovering economy who want to buy fuel-efficient cars and trucks in the face of rising gasoline prices.

Ford Motor had the best March for new-vehicle sales in the U.S. in five years, and AutoNation raised its forecast for sales for the whole year, in what may be a strong sign of recovery for the auto industry.

Ford (NYSE:F - News) Americas President Mark Fileds told CNBC on Tuesday that the sales performance was due to pent-up demand, mild weather and demand for fuel-efficient cars.

General Motors' (NYSE: GM - News) monthly sales rose 11.8 percent in March, less than the 20.6 percent rise that had been expected.

AutoNation (NYSE: AN - News) announced that March retail new vehicle unit sales increased 15 percent compared with the same month of last year and that sales in the first quarter increased 13 percent from the first quarter of 2011.

The results were so good, CEO Mike Jackson told CNBC, that the dealer raised its sales forecast for the whole year.

Toyota (NYSE: TM - News) sales rose 15.4 percent, selling more than 200,000 vehicles for the first time since 2008. Sales of the company's vehicles were previously estimated to rise by 22.1 percent.

Nissan Motor Co said its sales in March rose 12.5 percent, and Volkswagen AG said its March sales soared 35 percent-its the best U.S. March sales since 1973.

Chrysler's sales increased 34 percent, the best monthly sales in four years.

Hyundai said it had the best monthly U.S. sales on record.

#### US Auto Industry recovering, still needs sales

Prial, Reporter, 12 (Dunstan, February 3, 2012, Reporter for the AP, Fox Business “Auto Industry in Recovery Mode” <http://www.foxbusiness.com/industries/2012/02/03/us-auto-industry-in-recovery-mode-jd-power-data/> KA)

The U.S. auto industry is showing signs of a full recovery just three years after the financial crisis all but left the sector for dead, according to a presentation Friday by J.D. Power and Associates. Significantly, U.S. consumers are paying historically high prices for their vehicles, J.D. Power revealed. The average price paid for a vehicle by U.S. consumers in 2011 was $28,341, up 11% from $25,505 in 2008, according to J.D. Power’s data. Meanwhile, incentives offered by dealers have slipped. “While we are still early in the recovery we are somewhat optimistic about both the future rate of growth as well as the overall health of the industry.” - John Humphrey, J.D. Power and Associates Perks such as sophisticated entertainment systems have driven the average price of a car higher. “While we are still early in the recovery we are somewhat optimistic about both the future rate of growth as well as the overall health of the industry,” said John Humphrey, senior vice president and general manager for J.D. Power and Associates’ Global Automotive Division. Humphrey spoke at J.D. Power’s International Automotive Roundtable conference in Las Vegas. The data from J.D. Power suggests that the three-year shake out period between 2008 and 2012 may have benefited the industry as it looks toward the future. In that three-year span, two of the Big Three U.S. auto makers – Chrysler and General Motors (GM: 20.02, -0.58, -2.82%) – filed for bankruptcy. Since restructuring their massive debt loads and streamlining their operations, the two iconic Detroit car-makers have returned to profitability. Several factors bode well for the future of the sector, according to the J.D. Power presentation: the industry as a whole has put vehicle production into “greater alignment” with actual demand; an aging fleet is creating “pent-up demand”; the car makers have ramped up new products that consumers want; leasing and extended financing programs are on the rise; and credit availability is improving. Humphrey in his presentation warned that the car makers should remain “disciplined” and not get ahead of themselves in terms of production, an issue that contributed to their woes in recent decades. In other words, don’t let production outstrip demand.

**The auto industry is already improving in status quo- creates jobs.**

Bryson, US Secretary of Commerce, 12. (John, April 19, Congressional Documents and Publications, <http://search.proquest.com/pqrl/docview/1009155285/13793A8A049491DEC35/60?accountid=11091>, House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade Hearing: "Where the Jobs Are: Can American Manufacturing Thrive Again?", SS)

The President made **the difficult decision to offer financial support when there were no willing private sector investors and in return required hard sacrifices** by all stakeholders as part of a corporate restructuring. **Today, the auto industry is coming back**. Since Chrysler and GM emerged from bankruptcy in June 2009, **the American auto industry has added more than 200,000 new jobs. GM is again the number one automaker in the world in terms of sales, Chrysler is the fastest growing major car company in the U.S., and Ford has committed to $16 billion in new investment and 12,000 jobs over the next several years.**

**Auto companies are opening new plants- revamps American economy**

**Lebeau ,CNBC correspondent**, **12** (Phil, Mar 16 12, <http://www.cnbc.com/id/46759926>, “Automakers Looking at Add Plants in US”, SS)

Here's something few could have imagined two years ago: **the Big 3 are** once **again looking at opening new plants.** Take a second to let that idea sink **in.** It says volumes about how far the auto industry and **America**'s economy have come. And yes, it's the kind of news that will stick in the craw of those workers and cities the Big 3 cut loose over the last two years. So how close are Detroit's automakers to opening new assembly plants or expanding current ones to add capacity? It won't happen this year and **probably not until 2014**. But to quote one auto executive, "This is a conversation we are starting to have because we have to be ready." **Big 3 executives** will be careful to publicly play down expansion talk, but make no mistake, they **see the need coming much faster than anyone expected**. During the recession/auto meltdown America's automakers closed 12 plants and stripped out 5.5 million vehicles of capacity. They right-sized an industry to be break-even with annual sales of 10 million vehicles and be near full capacity at close to 15 million in annual sales. Well, after finishing last year with annual sales of 12.8 million vehicles, look at what's happened so far this year. **The sales** pace (**thanks to pent-up demand and an improving economy) is well over 14 million.** Many now believe the industry will finish the year with a sales pace of at least 14.5 million**. The Big 3 have responded to higher sales by ramping-up production, adding third shifts and scrambling to keep up with demand.** Their engine plants are running full steam. In February, auto plants in the U.S. utilized 85% of their capacity. In the world of manufacturing, that's practically full capacity. So why don't the Big 3 just go back to the plants they shut down and reopen them? On paper that sounds good. In reality, you can't just unlock the doors and fire up a plant. The truth is, when the Big 3 expand, they want to do so prudently and limit the capital investment. I'd look for them to first investigate adding assembly lines at existing plants. That's not always possible given the footprint of the plants. Another option is adding capacity in Mexico where expansion could happen a little easier. Finally**, if the Big 3 talk of building an all new plant, it will be in the Midwest corridor** (Michigan/Ohio down through Alabama/Mississippi) where they have consolidated operations in the last two years. By the way, it's not just the Big 3 looking into adding more plants here in the U.S. The **foreign automakers are already in expansion mode. Toyota opened a new plant in Mississippi**. BMW and Mercedes are both adding an assembly line to their facilities in the U.S.. And don't forget Volkswagen’s new plant in Tennessee. This is the renaissance of **America's auto industry** and **it's coming much faster** **than many could have imagined** back in 2009.

## Link

**Passenger rail hurts the auto industry-direct competition**

**Rutz, Journalist, 2009** (Heather, 3/17/9, The Lima News, “Our voice in D.C.: Jordan opposes cap-and-trade, union card bill”, lexis, TG)

Two Washington hot topics are part of a Democratic policy agenda further harming the economy in a recession, U.S. Rep. Jim Jordan said Monday. The Employee Free Choice Act (union-supported card check legislation) and a carbon cap-and-trade system will especially hurt small businesses, Jordan said. In an interview with The Lima News, Jordan, RUrbana, said he understands the recession is hurting families. "It's tough out there. I understand, and we feel for them," Jordan said. "But the answer is not more federal government." Below is a summary of Jordan's answers on topics about the economy, high-speed rail and government help for homeowners and General Motors. Hot topics Cap-and-trade addresses climate change with federal limits on greenhouse gas emissions and allow companies reducing emissions to sell extra permits for cash. Jordan called it the "most dangerous" of Democrats' policy proposals (though Republican presidential candidate John McCain also supported the concept). "This will hurt every single family, make them pay more on their utility bill," Jordan said. "It will disproportionately affect the Midwest because our energy needs are from carbon-based fuel." The United States would be "unilaterally disarming," with cap-and-trade, because competing global economies such as India and China are not limiting themselves, Jordan said. Card check stipulates that if more than half a company's employees sign a card saying they are interested in a union, then a union would automatically be certified. Under current law employers can ask for a secret ballot first. Supported by unions and President Barack Obama, the law change would "take away the rights of employees" to a secret ballot and basic privacy, Jordan said. High-speed rail In the current economy, high-speed rail supporters have a high burden of proof with Jordan, to show economic development benefits, a cost-benefit analysis and that it can sustain itself.He distinguishes between passenger and freight rail, though supporters say the improvements will benefit the freight lines and the Ohio Freight Rail Association supports the state's plan. **Passenger rail could** also **hurt the auto industry,** Jordan said. "**Here we are asking [automaker employees] to give their tax dollars to something that will directly compete with their industry,"** Jordan said. Jordan said he is reluctant to pursue an earmark funding an environmental study, saying the few he's championed have been for the Joint Systems Manufacturing Center and emergency flooding help. Without his support, passenger rail supporters believe federal money will go to other projects in other states. Stimulus/government spending Taxpayers and voters tell Jordan they are "fed up" with what they're seeing from their federal government. Jordan said he's not seeing bipartisan spirit promised during the presidential campaign. He said another stimulus formula could have garnered more Republican votes: more tax cuts, more dollars for infrastructure, defense spending and unemployment benefits extension. "If big spending was going to get us out of this mess, we'd be out of it, because that's all we've been doing for a year and a half," Jordan said. "Why don't we focus on the things that work: live within your means, keep taxes low, quit spending so much." Bankruptcy law, bailouts People "buying houses they couldn't afford" is the start of many of the economic problems the country is now experiencing, Jordan said. He opposes legislation that would give judges the authority to modify bank loans for homeowners in bankruptcy proceedings; they already can do that for homes other than a primary residence. Doing so would drive up lending costs, he said. He supports banks voluntarily modifying mortgages to help people stay in their homes, but not the government compelling them to do so. The country has "bailout fever," Jordan said. Jordan has been consistent in his opposition to all bailouts because they depend on the "people who do things right to pay for those who did it wrong," he said. Jordan said he wants a strong auto industry, but opposes government help for companies such as struggling General Motors. He would rather see a bankruptcy and reorganization, such as what the airlines did. "They would come out the other side a better company," he said.

#### HSR Jacks customers from the Auto Industry

Dutzik et al. 10 — Tony Dutzik, Senior Policy Analyst with Frontier Group specializing in energy, transportation, and climate policy, holds an M.A. in print journalism from Boston University and a B.S. in public service from Penn State University, et al., with Siena Kaplan, Analyst with Frontier Group, and Phineas Baxandall, Federal Tax and Budget Policy Analyst with U.S. PIRG, holds a Ph.D. in Political Science from the Massachusetts Institute of Technology and a B.A. in Economics from the College of Social Studies at Wesleyan University, 2010 (“Why Intercity Passenger Rail?,” *The Right Track: Building a 21st Century High-Speed Rail System for America*, Published by the U.S. PIRG Education Fund, Available Online at http://americanhsra.org/whitepapers/uspirg.pdf, Accessed 06-10-2012, p. 15-16 KA)

Passenger rail is a cleaner form of transportation than car or air travel, emitting less global warming pollution and less health-threatening air pollution. Building a high-speed rail network in the United States would attract passengers who otherwise would have taken cars or planes, reducing the country’s global warming emissions and cleaning up our air. Modernizing our tracks would also benefit freight trains, taking large trucks off of highways and adding to the environmental and health benefits of investment in rail. Passenger rail already emits less global warming pollution than cars or planes, and these savings will increase as the United States develops a high-speed rail network. The Center for Clean Air Policy (CCAP)/ Center for Neighborhood Technology (CNT) study showed that today, passenger rail travel emits 60 percent less carbon dioxide per passenger mile then cars and 66 percent less than planes. The faster diesel trains that would likely be used to upgrade current service would emit slightly more emissions, but would still emit much less than cars and planes and would draw more passengers than current passenger rail.30 (See Figure 3, next page.) Electric trains show the most potential for global warming emission reductions, even using today’s carbon-intensive electricity grid. The CCAP/CNT study surveyed the technology used on three different popular electric train lines, in France, Germany and Japan, and found that all would produce lower carbon dioxide emissions per passenger mile than a fast diesel train when powered by the U.S. electric grid. One train, used on the German ICE line, would produce about half the emissions of America’s current passenger rail system.31 Electric trains are not only more energy efficient, but they are faster, and could eventually be powered at least partially with emission-free renewable energy. By attracting travelers who otherwise would have taken cars or planes, building a high-speed rail network would be much more effective at reducing global warming emissions than our current passenger rail system. The CCAP/CNT study estimated that building the high-speed rail corridors [end page 15] planned by the federal government using fast diesel trains, with top speeds of 99 mph, would attract enough passengers to reduce U.S. global warming emissions by 6.1 billion pounds, the equivalent of taking almost 500,000 cars off the road.33 Passenger rail reduces harmful air pollution as well, especially when it is powered by electricity. For example, a passenger on an electric train in Germany produces about 93 percent less air pollution than someone traveling by car, and 91 percent less than someone making the same trip by plane.34 Although the electricity produced in the United States would create more emissions, electric trains would still be much cleaner than diesel trains, cars or planes. When tracks are upgraded for better passenger rail service, freight traffic needs are considered as well, allowing more freight trains to travel faster and with fewer delays and adding to the environmental benefits. Rail transport is much more fuel efficient than truck transport for freight—various studies estimate that train transport is three to nine times as efficient as truck transport for the same amount of freight.35 The resulting fuel savings add to the emissions reductions from improving passenger rail.

#### HSR trades off with cars

Peterman, Coordinator Analyst in Transportation Policy et. al 9(David Randall Peterman, Coordinator Analyst in Transportation Policy John Frittelli Specialist in Transportation Policy William J. Mallett Specialist in Transportation Policy, December 8, 2009, Congressional Research Service, “High Speed Rail (HSR) in the US” KA)

In heavily traveled and congested corridors, proponents contend that HSR will relieve highway and air traffic congestion, and, if on a separate right-of-way, may also benefit freight rail and commuter rail movements where such services share track with existing intercity passenger rail service.34 By alleviating congestion, the notion is that HSR potentially reduces the need to pay for capacity expansions in other modes. On the question of highway congestion relief, many studies estimate that HSR will have little positive effect because most highway traffic is local and the diversion of intercity trips from highway to rail will be small. In a study of HSR published in 1997, the Federal Railroad Administration (FRA) estimated that in most cases rail improvements would divert only 3-6% of intercity automobile trips. FRA noted that corridors with short average trip lengths, those under 150 miles, showed the lowest diversion rates.35 The U.S. Department of Transportation’s Inspector General (IG) found much the same thing in a more recent analysis of HSR in the Northeast Corridor. The IG examined two scenarios: Scenario 1 involved cutting rail trip times from Boston to New York from 3 1⁄2 hours to 3 hours and from New York to Washington from 3 hours to 2 1⁄2; Scenario 2 involved cutting trip times on both legs by another 1⁄2 hour over scenario 1. In both scenarios, the IG found that the improvements reduced automobile ridership along the NEC by less than 1%.36 The IG noted “automobile travel differs from air or rail travel in that it generally involves door-to-door service, offers greater flexibility in time of departure, and does not require travelers to share space with strangers. Consequently, rail travel must be extremely competitive in other dimensions, such as speed or cost, to attract automobile travelers.”37 Planners of a high speed rail link in Florida between Orlando and Tampa, a distance of about 84 miles, estimated that it would shift 11% of those driving between the two cities to the train, as well as 9% of those driving from Lakeland to either Orlando (54 miles) or Tampa (33 miles). However, because most of the traffic on the main highway linking the two cities, I-4, is not travelling between these cities, it was estimated that HSR would reduce traffic on the busiest sections of I-4 by less than 2%.38 The final environmental impact statement for the project states that the reduction in the number of vehicles resulting from the HSR system “would not be sufficient to significantly improve the LOS [level of service] on I-4, as many segments of the roadway would still be over capacity.”39 The estimated cost of the HSR line was $2.0 billion to $2.5 billion,40 or $22 million to $27 million per mile.

#### If Aff solves More Transit means trades off with Auto Industry, 2008 proves

Miami Herald 8 (Miami Herald, December 8, 2008, Staff Writers, http://www.soflo.fau.edu/media/article.aspx?articleID=574 “Mass transit use is up 6.5% nationwide” KA)

The nation's public transportation systems saw the largest quarterly ridership increase in 25 years as more Americans shunned their automobiles even as gas prices began to ease, according to industry figures released Monday. Subways, buses, commuter rail and light-rail systems saw a 6.5 percent jump in ridership from July to September, according to the Washington-based American Public Transportation Association. During the same quarter, Americans drove 4.6 percent less on the nation's highways. The average price for a gallon of gas peaked at more than $4 in mid-July, then began falling. ''They may have tried public transportation to get away from high gas prices, but many have since found it works for them,'' association president William W. Millar said. ``I think this year has been a real turning point for the public's attitude toward public transportation.'' The real test, however, could be reflected in the coming months; gas prices recently plunged below $2 a gallon nationwide for the first time since 2005. In South Florida, local transit providers reported similar results. All saw spikes in ridership during the third quarter as gas prices peaked at $4.16 per gallon. Some of those gains have dissipated as gas prices have recently eased back to the $1.80 per gallon threshold. ''We definitely saw an increase over the summer,'' said Susy Guzman-Arean, acting director of strategic planning for Miami-Dade Transit, the nation's 12th-largest system. ``We're expecting the numbers to drop off now that gas prices are down. We're still up, but not as much as we were this summer.'' Miami-Dade is still calculating its final numbers for Metrobus, Metrorail and Metromover ridership in August and September. But preliminary reports indicate that Miami-Dade Transit ridership was up 13.4 percent across all three modes in July over the previous year. The gains tailed off considerably in August -- a 2.2 percent gain over the previous year -- but those numbers were affected by the calendar and Mother Nature. There were only 21 weekdays this August, versus 23 in August 2007, and all transit agencies lost riders due to the threat of Tropical Storm Fay. Miami-Dade Transit ridership was up 3.6 percent in September over the previous year. The biggest gains were observed in July at Metrorail, which recorded a 20.2 percent increase in riders over the same month in 2007. Approximately 66,500 people board a Metrorail train on a typical weekday. Metrobus posted a 12.4 percent spike in ridership in July over the previous year. Approximately 265,000 people board a Metrobus on a typical weekday. At Tri-Rail, more than 15,119 people a day boarded a train in July, up 41.9 percent over the previous July, according to the South Florida Regional Transportation Authority. Ridership tailed off slightly in August -- only up 19 percent over the previous year -- but those numbers would have been stronger if service had not been interrupted for two days by Fay. In September, with the first full month of school in session, Tri-Rail daily ridership routinely exceeded the 16,000 mark -- a 39 percent improvement over the previous year. ''We have seen a slight decline since September,'' said Tri-Rail spokeswoman Bonnie Arnold. ``And I do attribute that to the fact that gas prices have dramatically dropped down here.'' Broward County Transit spokeswoman Phyllis Berry said the agency had originally been projecting a 6 percent decrease in riders -- a result of service cuts and a 25-cent fare increase that went into effect in September 2007. An estimated 128,000 people board a Broward County Transit bus on a typical weekday. But ridership was actually up 3.65 percent in July, and 3.5 percent in September. Ridership was down 10.5 percent in August -- a reflection of the losses due to Fay and the calendar, Berry said. Nationwide, riders made 2.85 billion trips on public transportation during the third quarter, up from 2.67 billion trips a year ago. There have been gains in every quarter this year from 2007. Last year's 10.3 billion trips were the most on public transportation in 50 years. Amtrak also is seeing growth, with ridership across the country up 11 percent from July to September, according to spokeswoman Karina Romero. The gains come as more Americans stay off the roads. The Federal Highway Administration has reported 11 consecutive months of a decline in driving. Meanwhile, the U.S. auto industry is on the verge of collapse as vehicle sales plummet. Sales in September dropped below one million for the first time in 15 years and continued to decline in October and November.

#### MagLev trades off with the Auto Industry, specific examples prove

BWMagLev (Baltimore-Washington MagLev, “Frequently Asked Questions: What are some of the benefits of Maglev?” <http://www.bwmaglev.com/faqs/faqs_ques16.htm>)

Maglev can help meet growing travel demand in the Baltimore-Washington corridor as well as along the Eastern Seaboard, reducing the need for additional highways, rail capacity and airport expansion. Maglev is projected to divert about 27,000 vehicles per day from the highway system in 2010, and reduce daily vehicle miles traveled in the corridor in the year 2020 by 500,000 vehicle miles per day. Maglev does not produce local air quality impacts associated with gasoline engines, diesel locomotives or jet engines. A high speed Maglev connection could draw the Baltimore and Washington metropolitan regions closer together by reducing travel times between the two cities to less than 20 minutes. This could foster economic growth, particularly in downtown Baltimore. Maglev could greatly increase the market share for BWI Airport in the Washington region by reducing the travel time from downtown Washington to BWI. Maglev could generate significant job opportunities in regard to both its construction and operation. An American Maglev project could foster new research and development into additional transportation and industrial applications of the technology. If the 40-mile Baltimore-Washington Maglev Demonstration Project is successful, it likely would be extended north to Boston and south to Charlotte, invigorating travel and economy of the Eastern Seaboard and diverting about 20% of air travel to the Maglev mode.

**High speed rail will compete with cars- Europe proves**

**Regional Aviation News 7** (May 2007, Regional Aviation News, http://search.proquest.com/pqrl/docview/205016092/13793A8A049491DEC35/1?accountid=11091 , “High-Speed Rail Takes Market Share from Regionals”, SS)

The greening of **Europe also includes an attack on** short-haul **road service which is significantly impacted by the growth of high-speed rail service** on the Continent and in Britain**. Citing the increasing car travel hassle, European rail officials**, who recently testified before the Senate, **said high-speed rail is consistently winning market share form traffic**. Of course, regionals would remind them that **their success has come with subsidies that put auto industries at a competitive disadvantage**.

**Passenger rail compete with the auto industry**

**Rutz, reporter for the Lima News, 9** (Heather, March 17 2009, The Lima News, <http://www.limaohio.com/news/jordan-35299-lima-recession.html>, “Jordan on bankruptcy, bailouts”, SS)
In the current economy, high-speed rail supporters have a high burden of proof with Jordan, to show economic development benefits, a cost-benefit analysis and that it can sustain itself. He distinguishes between passenger and freight rail, though supporters say the improvements will benefit the freight lines and the Ohio Freight Rail Association supports the state's plan. Passenger rail could also hurt the auto industry, Jordan said. "Here we are asking [automaker employees] to give their tax dollars to something that will directly compete with their industry," Jordan said. Jordan said he is reluctant to pursue an earmark funding an environmental study, saying the few he's championed have been for the Joint Systems Manufacturing Center and emergency flooding help. Without his support, passenger rail supporters believe federal money will go to other projects in other states to compete with other modes of transportation.

## US Auto Key

#### US Auto industry key to econ

Hirsh 11 (Jerry, August 25, 2011, Auto Industry Writer, LA Times, http://articles.latimes.com/2011/aug/25/business/la-fi-autos-economy-20110825 “Carmakers' rebound is driving jobs in U.S.” KA)

Taxpayers bailed out much of the U.S. auto industry. Now the carmakers might be what saves the nation's economy from falling back into recession.

After a massive restructuring and several high-profile bankruptcies, a leaner, more aggressive auto industry is making a comeback, hiring workers and ramping up manufacturing plants. From a trough two years ago, Ford Motor Co., General Motors Co., Chrysler Group and other auto companies have added almost 90,000 manufacturing jobs, a 14% increase, according to federal

employment data.

#### Auto Industry has huge role in the economy, especially for jobs

Waldron 12 ( Travis Waldron, March 23, 2012 think progress, staff writer, http://thinkprogress.org/economy/2012/05/23/489024/auto-industry-add-jobs/?mobile=nc “Auto Industry Adds Thousands Of Jobs To Meet Growing Demand, Proving Auto Rescue’s Success Yet Again” KA)

The automobile industry has been a consistent bright spot in the American economy over the last several months, as automakers have added jobs to meet growing demand. And news from the industry is only getting better, as new estimates expect automakers to sell 14.3 million cars in the United States in 2012 — 1.5 million more than they sold last year. Factories for both foreign and domestic automakers are now working “at maximum capacity” and the industry is adding shifts and jobs to keep up with that rising demand, the USA Today reports: Some plants are adding third work shifts. Others are piling on worker overtime and six-day weeks. And Ford Motor and Chrysler Group are cutting out or reducing the annual two-week July shutdown at several plants this summer to add thousands of vehicles to their output. “We have many plants working at maximum capacity now,” says Ford spokeswoman Marcey Evans. “We’re building as many (cars) as we can.” Chrysler and General Motors, the major beneficiaries of the auto rescue, have both reported their best profits in more than a decade, and both were already planning to add jobs this year. With factories now struggling to meet demand, both foreign and domestic auto companies are planning to add even more jobs — and, as the Center for American Progress’ Adam Hersh and Jane Farrell noted in April, the industry has added more than 139,000 jobs in the last three years. The strength of the auto industry is yet another sign that letting it fail would have been a major mistake. Not only would it have cost more than a million jobs at a time when the economy was struggling, it would have prevented the current growth that is helping both the industry and the American economy recover.

#### Auto Industry huge for job creators, growing faster than any other type of transporation. Best and fastest internal links to the econ

MSN 11 (Dee Ann Durbin, Associated Press, http://www.msnbc.msn.com/id/43657765/ns/business-autos/t/auto-industry-seeing-new-life-hiring-spree/#.T-i5LuZOxJM “Auto industry, seeing new life, on hiring spree: Industry growing faster than airplane manufacturers, health care providers, federal government” KA)

Volkswagen opened a plant in Tennessee last month with 2,000 workers. Honda is hiring 1,000 in Indiana to meet demand for its best-selling Civic. General Motors is looking for 2,500 in Detroit to build the Chevy Volt. Two years after the end of the Great Recession, the auto industry is hiring again — and much faster than the rest of the economy. As an employer, it's growing faster than airplane manufacturers, shipbuilders, health care providers and the federal government. The hiring spree is even more remarkable because memories of the U.S. auto industry's near-death experience are fresh. In 2009, General Motors and Chrysler both got government bailouts and entered bankruptcy, and auto sales hit a 30-year low. In June of that year, about 623,000 people were employed by the auto industry in the United States, the fewest since the early 1980s. Now the figure is almost 700,000, a 12 percent increase. Sales are back up, too, and automakers are hiring by the thousands to meet increased demand. "The buzz is incredible around here about what opportunity we're going to get if we can build a great product," says Ben Edwards, who went to work for Volkswagen in Chattanooga, Tenn., last year and is now a team leader on an assembly line that installs tires and seats. Edwards was working as a general contractor until the housing market dried up. He says the pay at Volkswagen, which starts at $14.50 an hour, is fair and the benefits are generous. Besides hiring 2,000 people itself, Volkswagen figures the plant, where it will make its new Passat, will create 9,000 spin-off jobs in the region, including 500 at auto-supplier plants that are springing up nearby. Story: Car shopping that is smart and patriotic Automakers are hiring again because car sales are rising. Americans bought 10.4 million cars and trucks in 2009 and 11.6 million in 2010. This year, they're on track to buy 13 million or more, and auto companies are adding shifts to meet the demand. "Everybody got so lean and mean during the downturn that they're trying to rebuild staff," says Charles Chesbrough, a senior economist with IHS Automotive. The auto industry's 12 percent increase in jobs compares with a 0.2 percent gain for the economy as a whole, excluding farming and adjusted for seasonal variation, since June 2009. The Labor Department reports Friday on jobs gained or lost last month. In a normal economic recovery, improvement in the housing market leads the way by creating construction jobs. But home prices haven't stopped falling, and the construction industry has shed 8 percent of its workers since June 2009 — 474,000 jobs in all. The gains in the auto industry have been small by comparison. But they do create positive ripple effects for the economy. The Center for Automotive Research estimates that every new auto manufacturing job leads to nine other jobs — from parts makers to restaurants that feed autoworkers. Story: Gas prices hit a sweet spot for US automakers The auto gains have been widespread, with the Midwest the biggest beneficiary. In Ohio alone, auto manufacturing jobs have risen 31 percent the past two years, while parts makers in Michigan have added nearly 20,000 jobs. Parts jobs are also up 15 percent in Alabama, where workers make parts for Mercedes SUVs and Honda minivans, and in Kentucky, where the Chevrolet Corvette and Toyota Camry are made. Before the turnaround, new auto jobs were scarce. Detroit's auto companies had too many factories, high wages and bloated bureaucratic management. Jobs began disappearing in 2006 and 2007 as U.S. automakers tried desperately to restructure. Dozens of auto suppliers were pushed into bankruptcy. Then came 2008, when gas prices spiked and the financial crisis struck. The industry lost almost one in every four of its jobs. By the time GM and Chrysler got out of bankruptcy, in June 2009, the industry employed about half as many people as it did in 2000. Sales and profits have risen ever since, and payrolls have followed. GM, Ford and Chrysler are all making money for the first time since the mid-2000s and adding workers to build popular models like the revamped Ford Explorer. Foreign companies, stung by the high cost of exporting cars to the U.S. when the dollar is weak, are racing to build more products here. Story: 'Have a leather recliner; I need to talk to my manager'

#### Detroit in devastating state removing Auto industry makes things much worse

NY Times 12 ( NY Times, David Firestone, March 4, 2012 Editorial Observer, http://www.nytimes.com/2012/03/05/opinion/a-government-bailout-saved-the-auto-industry-but-detroit-was-left-behind.html “A Government Bailout Saved the Auto Industry, but the City of Detroit Was Left Behind”)

Sometime soon, probably by the end of April, the city of Detroit is likely to run out of cash. Its revenues are falling and its expenses are growing. If that happens, paychecks will not be issued, doors of public buses and city agencies could be closed, and streetlights will be shut off in more neighborhoods. Having lost so much — a quarter-million people in just a decade, its industrial base, its political clout — Detroit is now on the verge of losing control of its ability to make its own decisions. If it does not find a way to quickly stabilize its finances through spending cuts and union concessions, the state may appoint a manager to take over its budget from the mayor and the City Council. No one, least of all the state, wants that to happen. In Michigan, emergency managers can break union contracts, fire city officials and sell off city assets. That has already begun in four other cities, all of them largely black, that the state has taken over in the last few years. Black officials and union leaders have charged that Gov. Rick Snyder, a Republican elected in 2010, has an ideological and racial agenda, and taking over Detroit, which is 83 percent black, would only magnify the tension. Muscling the city aside would clearly be undemocratic, and it is not even clear how effective it would be. The state took over Detroit’s schools in 2009, and has little to show for it yet except for more closed schools and a continuing exodus of students and teachers. But an emergency manager may be inevitable. Detroit simply does not have a large enough tax base to pay for city services and billions in long-term liabilities. The turnaround in the auto industry brought about by the government bailout has been good news for Michigan and the region, and has helped lower the state’s jobless rate to 9.3 percent from 14.1 percent in 2009. Little of that, however, has trickled inside the city limits, where the unemployment rate is estimated by city officials at close to 30 percent.

#### US auto industry bolsters healthy economy- contributes in many ways

Zino 10 (Ken, April 22, The Detroit Bureau, http:/www.thedetroitbureau.com/2010/04/u-s-automobile-industry-makes-500-billion-dollar-contribution-to-the-economy/, “U.S. Automobile Industry Makes $500 Billion Dollar Contribution to the Economy”, SS)

The U.S. auto industry provides a substantial contribution to U.S. economic health, according to the latest study released this morning by the Sustainable Transportation and Communities group at the Center for Automotive Research (CAR). The non-profit research organization looked at the economic and employment impact of automakers, parts suppliers, and dealerships in contributing to the economies of all 50 states. The automotive industry spends $16 to $18 billion dollars a year on research and product development, half a trillion dollars on employee compensation, and is the major leader of the overall manufacturing contribution to the gross domestic product. It is difficult to imagine manufacturing surviving in this country without the automotive Sector, said Kim Hill, director of the Sustainable Transportation and Communities group at CAR, and the study’s lead. â€œThe industry’s impact is huge on a host of other sectors as diverse as raw materials, construction, machinery, legal, computers and semiconductors, financial, advertising, health care and education. In this time of national introspection concerning the value of the U.S.-based auto industry, it is clear the value is quite high,â€ Hill said. The study was written by Hill, Deb Menk, project manager, and Adam Cooper, research associate. The complete study is available at www.cargroup.org. â€œThe CAR study results provide strong evidence of the deep vertical and horizontal integration of the U.S. auto industry with so much of the U.S. economy,â€ said Sean McAlinden, executive vice president of research and chief economist at CAR. â€œThe study also illustrates the high productivity potential of the U.S. auto industry and the importance of its role in leading the U.S. economy in the current recovery. This study definitely proves that federal assistance to the industry last year will produce many benefits in jobs, income, and public revenues for years to come,â€ said McAlinden. For the study, the authors assumed: Vehicle manufacturers (OEM) directly employed 313,000 people Includes manufacturing, research and development, headquarters, and all other operational activities 686,000 people were employed in the automotive parts sector Includes a percentage employment from rubber, plastics, batteries, and other non-automotive sectors 737,000 people were employed in the dealer network selling and servicing new vehicles 1,736,000 people were employed in the entire industry The study shows that these 1.7 million direct jobs contribute to an estimated 8 million total private sector jobs More than $500 billion in annual compensation and More than $70 billion in personal tax revenues Therefore, the employment multiplier for OEM activities is 10, while the employment multiplier for the entire industry is 4. The Center for Automotive Research’s mission is to “conduct research on significant issues related to the future direction of the global automotive industry, as well as organize and conduct forums of value to the automotive community. CAR performs numerous studies for federal, state and local governments, corporations, and foundations. The Sustainable Transportation and Communities group focuses its research on the long-term viability and sustainability of the auto industry, the surface transportation system, and the communities that lie at the heart of both the industry and the system.”

### Impact (Chances are you can concede their 1AC Impacts)

#### Creates a stable political, democratic, and open foundation to prevent the risk of conflict. Our evidence cites empirics

Delong 6 (J Bradfold Delong, March 17, Harvard Magazine, <http://harvardmagazine.com/2006/01/growth-is-good.html>, “Growth is Good”, SS)

Benjamin M. Friedman ’66, Jf ’71, Ph.D. ’71, Maier professor of political economy, now fills in this gap: he makes a powerful argument that—politically and sociologically—modern society is a bicycle, with economic growth being the forward momentum that keeps the wheels spinning. As long as the wheels of a bicycle are spinning rapidly, it is a very stable vehicle indeed. But, he argues, when the wheels stop—even as the result of economic stagnation, rather than a downturn or a depression—political democracy, individual liberty, and social tolerance are then greatly at risk even in countries where the absolute level of material prosperity remains high. Consider just one of his examples—a calculation he picks up from his colleague Alberto Alesina, Ropes professor of political economy, and others: in an average country in the late twentieth century, real per capita income is falling by 1.4 percent in the year in which a military coup occurs; it is rising by 1.4 percent in the year in which there is a legitimate constitutional transfer of political power; and it is rising by 2.7 percent in the year in which no major transfer of political power takes place. If you want all kinds of non-economic good things, Friedman says—like openness of opportunity, tolerance, economic and social mobility, fairness, and democracy—rapid economic growth makes it much, much easier to get them; and economic stagnation makes getting and maintaining them nearly impossible. The book is a delight to read, probing relatively deeply into individual topics and yet managing to hurry along from discussions of political order in Africa to economic growth and the environment, to growth and equality, to the Enlightenment thinkers of eighteenth-century Europe, to the twentieth-century histories of the major European countries, to a host of other subjects. Yet each topic’s relationship to the central thesis of the book is clear: the subchapters show the virtuous circles (by which economic growth and sociopolitical progress and liberty reinforce each other) and the vicious circles (by which stagnation breeds violence and dictatorship) in action. Where growth is rapid, the movement toward democracy is easier and societies become freer and more tolerant. And societies that are free and more tolerant (albeit not necessarily democratic) find it easier to attain rapid economic growth. Friedman is not afraid to charge head-on at the major twentieth-century counterexample to his thesis: the Great Depression in the United States. Elsewhere in the world, that catastrophe offers no challenge to his point of view. Rising unemployment and declining incomes in Japan in the 1930s certainly played a role in the assassinations and silent coups by which that country went from a functioning constitutional monarchy with representative institutions in 1930 to a fascist military dictatorship in 1940—a dictatorship that, tied down in a quagmire of a land war in Asia as a result of its attack on China, thought it was a good idea to attack, and thus add to its enemies, the two superpowers of Britain and the United States. In western Europe the calculus is equally simple: no Great Depression, no Hitler. The saddest book on my shelf is a 1928 volume called Republican Germany: An Economic and Political Survey, the thesis of which is that after a decade of post-World War I political turmoil, Germany had finally become a stable, legitimate, democratic republic. And only the fact that the Great Depression came and offered Hitler his opportunity made it wrong.

#### Economic decline collapses democracy and causes war—empirically proven.

Tilford 8 — Earl Tilford, military historian and fellow for the Middle East and terrorism with The Center for Vision & Values at Grove City College, served as a military officer and analyst for the Air Force and Army for thirty-two years, served as Director of Research at the U.S. Army’s Strategic Studies Institute, former Professor of History at Grove City College, holds a Ph.D. in History from George Washington University, 2008 (“Critical Mass: Economic Leadership or Dictatorship,” Published by The Center for Vision & Values, October 6th, Available Online at http://www.visionandvalues.org/2008/10/critical-mass-economic-leadership-or-dictatorship/, Accessed 08-23-2011)

Nevertheless, al-Qaeda failed to seriously destabilize the American economic and political systems. The current economic crisis, however, could foster critical mass not only in the American and world economies but also put the world democracies in jeopardy.

Some experts maintain that a U.S. government economic relief package might lead to socialism. I am not an economist, so I will let that issue sit. However, as a historian I know what happened when the European and American economies collapsed in the late 1920s and early 1930s. The role of government expanded exponentially in Europe and the United States. The Soviet system, already well entrenched in socialist totalitarianism, saw Stalin tighten his grip with the doctrine of "socialism in one country," which allowed him to dispense with political opposition real and imagined. German economic collapse contributed to the Nazi rise to power in 1933. The alternatives in the Spanish civil war were between a fascist dictatorship and a communist dictatorship. Dictatorships also proliferated across Eastern Europe.

In the United States, the Franklin Roosevelt administration vastly expanded the role and power of government. In Asia, Japanese militarists gained control of the political process and then fed Japan's burgeoning industrial age economy with imperialist lunges into China and Korea; the first steps toward the greatest conflagration in the history of mankind ... so far ... World War II ultimately resulted. That's what happened the last time the world came to a situation resembling critical mass. Scores upon scores of millions of people died.

Could it happen again? Bourgeois democracy requires a vibrant capitalist system. Without it, the role of the individual shrinks as government expands. At the very least, the dimensions of the U.S. government economic intervention will foster a growth in bureaucracy to administer the multi-faceted programs necessary for implementation. Bureaucracies, once established, inevitably become self-serving and self-perpetuating. Will this lead to "socialism" as some conservative economic prognosticators suggest? Perhaps. But so is the possibility of dictatorship. If the American economy collapses, especially in wartime, there remains that possibility. And if that happens the American democratic era may be over. If the world economies collapse, totalitarianism will almost certainly return to Russia, which already is well along that path in any event. Fragile democracies in South America and Eastern Europe could crumble.

A global economic collapse will also increase the chance of global conflict. As economic systems shut down, so will the distribution systems for resources like petroleum and food. It is certainly within the realm of possibility that nations perceiving themselves in peril will, if they have the military capability, use force, just as Japan and Nazi Germany did in the mid-to-late 1930s. Every nation in the world needs access to food and water. Industrial nations -- the world powers of North America, Europe, and Asia -- need access to energy. When the world economy runs smoothly, reciprocal trade meets these needs. If the world economy collapses, the use of military force becomes a more likely alternative. And given the increasingly rapid rate at which world affairs move; the world could devolve to that point very quickly.

#### Economic decline heightens the risk of global conflict—*multiple scenarios*.

Burrows and Harris 9 —Mathew J. Burrows, counselor in the National Intelligence Council, principal drafter of *Global Trends 2025: A Transformed World*—an unclassified report by the NIC published every four years that projects trends over a 15-year period, has served in the Central Intelligence Agency since 1986, holds a Ph.D. in European History from Cambridge University, and Jennifer Harris, Member of the Long Range Analysis Unit at the National Intelligence Council, holds an M.Phil. in International Relations from Oxford University and a J.D. from Yale University, 2009 (“Revisiting the Future: Geopolitical Effects of the Financial Crisis,” *The Washington Quarterly*, Volume 32, Issue 2, April, Available Online at http://www.twq.com/09april/docs/09apr\_Burrows.pdf, Accessed 08-22-2011, p. 35-37)

Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample [end page 35] opportunity for unintended consequences, there is a growing sense of insecurity.

Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nations in the same period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier.

In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups—inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attacks—and newly emergent collections of the angry and disenfranchised that become self-radicalized, particularly in the absence of economic outlets that would become narrower in an economic downturn.

The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emerge naturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. The lack of strategic depth in neighboring states like Israel, short warning and missile flight times, and uncertainty of Iranian intentions may place more focus on preemption rather than defense, potentially leading to escalating crises. [end page 36]

Types of conflict that the world continues to experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if government leaders deem assured access to energy resources, for example, to be essential for maintaining domestic stability and the survival of their regime. Even actions short of war, however, will have important geopolitical implications. Maritime security concerns are providing a rationale for naval buildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup of regional naval capabilities could lead to increased tensions, rivalries, and counterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer in Asia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in a more dog-eat-dog world.

### AT: Not environmental

#### Auto Industry becoming more green, quickest internal links to pollution reduction

GM, Car Company, No Date (General Motors, “Energy Efficiency”, <http://www.gm.com/vision/energy_efficiency.html> KA)

We strive to reduce emissions & petroleum dependence by being more energy efficient.

Summary

We reduced energy use at our global facilities 31% between 2005 and 2010. We house 30 MW of solar energy at seven facilities, with plans to double that output by 2015. Our Zaragoza, Spain facility features the world’s largest industrial rooftop solar installation. We are the second largest industrial user of landfill gas in the United States. We reduced CO2 emissions by 30% from 2005 to 2010. Chevrolet is investing up to $40 million in carbon-reduction projects across America.

Reducing Energy Use

Being smart about our energy use is great for the environment and saves us money. For example, lighting upgrades and other efficiency projects save us $2.5 million per year at our Chevrolet Volt factory.

By using energy-efficient lighting, tracking hourly consumption, upgrading to more efficient heating and cooling systems, and shutting down equipment when it’s not used, we reduced energy use at our global facilities 31%\* between 2005 and 2010. These savings reduced greenhouse gas emissions by about 3.34 million metric tons during that timeframe.

We also strive to build and renovate in an environmentally responsible way. We have facilities with gold certification from the U.S. Green Building Council’s Leadership in Energy and Environmental Design program: Lansing Delta Township Assembly in Lansing, Mich., and GM's Shanghai campus. When it first opened, the Lansing Delta Township building was the largest industrial project to receive LEED certification. We hope to achieve LEED certification at our new Joinville, Brazil engine plant and at our Warren, Mich. data center that’s being designed for optimal energy efficiency.

\*Reduction of 28% on a per vehicle produced basis

Renewable Energy

We believe in harnessing power from the sun, water and landfill gases, and are one of the leading users of renewable energy in the manufacturing sector.

We can house nearly 30 megawatts of solar power at seven facilities, and we have plans to double output to 60 megawatts by 2015. That’s enough energy to power nearly 10,000 homes in the United States for a year. We are the home of California’s first 1MW solar array, the world’s largest industrial rooftop installation in Zaragoza, Spain, and seven facilities with solar charging canopies on their grounds.

We’re also the second largest industrial user of landfill gas in the United States. Four of our manufacturing facilities use it as an energy source, generating $5 million in savings in 2010. And, GM Mexico uses hydro power from two nearby irrigation dams and two GM Brazil plants use it to power a portion of their operations.

Reducing Emissions

As a result of our energy efficiency initiatives, our global facilities achieved a 30%\* reduction in CO2 emissions between 2005 and 2010.

To supplement traditional efficiency initiatives, Chevrolet is investing up to $40 million in various carbon-reduction projects throughout America with a goal to reduce up to 8 million metric tons of CO2 emissions over the next five years. We estimate our carbon-reduction goal equates to the emissions released in 2011 from driving the 1.9 million vehicles Chevrolet is expected to sell in the United States between November 18, 2010 and December 31, 2011.

### AT: Oil Lobbies

#### US cutting emissions now

Koch, Staff Writer, 11 (Wendy Koch, November 16, 2011, http://content.usatoday.com/communities/greenhouse/post/2011/11/obama-seeks-to-double-auto-fuel-efficiency/1#.T-4nT-ZOxJN “Obama seeks to double auto fuel economy by 2025”)

In an historic move to boost fuel efficiency, the Obama administration proposed Wednesday to nearly double the required miles per gallon for passenger cars and light trucks by 2025.

The formal proposal follows President Obama's agreement with 13 major automakers, announced in July, to gradually boost these vehicles' fuel economy to the equivalent of 54.5 miles per gallon -- up from the current standard of 27.3 mpg. Last year, the administration finalized rules to hike the standard to 35.5 mpg by 2016.

""We expect this program will not only save consumers money, it will ensure automakers have the regulatory certainty they need to make key decisions that create jobs and invest in the future," U.S. Transportation Secretary Ray LaHood said in a joint announcement with the U.S. Environmental Protection Agency. He said they'll also reduce U.S. dependence on oil and protect the climate.

#### Oil Lobbies influence weakened, Keystone Pipeline proves

Tapper et al 12 (Jake Tapper, Kirit Radia, John Parkinson, Devin Dwyer, Staff Writers, Jan. 18, 2012, http://abcnews.go.com/Politics/OTUS/president-obama-rejects-keystone-xl-pipeline/story?id=15387980#.T-4peuZOxJM “President Obama Rejects Keystone XL Pipeline”)

The Obama administration today formally rejected a bid by Canadian energy company TransCanada to build a $7 billion oil pipeline linking the tar sands of Alberta to refineries on the Gulf of Mexico. The Keystone XL project, which was estimated to create thousands of U.S. jobs, became an election-year lightning rod, embroiling President Obama, congressional Republicans, labor unions and interest groups in a heated debate over jobs and the environment. The State Department, which holds the authority to approve or reject pipelines that cross an international boundary, said in November that it would delay a decision on Keystone to allow for further study of the environmental impact along its 1,700-mile route. Then in December, Congress tried to force the president to make a decision proposal within two months, tucking the mandate into the payroll tax cut bill that Obama ultimately signed into law. But the president said today in a statement that the congressionally imposed deadline did not provide adequate time for the State Department to finish a customary review of the pipeline's route through six states. "The rushed and arbitrary deadline insisted on by Congressional Republicans prevented a full assessment of the pipeline's impact, especially the health and safety of the American people, as well as our environment," Obama said. "As a result, the secretary of state has recommended that the application be denied. And after reviewing the State Department's report, I agree." Administration officials say the decision effectively hits the reset button on a review process that has been underway for several years, but does not preclude TransCanada from resubmitting a proposal for reconsideration. "While we are disappointed, TransCanada remains fully committed to the construction of Keystone XL," TransCanada president and CEO Russ Girling said in a statement. "Plans are already underway on a number of fronts to largely maintain the construction schedule of the project. We will re-apply for a Presidential Permit and expect a new application would be processed in an expedited manner to allow for an in-service date of late 2014," he said. Labor unions, oil industry groups -- even the president's jobs council -- have signaled support for the plan, which also has bipartisan backing on Capitol Hill. But environmental groups warned it would have a dangerous effect on ecosystems and human health, ratcheting up pressure on Obama to defer to his progressive base in an election year. "This announcement is not a judgment on the merits of the pipeline, but the arbitrary nature of a deadline that prevented the State Department from gathering the information necessary to approve the project and protect the American people," Obama said. Still, news of the rejection quickly sparked condemnation from members of Congress on both sides of the aisle. House Speaker John Boehner of Ohio, who has said pipeline construction would "create 100,000 new jobs," chastised the president and said delaying the deal means Canadians may do business with China instead. "The president has said he'll do anything that he can to create jobs. Today that promise was broken," Boehner continued. "The president won't stand up to his political base, even in the name of creating American jobs." Rep. Joe Donnelly, a Democrat from Indiana, said he is "very disappointed" in the Obama decision. "They are missing an opportunity to create thousands of jobs in America," he said. House Minority Leader Nancy Pelosi defended Obama, blaming Republicans for effectively tying the administration's hands. "If the Republicans cared so much about the Keystone pipeline, they would not have narrowed the president's options by putting it on the time frame that they did," Pelosi, D-Calif., said. Meanwhile, environmental groups claimed victory over the oil industry, which had spent millions lobbying intensely for approval of the pipeline. "The Keystone XL fight was David versus Goliath; no one thought we could win," said Dan Moglen of Friends of the Earth. The decision shows "sustained grassroots pressure aimed at holding the president accountable to the public interest proved more powerful than all the lobbyists the oil industry could muster."

### AT: Long Term Better

Center for Economic and Policy Research 11 (CEPR, July 9, 2011, http://www.cepr.net/index.php/blogs/beat-the-press/we-need-90000-jobs-per-month-to-keep-pace-with-the-growth-of-the-population “We Need 90,000 Jobs Per Month to Keep Pace With the Growth of the Population” KA)

In an article on the June employment report the NYT told readers that the economy needs 150,000 jobs per month to keep pace with the growth in the population. Actually, the Congressional Budget Office projects that the underlying rate of labor force growth is now just 0.7 percent annually. This comes to roughly 1,050,000 a year or just under 90,000 a month.

## AFF ANSWERS

#### Failure to cut discretionary programs undermines us economic leadership

Merco Press, quoting Zoellick World Bank President, 11 (Merco Press, South Atlantic News Agency, http://en.mercopress.com/2011/08/15/loss-of-confidence-in-economic-leadership-leaves-world-economy-in-new-danger-zone “Loss of confidence in economic leadership leaves world economy in “new danger zone” KA)

“What's happened in the past couple of weeks is there is a convergence of some events in Europe and the United States that has led many market participants to lose confidence in economic leadership of some of the key countries,” he said.

“I think those events combined with some of the other fragilities in the nature of recovery have pushed us into a new danger zone. I don't say those words lightly ... so that policymakers recognize and take it seriously for what it is.”

Zoellick said the process of dealing with the sovereign debt problem and some of the competitive issues in the Euro zone have tended to be done “a day late,” leaving markets worried that authorities may not be ahead of the problem or moving in the right direction.

”That (worry) has accumulated and so we're moving from drama to trauma for a lot of the Euro zone countries,“ he said.

On the United States, Zoellick said it wasn't fears the world's biggest economy faced an imminent problem, but ”frankly that markets are used to the United States playing a key role in the economic system and leadership.“

He said efforts to cut US government spending have so far been focused on discretionary spending as opposed to the entitlement program such as social security. ”Until they make an effort on those programs, there is going to be continued scepticism about dealing with long-term spending.“

#### Auto Industry is too competitive, economic leadership very hard to sustain

NASDAQ 12 (NASDAQ, June 2012, Analyst Interviews, http://community.nasdaq.com/News/2012-06/auto-industry-stock-outlook-june-2012-zacks-analyst-interviews.aspx?storyid=151289 “Auto Industry Stock Outlook”, KA)

The Rise of Asian Automakers

The Asian countries, especially China and India, are expected to account for 40% of growth in the auto industry over the next five to seven years. According to Global Insight – a U.S.-based provider of economic and financial information – 14.7% of growth is expected to come from India and 8.3% from China by 2013 (compared with 2008 levels) based on their rapidly growing economy.

Domestic automakers are likely to rule the key growth market of China as the government plans to consolidate the top 14 domestic automotive players into 10. These automakers would capture a share of more than 90% in the local market.

The Chinese automakers have been struggling hard to enhance their global profile by upgrading their technology to meet international standards. To this end, Beijing Automotive Industry Holding Group (BAIC) purchased the intellectual property rights from GM’s Saab in 2009 in order to develop its own brands and introduce new models. BAIC purchased the rights to certain powertrain, engine and gear-box technology for Saab’s 9-5 and 9-3 sedans.

In a similar move, Zhejiang Geely Holding Group bought Volvo cars from Ford in order to tap China’s high-growth auto market by acquiring modern, innovative technologies from the Swedish brand to upgrade its car lineup. In December 2009, Geely also signed up with Johnson Controls Inc. (NYSE:JCI) to be its global parts supplier.

#### Numerous weaknesses in Auto Industry prevent reliable future growth

NASDAQ 12, (NASDAQ, June 2012, Analyst Interviews, http://community.nasdaq.com/News/2012-06/auto-industry-stock-outlook-june-2012-zacks-analyst-interviews.aspx?storyid=151289 “Auto Industry Stock Outlook”, KA)

Although automakers continue to focus on shifting their production facilities to new regions driven by cost and demand factors, developing the supplier networks remains one of the greatest challenges they face. Existing suppliers to automakers often lack the financial background to expand capacity in new markets. On the other hand, auto market suppliers are sensitive to technology transfers to local third parties, which may result in new and lower-cost competitors.

Since 1999, more than 20 of the largest global auto parts suppliers have filed for bankruptcy. The financial condition of the majority of auto market suppliers continues to deteriorate, resulting from a historically weak demand and higher dependence on automakers. According to the Original Equipment Suppliers Association, 12% of the auto industry suppliers do not have sufficient working capital to support a 10%–25% expansion in production.

Thus, despite the government’s sizable investment in the automakers, it is likely that there will be auto market suppliers who are unable to restart operations due to working capital shortfalls even as automaker production resumes.

Higher dependence on automakers makes the auto market suppliers vulnerable to several maladies, primarily pricing pressure and production cuts. Pricing pressure from automakers is constricting auto market suppliers’ margins. On the other hand, production cuts by automakers driven by frequent market adjustments are negatively affecting their operations.

Some of the auto industry suppliers who have a high reliance on a few automakers such as General Motors, Ford, Chrysler and Volkswagen include American Axle and Manufacturing (NYSE:AXL), ArvinMeritor Inc. (NYSE:ARM), Goodyear Tire and Rubber (NYSE:GT), Magna International (NYSE:MGA), Superior Industries (NYSE:SUP), Tenneco Inc. (NYSE:TEN) and TRW Automotive (NYSE:TRW).

The shift in auto market consumer preferences towards hi-tech, fuel-efficient, environment-friendly vehicles, such as small cars/hybrids/EVs, is another issue. Auto market suppliers are expected to quickly adapt to the new technologies by investing in research and development, putting heavy capital burdens on them.

The automakers also face significant challenges in transforming the existing powertrain technologies into the new versions, as far as marketability is concerned. They are adapting the internal combustion engines to alternative energy, including ethanol and bio-fuels. Ultimately, a time may come when they switch to the all-electric powertrain as their sole powertrain solution. However, the shift in powertrain solution technology needs to be supported by adequate charging outlets in order to recharge batteries.

### Non Unique

#### Auto Industry slowing down

Chicago Tribune 12 (Reuters, June 01, 2012，Chicago Tribune，http://articles.chicagotribune.com/2012-06-01/business/chi-chrysler-us-newcar-sales-up-30-in-may-miss-estimates-20120601\_1\_colin-langan-auto-sales-annual-sales-rate “May sales show slowdown for auto industry”)

Disappointing U.S. auto sales in May from General Motors Co., Toyota Motor Corp. and Chrysler Group LCC suggested industry demand slowed from the strong pace of the first four months.

The weaker-than-expected sales, which included mixed results from Ford Motor Co, were a bad sign when combined with an anemic U.S. jobs report on Friday.

"Since our last monthly sales call over the last 30 days or so, the economic indicators came in just a little softer than in the first quarter," Ford senior economist Jenny Lin said on a conference call.

GM's sales rose 11 percent, while U.S. May sales at Chrysler and Toyota rose 30 percent and 87 percent, respectively, but all fell short of expectations. Ford's sales rose almost 13 percent, which was below what Barclays and Edmunds.com expected but better than other estimates.

Nissan Motor Co. sales rose 21 percent, but the total at the Japanese automaker also fell short of expectations.

Economists polled by Thomson Reuters expect an annual sales rate for the month of 14.5 million vehicles. The rate topped 14 million in each of the first four months of the year, including 15.1 million in February.

Some industry officials expect the May rate to be lower as warmer weather earlier in the year pulled demand forward. In addition, falling prices at the fuel pump have reduced pressure on consumers to get rid of gas-guzzlers and buy more fuel-efficient cars.

GM said it expects the May light-vehicle selling rate to finish around 14 million, while Ford forecast a final number, including medium and heavy-duty trucks, in the mid-14 million range. Medium and heavy-duty trucks typically account for about 300,000 sales annually.

Auto sales have been one of the bright spots in the economy for several months and the monthly sales results offer an early snapshot of consumer demand.

Sales have shot up this year despite cooling consumer confidence and mixed economic data that illustrates how shaky the recovery has been the last three years. On Friday, the U.S. Labor Department reported job growth in May that was the weakest in a year, and employers added far fewer jobs in the prior two months than previously reported.

"During any recovery you see some signals pointing upward, some neutral, some down," said Jonathan Browning, head of Volkswagen AG's U.S. operations. "While there'll be some short-term fluctuations in those indicators, those underlying trends remain in a positive direction."

One factor fueling the growth in auto sales has been Americans' increasing need to replace their aging cars and trucks, which are now a record 10.8 years old on average.

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Higher fuel prices in the first quarter prompted some consumers to swap older, less fuel-efficient models to lock in fuel savings. According to Swiss bank UBS, 63 percent of dealers said higher gasoline prices increased demand in the first quarter.

With gas prices falling again, the pace of new-car sales may moderate in the second and third quarters, but the underlying consumer appetite for new cars and trucks as a result of pent-up demand remains strong, UBS analyst Colin Langan said.

## Auto Industry not viable

### AT: Auto Industry Solves Environment

#### If the Neg claims that AFF switches to electric cars that means loss of jobs is inevitable as there are many people who work for Oil companies

#### Auto Industry does not solve for the environment, studies and costs prove

Bergin 1/29 (Thomas Bergin, Staff Writer, Reuters, Washington Post, Citing oil companies, Written on 1/29/12, Posted 2/1/12, http://www.huffingtonpost.com/2012/02/01/oil-industry-electric-cars\_n\_1246432.html “Oil Industry: Electric Cars Are No Threat”, KA)

The biggest oil companies in the world have calculated that few, if any, of today's drivers will see electric cars outnumber gasoline and diesel models in their lifetimes. While politicians and green lobby groups insist the future of transport is electric, in the past two months BP and Exxon have released data which points to electric cars making up only 4-5 percent of all cars globally in 20-30 years. Meanwhile some governments are targeting as much as a 60 percent market share for electric vehicles over a similar period. The oil company forecasts may appear self-serving, but if they are widely accepted could provoke a policy shift that offers greater incentives for electric cars to end our addiction to oil. And unlike more optimistic predictions from consultants like McKinsey, these forecast are backed by cash. They guide tens of billions of dollars in long-term investment in oil production and refining and it is oil that stands to lose if they get it wrong. They don't, of course, take into account a major breakthrough in battery technology that could give electric cars a cost and performance edge over the internal combustion engine. In its Energy Outlook for 2030, released earlier this month, BP predicted that electric vehicles and plug-in hybrids, will make up only 4 percent of the global fleet of 1.6 billion commercial and passenger vehicles in 2030. "Oil will remain the dominant transport fuel and we expect 87 percent of transport fuel in 2030 will still be petroleum based," BP Chief Executive Bob Dudley said as he unveiled the BP statistics on January 18. The balance is seen coming from biofuels, natural gas and electricity. Plug-in hybrids can be powered from the mains and only rely on their small gasoline engines when the battery dies. Standard hybrids are principally driven by an internal combustion engine whose efficiency is boosted by the recycling of energy generated from braking. Exxon Mobil, the biggest oil and gas company in the world, says the continued high cost of electric vehicles compared to petroleum cars, means take-up won't even increase much during the 2030s.

#### Oil Companies prevent Auto Industry from solving

Diamond 11 (Regina L. Diamond studies Arts And Sciences at Rutgers University in New Brunswick, NJ.,2011, Student Pulse Vol. 3 No. 01 <http://www.studentpulse.com/articles/353/big-oils-stranglehold-on-america> “Big Oil's Stranglehold on America“)

Big oil’s ruthless supply and demand tactics have monopolized the entire energy industry by shredding competitors’ attempts to offer alternatives. Consumers are thus forced to surrender their right to choose due to the aggressive techniques being used by the oil industry to prevent the use of clean energy. Unfortunately, the American government has historically sided with the oil tycoons. In the movie Who Killed the Electric Car the executive director for Energy and Climate Solutions, Joseph J. Romm accurately declares, “There’s no question that the people who control the marketplace today, the oil companies, have a strong incentive to discourage alternatives except the alternatives that they themselves control.” This seems rather unfair considering the alarming amount of evidence that shows the ill effects the use and production of fossil fuels cause to the environment. The ideal solution would be to replace oil with one of the safer alternatives that have been introduced into the markets over the past forty years; however, the American economy, being driven by capitalism and big oil interests, has protected the status quo and prevented change from occurring. There is a significant need to revise the profit motive as it pertains to energy and the environment. Presently, the oil industry controls the environmental future of America, which does not bode well for the future.

Over the past forty years there have been several notable attempts to revolutionize technology, all of which have been stomped into the ground by the oil industry. The first occurred in 1985 when Ronald Reagan tore down the solar panels from the roof of the White House. The incident and the events surrounding it were documented in Joshua Green’s essay, “Better Luck This Time.” In “The Specter Haunting Alaska” Peter Canby tells of another win for the oil industry. Canby gives details on Donald Hodel’s decision to drill in Alaska despite explicit warnings from environmentalists of disastrous results for the environment. Most recently, the California Air and Resource Board made an attempt to soften the blow that the oil industry is taking on the atmosphere. They passed the Zero Emissions Vehicle Mandate in1990, which stated that each year car manufacturers were required to produce a small percentage of vehicles that did not produce harmful emissions. This effort by the auto industry to infiltrate the use of electric vehicles was stopped by the oil industry but not without the help of the United States government. This disturbing occurrence was documented in the movie Who Killed the Electric Car. It is absolutely necessary for a major revision to take place in order for the environment to have any chance at survival. These attempts were made by influential people, over the past four decades, yet still remain unsuccessful, suggesting that there is little hope for the environment.

### AT: Cars key to the economy

#### Auto Industry not long term, won’t recover fully

Smitka 12 (Michael Smitka, April 26, 2012, professor of economics at Washington and Lee University, has conducted research on the auto industry for more than two decades, Washington and Lee University, http://news.blogs.wlu.edu/2012/04/26/the-auto-industry-and-the-economy/ “The Auto Industry and the Economy”, KA)

But looked at from another angle, the news remains grim. Sales may be up sharply but are still 2.5 million units below the 16.3 million average pace of the previous 15 years. In the mid-2000s, the industry employed 3 million workers. Despite the recent gains, we are still more than 500,000 jobs below peak. On the employment front, the glass is not yet half full. Will recovery add back all these jobs? On the negative side, the U.S. is now the third-largest car market, behind China and the European Union. As the BRIC countries (Brazil, Russia, India and China) and other economies grow, sales will rise and investment to assemble cars locally will increase. Over time, design and engineering jobs will follow. We face long-term, and not just short-term, challenges as the industry continues to globalize. China, for example, is serious about electric cars. But in the face of an outcry by Congress over a failed solar panel venture, the U.S. has pulled the plug on electric vehicle startups, refusing to disburse funds for firms that have finished the engineering stage to hire the workers and buy the parts needed to commence production. If the Chinese market grows, we can expect to see technology — high-tech jobs — flow to where the money is. It's not just batteries, either. For the first time ever, more than half of the finalists for the Automotive News PACE supplier innovation competition were based outside the U.S. As an independent judge for the competition, one firm I visited this year was Continental, a German company launching a new telematics system that will facilitate hands-free services outside the luxury segment. The first company to adopt the system is GM — but it will be on Chevys sold in China, not in the U.S. That's where the growth is. The hardware was developed at Continental's telematics R&D center outside Chicago, but the software engineering was done in Shanghai, where the electronics "black box" is also assembled. We're a player, but with globalization, we're not as big a player as in the past. On the flip side, there is encouraging news: BMW and Mercedes chose to base plants in the U.S. to make key global products, while Korean and Japanese assemblers and suppliers continue to move jobs here: Production follows sales, and Toyota, Honda and Nissan — the Japanese Big Three — now have full-fledged vehicle engineering capabilities in the U.S. Given current exchange rates, we remain an attractive production base, with a wide array of suppliers and specialized engineering firms, good infrastructure, stable politics and a robust ability to overcome shocks. But the slower the recovery, the more we will see new technologies and the accompanying skilled jobs shift to where the sales are. On net, I doubt we'll ever fully recover.