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\*\*UQ- Asian \*\*

UQ: Asian- Up

Asia’s economy is growing rapidly- will grow by 50% in 5 years

Barkley 6-15 (Tom, DOW Jones Newswire, http://online.wsj.com/article/BT-CO-20100615-710542.html?mod=WSJ\_latestheadlines , *Dow Jones Newswire*, 6-15-10) ET

WASHINGTON (Dow Jones)--Asia's economy is on pace to grow by half within the next five years and overtake the size of the Group of Seven leading industrial nations by 2030, the International Monetary Fund said Tuesday. "The possibility that Asia could become the world's largest economic region by 2030 is not idle speculation," writes Anoop Singh, director of the IMF's Asia and Pacific Department, in the fund's Finance & Development magazine. "It seems very plausible, based on what Asia has already achieved in recent decades," he said, noting that the region's share of the world economy has tripled over the past two decades. Min Zhu, a former deputy governor of China's central bank who was recently appointed a special adviser to IMF Managing Director Dominique Strauss-Kahn, said he expects Asia to "move more to the center of tomorrow's global economy" in the next five years. In an interview published in the magazine, Zhu said Asia will attract increasing trade and capital flows given the slow growth and fiscal troubles in more advanced economies. But he said policy makers in the region face several challenges from changing global conditions. "The surge in capital flows to emerging Asia presents big challenges for the region, particularly in 2010 and for the next few years," he said. "The Asian economies need to handle this issue very carefully and design proper policies to bring lasting solutions." Policy makers must rethink their growth models to rely more on consumption-driven economies "to make growth much more balanced and sustainable," said Zhu. Financial reform is also necessary, including developing local bond markets.

UQ: Asian- Down

Asian economy declining- stocks

Johnson 6/17 (Nicolas, Federal Communications Commission commissioner, *San Francisco Chronicle*, http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/06/17/bloomberg1376-L44UOW1A1I4H-4.DTL , 6.17.10) ET

June 17 (Bloomberg) -- Asian stocks fell for the first time in six days on concern a global economic recovery may take longer than hoped after U.S. housing starts dropped and FedEx Corp.'s profit forecast trailed estimates. Toyota Motor Corp., a carmaker that gets about 28 percent of its sales from North America, declined 0.9 percent in Tokyo. BHP Billiton Ltd., the world's biggest mining company, slipped 0.4 percent in Sydney after oil and metal prices slumped. Honda Motor Co. fell 0.8 percent after Goldman Sachs Group Inc. said profits at the automaker may fall as it suffers strikes in China. Mitsubishi Estate Co., Japan's biggest property developer by market value, rose 1 percent after Goldman Sachs raised its investment rating on the company.

Asian economy down- stock market falling

Johnson 6/17 (Nicolas, Federal Communications Commission commissioner, *San Francisco Chronicle*, http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/06/17/bloomberg1376-L44UOW1A1I4H-4.DTL , 6.17.10) ET

The MSCI Asia Pacific Index was little changed at 115.70 as of 9:27 a.m. in Tokyo after five consecutive gains that pushed the gauge to a four-week high. About four stocks declined for every three that advanced. The index has lost 4.1 percent this year on concern that Greece and other European countries will struggle to curb their budget deficits and repay debt.

Asian econ down- investor confidence

Johnson 6/17 (Nicolas, Federal Communications Commission commissioner, *San Francisco Chronicle*, http://www.sfgate.com/cgi-bin/article.cgi?f=/g/a/2010/06/17/bloomberg1376-L44UOW1A1I4H-4.DTL , 6.17.10) ET

"Investors are inclined to book profit after yesterday's gain," said Mitsushige Akino, who oversees the equivalent of $450 million in assets at Tokyo-based Ichiyoshi Investment Management Co. "Uncertainty over the market outlook and a loss of confidence have driven down the market even though the global economy remains resilient. Considering corporate earnings, share prices should be higher." Futures on the Standard & Poor's 500 Index fell 0.3 percent. The gauge dropped 0.06 percent yesterday in New York. A Commerce Department report showed housing starts fell 10 percent in May, the biggest drop since March 2009. FedEx, the world's largest air-cargo carrier, tumbled 6 percent after saying earnings will be $4.40 to $5 a share for the year that began June 1, trailing the $5.07 estimated by analysts.

Asia is slowing- government is cooling the economy

Wassener 7/6 (Bettina, Reporter @ NY Times, *New York Times*, http://www.nytimes.com/2010/07/07/business/global/07asiaecon.html?\_r=1, 7.6.10) ET

The slowdown is modest, and most of the region, notably India and China, continues to enjoy growth rates that far outstrip those in Europe and the United States. Low corporate and household debt levels and firm demand within Asia itself have helped most Asian-Pacific nations to shrug off more muted demand from elsewhere. Still, the last few weeks have brought mounting evidence of more moderate growth, including in China, where government efforts to cool the economy have begun to take effect. On Tuesday, the Reserve Bank of Australia cited the “uncertainty about the pace of future global growth,” including worries about the impact of European debt troubles, in its decision to keep its benchmark cash rate unchanged at 4.5 percent.

UQ: Asian- Down

Asian markets all down- worries over global econ bring them down

Barchart Research Team 7/7 (*Inside Futures*, 7.7.10, http://www.insidefutures.com/article/160207/Barchart%20U.S.%20Morning%20Call.html ) ET

The Asian markets today closed mostly lower with Japan down -0.63%, Hong Kong -1.13%, China +0.69%, Taiwan -0.19%, Australia -0.50%, Singapore -0.24%, South Korea -0.76%, India -0.81%. Most Asian stocks retreated after yesterday's weaker-than-expected Jun ISM non-manufacturing index increased concern that the global recovery will weaken. Japan's Nikkei 225 Stock Index declined, led by losses in Honda Motor and Sony, while Hong Kong's Hang Seng Index retreated after the head of the National Bureau of Statistics said in the bureau's newspaper today that China's economy faces increasing uncertainties and the economic situation is becoming more complex. The manager of China's foreign exchange reserves said the US bond market is important and changes in holdings of Treausuries "shouldn't be politicized." The State Administration of Foreign Exchange (SAFE) also said on its website that concern China might consider using the "nuclear" option of dumping its Treasury holdings is "completely unnecessary." Australia's Jun building industry index fell -6.8 points to 46.4, its first contraction in 10 months, and a sign that interest rate increases by the RBA are eroding demand for new dwellings.

Asian market falling- stocks down due to European growth slumping

AP 7/6 (*Associated Press*, http://www.google.com/hostednews/ap/article/ALeqM5h3kgMAkbLwyfxBdjzw8Pc4KZ7DhQD9GP8C301 , 7.6.10) ET

TOKYO — Asian stock markets fell in early trading Tuesday on growing worries over the global economic recovery following data showing Europe's service growth slowed for a second month. Japan's benchmark Nikkei 225 stock index dropped 168.29 points, or 1.8 percent, to 9,098.49. The Nikkei was also under pressure on a strong yen, which hurts Japanese exporters. South Korea's Kospi declined 1.5 percent to 1,650.92, and Australia's S&P/ASX 200 was down 0.7 percent at 4,221.70. Sentiment turned downbeat across Asia as investors were disappointed by a report showing slumping growth in Europe's service and manufacturing sectors. A composite index based on a survey of euro-area purchasing managers in service and manufacturing industries fell to 56 in June from 56.4 in May, said a London-based Markit report. The poor result was a fresh sign that a recovery in the global economy is losing momentum

And recovery is reversing- growth is now slow

Wassener 7/6 (Bettina, Reporter @ NY Times, *New York Times*, http://www.nytimes.com/2010/07/07/business/global/07asiaecon.html?\_r=1, 7.6.10) ET

Data from Japan on Tuesday also indicated that the country’s recovery, which was much weaker than elsewhere in Asia, was losing momentum. An index grouping various economic indicators slipped for the first time in more than a year, to 101.2 in May from 101.3 in April, the Japanese cabinet office reported. Last week, the so-called Tankansurvey, a closely watched quarterly measure of business sentiment published by the Bank of Japan, showed a surprising jump, but several other indicators have slipped, leading some analysts to predict that Japan’s fragile economy will grow only slowly this year. “The next 24 months will be difficult for Asian companies that have Europe as their main market,” economists at CLSA Asia-Pacific Markets, a prominent investment group in Hong Kong, wrote in a research report. “Growth will be squeezed by austerity measures and the euro currency will be weak.” Both of these things hurt Asian exports, “but a repeat of 2008 is not on the cards,” they wrote. “World trade growth this year will be strong regardless of what is happening in Europe.”

UQ: Asian- Unsustainable- Exports

And asia’s economy is unsustainable- export dependency threatens any possible resilience

Radio Australia 7/6 ( *ABC Radio Australia*, http://www.radioaustralia.net.au/connectasia/stories/201007/s2945974.htm , 7.6.10) ET

A leading Asian businessman says the region's future economic resilience rests on whether it can shift away from export-driven markets. Malaysia Airlines chairman, Dr Munir Majid, says for that to happen, there needs to be a stronger focus on improving the living standards of millions of poor across the region. Dr Majid says many Western analysts underestimate the complex nature of the so-called "Asian-led economic recovery".

Asia isn’t resilient still

Radio Australia 7/6 ( *ABC Radio Australia*, http://www.radioaustralia.net.au/connectasia/stories/201007/s2945974.htm , 7.6.10) ET

WERDEN: In ensuring that Asia is more resilient you mentioned something about it will change the nature of the relationship, and I am assuming you mean the relationships between Asia and the West? DR MAJID: Well okay I think you're pointing to shifts in power, balance which will then have consequences in terms of geo-political power and balance but these shifts are not going to be a kind of West or Asia or the rest or Asia, because within Asia itself there is competition that's arising economically, geo-politically and how these things are managed will also ensure how stable Asia is as a region. WERDEN: You're saying basically that we shouldn't be as a region focusing... DR MAJID: You know I think we shouldn't get too punch drunk and take a level headed view, yes Asia is doing far better, but it's a long way to go.

\*\*UQ- China\*\*

UQ: China- Up

China is growing- key stocks are growing quickly

Shidong 7/6 (Zhang, *Bloomberg Businessweek*, 7.6.10, http://www.businessweek.com/news/2010-07-06/china-stocks-lead-asian-markets-higher-agbank-pricing-nears.html ) ET

July 6 (Bloomberg) -- China’s stocks rose, with the Shanghai Composite Index leading Asian equity markets higher, as investors speculated recent losses were excessive. Agricultural Bank of China Ltd. is preparing to sell shares in what may be the world’s biggest initial public offering. The Shanghai Composite, Asia’s worst performing index in the first half, rose 1.9 percent, led by Jiangxi Copper Co. and Aluminum Corp. of China Ltd. Joincare Pharmaceutical Group Industry Co. paced gains by drugmakers, China’s worst performers in the past month. Equities are trading at their lowest levels relative to earnings in 18 months after the Shanghai index slumped 26 percent this year on concern government efforts to curb inflation and property speculation will slow the economy. The rebound is a boost for Agricultural Bank, which is seeking $20.1 billion selling stock in Shanghai and Hong Kong and may price its shares today. “Stocks have dropped to a level where valuations are attractive to bargain hunters, who expect the government to ease tightening policies to counter an economic slowdown,” said Dai Ming, a fund manager at Shanghai Kingsun Investment Management & Consulting Co. “We estimate that the IPO price of Agricultural Bank will be at about a 10 percent discount to prices of listed big banks. That’ll leave room for a possible first-day gain.” The Shanghai Composite, the bigger of China’s two exchanges, advanced 45.48 to close at 2,409.42, the most since June 21. The CSI 300 Index added 2 percent to 2,562.90. The measure tracks yuan-denominated stocks, known as A shares, in Shanghai and Shenzhen.

China’s economy is expanding- growth and earning rates increasing

Shidong 7/6 (Zhang, *Bloomberg Businessweek*, 7.6.10, http://www.businessweek.com/news/2010-07-06/china-stocks-lead-asian-markets-higher-agbank-pricing-nears.html ) ET

Declines have sent the CSI 300’s valuation to 14 times this year’s earnings, down from a high of 22 times in January, according to data tracked by Bloomberg. Jiangxi Copper, China’s largest producer of the metal, rose 2.9 percent to 22.97 yuan, ending a 10-day, 22 percent plunge. Shanxi Coal International Energy Group Co. surged 5.6 percent to 17.50 yuan after losing half its value this year. China Cosco Holdings Co., the world’s biggest operator of dry-bulk ships, added 2.6 percent to 8.56 yuan, climbing from the lowest since January 2009. The price-earnings multiple for A shares is 1.2 standard deviation below the 10-year average, while the two-year compound earnings growth rate is “among the highest in history,” according to UBS AG.

And china’s industries are growing as quickly as possible- good economy coming

Shidong 7/6 (Zhang, *Bloomberg Businessweek*, 7.6.10, http://www.businessweek.com/news/2010-07-06/china-stocks-lead-asian-markets-higher-agbank-pricing-nears.html ) ET

The 14-day relative strength measure for the Shanghai Composite, measuring how rapidly prices have advanced or dropped during a specified time period, was at 26.8 yesterday. Readings below 30 indicate it may be poised to rise. Credit Suisse Group AG said Chinese stocks will be “range- bound” because a shift to increased reliance on consumption to drive the nation’s economic growth will benefit companies that have a “very marginal index weighting,” according to a report by analysts Vincent Chan and Peggy Chan. Western Spending Sichuan Road & Bridge Co. rose by the 10 percent daily limit to 8.12 yuan after the nation’s top economic planning agency said 682 billion yuan ($101 billion) will be invested in the western region this year. Sichuan Expressway Co. gained 2.6 percent to 6.69 yuan. Chongqing Brewery Co. rose 2.8 percent to 33.77 yuan. The company said its shareholders approved plans for its parent to sell a 12.25 percent stake to Carlsberg A/S, making it the biggest shareholder.

UQ: China- Up

And, every economy has bumps on the way- ignore their evidence saying it’s not growing

Shidong 7/6 (Zhang, *Bloomberg Businessweek*, 7.6.10, http://www.businessweek.com/news/2010-07-06/china-stocks-lead-asian-markets-higher-agbank-pricing-nears.html ) ET

Around 54 percent of A share companies’ first-half guidance indicate year-on-year net income growth of more than 50 percent, UBS’s Hong Kong-based strategist John Tang wrote in a report today. Stocks have slumped this year as authorities intensified a crackdown on property speculation after announcing the economy expanded at an 11.9 percent annual pace in the first quarter, the most since 2007. Kenneth Rogoff, the Harvard University professor, said China’s property market is beginning a “collapse” that will hit the nation’s banking system. As China’s economy develops, “especially at the speed it’s growing, it’s going to have bumps,” Rogoff, former chief economist of the International Monetary Fund, said in an interview with Bloomberg Television in Hong Kong.

Aluminum Corp. of China, the nation’s biggest maker of the lightweight metal and also called Chalco, added 1.8 percent to 8.74 yuan. The company said it extended the deadline for a planned private placement of A shares by a year. Chalco said April 15 that it won regulatory approval to sell as many as 1 billion A shares.

And reports about Chinese economic slumping are wrong- it is not as bad as initially thought

Ruan 7/2 (Victoria, former reporter turned regional director, *Wall Street Journal*, http://online.wsj.com/article/SB10001424052748704898504575342342116459542.html?mod=googlenews\_wsj, 7.2.10) ET

China's economic growth slowed less sharply during the global financial crisis last year than initially reported, according to the nation's statistics bureau, which revised up the country's gross-domestic-product growth for 2009 to 9.1% from 8.7%. The revision was due to higher contributions from secondary and tertiary industries, the National Bureau of Statistics said in a statement on its website Friday. Secondary industries include the mining, manufacturing and power sectors, while tertiary industries cover services. Primary industries cover farming, forestry and fishing. In 2008, China's economy expanded 9.6%. The bureau said China's nominal GDP, evaluated at current market prices without adjustment for inflation, reached 34 trillion yuan ($5 trillion) in 2009. At last year's average exchange rate, China remained the world's third-largest economy, behind Japan with a 2009 GDP of just over $5 trillion. According to the statistics bureau's revised figures, China's tertiary industry output grew 9.3% last year, up from the previously reported 8.9%, while its secondary industry output rose 9.9%, up from 9.5%. Primary industry growth was unchanged at 4.2%. China revises its preliminary GDP data at least twice, as more information becomes available, in line with international practice. China's data collection in the service sector has been relatively weaker than in other sectors, which partly explains why the tertiary industry data are usually revised upward.

UQ: China- Down

China’s economy is declining- manufacturing slowing

Wall Street Journal 7/5 (*Wall Street Journal*, http://online.wsj.com/article/SB10001424052748704738404575346423924085484.html?mod=googlenews\_wsj , 7.5.10) ET

BEIJING—Chinese Premier Wen Jiabao said Sunday the country's economic policies "face increasing dilemmas" because the impact of the global financial crisis is more serious than expected, but he reiterated that China won't hold back steps to restructure the economy for growth. The remarks were made after two purchasing managers' indexes issued last week showed China's manufacturing economy slowed in June and after China on Friday revised upward its gross domestic product growth for 2009. The GDP revision means China's year-to-year growth will have a higher comparison base for the second and following quarters, so the growth may be lower than economists' expectations. Despite the widely expected slowdown, Mr. Wen reiterated that China will continue its economic policies but increase their flexibility, to "solve current significant and urgent problems" while "laying foundations for stable and relatively fast economic growth of 2011 and in a longer term." He was speaking at a economic forum held Saturday in the central Chinese city of Changsha, according to a statement posted on the central government's website.

China’s economy is slowing- inflation problems and complicated structure

Wall Street Journal 7/5 (*Wall Street Journal*, http://online.wsj.com/article/SB10001424052748704738404575346423924085484.html?mod=googlenews\_wsj , 7.5.10) ET

"China's current economic situation is sound, but the domestic and global economic environment is extremely complicated," Mr. Wen said. He said Beijing will try to maintain relatively fast economic development while managing inflation.

China’s economic growth is slowing and they are still the 3rd largest economy

Wall Street Journal 7/5 (*Wall Street Journal*, http://online.wsj.com/article/SB10001424052748704738404575346423924085484.html?mod=googlenews\_wsj , 7.5.10) ET

The statistics bureau on Friday revised upward economic growth for 2009 to 9.1% from 8.7%. The revision was due to higher contributions from secondary and tertiary industries. Secondary industries include the mining, manufacturing and power sectors; tertiary industries cover services. Primary industries are farming, forestry and fishing. In 2008, China's economy expanded 9.6%. The bureau said China's nominal GDP, evaluated at current market prices without adjustment for inflation, reached 34 trillion yuan ($5.02 trillion) in 2009. At last year's average exchange rate, China remained the world's third-largest economy, behind Japan with a 2009 GDP of just over $5 trillion.

UQ: China- Down

Chinese GDP is falling- economic slowdown is coming their way

Wheatley 7/7 (Alan, China Economic Editor, *Reuters*, http://in.reuters.com/article/idINIndia-49940820100707 , 7.7.10)

Annual gross domestic product growth probably slowed to 10.5 percent last quarter from 11.9 percent in the first three months of the year, when the economy's vigour was exaggerated by comparison with a weak base in early 2009. Even if the forecast of 32 economists is borne out when the government issues the GDP data on July 15, markets are jittery enough over a slowdown that they may take fright that Beijing is hitting the monetary brakes too hard.

And global stocks are decreasing- Chinese slowdown causes fear

Wheatley 7/7 (Alan, China Economic Editor, *Reuters*, http://in.reuters.com/article/idINIndia-49940820100707 , 7.7.10)

Fear of an abrupt slowdown in China, a major driver of the world economy's recovery from the deepest downturn in 80 years, is one the factors behind a recent swoon in global stock markets. Other figures due on July 15 are likely to point to a similar year-on-year slowdown in factory output and investment growth. But trade numbers scheduled for this Saturday are expected to show that year-on-year export and import growth remained robust last month, albeit a touch slower than in May.

China isn’t resilient- they lack a strong reserve base

Wheatley 7/7 (Alan, China Economic Editor, *Reuters*, http://in.reuters.com/article/idINIndia-49940820100707 , 7.7.10)

The blurred picture makes it likely that China will stick to its broad policy settings for now. "China does not yet have the economic foundations to adjust its active fiscal policy and appropriately loose monetary policy," Yang Guozhong, an official with the People's Bank of China, wrote in China Finance, a magazine run by the central bank. China has raised banks' reserve requirements three times this year and engineered a marked deceleration in money and credit growth, but it has kept benchmark interest rates unchanged. When the time comes, China should tighten monetary policy first and then wind down fiscal stimulus, Yang wrote.

China’s economic clout shrinking- too dependent on global economy

Wheatley 7/7 (Alan, China Economic Editor, *Reuters*, http://in.reuters.com/article/idINIndia-49940820100707 , 7.7.10)

China's economy is at a crucial juncture and faces growing uncertainties stemming from the global economic environment, Ma Jiantang, head of the National Bureau of Statistics, said in comments published on Wednesday. Wen said at the weekend that the gravity of the global financial crisis, followed by twists and turns in the recovery, posed a growing number of dilemmas for China. In response, the premier said, China would maintain "continuity and stability" in macroeconomic policy with an emphasis on "targeted and flexible" measures. That has been the case with the property market.

\*\*UQ: Europe\*\*

**UQ: Europe- Up**

The european economy is stable now- rise in businesses

Moenning 7/6 (david, professional money manager and is the President and Chief Investment Strategist, *iStockanalyst*, http://www.istockanalyst.com/article/viewarticle/articleid/4286033 ) ET

While debt concerns in Europe continue to worry investors on a daily basis, Tuesday saw European markets rally to solid gains (France was up +2.73%, Germany gained +2.15%, and the UK popped up +2.93%). And upon further review, it turns out that the Eurozone economy may be more stable than we thought. Several key economic indicators from across the pond have been positive recently, signaling that while the debt crisis continues to trouble us, the current economic environment of the Eurozone is actually pretty good. The European Commission's business and consumer sentiment index rose 0.3 points in June, as did Germany's Ifo index. Both were rebounds from weak figures in May, when the debt crisis was more prevalent and worrisome.

The European economy is growing- no double dip recession in sight

Moenning 7/6 (david, professional money manager and is the President and Chief Investment Strategist, *iStockanalyst*, http://www.istockanalyst.com/article/viewarticle/articleid/4286033 ) ET

The OECD's Composite Leading Indicator for the Euro-Zone also posted gains in June. This marked a continued trend of positive results, and has been consistent with sustained economic growth from an historical standpoint. Also, the PMI and EuroCoin index, while a bit off from their highs earlier this year, are still hovering at elevated levels, which signifies strength. In addition, the European Central Bank's three month auction saw less demand for funds last week than was expected, which suggests that the financial industry may not be as weak as many have speculated. This positive group of economic data suggests that the Euro-Zone economy is not exactly on life support at the present time. We will even go so far as to say that a double dip recession is not in the cards in Europe – as long as the current trend doesn't taper off, that is.

UQ: Europe- Up

Europe recovering now- policies are effective and banks are raising forecasts

Chen 7/3 ( Judy, Reporter @ Bloomberg, *Bloomberg Business News*, http://www.businessweek.com/news/2010-07-03/eu-recovery-on-track-ecb-s-tumpel-gugerell-says-update1-.html , 7.3.10) ET

July 3 (Bloomberg) -- Europe’s recovery from a debt crisis that roiled global markets is “well on track,” a member of the European Central Bank governing council said in Shanghai today. “We have the right policies in place to ensure the return to the levels of growth we have seen prior to the crisis,” Gertrude Tumpel-Gugerell told a financial conference in the city. “Low interest rates all along the money market yield curve” are cutting funding costs. “The economy is expanding and we see a positive growth outlook.” The central bank on June 10 raised its euro-region growth forecast for this year to 1 percent, from a previous forecast of about 0.8 percent. The ECB has kept its benchmark interest rate at a record low of 1 percent since May 2009.

Europe is implementing policies- will be sustainable

Chen 7/3 ( Judy, Reporter @ Bloomberg, *Bloomberg Business News*, http://www.businessweek.com/news/2010-07-03/eu-recovery-on-track-ecb-s-tumpel-gugerell-says-update1-.html , 7.3.10) ET

Four areas of policy are needed for the recovery to be sustainable over the long term, said Tumpel-Gugerell. These are: structural changes to strengthen overall growth prospects; financial market sector revamping, which she described as “well on track;” fiscal consolidation which she also said is “well on track;” and “the continuous concentration of monetary policy to be directed at medium term price stability.”

EU won’t let econ dip again- officials making stringent fiscal rules

Chen 7/3 ( Judy, Reporter @ Bloomberg, *Bloomberg Business News*, http://www.businessweek.com/news/2010-07-03/eu-recovery-on-track-ecb-s-tumpel-gugerell-says-update1-.html , 7.3.10) ET

EU officials are devising fiscal rules to prevent a repeat of the European sovereign debt crisis, which was sparked when Greece’s budget spiraled out of control and forced it to seek an EU-led bailout. European leaders plan to outline the strengthened enforcement system by October after hammering out a 750 billion euro ($938 billion) rescue program in May. The ECB is buying government bonds and lending banks as much money as they need to contain the effects of the debt crisis, which has driven the euro down 14 percent against the dollar this year.

UQ: Europe- Down

Growth in europe has lost pace- slowdown is based off of loss of industries

Forextrading pal 7/5 (http://www.forextradingpal.com/forex-trading-news/2010/07/growth-europes-services-and-manufacturing-industries-decelerated/ , 7.5.10) ET

Growth in European services and manufacturing industries lost pace last month. It was the second month of growth deceleration. This second slowdown raises speculations that the recovery is weakening. A combined indicator based on an inquiry of eurozone purchasing managers in both industries dropped from 56.4 in May to 56 in June. Markit Economics revealed these figures today. The reading approaches last month’s forecast. Any figure above 50 means growth. Budget problems Europe’s economic growth seems to decelerate, which is caused by Greece’s budget problems. The situation in Greece affected investors’ confidence and governments had to invent severe measures. Confidence among German investors decreased last month, while growth of the British service sector decelerated last month. Volkswagen AG is one of those firms that focus on emerging markets like the Chinese market to increase sales.

\*\*UQ- Japan\*\*

UQ: Japan’s- Up

Japan’s economy will continue to grow- government stimulus and outputs warrant

New Tang Dynasty TV 7-6 (*New Tang Dynasty Television*, 7.6.10, http://english.ntdtv.com/ntdtv\_en/ns\_bus/2010-07-06/529894389191.html) ET

Japan's trading partners may be experiencing a slowdown, but companies and the central bank in the world's No. 2 economy have become more optimistic. A Bank of Japan survey last week showed large manufacturers with their best business confidence in two years, while the BOJ is expected to revise up its own growth forecast soon. The central bank would hike GDP to a 2.5 percent growth forecast in the current year, up from an earlier 1.8 percent, based on strong exports to Asia that have boosted factory output. Worries remain such as the eurozone debt crisis, along with the strength of the U.S. and Chinese economies, but the government has already hiked its own expansion view to 2.6 percent from 1.4 percent. Japan's economy grew faster than Europe and the U.S. in the first quarter, but signs that export strength may be moderating have emerged. On Monday, a senior BOJ official said Europe has made little progress in dealing with its problems and it would take time for market confidence to return. Even with the forecast upgrade, some analysts say the central bank may keep its overall assessment unchanged, eyeing the rising yen and falling share markets. The yen is near a seven-month high against the dollar, sending shares of Japanese exporters to multi-month lows last week.

UQ: Japan’s- Down

Japan’s economy falling- stocks, rising unemployment, and slowing exports

Fujioka 7/6 (Toru, reporter @ Bloomberg, *Bloomberg Business week,* 7.6.10, http://www.bloomberg.com/news/2010-07-06/japan-economic-index-falls-for-first-time-in-14-months-as-recovery-slows.html) ET

Japan’s broadest indicator of economic health dropped for the first time in 14 months, signaling the recovery is losing momentum after rebounding from the worst postwar recession. The coincident index, a composite of 11 indicators including factory production and retail sales, fell to 101.2 in May from 101.3, the Cabinet Office said today in Tokyo. The result matched the median estimate of 16 economists surveyed. The report adds to evidence that the world’s second- largest economy is cooling after growing 5 percent in the first quarter. Japanese stocks have tumbled in recent weeks, part of a worldwide slump that reflects investor concern the global recovery will falter. “With production starting to slow, it’s hard to imagine that the economy will sustain the pace of expansion seen at the beginning of the year,” said Yoshiki Shinke, senior economist at Dai-Ichi Life Research Institute in Tokyo. The Nikkei 225 Stock Average rose 0.6 percent at 2:05 p.m. in Tokyo, reversing declines of as much as 1.9 percent. The gauge has retreated 18 percent from this year’s peak on April 5, exacerbated by gains in the yen that threaten to erode exporters’ profits. Finance Minister Yoshihiko Noda said today that he’s “closely” watching financial markets. National Strategy Minister Satoshi Arai said the slump in equities doesn’t signal that the Japanese recovery is faltering. Slow to Spread Shipments abroad have led Japan’s economic revival that began in the second quarter of last year. Recent data suggest the benefits are slow to spread to households, whose outlays account for more than half of the economy. The jobless rate reached a five-month high of 5.2 percent in May, household spending retreated for a second month and factory output slipped 0.1 percent from April, government reports showed last week. The leading index, a composite of 12 indicators including stock prices and consumer confidence, fell to 98.7 in May, the second straight decline, today’s report showed. Economists expect Japan’s annualized quarterly growth will be below 2 percent at least until the middle of next year, according to median estimates.

\*\*UQ- US\*\*

UQ: US Econ- Down

US econ sliding into depression- nobel prize laureate warrants

Filger 7/7 (Sheldon- writer & founder of global economic crisis.com, *The Huffington Post*, 7.7.10, http://www.huffingtonpost.com/sheldon-filger/belief-that-us-is-in-an-e\_b\_635657.html ) ET

Just in the past week, economic media pundits as diverse as Nobel laureate Paul Krugman, who writes for the New York Times, and Ambrose Evans-Pritchard, the international business editor for the British newspaper, the Telegraph, have warned that the United States is already in the initial phases of an economic depression. Their chilly characterization of the U.S. economy after more than a year of the Obama stimulus, preceded by TARP, is sterile in its uninhibited gloominess.

US will slide into depression- home sales, collapsed budgets, and fiscal cuts

Filger 7/7 (Sheldon- writer & founder of global economic crisis.com, *The Huffington Post*, 7.7.10, http://www.huffingtonpost.com/sheldon-filger/belief-that-us-is-in-an-e\_b\_635657.html ) ET

Ambrose Evans-Pritchard's most recent column had the melancholy headline, "With the U.S. trapped in depression, this really is starting to feel like 1932." He lays out the case for why the U.S. is in the throes of a depression; dismal home and retail sales, collapsing state budgets and the resulting fiscal cuts abetting even more bad economic indicators. In his eyes, the only hope are the central banks engaging in another round of quantitative easing (being dubbed by some as QE 2) and debt monetization, the inevitable inflation actually being preferable to a deflationary spiral.

UQ: US Econ- Double Dip Now

The economy is headed into a double dip 4 reasons- loss of momentum, unemployment, DOW down, and housing market

Rugaber 7/2 (Christopher, AP Economics writer, *AP*, 7.2.10, http://www.google.com/hostednews/ap/article/ALeqM5gNiyJ905Ho0Ur96V2TQhsBX19lGwD9GMRUUG0) ET

The economy is losing some momentum," said Ryan Sweet, senior economist at Moody's Economy.com. "We need to see private hiring really accelerate." Analysts forecast that employers cut a net total of 110,000 jobs in June, which would be the nation's first loss of jobs in six months. But that figure includes the expected end of about 240,000 temporary census jobs. Economists will focus more on private employers, who are forecast to have added 112,000 positions. That would be the sixth-straight month of gains and an improvement from a weak showing of 41,000 in May. But the unemployment rate is forecast to tick up to 9.8 percent from 9.7 percent. The report will be released Friday at 8:30 a.m. A gain of 112,000 in private payrolls would signal the recovery is on track, economists said. With added jobs boosting incomes and giving consumers more money to spend, the economy would be able to keep growing even as the impact of government stimulus programs wanes. Still, a gain of about 100,000 jobs is barely enough to keep up with population growth. The economy needs to create jobs at least at twice that pace to quickly bring down the jobless rate. The jobs figures will come after a raft of weak reports Thursday provided the strongest evidence yet that the recovery is slowing. The negative news added to concerns that the nation could be on its way back into recession. Most notable was a rise in the number of people filing for unemployment benefits for the first time. The four-week average for jobless claims now stands at its highest point since March. The bleak indicators come just after Congress adjourned for the holiday weekend without extending jobless benefits. On top of that, the housing market appears to be slumping again, and the Dow Jones industrials closed down for the sixth trading day in a row. Add in slower growth in China and the European debt crisis, and economists are scaling back their forecasts for the U.S. "When you add it all up, it doesn't imply a double-dip, but it does suggest that growth will be slower than we'd like to see," said Scott Brown, chief economist at Raymond James. A double-dip recession happens when an economy shrinks, then begins to expand again before going back into reverse. Economists don't agree on a more precise definition.

UQ: US Econ- Down

US Economy down- unemployment & international market crisis

Willis 7/2 (Bob, Reporter @ Bloomberg, *Bloomberg News*, http://www.bloomberg.com/news/2010-07-02/payrolls-in-u-s-probably-dropped-in-june-as-government-cut-census-workers.html , 7.2.10) ET

Employment fell in June for the first time this year, reflecting a drop in federal census workers as the decennial population count began to wind down, economists said before a report today. Payrolls declined by 130,000 last month, according to the median estimate of 82 economists surveyed by Bloomberg News. Private employment, which excludes government jobs, rose for a sixth consecutive month, the survey showed. The pace of hiring signals it will take years for the world’s largest economy to recover the more than 8 million jobs lost during the recession that began in December 2007. The turmoil in financial markets brought on by the European debt crisis raises the risk that employment will slow, depriving American households of the income needed to maintain spending. “The recovery downshifted a gear in recent months,” said David Resler, chief economist at Nomura Securities International Inc. in New York. Payroll gains will probably be “consistent with moderate growth in income and spending.”

America still not recovering- lack of confidence and spending

News Center 7/7 (*News Center,* 7.7.10, http://www.moneycontrol.com/news/world-news/geithner-says-us-still-feeling-paincrisis\_468329.html) ET

US Treasury Secretary Timothy Geithner said on Tuesday he was confident the US economy would continue to grow as it repairs damage from the financial crisis, but conceded that recoveries are "never even, never steady." Geithner, in a television interview with PBS NewsHour, said the economy was still feeling the "lasting effects" of damage to business and consumer confidence from the financial crisis and Americans are still spending cautiously.

And america’s economy still declining- home crisis with no relief in sight

News Center 7/7 (*News Center,* 7.7.10, http://www.moneycontrol.com/news/world-news/geithner-says-us-still-feeling-paincrisis\_468329.html) ET

"We've seen a little concern about Europe wash across the American economy," he said. The Treasury chief reiterated his view that Europe would manage its debt problems, adding that officials there were "taking the steps that they need to make sure that they're growing again." Asked about the downturn in stock markets in recent weeks, Geithner said markets had seen a long run of improvement that boosted confidence, but added: "You know, recoveries are never even, never steady." Geithner said he believed that the financial reform bill now before Congress "looks like it's going to pass," adding that the legislation would better protect Americans from financial fraud and abuse and will limit risk-taking by financial institutions. He also defended the Obama administration's efforts to stem foreclosures, saying that such programs had allowed millions of Americans to benefit from more stable home prices and had reduced monthly payments for more than a million homeowners. But he said they would not reach many people hurt by the housing crisis, such as investors who were speculating on prices. The benefits "don't go the most fortunate Americans who bought very, very expensive homes or a second home," Geithner said. "They're not going to reach people who lied about their income, were unable to prove that they had income weren't able to prove they were eligible."

UQ: US Econ -Down

Economic recovery is coming but it’s unstable

Wall Street Journal 6-30 (http://online.wsj.com/article/BT-CO-20100630-711268.html , *Wall Street Journal*, 6.30.10) ET

While serious risks remain for the U.S. economic recovery, the economy should be able to heal at a modest pace as unemployment falls gradually, Atlanta Federal Reserve President Dennis Lockhart said Wednesday. However, the U.S. economic recovery still lacks a solid base, leaving policymakers to hold to a guarded policy stance, Lockhart said. Recent U.S. economic data have been weaker, he said, and many uncertainties still surround the recovery, including fiscal troubles in the euro zone, ongoing state and local fiscal tightening, the commercial real-estate market and ...

UQ: US Econ- Down

And, regulators are withholding numbers to avoid destroying consumer confidence

Nzherald 7/8 (*The Changing World*, 7.8.10, http://www.nzherald.co.nz/business/news/article.cfm?c\_id=3&objectid=10657297) ET

European banking regulators have told lenders that their planned stress tests might assume a loss of about 17 per cent on Greek government debt and 3 per cent on Spanish bonds, Bloomberg News reported, citing two people briefed on the talks. There were unlikely to be so-called haircuts on German government securities under the stress tests being overseen by the Committee of European Banking Supervisors, said the people, who declined to be identified because the talks are private. The CEBS was still weighing how much data to disclose and when, a European Union official familiar with the talks told Bloomberg.

Consumer confidence on the rise now

Geithner 7/6 (Timothy, US treasury secretary, *Imarketnews*, 7-6-10, http://imarketnews.com/?q=node/16031) ET

MR. LEHRER: But if it's going so well, then why do so many people feel it isn't going so well? SEC. GEITHNER: Again, because, again, the scars of this crisis were traumatic. People experienced something they hadn't experienced in their lifetime, which is to see the value of their savings plummet. A terrible blow to basic confidence. And you're still seeing lasting effects of that damage on business confidence and how people feel about their basic lives. People feel, understandably, still a little cautious, a little tentative. We've seen a little concern about Europe wash across the American economy. But you know, no recoveries are even and steady. But what you can say today with confidence is we're in a much stronger position today than we were 18 months ago, a much stronger position to deal with our challenges ahead and we're going to continue to work to make sure we make progress and restore repairing what was damaged, restoring a basic sense of confidence to American businesses and American families.

Economic recovery shown by increased consumer confidence

Geithner 7/6 (Timothy, US treasury secretary, *Imarketnews*, 7-6-10, http://imarketnews.com/?q=node/16031) ET

MR. LEHRER: Speaking of confidence, has the downward moves of the stock market in the last several days and weeks does that trouble you? SEC. GEITHNER: Well, again, you had a we had a long run of improving markets. Home values were more stable, the value of peoples' savings increasing again. And that's very good. It's a sign of greater confidence again. And again, you've seen you know, recoveries are never even, never steady. You see a little bit of concern coming from Europe about their capacity to manage through these problems. But I think they will manage through their problems in Europe. I think they're taking the steps they need to take to make sure that they're growing again.

Economy recovering- consumer confidence

Willis 6/28 (Bruce, Business staff writer, *Bloomberg*, http://www.businessweek.com/news/2010-06-28/u-s-economy-income-gains-boost-spending-savings.html , 6.28.10) ET

Stocks dropped as shares of energy producers fell in conjunction with oil prices. The Standard & Poor’s 500 Index decreased 0.2 percent to close at 1,074.57. Treasury securities jumped, sending the yield on the benchmark 10-year note down to 3.02 percent at 4:09 p.m. in New York from 3.11 percent late on June 25. Exceeds Forecast The median estimate of 61 economists surveyed by Bloomberg news called for a 0.1 percent gain in spending. Projections ranged from an increase of 0.3 percent to a 0.5 percent drop. “Consumers are less cautious than they were previously,” Robert Niblock, chief executive officer at Lowe’s Cos., the second-largest home-improvement chain, said in a June 23 teleconference. “But they still know that we’re still not out of the woods yet.

UQ: US Econ- Down

American exports stop economic decline- growing now

Geithner 7/6 (Timothy, US treasury secretary, *Imarketnews*, 7-6-10, http://imarketnews.com/?q=node/16031) ET

If you look across the rest of the world China, India, Brazil, Mexico emerging markets are very strong now. And America is very good at producing the things those countries need. We have the most productive workers in the world. Our great companies operate at the frontier of innovation across the things that are so important to growth around the world. And that's one reason why we came out of this crisis more quickly than other countries. And again, we're going to continue to make progress, Jim.

UQ: US Econ- Up

And economy on the rise- housing prices

Geithner 7/6 (Timothy, US treasury secretary, *Imarketnews*, 7-6-10, http://imarketnews.com/?q=node/16031) ET

And when the president came in, most forecasters thought house prices could fall another 30 percent. But in fact, we've seen almost 18 months of basic stability in house prices because of the actions the president took. It's much more affordable now to borrow to finance a house, to refinance. And the president has put in place a series of programs to give more Americans a chance to keep their home, if they can afford to do that. And these programs are helping to lower their monthly payments. But again, the housing market's still very hard very tough out there. And a lot of challenges still ahead. But that basic measure of progress, which is a little more stability and the value people is enormously important.

UQ: US Econ- Up

American incomes growing – causing economic growth

Willis 6/28 (Bruce, Business staff writer, *Bloomberg*, http://www.businessweek.com/news/2010-06-28/u-s-economy-income-gains-boost-spending-savings.html , 6.28.10) ET

Incomes grew faster than spending in May, making it possible for American households to simultaneously increase savings and support the economic recovery. Gains in payrolls, longer workweeks and rising pay give Americans more confidence and the means to maintain spending in coming months. The Federal Reserve’s decision last week to keep interest rates unchanged may help households weather the fallout from the European debt crisis, unemployment hovering near a 26- year high and tight credit. “The consumer is finally starting to see some positive wage gains as the job market starts to improve,” said Omair Sharif, an economist at RBS Securities Inc. in Stamford, Connecticut. “Consumer spending isn’t going to propel the recovery forward, but it should be more than enough to sustain it. Overall, this was a fairly solid report.”

Economy recovering- price measures, consumer spending, and economic growth

Willis 6/28 (Bruce, Business staff writer, *Bloomberg*, http://www.businessweek.com/news/2010-06-28/u-s-economy-income-gains-boost-spending-savings.html , 6.28.10) ET

The Fed’s preferred price measure, which excludes food and fuel, rose 0.2 percent in May from the prior month, exceeding the 0.1 percent median estimate of economists surveyed. The Fed last week said the labor market is “improving gradually,” changing April’s assessment that it was “beginning to improve.” Consumer spending still “remains constrained” by joblessness and “tight credit,” it said. Durable Goods Adjusted for inflation, purchases rose 0.3 percent last month after little change in April. Price-adjusted spending on durable goods, including automobiles and appliances, increased 1.1 percent after a 0.5 percent drop. Demand for nondurable goods decreased 0.2 percent, the first decline this year, while spending on services increased 0.3 percent. Confidence among U.S. consumers rose in June to the highest level since January 2008, indicating the decline in stock prices prompted by the European debt crisis has failed to weigh on sentiment, figures from Thomson Reuters/University of Michigan showed last week. The group’s final sentiment index increased to 76 from 73.6 in May. The index has averaged 84.5 over the past decade. Consumer spending grew at a 3 percent annual pace in the first three months of 2010, less than previously estimated, the Commerce Department said last week. The report showed the economy grew 2.7 percent in the first quarter. Economists surveyed this month projected purchases will expand at a 3 percent rate in the April-to-June period and 2.6 percent in the second half of the year.

UQ: US Econ- Up

Economy on the road to recovery- investment is growing and savings stopped falling

Geithner 7/6 (Timothy, US treasury secretary, *Imarketnews*, 7-6-10, http://imarketnews.com/?q=node/16031) ET

MR. LEHRER: Has the economic recovery taken a sudden turn for the worse? SEC. GEITHNER: Jim, the economy is healing, it's getting stronger and I'm very confident we're going to continue to grow and continue to make progress not just repairing the damage caused by this crisis but building a stronger economy that's going to create better opportunities for all Americans. MR. LEHRER: But it doesn't seem that way. All the current things the stock market, jobless rates we'll go through these specifically in a moment, but there's a feeling that things there might even be a double-dip recession coming. You don't feel that? SEC. GEITHNER: Well, Jim, I think it's important to recognize that the scars of this crisis cut very, very deep. I mean, just remember what it was like a year and a half ago. People across the country saw their savings fall by more than 40 percent. Thousands of businesses were closing their doors. Millions of Americans lost their jobs. In January alone of 2009, you know, the economy lost three-quarters of a million jobs. But we've now had six months of sustained growth in jobs by the private sector. Exports are doing relatively well, investment is increasing and you can see companies across this country in high tech and lots of other industries doing very well because we are a very resilient country, very strong country. And this president acted with enormous political courage to rescue the economy. He took some very tough steps not popular steps to rescue the economy, fix the financial system early and take on the tough reforms. And because he did that, we're going to emerge from this stronger.

UQ: US Econ- Up

And economy rebounding- spending on home improvement and federal tax credits

Businessweek 7/7 (*Bloomberg Businessweek,* 7/7/10, http://www.businessweek.com/ap/financialnews/D9GQ9QAG0.htm ) ET

U.S. spending on home improvement projects may rebound modestly this year as a gradually improving economy and a more stable housing market boost confidence, Fitch Ratings said Wednesday. Fitch said the home improvement industry is showing early signs of a moderate recovery from a three-year decline. The ratings agency also cited early indications that homeowners are "somewhat more willing" to take on projects and purchases that are considered discretionary. Fitch projects home improvement spending to rise 3.5 percent this year. Near-term spending also may be boosted by congressional efforts to expand federal incentives for energy-efficient home improvement projects. "Additional federal tax credits in the hands of homeowners may add incentive to complete certain energy-saving home improvement projects," said Robert Rulla, a Fitch director. Fitch said its outlook for improvement is clouded by risks such as continuing high unemployment and weak consumer confidence. Consumer credit standards also remain tight, although banks appear to be easing credit standards for some consumer loans, Fitch said

US economy is recovering slowly but surely

Willis 7/2 (Bob, Reporter @ Bloomberg, *Bloomberg News*, http://www.bloomberg.com/news/2010-07-02/payrolls-in-u-s-probably-dropped-in-june-as-government-cut-census-workers.html , 7.2.10) ET

“We do believe the recovery is under way,” Allen said. “We do believe it is moving slowly. We do believe it is on stable ground at this time.” Manufacturers have avoided the worst of the market turmoil. The Standard & Poor’s Supercomposite Industrial Machinery Index of 52 companies, including Caterpillar Inc. and Deere, has decreased 0.1 percent so far this year compared with a 7.9 percent decline in the broader S&P 500. President Barack Obama, after meeting with Federal Reserve Chairman Ben S. Bernanke June 29, said the U.S. economy is strengthening even as the European debt crisis has weakened financial markets. “We have seen some very positive trends in a number of sectors,” Obama said at the White House after meeting with his economic advisers. “Unfortunately, because of the troubles we’ve seen in Europe, we’re now seeing some headwinds and skittishness and nervousness on the part of the markets.” November Elections The economy, jobs and the budget deficit are likely to be top issues in November elections that will decide control of Congress. Heading into the campaign season, the administration is facing public pessimism about the direction of the economy. The Fed last month said slowing inflation and the fallout from Europe’s debt crisis where among reasons it will maintain interest rates low for “an extended period.” Delta Air Lines Inc., the world’s biggest carrier, is starting to add staff. Atlanta-based Delta will hire 700 airport ticket and gate agents to help handle increased summer traffic and operations disrupted by weather, Chris Kelly, a Delta spokeswoman, said June 18 in an interview. The new positions are in addition to the 300 pilot and 300 reservation agent jobs recently filled by the Atlanta-based airline.

UQ: US Econ- Up

US economy is on rise- relative to world

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

For nimble investors, these moments of volatility may yield good trading opportunities - and are unlikely to derail the fundamentally bullish long-run outlook for emerging markets. Even if China, and Asia overall, prove unable to escape the cycle of bubble and bust, these economies remain well-placed to continue enjoying extraordinary growth over the next few decades. Against this backdrop, emerging markets remain preferred over developed ones, as investors are likely to recognise their strong economic fundamentals and keep capital flowing into these more vibrant markets. Among the developed markets, the US is looking the most attractive, buoyed by robust economic momentum of its economy.

American economy growing- reforms

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

Our growth strategy in the United States has three essential elements. First, we put in place a very powerful emergency program to support demand, support growth, and fix what was broken in our financial system. Second, alongside those actions, the President is enacting reforms to support future growth and innovation -- from education and health care and financial reform to investments in research and development and infrastructure, and incentives for more efficient and cleaner energy technologies.

American economy growing- deficit reduction

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

 And finally, the President has outlined actions to reduce our future deficits -- as recovery strengthens, to reduce those deficits to a sustainable position so that they do not harm future economic growth.These actions to reduce our deficits will reduce our deficits by more than half as a share of the economy over the next four years, which is among the steepest declines projected across the G7. Now, these reforms are essential to improving the fundamental strengths of our economy. This strategy we adopted in the United States reflects the basic lessons of the financial crisis, and those lessons are: In a crisis, you have to act with a commitment that matches the scale of the problem. The quicker you act, the more effective the response. Growth is not possible without a strong financial system. Markets penalize uncertainty. The role of the government is to create the conditions for the private sector to invest and grow. You have to focus on the requirements of future growth, including fiscal sustainability, even as you confront the immediate challenge of lifting an economy out of crisis. And these lessons must continue to guide our strategy as we confront the challenges still ahead.

US economy growing- Obama

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

 Now, in addition to these growth and financial reform priorities, the leaders will review progress on a range of other important shared goals, from promoting food security to phasing out fossil fuel subsidies, from expanding trade to addressing climate change and combating corruption. The world has now seen President Obama move quickly and forcefully to the challenges we face in the United States, and they’ve seen the United States work very hard to build a very strong, cooperative international response to the challenges facing the world. The G20 has made these last 18 months the most effective period of international economic cooperation we have seen in generations. And here in Canada, we want to come together to build on that record.

\*\*UQ- World\*\*

UQ: World Econ- Down

Global currencies falling- dollar and euro show declining econ

Nzherald 7/8 (*The Changing World*, 7.8.10, http://www.nzherald.co.nz/business/news/article.cfm?c\_id=3&objectid=10657297) ET

The Dollar Index, which measures the greenback against a basket of six major currencies, fell 0.34 per cent to 83.79. The euro fell from seven-week highs against the US dollar amid concern about the global economic outlook and the start of the stress tests on European banks: 91 banks were to be examined. European regulators on Wednesday haggled over what details to reveal, a dispute that could undermine confidence in the health checks on the region's lenders. Worse-than-expected data showed factory orders in Germany, the euro zone's largest economy, fell for the first time this year in May. The euro fell 0.2 per cent to US$1.2592 after reaching US$1.2663 on trading platform EBS on Tuesday.

Global economy is slowing- multiple growth measurements warrant

Moenning 7/6 (david, professional money manager and is the President and Chief Investment Strategist, *iStockanalyst*, http://www.istockanalyst.com/article/viewarticle/articleid/4286033 ) ET

However, while it appears that the Euro-Zone is holding up, the global economy is a different story. Data released recently suggests that a slowdown in economic growth appears to be occurring. For example, the NACM Credit Managers' index dropped 1.8 points to 54.1 in June, indicating worsening credit conditions in the United States. The decline was the largest since December 2008, and affected both services and manufacturing sectors. Lending and credit have also tightened in the past few weeks, though this is largely attributed to companies being more diligent about not overextending themselves and protecting against risk. Next up, the Global Manufacturing PMI (purchasing managers' index) fell once again in June, dropping 1.9 points to 55.0. This also marks the most drastic monthly decline since 2008, and the index now sits at yearly lows. However, the index is still well above its average of 51.6 since 1998, which indicates continued growth, albeit at a slower pace.

World economy expected to decline- growth slowing

Rugaber 7/2 (Christopher, AP Economics writer, *AP*, 7.2.10, http://www.google.com/hostednews/ap/article/ALeqM5gNiyJ905Ho0Ur96V2TQhsBX19lGwD9GMRUUG0) ET

Other economists expect growth to slow to an anemic 2 percent in the second half of this year. That probably wouldn't reduce the unemployment rate, currently at 9.7 percent. In a new sign of job-market weakness, initial claims for unemployment jumped by 13,000 last week to a seasonally adjusted 472,000. The four-week average, which smooths fluctuations, rose to its highest level in more than three months. Claims generally need to drop below 400,000 to signal that hiring is ramping up. The rebound so far has been fueled mostly by government stimulus spending, manufacturing activity and business spending on new equipment and inventories, and those factors are fading. It's happening as new threats emerge: Stock markets are falling and home prices could drop again, lowering household wealth. Americans could respond by cutting back on spending and weakening the recovery. Manufacturers reported Thursday that export orders grew at a slower pace in June than the previous month. New surveys suggested growth in China is slowing, which could lead it to import fewer American products. Meanwhile, governments in the United States and overseas are cutting spending and reining in stimulus measures. Some economists worry those steps are premature as long as the economy remains weak.

There was also another fresh sign of trouble in the housing market. The number of buyers who signed contracts to purchase homes tumbled 30 percent in May, the National Association of Realtors said. Construction spending also declined for the month. Both were affected by the expiration of government incentives to buy homes.

UQ: World Econ- Down

Global economy shrinking- lack of growth and declining stocks

Reuters 7/1 (*Reuters*, http://www.reuters.com/article/idUSN0112485720100701 ) ET

NEW YORK/LONDON, July 1 (Reuters) - Manufacturing growth cooled around the world in June, with China hitting its slowest pace in more than a year and growth in the United States and Europe also easing -- further evidence that the global economic recovery is moderating. A separate report on Thursday showed big Japanese manufacturers unexpectedly turned optimistic through mid-June, but analysts worried that the positive outlook failed to account for the recent turmoil in the stock market and a rise in the yen. [ID:nTOE66001C] Commodity prices fell and stock markets slumped around the world after the surveys of purchasing managers added to concerns over the global outlook. In Europe, shares fell to a five-week closing low, while on Wall Street U.S. shares suffered losses for a fourth straight session.

Global economy shrinking- analysts downplay it to avoid crisis

Reuters 7/1 (*Reuters*, http://www.reuters.com/article/idUSN0112485720100701 ) ET

Prices of copper and crude oil both fell, hit hard by a decline in a gauge of China's manufacturing sector to a level just slightly above the mark that indicates expansion. China is the world's biggest consumer of copper and the second biggest consumer of energy. The fall in China's growth also helped drive Japanese shares to a seven-month closing low. But economists played down worries of a precipitous slowdown in China -- which has powered the world economy in its recovery from recession -- and said the risk of a double-dip recession in industrialized Western economies remained low. "Fears about hard landing are overplayed," said Qu Hongbin, chief economist for China at HSBC, though he noted that government steps to cool the property market and curb bank lending appeared also to be effecting manufacturing.

The world economy is declining- depends too much on debt and consumption

Kolesnikova 6-24 (Maria, Businessweek staff writer, *Bloomberg Businessweek*, http://www.businessweek.com/news/2010-06-24/world-faces-more-economic-problems-investor-jim-rogers-says.html , 6-24-10) ET

June 24 (Bloomberg) -- The world will have “more economic problems” because it depends on “too much debt and too much consumption,” investor Jim Rogers said. “I’m short stocks and long commodities,” Rogers said by phone from Hong Kong today. “America of all things they think the solution to too much debt and too much consumption is more debt and more consumption. Which means they are going to print even more money.”

Global economy is down- china investment plummeted it

Faber 6-29 (David, CNBC Anchor and Reporter, *CNBC*, http://www.cnbc.com/id/38001678 ) ET

There’s no truer reflection of the world we live in than the market’s action today. It reflects the globalization of our markets, the emergence of China as the economic engine of the world and the fear of an economic slowdown that is stalking this market. Let’s recount the day’s events: Investors in China begin selling shares based on the results of a survey of their country’s economic prospects that is compiled by a U.S. based researcher. That selling and concerns about slowing growth in China as a result of this survey—which only began being compiled last May—hit Europe and then follow through to the U.S., where equity prices decline by roughly 2.5 percent and bond yields crumble in the face of relentless buying of the two and ten year U.S. Treasury notes. Is this really the world that investors are destined to inhabit? One where a previously obscure survey of economic growth in China has implications for asset prices around the globe? At this point, it is. And that’s because of a global aversion to risk that is focused on the fear of a significant slow down in economic activity.

UQ: World Econ- Down- Stock Market

Global stocks are down- shows economy is weakening

Barchart Research Team 7/7 (*Inside Futures*, 7.7.10, http://www.insidefutures.com/article/160207/Barchart%20U.S.%20Morning%20Call.html ) ET

Global stocks are mostly lower with the European Euro Stoxx 50 Index down -0.70% and Sep S&Ps down -2.80 points. The dollar and Treasuries are stronger and most commodities are weaker as stocks give back some of Tuesday's gains. The 10-year Spanish bond yield rose 6 bp after the Bank of Spain said the cost of recapitalizing and reorganizing savings banks would represent 1.5% of the economy. The yield premium investors demand to hold Spanish 10-year bonds instead of benchmark German debt widened 8 bp to 216 bp. Also adding to downside pressure in European stocks was the unexpected -0.5% m/m decline in May German factory orders, their first drop in the last 5 months, as demand for German goods weakened. CRH sank 10% and led construction and building companies lower after the world's second-largest maker and distributor of building materials said first-half earnings before interest, taxes, depreciation and amortization probably fell about 20%, with sales sliding 10%. Marks & Spencer slipped 3.8% even after the UK's largest clothing retailer reported Q1 sales growth of 3.6%, beating analysts' estimates, after it said a proposed increase in the UK value-added tax and other measures to curb the country's deficit are likely to dampen consumer confidence.

Global econ down- not enough policies to correct

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

Strong emerging market growth is set against lagging expansion in the West, while Asia's inflation-fighting policy-makers square off against Europe's fiscally tied hands. As it stands, Asian governments, faced with the threat of inflation, have started to normalise fiscal and monetary policies. China, in particular, has moved fairly aggressively to curb the rapid rise of real estate prices. In contrast, those in the West have been fairly content to retain stimulatory policies - at least until Europe's sovereign debt crisis erupted. Beginning with what seemed like a peripheral problem, the continent - and the world - was sucked into a spiral of anxiety as sovereign solvency fears spread beyond Greece. Efforts by EU policy-makers appear to have successfully stabilised the contagion. But much more needs to be done to address the many underlying fundamental issues that plague the region's peripheral members.

Global economy down- Europe

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

In conclusion, balancing risk to opportunity is going to be key to portfolio performance in an environment where equity markets are expected to remain volatile and range-bound for at least the rest of the year. Even though we remain optimistic about the long-term prospects for emerging markets, especially in Asia, and remain cyclically positive on the US, events in Europe do present significant short-term risks. In this scenario, it is even more important to ensure that diversification and regular risk assessments remain a fundamental anchor to ensure balanced growth in one's portfolio in these interesting times.

Global economy unsure- public debt and fiscal deficit

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

On the other hand, medium-term worries about an over-leveraged global economy are probably warranted. Public debt in the developed world has ballooned as governments deploy massive amounts of fiscal stimulus to prop up economic activity. Fiscal deficits are starting to reach unsustainable levels that necessitate spending cuts that are likely to be a drag on economic growth, especially in the industrialised nations, for many years to come. Still, the effects of such fiscal tightening are unlikely to be felt immediately and may well be overcome eventually by gathering momentum in the global recovery.

UQ: World Econ- Up

Global economy rising- China, India, BRIC countries, and Brazil

Moenning 7/6 (david, professional money manager and is the President and Chief Investment Strategist, *iStockanalyst*, http://www.istockanalyst.com/article/viewarticle/articleid/4286033 ) ET

Surprisingly, Euro-Zone countries lead the world in PMI growth, while countries such as China, India, and Brazil showed stabilization. Despite the Global Manufacturing PMI slowdown, manufacturing growth remains strong, with the latest global PMI reading staying consistent with 3.2% annualized real GDP growth in the G7. This would suggest that global economic expansion will still take place, despite being a bit sluggish. So if the Euro-Zone is exhibiting strength, and BRIC regions are stabilizing after a slowdown scare a few weeks ago, what has been driving US equity straight into the ground recently? It is our humble opinion that while the current data suggests the global economy is a bit stronger than previously thought, investors are still acting on the fear of what might happen in the future, and are trading on expectations of how things will look by the end of the year.

Global economy looking up

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

MARKETS seem to be emerging from a bad patch of turbulence but it may still be too early to turn off the seatbelt sign. The past two months have seen wild swings across global financial markets that would have unsettled even the most seasoned of investors. Things have calmed down somewhat in the past few weeks, but clear skies may yet be some distance away. While Europe may have averted disaster, its sovereign debt problems are far from over. In China, the yuan is finally unshackled from the dollar but it remains to be seen how far it will be allowed to gain on the greenback - itself dogged by fresh concerns about US growth prospects.

Global Economy growing- China

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

Indeed, emerging markets, especially in Asia, are likely to continue to grow strongly, and that seems to be underscored by China's move to allow greater flexibility in the yuan exchange rate. While actual latitude for yuan appreciation has been fairly limited and gradual, the policy change seems to signal that policy-makers are at least more confident about the outlook for the domestic economy. In addition, monetary tightening in Asia may be delayed. Europe's sovereign debt problems are likely to prompt policy-makers to be a tad more circumspect about global growth, and hold off raising rates until later in the year, or even next year. In the US, momentum from the first half of the year is expected to be sufficient to keep activity growing through the rest of the year, albeit at a more moderate pace. Unsurprisingly, Europe is set to bring up the rear. Growth is expected to be sluggish as fiscal tightening is expected to be a significant drag even into 2011.

 Global economy balancing act- instable investment and consumption

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

For sure, a range-bound market characterised by much volatility was pretty much a given this year as the global economy faced its biggest test since the depths of March 2009. With government stimulus petering out - as it must do at some point - the question was always whether private investment and consumption had mended sufficiently to take over the mantle of championing global growth. We also anticipated that this year would see a greater differentiation in economic performance and conditions across regions that would require divergent policy responses. So far we have largely stuck to this flight path, and we expect to stay the course through the rest of the year, with the global economy caught in a balancing act.

UQ: World Econ- Up

The world economy is growing- financial reforms

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

SECRETARY GEITHNER: How are you all? Nice to see you. It was sunny in Washington, I want to say, when I left. (Laughter.) The G20 leaders meet over the next two days to advance the goals of growth and reform. We come to Canada with a solid track record: The world economy is now coming out of the fires of the crisis. Because we acted together, the world economy is now growing again, trade is expanding, and we are repairing the financial damage. And just in the past few weeks, we've made very important additional steps forward. The United States is on the verge of enacting the strongest set of reforms -- financial reforms -- since those that followed the Great Depression. These financial reforms, which embrace the broad principles set out by the G20, will reduce the risk of future financial crises and help make sure our financial system can better serve the interests of Main Street America. And these reforms will help make sure that the United States of America is a source of strength and stability, rather than instability, for the world economy in the future.

World Economy is growing- Europe, China, and US all growing

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

The leaders of Europe have acted to establish a powerful financial stability program to stand behind their members that are undertaking reforms to address their financial challenges. And Europe is now moving to bring greater transparency and a stronger financial foundation to its banking system. China is acting to allow its exchange rate to appreciate in response to market forces. This is a very important step towards helping China better meet its own challenges and helping provide a more level playing field for all its trading partners. This is progress, but the scars of the crisis are still with us. So this summit must be fundamentally about growth, and our challenge as the G20 is to act together to strengthen the prospects for growth. This will require different strategies in different countries. We are coming out of this crisis at different speeds. But these meetings give us the chance to address how the other major economies of the world are meeting this challenge of growth.

World economy growing- growth started with US

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

 What we share in the G20 is a recognition that if the world economy is to expand at its potential, if growth is going to be sustainable in the future, then we need to act together to strengthen the recovery and finish the job of repairing the damage of this crisis. And we agree on the need to restore balance to a world economy that had gotten dangerously out of balance. This recovery is now being led by very strong growth in the emerging markets and a solid expansion in the United States. Growth started somewhat later in Europe and Japan and it’s projected to be somewhat slower over time, and it’s still dependent on exports to the rest of the world.

\*\*Double Dip UQ\*\*

Brink- Double Dip Recession

Stock prices puts the economy on the edge of a double dip recession- any more instability will trigger it

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

With stock prices spiraling downward and treasury yields tanking, the market has been sending a clear message this week: The fragile economic recovery is in trouble. But just how bad is the outlook? In the aftermath of a bleak second quarter, experts are still divided about the likelihood of a double-dip recession. What's becoming clearer with each new report, though, is that the economy--even if it doesn't double dip--is steadily losing ground. The economic souring is, of course, being spearheaded by a familiar cast of characters: An anemic labor market, a skeptical consumer base, a weak housing market, and a global debt crisis that threatens to overwhelm national governments, just to name a few. Further deterioration in even one of these arenas could be enough to trigger a double-dip, which is loosely defined as a period during which a recovery is interrupted by economic contraction, usually in the form of negative GDP growth.

We’re on the brink of a double collapse

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

Peter Morici, a professor at the University of Maryland's Robert H. Smith School of Business, is less optimistic. Morici says the likelihood of a double-dip is at least 50 percent. "What's going to happen here is either the economy is not going to collapse, or it's going to avalanche. Because once you start cycling down, then it develops a momentum of itself. And if it goes down a second time, then it becomes very difficult to resuscitate [it]," he says. For investors, a double-dip, if it materializes, would be a throwback to 2008, with a floundering economy punishing stock returns. Jeff Tjornehoj, Lipper's research manager for the United States and Canada, says the Dow Jones industrial average could touch 9,000 by the close of 2010. "Is it reasonable to expect it? I think it's reasonable to put some odds on it," he says.

On the brink- unemployment can push into a double dip

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

With that in mind, U.S. News has examined eight phenomena which, given the right conditions, could send the economy--and the financial markets--reeling. Unemployment. In the aftermath of a recession that wiped out 8 million jobs, the lackluster labor market has perhaps been the biggest thorn in the side of a sustainable economic recovery. June's job report, which is due out Friday, will likely dampen the mood even further. Notably, the consensus prediction is that the report will indicate the economy shed jobs for the first time since last year. In 2008 and 2009, payrolls contracted in 23 out of the 24 months, but year-to-date through May, each month had seen positive jobs growth. Still, the losses expected in Friday's report will largely stem from a drawdown in the number of census workers employed by the federal government. Since these jobs were always expected to be temporary, their disappearance from the payrolls isn't much of a negative indicator. The bigger problem, economists say, is that even in months in which there was net job creation, the rate of growth has been too slow. Without robust job creation in the coming months, the weak labor market could help thrust the economy into a double-dip recession. "By the end of 2011, we can get into the low teens if things really come apart," Morici says of the unemployment rate.

Brink- Double Dip Not Coming

And the double dip isn’t coming- recessions proved

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

For some experts, the prospect of a double-dip still seems distant. "I still think it's very unlikely that the economy will fall into a double-dip," says John Ryding, a cofounder of RDQ Economics. "Double-dip fears are quite prevalent right now and have been ... but I find the situation very similar to the last two so-called jobless recoveries where feelings of double-dip constantly bubbled up to the surface but never materialized."

No double dip- Consumer confidence shows

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

Consumer confidence. A recent report by the Conference Board shows that consumer confidence is plummeting. In June, the group's Consumer Confidence Index dropped by nearly 10 points, its second-biggest one-month decrease in a year. The report also shows that consumers' assessments of their current situations and their future job prospects are turning increasingly negative. This has touched off concerns that a skeptical consumer base could stand in the way of a recovery. Still, Lynn Franco, director of the Consumer Research Center at the Conference Board, says she hasn't seen evidence that sentiment is bad enough to spark a double-dip recession. "It doesn't look like it's an indication of a double-dip. It's really just the fact that until consumers see more proof--and that being more growth in the labor market--we're likely to continue at these levels," she says. Also, consumer confidence is by no means easy to measure. Just a few days before the Conference Board released its numbers, a Thomson Reuters/University of Michigan survey indicated that consumers are actually quite content. In stark contrast to the Conference Board's results, this survey showed consumer sentiment at its best levels since January 2008.

UQ: No World Double Dip

No double dip – Global Econ on track

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

Looking into the second half of 2010, we believe the global recovery is on track and fears of a double-dip recession are overstated. Concerns that Europe's fiscal problems may spark a liquidity crunch of post-Lehman proportions are fast fading, and upcoming stress-test results for the region's banks should go some way towards nullifying those fears. While banks are lending to one another at higher interest rates, perceiving greater counter-party risks, the actual risk premiums demanded are not worryingly high by historic measures. In any case, the European Central Bank appears committed to pump in as much liquidity as is needed to prevent a shortage.

No double dip- Citi analysts

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

But what if there is a double-dip recession? Markets have sold off sharply since mid-April, consequently bringing down equity valuations. Even if the world does return to recessionary conditions, stocks do not appear overpriced. Economic contraction is often thought to cause corporate revenue and earnings to fall sharply, missing current forecasts. But Citi analysts, on examining major double dips in various markets in the past 30 years, believe that markets may be too focused on the top line. They point out that like in previous downturns, current cost structures have been radically streamlined since the financial crisis. Company profits, then, are likely to be more resilient than expected, even if the economy tanks again.

No double dip – earnings overstated

Shah 7/7 (Haren, senior investment specialist at Citi Private Bank, *The Business Times*, 7.7.10, http://www.businesstimes.com.sg/sub/views/story/0,4574,393802,00.html ) ET

Indeed, Citi analysts believe current price-earnings valuations seem to imply a brutal double dip in which the economy contracts even more than in 2008-009, down one per cent in nominal GDP terms in both 2011 and 2012. Even in such a severe scenario, corporate earnings would be expected to grow more than 10 per cent in 2010, before declining 10 per cent in 2011 and 2 per cent in 2012 - much less than the 56 per cent plunge in 2008-09.nStill, it could take some time for markets to realise that a double dip is not a probable scenario and that corporate earnings are likely to be more resilient if it does happen. In the meantime, volatility is likely to persist, calling for nimble toes - and fingers, while an uneven recovery warrants judicious market selection and stock-picking.

\*\*Internal Links\*\*

I/L- 2X Dip Possible

We’re on the brink of a double dip- earnings are down, jobs aren’t being made, and the stimulus has almost run out

Reich 7/5 (Robert, prof of public policy@ UC Berkeley, *Christian Science Monitor,* http://www.csmonitor.com/Money/Robert-Reich-s-Blog/2010/0705/Slouching-toward-a-double-dip, 7.5.10) ET

The economy is still in the gravitational pull of the Great Recession and all the booster rockets for getting us beyond it are failing. The odds of a double dip are increasing .In June the nation added fewer jobs than necessary merely to keep up with population growth (private hiring rose by 83,000 after adding only 33,000 jobs in May). The typical workweek declined. Average earnings dropped. Home sales are down. Retail sales are down. Factory orders in May suffered their biggest tumble since March of last year. So what are we doing about it? Less than nothing. The states are running an anti-stimulus program (raising taxes, cutting services, laying off teachers, firefighters, police and other employees) that’s now bigger than the federal stimulus program. That federal stimulus is 75 percent gone anyway. And the House and Senate refuse to pass another one. (The Senate left Washington for the July 4th weekend without even extending unemployment benefits for millions of jobless Americans now running out.)

Ending of the stimulus can push US in

Baden 7/1 (Ben, US News Staff Writer, *US News & World Report*, 7-1-10, http://finance.yahoo.com/news/8-Problems-That-Could-Trigger-usnews-2034065513.html?x=0 ) ET

 Expiration of stimulus. One of Obama's first acts as president was to authorize a massive stimulus package that cost $787 billion. It included a number of provisions that were intended to help jumpstart the economy. Some economists are concerned that the stimulus plan is the only thing driving GDP growth in the United States. "Absent fiscal and monetary stimulus, there's been no recovery; it's been at best an ['L-shaped'] recovery, not a ['V-shaped'] recovery, except for the sugar rush of stimulus. " says Rob Arnott, chairman of Research Affiliates. "When you give a kid with ADHD a big bowl of M&Ms, they get a sugar rush, and if you take away the bowl of M&Ms, they get a sugar crash. So what we have is an economy on a sugar rush." With many stimulus programs wearing off, there are concerns that the private sector is not ready to support itself yet.

And because of lack of more government stimulation- we are teetering into a double dip recession- now crucial

Reich 7/5 (Robert, prof of public policy@ UC Berkeley, *Christian Science Monitor,* http://www.csmonitor.com/Money/Robert-Reich-s-Blog/2010/0705/Slouching-toward-a-double-dip, 7.5.10) ET

The irony is that had there been no bank bailout in 2008 and 2009, no large stimulus, and no extraordinary efforts by the Fed to pump trillions of dollars into the economy, we’d have had another Great Depression. And because it would have sucked almost everyone down with it, the nation would have demanded from politicians larger and more fundamental reforms that might well have lifted everyone, and set America and the world on a more sustainable path toward growth and shared prosperity: A stimulus that financed the rebuilding of the nation’s infrastructure and alternative energies, single-payer health care, a cap on the size of big banks and resurrection of Glass-Steagall, earnings insurance, an Earned Income Tax Credit that extended into the middle class, and a truly progressive tax coupled with a price on carbon to pay for all of this over the long term. No one in their right mind would have wished for another Great Depression, of course. But we seem to have got the worst of all worlds. The bank bailout, the stimulus, and the Fed brought us back from the brink just enough to dampen zeal for anything more. As a result, we are now slouching toward a tepid recovery that could just as well fall into a double dip recession, while a large portion of our population suffers immensely.

I/L- Econ Collapse- Lightning Fast

Economic collapse happens lightning fast

Dawkins 10 (Tanya, Yes! Magazine chief board member, 5.10.10, *Yes!* http://www.yesmagazine.org/issues/america-the-remix/financial-transactions-tax-a-little-tax-on-the-big-casino ) ET

Currency speculation and financial deregulation topped a recent U.N. Conference on Trade and Development special report as root causes of the recent breakdown of the global economy. Existing regulations encourage casino-like financial markets. Trillions of dollars in currency trades, for example, do nothing to create real jobs, goods, and services. They only create paper profits from momentary exchange-rate fluctuations. This lightning-fast, globe-trotting speculation easily eludes regulation and taxation. Yet it can destabilize entire economies and it places more grounded, long-term business and investment at a significant competitive disadvantage. An FTT could help with both the need to rein in speculation and the need to fund vital projects. The Center for Economic and Policy Research estimates that an FTT of only one-half of one percent would generate at least $60 billion to $100 billion dollars in the United States alone.

Econ collapse causes double dip in matter of minutes

Chossudovsky 97 (Michel, prof of Econ @ Ottawa U, *Third World Network¸*Oct 97, http://www.twnside.org.sg/title/mic-cn.htm ) ET

The tumble on 15 August 1997 immediately spilled over onto the world's stock markets triggering substantial losses on the Frankfurt, Paris, Hong Kong and Tokyo exchanges. Various 'speculative instruments' in the equity and foreign exchange markets were used with a view to manipulating price movements. In the weeks that followed, stocks continued to trade nervously. Wide speculative movements were recorded on Wall Street; billions of dollars were transacted through the NYSE's Superdot electronic order-routing system with the Dow swinging spuriously up and down in a matter of minutes. The Asian equity and currency markets declined steeply under the brunt of speculative trading. In a three-week period the (Hong Kong) Hang Seng Index had declined by 15%. The Japanese bond market had plunged to an all-time low. In turn, billions of dollars of central bank reserves had been appropriated by institutional speculators. Business forecasters and academic economists alike have casually disregarded the dangers alluding to 'strong economic fundamentals'; G7 leaders are afraid to say anything or act in a way which might give the 'wrong signals'... Wall Street analysts continue to bungle on issues of 'market correction' with little understanding of the broader economic picture. In turn, public opinion is bombarded in the media with glowing images of global growth and prosperity. The economy is said to be booming under the impetus of the free market reforms. Without debate or discussion, so-called 'sound macro-economic policies' (meaning the gamut of budgetary austerity, deregulation, downsizing and privatisation) are heralded as the key to economic success.

I/L- Perception Key

Perception matters more than reality in economics

T. Rowe Price 9 (Global investment firm, 6.30.9, *T Rowe Price Quarterly*, http://individual.troweprice.com/gcFiles/pdf/srval.pdf )ET

While we can make an objective assessment of the inherent risk of an investment in any company, it is very difficult to predict extreme changes in market sentiment. Over the past year, the market has been gripped by the fear that a significant economic contraction could adversely affect the fortunes for many of the companies in which we invest. Often, excessive fear creates investment opportunity. More recently, however, it seems that excessive fear has simply created more investor anxiety. In this type of environment, perception matters more than reality in the short term, as many market participants tend to indiscriminately sell off good and bad companies alike. In the longer term, however, perception matters far less than a company’s actual fundamentals. When there is an excess of emotion in the market, we see significant opportunity. We believe that the current environment is well suited to our investment style, which is focused on buying out-of-favor companies with attractive long-term prospects and considerable valuation appeal.

I/L: US Resilient- Empiric

US economy is resilient- past proves

Hometown Life 7/8 (*Hometown Life*, 7.8.10, http://www.hometownlife.com/article/20100708/NEWS06/7080495 ) ET

The question I am asked often is when will things get back to normal. I don't know, but I do know that eventually this will be behind us. The U.S. economy will once again flourish. My confidence in the U.S. economy is not based upon our elected representatives in Washington or Lansing but, rather, the American people. Our country and our economy have been through difficult times in the past and each time we have risen to the challenge and have overcome our difficulties. I have no doubt that will happen once again. Earlier this week, we celebrated our country's 234th birthday. There is no doubt we are faced with numerous problems and challenges. Whether it is nearly double-digit unemployment, abnormally high foreclosure rates or falling home prices, the economy is struggling. However, we should never forget that despite our difficulties, we are still the largest and strongest economy in the world. No other economy comes close to ours. We are still, despite everything, the envy of the world.

America’s resilience is unmatched and historically proven

Hometown Life 7/8 (*Hometown Life*, 7.8.10, http://www.hometownlife.com/article/20100708/NEWS06/7080495 ) ET

There is no doubt that we have real problems in this country — high unemployment, high foreclosure rates and, probably worst of all, a lack of confidence in our future. For those who are unemployed or who have lost their homes, a doom and gloom feeling is understandable and nothing anyone says can relieve the anxiety they feel. However, don't forget that our country has been through numerous turbulent times. Whether it's been world wars, depressions or recessions, this country's resilience is unmatched in the annals of the world. On the heels of this Independence Day holiday, I believe all citizens deserve a pat on the back for a job well done. There is no doubt there's plenty of work ahead. However, Americans can and should look forward to the future knowing that there are better days ahead. Never forget how lucky we are to live in the land of the free and the home of the brave.

US economy resilient- we’re like bouncy balls

Hometown Life 7/8 (*Hometown Life*, 7.8.10, http://www.hometownlife.com/article/20100708/NEWS06/7080495 ) ET

As Americans, we have much to be proud of — we are the freest and richest country in the history of the world. We also are a beacon of liberty and freedom to the rest of the world. Does anyone have any doubt that if people could choose to move anywhere in the world, there would be a rush to our shores? There is a reason why freedom-loving people throughout the world want to come to the United States.In this 24/7 news-media world, a focus on the negative may just be human nature. However, take a step back and focus on the positives. If nothing more, focus on the fact that throughout our history, we are still the land of opportunity. Our society is full of people who entered life without certain advantages and have achieved greatness here. Look at every level of our society, from business, arts and entertainment, sports and politics, and you will see large numbers of people who overcame difficulties to reach unprecedented levels. As Americans, we are the can-do people. We have proven it time and time again and I have no doubt that we will overcome our present difficulties and once again reach new heights.

I/L: US Resilient- Empiric

The US economy is the equivalent of Rocky Balboa – it’s really resilient

Blanchard 6/5 (Niklas, economist, *Modeled Behavior*, http://modeledbehavior.com/2010/06/05/this-is-resilience/ , 6.5.10) ET

The US economy is like Rocky Balboa — it can take multiple hard hits, spend a good deal of time beaten down…but then come back and win the fight against striking odds. As you may know, I’m a proponent of the Scott Sumner view of events surrounding the Great Recession. Indeed, I think monetary policy remains too tight relative to the needs of the economy (to return to our previous NGDP growth path). However, from Stephen Gordon (via the BEA), we learn that on net, not even fiscal policy has been particularly expansionary: There has been much talk of the size of the US federal stimulus, and much debate about whether or not it has been an effective counter-cyclical policy instrument. But it’s important to remember that the proper measure for fiscal stimulus is not spending by the federal government; it is spending by all levels of government. And when you look at the contributions to US GDP growth (Table 1.1.2 at the BEA site), total government spending has been a drag on growth over the past two quarters. The increases at the federal level have not been enough to compensate for the spending cuts at the local and state levels. And yet, even severely battered, the little engine that could keeps chugging along. There is a lot of ink being spilled over the theory of fiscal policy “expectation traps”, or what Krugman terms the Tinkerbell principle. The theory is very interesting, and well-worth pursuing, but is a fiscal policy that is demonstratably not expansionary ever expansionary?

American economy is resilient- history and politics proves

Mccartney 7/6 (Rob, KETV Senior News Anchor, *Star Tribune*, 7.6.10, http://www.startribune.com/opinion/commentary/97896004.html?page=1&c=y ) ET

So, to answer my own unpatriotic question: Yes, America has begun a decline, mainly because we've let the economy and our political culture deteriorate. But we can still reverse it. We're still the wealthiest nation in all of world history. Our politics have shown tremendous resilience and adaptability over more than two centuries. The elections of Ronald Reagan and Barack Obama showed how quickly our system can deliver dramatic change at the top, even if structural problems remain. We need to summon again the vision and political courage of the Continental Congress. With that, America could resume the ascent that it has enjoyed -- overall, despite a few setbacks -- since 1776.

American economy resilient- easy adjustment proves

Geithner 6/26 (Tim, US Sec of Treasury, 6.26.10, *Mondo Visione*, http://www.mondovisione.com/index.cfm?section=news&action=detail&id=91297 ) ET

Now, the American economy is very resilient. Our strength is that we adjust quickly. And you can see that in the strength of productivity growth, the rapid pace of business investment and the remarkable pace of innovation in a range of high-tech industries in the United States. And we are saving more as a nation, recognizing that future growth in the United States cannot be built on the strategy of borrowing to finance consumer spending.

I/L: US Resilient- People

US will recover- economy resilient due to people’s adaptability

APA 10 (American Pyschological association, Spring 2010, http://www.apa.org/helpcenter/resilience-tough-economy.aspx )

As job losses soar and the media continues to report on falling stock prices and rising foreclosures, many people may react to the economic climate with a flood of strong emotions and a sense of uncertainty. Yet, people generally adapt well over time to life-changing situations and stressful conditions. What helps some people “bounce back” while others continue to feel overwhelmed? Resilience, the process of adapting well in the face of adversity, which is vital in these high-stress times. Resilience is a learned skill that can help carry you through the current crisis as well as future relationship, family, or work problems you may encounter. The current economic situation is a major stressor for eight out of ten Americans, according to a 2008 survey by the American Psychological Association (APA). With constant reminders from newspapers, television and the internet, it’s hard to avoid the doom and gloom narrative about the economy. It’s normal to feel overwhelmed when you seem to be surrounded by bad news that impacts your family situation or that you fear may do so in the future. However, you can handle stress in positive ways and implement tactics to help you better manage and develop your resilience. Seeing this difficult situation in a positive light can help you build and utilize your resilience.

US resilient- has been engine of our economy

Dawson 4 (Michael, Deputy Assistant Secretary for Critical Infrastructure Protection and Compliance Policy, 1.8.4, *Press Room*, http://www.ustreas.gov/press/releases/js1091.htm ) ET

The resiliency of the financial infrastructure is an issue that is very important to the Department of the Treasury. At the Treasury, we are responsible for developing and promoting policies that create jobs and improve the economy. We are also concerned with developing and promoting policies that enhance the resilience of the economy, policies that minimize the economic damage and speed economic recovery from a terrorist attack. Indeed, the President named Treasury as the lead agency to enhance the resilience of the critical financial infrastructure. These two responsibilities are closely related. As Secretary Snow has said, the financial system is the engine of our economy. In a very real sense, therefore, the resilience of the American economy depends on the resilience of the American financial system.

US economy resilient- consumers

Smith 6/28 (James, journalist @ Sunday Times magazine, *FT Advisor,*6.28.10, http://www.ftadviser.com/InvestmentAdviser/Investments/Region/US/News/article/20100628/fc8fa986-7f74-11df-8163-00144f2af8e8/US-recovery-is-still-at-risk.jsp ) ET

Looking at the US economy, Mr Werman said on the positive side, industrial activity has increased dramatically over the last six to nine months and housing prices have stabilised to a large degree. ”The US consumer has also been much more resilient than we expected, businesses continue to increase their capital expenditure budgets and the senior company leaders we meet exhibit much more confidence in their outlooks.” On the negative side, he noted short-term macro concerns and is monitoring areas such as the sovereign debt situation very closely. ”Significant debt issuance by the US government leads us to have concerns over how long the Federal Reserve will keep interest rates at effectively zero,” he added. “The long leading indicators of business activity in the US have turned negative for consecutive months, causing us concern about the sustainability and durability of the current economic recovery.” From an economic point of view, Neuberger Berman believes it is possible we have seen the strongest growth from a GDP perspective during the recovery already. “We think there will be a growth and earnings deceleration in the coming months,” added Mr Werman. “The stock market is pricing in a V-shaped recovery when in fact we believe it will look more like a ‘Nike swoosh’.”

I/L: US Resilient- 9/11

US econ resilient- 9/11, recession, and withstanding falling prices prove

Dawson 4 (Michael, Deputy Assistant Secretary for Critical Infrastructure Protection and Compliance Policy, 1.8.4, *Press Room*, http://www.ustreas.gov/press/releases/js1091.htm ) ET

Fortunately, we are starting from a very strong base. The American economy is resilient. Over the past few years, we have seen that resilience first hand, as the American economy withstood a significant fall in equity prices, an economic recession, the terrorist attacks of September 11, corporate governance scandals, and the power outage of August 14-15. There are many reasons for the resilience of the American economy. Good policies - like the President’s Jobs and Growth Initiative - played an important part. So has the resilience of the American people. One of the reasons are economy is so resilient is that our people are so tough, so determined to protect our way of life.

American financial system resilient- people and withstanding empirical problems

Dawson 4 (Michael, Deputy Assistant Secretary for Critical Infrastructure Protection and Compliance Policy, 1.8.4, *Press Room*, http://www.ustreas.gov/press/releases/js1091.htm ) ET

Like the economy as a whole, the American financial system is resilient. For example, the financial system performed extraordinarily well during the power outage last August. With one exception, the bond and major equities and futures markets were open the next day at their regular trading hours. Major market participants were also well prepared, having invested in contingency plans, procedures, and equipment such as backup power generators. The U.S. financial sector withstood this historic power outage without any reported loss or corruption of any customer data. This resilience mitigates the economic risks of terrorist attacks and other disruptions, both to the financial system itself and to the American economy as a whole. Although we are starting from a strong base, the fact remains that terrorists continue to target the U.S. economy and U.S. financial institutions. Therefore, we must continue our vigilant efforts to protect our critical financial infrastructure.

I/L: US Resilient- Manufacturing

US economy showing resilience- manufacturing

Schlisserman 6/30 (Courtney, Bloomberg News writer, *Bloomberg News*, 6.30.10, http://www.businessweek.com/news/2010-06-30/u-s-economy-business-activity-expanded-in-june.html ) ET

Business activity in the U.S. expanded in June for a ninth straight month, showing manufacturing is overcoming turmoil in financial markets. Economies in developing countries are leading the recovery from the worst global recession in the post-World War II era, driving sales at companies including Deere & Co. The pace of manufacturing may start to cool in the absence of stronger employment gains needed to invigorate demand. “The factory sector is showing some slowing but remains quite resilient,” said Richard DeKaser, chief economist at Woodley Park Research in Washington. “The slowdown in employment we’ve seen in bits and pieces is real and relatively broad-based.”

Economy resilient- consumer confidence and price stabilization

Willis 6/28 (Bruce, Business staff writer, *Bloomberg*, http://www.businessweek.com/news/2010-06-28/u-s-economy-income-gains-boost-spending-savings.html , 6.28.10) ET

The savings rate increased to 4 percent last month, the highest level since September, to $454.3 billion. “The U.S. consumer remains resilient,” said Sal Guatieri, a senior economist at BMO Capital Markets in Toronto, which correctly forecast the gain in spending. “As long as jobs are coming back people will continue to spend.” Americans will also “remain focused on paying down their debts and rebuilding their savings.” The report showed prices stabilized. The inflation gauge tied to spending patterns increased 1.9 percent from May 2009 after a 2 percent increase in the 12 months through April.

I/L: US Not Resilient- Fed Spending Lacking

And economic collapse is extremely possible- lack of fed action

Liesman 7/9 (Steve, sr econ reporter, *CNBC* . 7.9.10, http://www.cnbc.com/id/38166071 )E T

With the economy weakening and fears growing of a double-dip recession, officials at the Federal Reserve seem to be split over how the central bank could or should respond. n an interview Wednesday on CNBC, Dallas Fed President Richard Fisher declared unambiguously: “I think we’ve done enough.” He pointed out that the Fed has injected some $1.4 trillion into the banking system, that banks hold some $1 trillion of excess reserves, and that nonfinancial corporations hold around $1.5 trillion of cash on their books. But St. Louis Fed President James Bullard, in an interview with the Washington Post, suggested that if the economy weakens, the Fed should step in again. "If the economic situation changes, policy should react," he said. "You shouldn't sit on your hands...I think there's plenty more we could do if we had to." There are several questions at play here. First, should the Fed step in? Second, if so, what tools are available? And third, would they have any effect? Testifying before Congress shortly after the Fed opened up international swap lines to combat the festering European crisis, Bernanke said: “Our ongoing international cooperation sends an important signal to global financial markets that we will take the actions necessary to ensure stability and continued economic recovery.”

I/L: US Not Resilient-Generic

US econ not resilient- lack of proof or regional stabilizer

Daily Markets 7/7 (Stock Trading, Forex Trading News & Opinions site, *Daily Markets*, 7.7.10, http://www.dailymarkets.com/economy/2010/07/07/the-new-civil-wars-within-the-west/ ) ET

Some of the Western powers have slumped before, and recovered. The United States has yet to demonstrate this resilience. Other Western societies have slumped, and have yet been protected by a strong regional system so that their societies could prosper under foreign protection. The Netherlands, Spain, and Portugal, for example, retained stable and individual prosperous societies and yet never recovered their strategic leadership, relying, instead, on the power of their region for economic and security protection. States which remain dependent on others for their protection never fully regain their wealth and freedom. States such as New Zealand depend on their greater neighbors for protection. But wither New Zealand if Australia fails? Wither the Netherlands today if the European Union fails? And wither the United States if its fortunes erode? Re-birth is, as Britain has found through history, as did Rome, more arduous than that first, pure flush of strategic victory.

Economy going to decline now- losing all the things that keep it afloat

Investment watch 6/9 (opinion/analysis provider of the stock market, global economy, environment, and our energy challenges, *Investment Watch*, 6.9.10, http://investmentwatchblog.com/warning-were-falling-into-a-double-dip-recession/) ET

The Labor Department reports this morning that the private sector added a measly 41,000 net new jobs in May. But at least 100,000 new jobs are needed every month just to keep up with population growth. In other words, the labor market continues to deteriorate. The only reason the economy isn’t in a double-dip recession already is because of three temporary boosts: the federal stimulus (of which 75 percent has been spent), near-zero interest rates (which can’t continue much longer without igniting speculative bubbles), and replacements (consumers have had to replace worn-out cars and appliances, and businesses had to replace worn-down inventories). Oh, and, yes, all those Census workers (who will be out on their ears in a month or so). But all these boosts will end soon. Then we’re in the dip. Retail sales are already down.

Econ going to decline now and no recovery in next decade

Investment watch 6/9 (opinion/analysis provider of the stock market, global economy, environment, and our energy challenges, *Investment Watch*, 6.9.10, http://investmentwatchblog.com/warning-were-falling-into-a-double-dip-recession/) ET

Markets, industries, companies and households that live by subsidies also die by subsidies. Subsidies foment cannibalization and misallocation of resources and ,in the long run, vitiate organic growth. A real estate correction in the market, left alone would have been vicious but short and by now the market would already be regenerating. By preventing a 30 % to 35% decline in real prices over a an 18 to 24 month period, The Regime has virtually assured an a 40% or greater real decline spread over a long, painful decade. –The winding down of the inventory building cycle, which has accounted for 70% of GDP growth over the past two quarters. This means consumer demand has to show up to buy all the goods on the shelves.

I/L: US Key to World

The US is still key to the global economy—five warrants

Sesit 8 (Michael, Bloomberg News Columnist, “The four myths of economic decoupling,” The Korea Herald, February 16, 2008, http://www.lexisnexis.com/us/lnacademic/returnTo.do?returnToKey=20\_T6876616661, AD: 6-30-9)IM

Myth No. 2: The rest of the world can escape the clutches of a U.S. slowdown. Not according to history. The United States has had five recessions since 1970. Each time, other economies' GDP growth also declined. The U.S. economy fell an average of 3.8 percent during the recessions of 1974-75, 1980, 1982, 1991 and 2001, with other industrial countries slowing an average of 2 percent, Latin America falling 1.7 percent and emerging Asia declining 1.3 percent, according to the International Monetary Fund. "Despite all the chatter about one region or another being immune from problems in the United States, the reality is that in a globalized economycharacterized by rising cross-border flows of goods, services and capital, only hermit economies like North Korea are truly de-linked from planet Earth," says Joseph Quinlan, New York-based chief market strategist at Bank of America Capital Management. "Every one, more or less, sinks or swims in the global village." Myth No. 3: Rising demand in the developing world will compensate for the expected drop in U.S. consumer spending.Emerging-market countries are consuming more, yet growth in many of them is still mostly driven by exports, not domestic demand. Moreover, 2.55 billion people -- almost half the population of the developing world -- lived on less than $2 a day in 2004, the latest year of available data, according to the World Bank and Bank of America. U.S. consumers spent $9.27 trillion in 2006, or 3.5 times the aggregate $2.62 trillion personal-consumption expenditure of the so-called BRIC countries: Brazil, Russia, India and China. Myth No. 4: Growing intra-Asian trade -- especially that between China and other countries in the region -- will make up for lost exports caused by a steep U.S. slowdown. No doubt, intra-regional trade is growing rapidly, but much of it reflects shipments of intermediate goods. Still, 61 percent of emerging Asia's exports are ultimately consumed in the U.S., European Union and Japan, according to the Asian Development Bank, while Asian developing countries account for just 21 percent of final demand. "The U.S. is still more important to each Asian country's total output than demand from other ex-Japan Asian economies combined," the bank said in a recent report.Myth No. 5: Europe is becoming less dependent on the United States. True, America accounts for only 12 percent of EU exports to countries outside the 25-nation bloc, down from 18 percent in 2000. But exports aren't the whole story. Sales by U.S. affiliates of German companies totaled $352 billion in 2005, the last year of available data -- four times the $86 billion of German exports to America. Meanwhile, Dutch U.S. affiliate sales were 16 times exports, U.K.-affiliate sales 7.6 times British exports and French-affiliate sales 5.9 times. "If the U.S. economy heads south, so too will the earnings of many European firms," Quinlan says. What's more, Wall Street's pull on the world's financial markets is unrivaled. "U.S. equity returns remain the single biggest driver of global equity returns," says David Woo, London-based head of global currency strategy at Barclays Capital. "A sizable U.S. equity correction, by precipitating a global equity correction, will likely lead to a synchronized global economic slowdown."

I/L: US not key to World

US slowdowns don’t impact the global economy

Merrill Lynch 6 ( Financial advisory & management company, 9.18.6,

http://www.ml.com/index.asp?id=7695\_7696\_8149\_63464\_70786\_71164) ET

A sharp slowdown in the U.S. economy is unlikely to drag the rest of the global economy down with it, according to a research report by Merrill Lynch’s (NYSE: MER) global economic team. The good news is that there are strong sources of growth outside the U.S. that should prove resilient to a consumer-led U.S. slowdown. Merrill Lynch economists expect U.S. GDP growth to slow to 1.9 percent in 2007 from 3.4 percent in 2006, but non-U.S. growth to decline by only half a percent (5.2 percent versus 5.7 percent). Behind this decoupling is higher non-U.S. domestic demand, a rise in intraregional trade and supportive macroeconomic policies in many of the world’s economies. Although some countries appear very vulnerable to a U.S. slowdown, one in five is actually on course for faster GDP growth in 2007. Asia, Japan and India appear well placed to decouple from the United States, though Taiwan, Hong Kong and Singapore are more likely to be impacted. European countries could feel the pinch, but rising domestic demand in the core countries should help the region weather the storm much better than in previous U.S. downturns. In the Americas, Canada will probably be hit, but Brazil is set to decouple.

\*\*Impacts\*\*

\*\*Growth Bad\*\*

Impacts- Econ Bad- Extinction

Economic growth causes extinction

Nadeau 95 (“spaceship earth Homo economicus and the Environmental Crisis”, http://docs.google.com/gview?a=v&q=cache:JQ2B0zSVoeAJ:www.earthscape.org/p3/ES15351/NADEAU\_CH\_1.pdf+nadeau\_ch\_1.pdf&hl=en&gl=us, CH)

In physics, in the years following , attempts to understand the non- linear dynamics of living systems would reveal a relationship between parts (organisms) and whole (ecosystem) in which the stability of the whole is mediated and sustained by interactions within and between the parts. In biology, the old mechanistic model of evolution as a linear pro- gression from “lower” atomized organisms to more complex atomized organisms would be displaced by a model in which all parts (organisms) exist in interdependent and interactive relation to the whole (life). In envi- ronmental science, researchers would not only discover that all parts (organisms) exist in embedded relation to the whole (ecosystem or bios- phere) and that the interactions within and between parts function as self- regulating properties of the whole. They would also reach the dire con- clusion that continued disruptions of the complex web of interactions between these parts by human economic activity could eventually threaten the survival of our species

Impacts- Econ Bad- Extinction

Economic growth destroys ability to survive- extinction

Nadeau 95 (“spaceship earth Homo economicus and the Environmental Crisis”, http://docs.google.com/gview?a=v&q=cache:JQ2B0zSVoeAJ:www.earthscape.org/p3/ES15351/NADEAU\_CH\_1.pdf+nadeau\_ch\_1.pdf&hl=en&gl=us, CH)

As E. O. Wilson points out, our species is the “greatest destroyer of life since the ten-kilometer-wide meteorite landed near the Yucatan and ended the Age of Reptiles sixty-five million years ago.”6 The claim that human impacts on the global ecological system are leading us down the path to large-scale disruptions of this system is accurate. And the infer- ence that our species, like that of the great dinosaurs, may become extinct in the process should be taken quite seriously. If the cold war is in fact over and we manage to prevent any future use of nuclear weapons, the three menacing and interrelated problems that must be resolved in the interest of human survival are overpopulation, global warming, and loss of species diversity. The following is Wilson’s overview of the population problem: The global population is precariously large, and will become much more so before peaking some time around. Humanity overall is improv- ing per capital production, health, and longevity. But it is doing so by eating up the planet’s capital, including natural resources and biological diversity millions of years old. Homo sapiens is approaching the limit of its food and water supply. Unlike any species that lived before, it is also changing the world’s atmosphere and climate, lowering and polluting water tables, shrinking forests, and spreading deserts. Most of the stress originates directly or indirectly from a handful of industrialized coun- tries. Their proven formulas for prosperity are being eagerly adopted by 12 the rest of the world. The emulation cannot be sustained, not with the same levels of consumption and waste. Even if the industrialization of developing countries is only partly successful, the environmental after- shock will dwarf the population explosion that preceded it.7 In the global human population was roughly half a billion, in our numbers had grown to two billion, and in the count was six bil-lion and increasing at the rate of each day. This exponential increase means that people born in were the first to witness a dou- bling of the human population in their own lifetime, from billion to more than six billion. The problem faced in predicting future increases in the global human population is that the estimates are extremely sen-sitive to the replacement number or the average number of children born to each woman. In each woman bore an average of chil- dren, but by that number had declined to If this number declined to, it is estimated that there would be billion people on earth in and a leveling off of the human population at billion in If the number decreased slightly to, the population would peak at billion and then decline to billion by But if the number of these births is estimates are that the global human pop- ulation would be billion in and billion in Even if the human birth rate were to decrease to one child per woman, the global human population would not peak for one or two generations. Because estimates of the number of people that can be sustained in the biosphere over an indefinite period tend to fall between five and sixteen billion, most experts agree that what is required is not merely zero population growth but negative population growth.8

Impacts- Econ Bad- War

Economic growth and an increase of resources causes conflict – history proves

Meir Kohn 5 (11-?- 5, Economic Development and the Evolution of Government in Pre-Industrial Europe, P1, Dartmouth College, Dpt of Economics, http://papers.ssrn.com/sol3/papers.cfm?abstract\_id=866986) LE

In pre-industrial Europe, government and the economy developed together, each influencing the other. The development of each was shaped by competition. Governments competed for territory, principally by means of war. Their success depended primarily on their ability to mobilize resources. So governments that could tap the resources of thriving economies had an advantage over governments that could not. Of course, whether or not an economy thrived depended to no small extent on the nature and conduct of its government. This nexus of government, war, and economy generated a sort of cycle. A period of peace allowed economies to develop and grow. This economic growth increased the resources available to governments, enabling them to embark on military adventures. War and the means used to finance it depressed economic activity and eventually starved governments of resources. This made it impossible for them to continue fighting. Peace then returned and the economy slowly recovered. This set the scene for another cycle. Economic growth and war were both self-limiting. It is this political-economic cycle much more than the demographic-economic cycle of Malthus that has been the main obstacle to sustained economic progress.

Economic growth ensures famine through resource depletion—this will spark global resource wars.

Milbrath 89 (Lester, Professor Emeritus of Political science and Sociology at SUNY-Buffalo, Envisioning a Sustainable Society, pp. 343-344, AD: 7-6-9)

Trying to solve our nested set of ecological/economic problems only with technological fixes is like treating an organic failure with a bandage. The key difficulties, which will be ignored by that strategy are that biospheric systems will change their patterns and there will be an increasing squeeze on resources. As global human population continues to grow, and these new people demand economic growth to fulfill their needs, there will be unbearable pressure for resources. Soils will be depleted. Farmland will be gobbled up into urban settlements. Water will become scarce, more polluted, and very high priced. Forests will be depleted faster than they can regenerate. Wilderness will nearly disappear. The most easily extracted mineral deposits will be exhausted. We will search the far corners of the globe, at very high economic and environmental cost, for more minerals and possible substitutes for those that are being depleted. Fossil fuels, especially petroleum, will constantly diminish in supply and rise in price. Worst of all, biospheric systems will react to our interference by no longer working the way we have counted on. International competition for scarce mineral and fuel resources could become intense and bloody. The highly developed nations are likely to try using their money and/or military power to garner the bulk of the resources for their own use. (It is difficult to imagine that a big power would allow its supply of critical fuels or minerals to be cut off without putting up a fight.) At best, those actions will only postpone the inevitable adjustment. The poorest nations (usually those with the densest populations) will be unable to maintain even subsistence levels—they are likely to suffer widespread famine and disease. All of this frantic activity will have devastating impacts on the ecosphere. Climate change will debilitate every ecosystem and economy. Ultraviolet radiation will increase, as will acid rain and toxic poisoning of our air, soil, and water. In addition, we can expect more and more soil depletion, loss of crop land, mismanagement of water resources, oil spills, devastating accidents (Bhopal, Chernobyl), deforestation, spreading deserts, extinction of species, loss of wildlife, and air and water pollution. With disrupted biospheric systems and severe resource shortages, I cannot imagine that it will be possible to sustain growth in material throughput. We may be able to grow in nonmaterial ways (increasing knowledge, artistic output, games, and so forth), but material growth cannot continue. Our endeavor not to change will have failed to forestall change; instead, we will become victims of change.

Impacts- Econ Bad- War- Goldstein

Economic growth breeds war- best empirical evidence throughout history

Goldstein 87 (Joshua S, Poli- Sci @ MIT *, Journal of Conflict Resolution,* Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , P. 591- 92) ET

Why should an upturn in economic growth lead, about a decade later, to an upturn in great power war? My answer is based on the cost of wars. The biggest wars occur only when the core countries can afford them, which is after a sustained period of economic growth (Farrar, 1977; Vayrynen, 1983). When treasuries are full, countries will be able to wage big wars; when they are empty, countries will not wage such wars.21 Thus, when the growth of production accelerates, the war-supporting capacity of the system increases, and bigger wars ensue. Throughout history, wars have cost money. In preindustrial times, most European wars were fought by mercenaries hired by monarchs. A favorite phrase in this era was "money is the nerves of war." If the mercenaries were not paid, they would not fight-or, worse, they would turn on their masters. Braudel (1972) describes fifteenth- to seventeenthcentury European wars as moving in surges-the economy recovered from one war and was in turn drained by the next.22

High growth wars are the most frequent and largest scale

Goldstein 87 (Joshua S, Poli- Sci @ MIT*, Journal of Conflict Resolution,* Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , P. 590) ET

The lagged correlations reported here suggest a new theory of the long wave, based on a two-way causal relationship between economic and political variables. Sustained economic growth both promotes (enables) war and is disrupted by war. Figure 10 illustrates the cyclical sequence of production and war in this theory. Faster growth gives rise to increased great power war severity. Higher war severity in turn dampens long-term economic growth. Lower growth leads to less severe war, which in turn allows faster economic growth. This sequence takes roughly 50 years-one long wave-to complete. While war and economic growth are the driving variables, prices react to war, and real wages react to war and prices.

High growth wars are the most severe

Goldstein 87 (Joshua S, Poli- Sci @ MIT *, Journal of Conflict Resolution,* Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , P. 592-93) ET

This effect of economic growth on the severity of war may be augmented by a "lateral pressure" effect (North and Lagerstrom, 1971; Choucri and North, 1975; Strickland, 1982). During production upswings, the great powers grow more rapidly-heightening competition for world resources and markets, and raising the stakes for international competition and conflict. Kondratieff himself (I928/ 1984: 95) attributes the correlation of major wars with long wave upswings to a process much like lateral pressure: The upward movement in business conditions, and the growth of productive forces, cause a sharpening of the struggle for new markets-in particular, raw materials markets.. .. [This] makes for an aggravation of international political relations, an increase in the occasions for military conflicts, and military conflicts themselves. Lasswell (1935/1965: 121) likewise argues that "prosperity expands markets, intensifies contact, sharpens conflict and war."

Impacts- Econ Bad- War- Goldstein

Economic upswing is the most probable route to war

Goldstein 85 (Joshua S, Poli Sci @ MIT, *International Studies Quarterly* vol. 29, No. 4, Dec 1985, http://www.jstor.org/stable/2600380, p. 415 ) ET

There are strong theoretical reasons for long economic waves and recurring major wars to be linked with each other. Causality could potentially run in both directions. Long-term economic upswings could increase the likelihood of war through several mechanisms: (1) the expansionary upswing phase could heighten competition for markets, resources and strategic territory, raising the likelihood of international conflict and war (North and Lagerstrom, 1971); (2) long-term prosperity could support higher military expenditures, arms races, and the costs of war (Farrar, 1977); and (3) prosperity could create an aggressive, expansionist psychological mood conducive to war (Lasswell, 1935: 116-121).13 Conversely, major wars can affect the world-economy, especially prices. Heavy expenditures for war goods raise the overall level of demand, while prolonged wars often reduce the overall level of production (especially in front-line countries) due to war damage, labor shortages, blockades, etc. (Bernstein, 1940). Hence prices tend to rise, and inflation becomes globalized (even affecting neutrals) during a major war. Thompson and Zuk (1982) analyze the effect ofwars on British and US wholesale prices (1750-1938 and 1816-1977, respectively). They find a statistically significant increase in prices following the onset of major wars, and report that 'an impressive proportion of the [Kondratiefi] price upswings' can be accounted for by such wars. In addition to prices, wars may also affect other economic variables such as production, capital investment, innovation, and employment.14

Economic Upswings statistically cause wars – 71% see great power wars and correlation is even stronger

Goldstein 85 (Joshua S, Poli Sci @ MIT, *International Studies Quarterly* vol. 29, No. 4, Dec 1985, http://www.jstor.org/stable/2600380, p. 421- 423) ET

Columns 5 and 6 show the incidence ofwar years during upswings and downswings- column 5 measuring as a war year any year in which a great power war was in progress; column 6 measuring only years in which very major wars were in progress. The first measure matches the upswing/downswing pattern from 1595 on, except for two periods (1747-1761 and 1917-1939). Overall, 71 percent of the upswing years saw great power wars in progress, as compared with 50 percent of the downswing year The correlation is stronger for the incidence of very major wars (column 6). There were no wars this severe before 1595, but after 1595 the upswing/downswing pattern matches the ups and downs of war incidence with only one exception (1917-1939 slightly higher than 1893-1916). Of the upswing years, 40 percent saw very major great power war in progress, as compared with only 6 percent of the downswing years

Impacts- Econ Bad- War- Goldstein

Growth causes war to counterbalance economic superiority

Goldstein, 85 [Joshua, International studies quarterly, v29, n4, p411-444, “Kondratieff Waves as War Cycles,” jstor]

3. The 'power transition' school (Organski, 1958; Farrar, 1977 ;Organski and Kugler, 1980; Doran and Parsons, 1980; Gilpin, 1981) holds that differences in the growth and development of national capabilities lead to shifts in the relative power of the world's major nations. One nation holds the most powerful position in the international order, while rising powers (with growing capabilities) try to establish anew place for themselves in that international order. When a rising challenger has been locked out of the established order, or a leading power fears losing its position to a challenger, war may be used to change or preserve the international order. The power transition model is not explicitly cyclical, except in Doran's 'power cycle' variant, and even in that case is not linked to the economic long wave. It could, however, help to explain the tendency of major wars to recur regularly. After a major war, the international order is restructured around winners and lossers. A long period must then elapse before the losers (or new entrants) can equalize their capabilities with those of the dominant power (which emerged from the war with a head start)-even if all countries have long since recovered economically from the war.

These will be nuclear

Goldstein, 85 [Joshua, International studies quarterly, v29, n4, p411-444, “Kondratieff Waves as War Cycles,” jstor]

First, the incidence of great power war is declining-more and more 'peace' years separate the great power wars. Second, and related, the great power wars are becoming shorter. Third, however, those wars are becoming more severe-annual fatalities during war increasing more than a hundred- fold over the five centuries. Fourth (and more tentatively), the war cycle may be gradually lengthening in each successive era, from about 40 years in the first era to about 60 years in the third. The presence of nuclear weapons has continued these trends in great power war from the past five centuries-any great power wars in this era will likely be fewer, shorter and much more deadly.

Impacts- Econ Bad- War- Goldstein- Long Wave Theory Defense

Long wave theory proven- more than 10 examples

Goldstein 5 (Josh, poli sci @ MIT, *NATO Conference*, Feb 5, http://www.joshuagoldstein.com/jgkond.htm ) ET

Looking forward, moving clockwise around Figure 2, I projected that an upturn in production, marking a change from the “stagnation” quarter-cycle to the “rebirth” phase, would be the next development, perhaps starting in the mid-1990s (I would now say 1992). Specifically, the “stagnation” phase (running from 1980 to 1991) was defined as follows: “production growth is low and uneven; investment is low; war severity declines; inflation is low (or prices even decline); innovations begin rising; real wages fall.” The subsequent “rebirth” phase starting by the mid-1990s was defined thus: “production growth picks up again, investment follows; prices are low; war severity is low; innovation is high; real wages are high. During that rebirth phase, according to my theory, great-power war and military spending would continue a downward trend that I dated from the late 1970s, while inflation remained in check but production growth accelerated. Barron’s magazine in 1988 subtitled an interview, “Joshua Goldstein Looks to the Nifty ‘90s.” These projections of an upcoming phase of prosperity and peace ran counter to the short-term trends and conventional wisdom in the late 1980s. President Ronald Reagan had reversed the post-Vietnam trend by sharply increasing military spending, while “Cold War II” had replaced an earlier period of détente. These trends were “counter-cyclical,” I wrote. The idealized long wave scheme in Figure 2 was not intended to track long-wave phase timing exactly, but in fact it tracks quite well. Taking literally the timing of the sequence shown in Figure 2, we may set the “price peak” at the top to 1980 – the last firm point of reference at the time of writing in the late 1980s. The price peak indicates the end of a phase of higher inflation and, historically, a period of price deflation (as between the World Wars), or in recent times a period merely of lower inflation. At the same time, the real wage trough indicates a rising trend in real wages (which reflect inflation inversely). About twelve years into the cycle, or 1992, would be the production trough, indicating a pickup in the pace of production growth after a long sluggish period. In 1995, the investment trough marks a similar upturn in investment, and around nineteen year after the price peak, or 1999, innovations peak and begin a period of either decline or slower growth in innovation. Finally, out around 21 years into the cycle, or 2001, the war trough indicates a new upturn in military spending (historically an upturn in great-power war severity). The price trough (ending a half-cycle of low inflation) would come at “+/- 25" years, around 2005.

Long wave theory proved by 2001

Goldstein 5 (Josh, poli sci @ MIT, *NATO Conference*, Feb 5, http://www.joshuagoldstein.com/jgkond.htm ) ET

According to my long-wave sequence, sometime around 1977 should have marked the end of a war upswing period and the start of a downswing to last until roughly the turn of the century. The interesting thing about the projection in the late 1980s is that U.S. military spending had recently reversed a long trend of decline and risen somewhat (even as a percent of a rising GDP). The long-wave model projected a renewed downward trend, and that is what actually occurred (Figure 3). In terms of U.S. military spending, however, the 1977 date would seem somewhat late. (The 1940-80 war upswing has always been problematical in my scheme because of the huge war right at the start). In terms of long-wave timing, the new upturn in U.S. military spending since 2001(see Figure 3) is worrisome, as it could signal the starting gun for a new long-term upswing of rising military spending, an upswing that could even culminate in another ruinous great-power war in the coming decades.

Long wave theory proven right by the 90’s

Goldstein 5 (Josh, poli sci @ MIT, *NATO Conference*, Feb 5, http://www.joshuagoldstein.com/jgkond.htm ) ET

I am not sure how best to measure production – in my earlier research I used several scholars’ long-term production indexes – but the growth of Gross Domestic Product (GDP) seems a good measure to start with. The Penn World Table [7] provides GDP data adjusted for purchasing-power parity. In Figure 5 I have graphed the growth rate in the U.S. GDP per capita, adjusted for inflation. According the long-wave sequence, the phase from 1969 to 1991 should be characterized by slow and uneven growth, then the period since 1991 by more robust growth. What one sees in the data is not so much a slowdown and then speed-up of per capita GDP growth, but rather a greater volatility and then stability. During the nominal production “downswing” of 1969-91, ever-lower valleys and ever-higher peaks alternate rapidly). Then in the nominal production upswing from 1992 forward, we see a dramatic stabilization of growth rates – around 3 percent a year in real per capita terms – for a solid nine years. I am not sure what to make of this stable period, but it is an interesting change just at the time the long-wave sequence calls for a phase shift in production growth.

Impacts- Econ Bad- War- Goldstein- Long Wave Theory Defense

Goldstein’s long wave theories empirically correct

Goldstein 87 (Joshua S, Poli- Sci @ MIT, *Journal of Conflict Resolution,* Vol 31, No 4, Dec. 1987, http://www.jstor.org/stable/174156 , intro) ET

This article summarizes the main empirical findings of a research project on long waves of roughly 50 years length in political/economic life. The statistical analysis of 40 historical economic time series, along with data on great power wars, indicates that war plays a central role in the long wave, that "stagflation" can be seen as a phase of the long wave, and that war dampens economic growth. Since 1495, long waves are identified in great power war severity and in internationally synchronized trends of prices and real wages. Weaker long waves are found in world production since 1750, these phases leading the war phases by about a decade. A theoretical model consistent with these lagged correlations among variables is elaborated. Long waves are seen as arising from a two-way causality between war and economic growth.

**Impacts- Econ Bad- War- Goldstein- Long Theory Defense**

Long wave theories true- 10 examples

Goldstein 85 (Joshua S, Poli Sci @ MIT, *International Studies Quarterly* vol. 29, No. 4, Dec 1985, http://www.jstor.org/stable/2600380, intro ) ET

Kondratieff long economic waves are found in the core of the world- system, at least in synchronized price movements, from 1495 through 1945. These long economic waves are synchronous with a cycle of war between core nations, in which an escalatory war upswing recurs roughly every 50 years. These great power wars apparently play a central role in the economic long wave, especially in connection with inflationary periods on long wave upswings. The long waves of economics and war in the core of the world-system can be traced through ten repetitions since 1495; since around 1945, however, war, prices and production have diverged. Over five centuries, the war cycle has lengthened somewhat, the wars themselves have shortened, and their severity has increased a hundredfold.

Long waves are true- price series prove

Goldstein 85 (Joshua S, Poli Sci @ MIT, *International Studies Quarterly* vol. 29, No. 4, Dec 1985, http://www.jstor.org/stable/2600380, p. 413 ) ET

While these four theories shape the main lines of the debate, a number of hybrid theories combine and supplement them. These include the work of Rostow (1975, 1978), combining elements of the capital and innovation theories but ultimately focusing on the relative prices of primary and secondary goods; of Van Duijn (1983), combining capital and innovation; of Kleinknecht (1981), combining innovation and capitalist crisis; and of Hopkins and Wallerstein (1979) and Bousquet (1980), combining a Marxist interpretation of war/hegemony with capitalist crisis. Despite the differences between the four approaches, they all agree (following Kondratieff's dating) regarding the approximate dating of upswings and downswings during 1790-1922 (the period covered by Kondratieff). However, for the period before 1790 they disagree about whether long waves exist at all; and for the period since around World War II (see Dupriez, 1978; Wallerstein, 1979), the periodizations based on production (e.g., Mandel, 1980) diverge from those based on prices (e.g., Rostow, 1978), or on war (e.g., Modelski, 1981). Empirically, the evidence for economic long waves has been mixed. For price series, there is fairly strong evidence that upswings and downswings match approximately the datings given by Kondratief, for 1790-1922 (Gordon, 1978; Rostow, 1978; Van Ewijk, 1982; Cleary and Hobbs, 1983). For production and trade series, however, there is controversy over the technique of removing longer-term secular trends and identifying long waves in the residuals. The secular trend can be hypothesized as linear, exponential, or cubic, and the results vary accordingly. Long waves are more strongly evident in price series than production series (Van Ewijk, 1982; Cleary and Hobbs, 1983). However, opinion still ranges from the view that long waves are no more than an accidental series of ups and downs (see reviews by Eklund, 1980; and Rosenberg and Frischtak, 1983), to the view that long waves can be found in production as well as price data (Mandel, 1980).

And the methods used are tested in multiple ways- theories are correct

Goldstein 85 (Joshua S, Poli Sci @ MIT, *International Studies Quarterly* vol. 29, No. 4, Dec 1985, http://www.jstor.org/stable/2600380, p. 419 ) ET

Third, wars were correlated with economic phase periods in several ways. Each war was categorized as having occurred primarily in one phase period.26 These war categorizations are listed in Appendix 2. Fatalities from the wars in each phase period were summed, and expressed as an average annual fatality level for each phase period. Average fatalities on downswings and upswings could thus be compared, and it was hypothesized that they would be higher on the upswings. Average annual fatalities were also calculated for each phase period by a second method-cutting the fatality time series strictly at each turning point between phases. This method counts 'overlap' years from a war into an adjacent phase period, and (when compared to the first method) indicates sensitivity to the choice of turning points. Numbers of wars were also counted for each phase period

Impacts- Econ Bad- A2: War- Econ good

Growth doesn’t stop wars- 20th century shows

Ferguson 6 (Nial, prof @ Harvard, *Foreign affairs,* 10.6.6) ET

It might have been expected that such prosperity would eliminate the causes of war. But much of the worst violence of the twentieth century involved the relatively wealthy countries at the opposite ends of Eurasia. The chief lesson of the twentieth century is that countries can provide their citizens with wealth, longevity, literacy, and even democracy but still descend into lethal conflict. Leon Trotsky nicely summed up the paradox when reflecting on the First Balkan War of 1912-13, which he covered as a reporter. The conflict, Trotsky wrote, "shows that we still haven't crawled out on all fours from the barbaric stage of our history. We have learned to wear suspenders, to write clever editorials, and to make chocolate milk, but when we have to decide seriously a question of the coexistence of a few tribes on a rich peninsula of Europe, we are helpless to find a way other than mutual mass slaughter." Trotsky later made his own contribution to the history of mass slaughter as the people's commissar for war and as the commander of the Red Army during the Russian Civil War.

And economic decline doesn’t cause war- empirics prove

Ferguson 6 (Nial, prof @ Harvard, *Foreign affairs,* 10.6.6) ET

Nor can economic crises explain the bloodshed. What may be the most familiar causal chain in modern historiography links the Great Depression to the rise of fascism and the outbreak of World War II. But that simple story leaves too much out. Nazi Germany started the war in Europe only after its economy had recovered. Not all the countries affected by the Great Depression were taken over by fascist regimes, nor did all such regimes start wars of aggression. In fact, no general relationship between economics and conflict is discernible for the century as a whole. Some wars came after periods of growth, others were the causes rather than the consequences of economic catastrophe, and some severe economic crises were not followed by wars.

Impacts- Econ Bad- War- A2: Interdependence

Economic interdependence won’t stop war- WWI and current day Taiwan potential prove

Innocent 9 (Malou, Foreign policy analyst @ Cato institute, *Real Clear World*, Feb 27, http://www.realclearworld.com/articles/2009/02/china\_peace\_partner\_or\_warmong.html ) ET

While there is some evidence to support the presumption that China will become adversarial, others see China becoming a status quo power seeking peaceful relations with the rest of the global community. For these experts, the potential for hostile US-China relations is all the more reason to encourage Beijing's integration into the global economic and trading system, which may undermine China's propensity to base its interests simply in military terms. To put a twist on the old saying, so long as goods cross borders, soldiers won't. Nations that trade and cooperate are less likely to go to war, and given today's economic climate, it's hoped that Chinese and American strategic interests are converging because of economic interdependence. Economic interdependence, of course, doesn't preclude war. Strong trade ties between Britain and Germany didn't prevent the outbreak of World War I. Nations may be willing to forgo economic gains if it conflicts with their strategic interests. One potential flash point between the United States and China is Taiwan. Many believe that the US is committed to protect the peace and security of Taiwan from coercion by Beijing under the Taiwan Relations Act of 1979.

Economic interdependence doesn’t prevent conflict

The American 10 (http://blog.american.com/?page\_id=13486, *The American,* Jan 10) ET

As Larison points out, America’s global presence over the past 60 years has not prevented conflicts (and, I would assume, miscalculation) from occurring. Nor would I make such a claim. Yet the increasing degree of instability, tension, and conflict that is normal in international affairs can only be exacerbated under conditions where both the existing hegemony and the accepted rules of the game (global trade, for example) are weakening or increasingly seen as ineffective. To take one current claim, everyone knows that China benefits enormously from the current global free trade regime, as well as from American willingness to provide public goods such as maintaining freedom of the seas. Many assume that China would therefore do nothing to kill the goose that lays the golden egg. I would simply respond that we have no way of knowing what calculations Beijing would make in a world in which current rules of trade and navigation and American military capability (if not will) no longer operate. Perhaps China’s leadership, instead of stepping up to fill the void, would prefer to avoid uncertainty and be satisfied with a smaller slice of the pie that they could control, say, the trade routes along the South China Sea. Perhaps globalization would make this impossible—trying to separate the strands of economic interdependence—but that doesn’t mean Beijing might not try, leading to unknown responses on the part of India, Japan, ASEAN countries, etc. The possibility of band-wagoning on the part of smaller nations would increase dramatically, further complicating the responses of bigger powers.

Impacts- Econ Bad- A2: Space

Space budget already cut- impacts empirically denied- and mars doesn’t matter

McMaken 10 (Ryan, political science at Arapahoe Community College, apr 13, 10, *The LRC Blog*, http://www.lewrockwell.com/blog/lewrw/archives/55600.html ) ET

Obama has done one decent thing and moved to cut funds to the space program. Neil Armstrong has condemned Obama for it. There are two thoughts that immediately come to me as a result: 1. “So what?” and 2. “Who cares what Neil Armstrong thinks?” Arguments in favor of the space program are based on two things: sentimentalism and militarism. The militaristic argument is the more sophisticated one. The space program, behind its veneer of civilian purpose, has always been a military program founded to improve rocket technology, and eventually, to provide the United States with military superiority over space itself. The sentimentalism is the rationale that most Americans subscribe to as they get misty eyed over fantasies about “the human spirit” and “destiny” and all those other concepts from Hollywood adventure films. From a pragmatic point of view, the space program is nothing more than a massive socialist spending program with militaristic intent, but which benefits handsomely from hysterical and maudlin appeals to hope in the government’s ability to accomplish anything provided enough time and taxpayers’ loot. In this age of budding private space travel, thanks to organizations like Virgin Galactic, government space travel is more unjust and obsolete than ever. Yet, glorified crash test dummies like Neil Armstrong feel free to throw hissy fits if someone dares to slow the flow of taxpayer dollars to his pet projects. Having spent decades of his life as a military bureaucrat on the government dole, it is beyond comprehension to Armstrong that government spending on the space program is unnecessary and totally wasteful. And, even if one granted that space exploration were a good thing, one would still be a long way from demonstrating the need for manned space flight. Armstrong and others who have walked on the moon have done absolutely nothing that a robot could not have done. The Mars missions are a perfect example of just how superfluous humans are to space exploration in the early 21st century. Having a human wander around on the surface of Mars will tell us nothing more about the air, the soil, or the gravitational pull than we already know. But, in the end, it’s all just special-interest and partisan politics. Broadly speaking, the Dems’ primary power base comes from Unions and non-whites and environmentalists. The GOPs power base comes from white males and the military establishment. It’s only natural that Obama would cut some military spending, in the form of NASA dollars, to throw some money to some of his base. Armstrong can rest assured that the next GOP president will shovel plenty of pork toward the space program.

Imapcts- Econ Bad- Space

Economic growth allows for space militarization

Anzera 05 (Giuseppe, Contributor to the Asian Times Online, Star Wars, http://www.atimes.com/atimes/Front\_Page/GH18Aa01.html) ET

The second problem is economic. Orbital weapons - as the Strategic Defense Initiative showed in the 1980s - are extremely expensive. It has been estimated that a space defense system against weak ballistic missile strikes could cost between $220 billion and $1 trillion. A laser-based system to be used against ballistic missiles would cost about $100 million for each target.

And space mil leads to nuclear wars.

Deblois 03 (Bruce M. Deblois, Director of Systems Integration at BAE SYSTEMS, 7-5-03, “The Advent of Space Weapons,” Astropolitics, http://www.cfr.org/content/publications/attachments/Bergman\_11ast03.pdf) ET

The simple unilateral posturing of space weapons creates global instability in the form of encouraging adversaries to respond symmetrically or asymmetrically, heightening tensions, while at the same time crippling alliances. In this less stable global environment, there is also the prospect of space weapons causing less stable regional environments. Integrating space weapons into military operations could have unexpected consequences for the progression of conflict situations, prompting significant regional instability. In most war games that include space assets, commanders discover that preemptively destroying or denying an opponent's space-based assets with space weapons is appealing, yet often leads to rapid escalation into full-scale war, even triggering nuclear weapons use. One commander commented: '[If] I don't know what's going on, I have no choice but to hit everything, using everything I have'. That this conclusion surprised strategists suggests that the full implications of space weapons have not yet been fully explored. What is common knowledge, derived from years of experience in futuristic war games, is that permanently based space weapons invite pre-emption and escalation. Local to a specific situation of heightened tensions, the existence of space weapons on one side, the other, or both could be the determining catalyst for escalatory war.

Impacts- Econ Bad- Terrorism

Growth creates terrorists – empirically proven – all the big guns are loaded

Radu 9 (Michael is a senior fellow at the Foreign Policy Research Institute Ph.D.,), The futile search for “root causes” of Terrorism, http://www.unc.edu/depts/diplomat/archives\_roll /2002\_07-09 /radu\_futile/radu\_futile.html

Those who hold to "poverty as the root cause" do so even though the data does not fit their model. Even leaving aside multimillionaire Osama bin Laden, the backgrounds of the September 11 killers indicates that they were without exception scions of privilege: all were either affluent Saudis and Egyptians, citizens of the wealthy Gulf statelets, or rich sons of Lebanon, trained in and familiar with the ways of the West—not exactly the victims of poverty in Muslim dictatorships. Many poor Egyptians, Moroccans, and Palestinians may support terrorists, but they do not—and cannot—provide them with recruits. In fact, Al Qaeda has no use for illiterate peasants. They cannot participate in World Trade Center-like attacks, unable as they are to make themselves inconspicuous in the West and lacking the education and training terrorist operatives need.

Terrorism will escalate into extinction

Morgan 9 (Dennis, Hankuk University of Foreign Studies, Yongin Campus - South Korea Futures, Volume 41, Issue 10, December 2009, Pages 683-693, World on Fire) LL

Moore points out what most terrorists obviously already know about the nuclear tensions between powerful countries. No doubt, they’ve figured out that the best way to escalate these tensions into nuclear war is to set off a nuclear exchange. As Moore points out, all that militant terrorists would have to do is get their hands on one small nuclear bomb and explode it on either Moscow or Israel. Because of the Russian “dead hand” system, “where regional nuclear commanders would be given full powers should Moscow be destroyed,” it is likely that any attack would be blamed on the United States” Israeli leaders and Zionist supporters have, likewise, stated for years that if Israel were to suffer a nuclear attack, whether from terrorists or a nation state, it would retaliate with the suicidal “Samson option” against all major Muslim cities in the Middle East. Furthermore, the Israeli Samson option would also include attacks on Russia and even “anti-Semitic” European cities In that case, of course, Russia would retaliate, and the U.S. would then retaliate against Russia. China would probably be involved as well, as thousands, if not tens of thousands, of nuclear warheads, many of them much more powerful than those used at Hiroshima and Nagasaki, would rain upon most of the major cities in the Northern Hemisphere. Afterwards, for years to come, massive radioactive clouds would drift throughout the Earth in the nuclear fallout, bringing death or else radiation disease that would be genetically transmitted to future generations in a nuclear winter that could last as long as a 100 years, taking a savage toll upon the environment and fragile ecosphere as well. And what many people fail to realize is what a precarious, hair-trigger basis the nuclear web rests on. Any accident, mistaken communication, false signal or “lone wolf’ act of sabotage or treason could, in a matter of a few minutes, unleash the use of nuclear weapons, and once a weapon is used, then the likelihood of a rapid escalation of nuclear attacks is quite high while the likelihood of a limited nuclear war is actually less probable since each country would act under the “use them or lose them” strategy and psychology; restraint by one power would be interpreted as a weakness by the other, which could be exploited as a window of opportunity to “win” the war. In other words, once Pandora's Box is opened, it will spread quickly, as it will be the signal for permission for anyone to use them. Moore compares swift nuclear escalation to a room full of people embarrassed to cough. Once one does, however, “everyone else feels free to do so. The bottom line is that as long as large nation states use internal and external war to keep their disparate factions glued together and to satisfy elites’ needs for power and plunder, these nations will attempt to obtain, keep, and inevitably use nuclear weapons. And as long as large nations oppress groups who seek self-determination, some of those groups will look for any means to fight their oppressors” In other words, as long as war and aggression are backed up by the implicit threat of nuclear arms, it is only a matter of time before the escalation of violent conflict leads to the actual use of nuclear weapons, and once even just one is used, it is very likely that many, if not all, will be used, leading to horrific scenarios of global death and the destruction of much of human civilization while condemning a mutant human remnant, if there is such a remnant, to a life of unimaginable misery and suffering in a nuclear winter.

Impacts- Econ Bad- A2: Democracy- Freidman Indicts

Friedman analysis flawed – doesn’t take into account multiple job factors

Etzioni 6 (Amitai, Department of International Affairs, The Moral Limits of Economic Growth, http://www.amitaietzioni.org/documents/D79.pdf, 12/5/06, AD: 7/6/09)

As I see it, high economic growth, especially in developed nations, entails sacrificing ever more of the elements that make for a good society. The way this comes about is vividly illustrated by a silly but delightful story in Jules Vern’s Around the World in Eight Days. On the last leg of the trip, the locomotive that serves the race is running out of coal. To keep it running, first the walls of the wagons are fed into the fire and then those of the caboose itself, leaving the racing passengers sitting on a bare rod, in the cold with barely anything to hold onto. The West, especially the United States, is moving in this direction by sacrificing ever more for efficiency. The “24/7 society” is an exaggerated but proper term for the direction in which the “have” societies are moving in order to engage in unfettered competition with people who have few health care benefits, no retirements funds, no worker compensation, and pay no mind to the environment. They hence work longer and harder and have less time for their children, spouses, elderly parents, communities, cultures and much else. Friedman argues that over the past 200 years the workweek in the United States has declined. However, since 1964 the average workweek has hardly changed. Above all, over the past 30 years or so, household income has increased while per capita income has barely changed because more and more women have turned to gainful employment, so that now it takes about 1.7 workers to earn the same household income that one worker used to earn. Moreover, given that most women are now gainfully employed, further increases in household income must come from somewhere else. It is now achieved by more and more high school students working as many as 20 hours a week or more in fast food restaurants and other such jobs, and more and more senior citizens being forced to work (although often off the books and hence to reflected in many statistics). In addition, more people are taking work home with them, to PTA and rare town hall meetings, and even to the beach, in what might be called the “Blackberry culture.” The result is that there are few human resources to attend to the members of the household, the sick, the elderly, friends, and social and cultural activities.

Friedman doesn’t take into account basic survival instincts

Etzioni 6 (Amitai, Department of International Affairs, The Moral Limits of Economic Growth, http://www.amitaietzioni.org/documents/D79.pdf, 12/5/06, AD: 7/6/09)

Unfortunately, Friedman’s argument cannot accommodate the Maslowian notion that at some point, once one’s needs for basic creature comforts are sated, one might be better off- and indeed a better human being, one much more willing to allow others to catch up-if one's satisfactions were driven by greater "investment" in relationships and culture, which require few economic resources. For instance, embracing a set of values defined by voluntary simplicity (a moderate version of the counterculture) or a civic religion of communitarianism can serve as a normative counterweight to reference groups that spur people to work harder for goods they do not truly need. This in turn may release such goods to those who have not yet gained whatever creature comforts they require-without any sense of loss or sacrifice in other sectors of society.

Impacts- Econ bad- A2: Democracy- Friedman Indicts Cont’d

Analysis flawed and arbitrary – no interpretation of moral consequences

Wilkinson 6 (Will, Cato Institute, Book Reviews, http://www.cato.org/pubs/journal/cj26n1/cj26n1-11.pdf, 4/10/06, AD: 7/6/09)

Benjamin Friedman’s The Moral Consequences of Economic Growth is magnificent and flawed. It is a work of astounding scholarship and exhilarating intellectual imagination as well as disappointing partisanship and theoretical fragility. Moral Consequences is primarily an extended defense of the hypothesis that steady economic growth “fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness and dedication to democracy” (p. 4). The hypothesis is defended with a spectacular range of evidence from disciplines including economic and political history as well as popular culture and literature. However, as the book proceeds, it becomes increasingly difficult to say what exactly Friedman means by “moral consequences.” And that in a nutshell is the big problem for this big book. As Friedman shifts without comment or justification from a broad Enlightenment conception of moral progress to a rather parochial American welfare-statist conception of political morality, the nature and importance of the dependent variable in Friedman’s equation becomes ever more elusive. Without a rather more rigorous normative framework, the reader is left arguing with the author about whether the examples he has chosen to prove his point really count for or against it.

Friedman’s work is to arbitrary and contradictory

Wilkinson 6 (Will, Cato Institute, Book Reviews, http://www.cato.org/pubs/journal/cj26n1/cj26n1-11.pdf, 4/10/06, AD: 7/6/09)

The Moral Consequences of Economic Growth is an enormously ambitious book that suffers from a lack of ambition, like the Sistine ceiling in black and white. The overarching logic—Adam Smith’s logic—is impeccable. Friedman deserves credit for marshaling a huge quantity of historical evidence to flesh out the case for growth. But his rigorous economic and historical scholarship is in the end undermined by theoretical laxity on the normative side of the equation. Someday someone will write the book on the moral dimensions of economic growth.

Impacts- Econ Bad- Environment

Economic growth causes environment degradation making environmental regulations irrelevant

Booth 95 (Douglas E., professor of economics at Marquette University, 1995, *Review of Social Economy*, Vol. 54)

 After a quarter century of environmental regulation in this country under the auspices of the Environmental Protection Agency and other government agencies, significant environmental threats remain. Ambient standards for ozone and other air pollutants are frequently violated in urban areas, lakes and rivers continue to be heavily polluted, groundwater is increasingly threatened with contamination, ambient levels of toxic chemicals in the biotic food chain are at high levels, little has been done about the potentially serious problem of greenhouse warming, and biodiversity is threatened as a consequence of reduced and fragmented natural habitats. Why has the regulatory system failed to fully address our environmental problems? The goal of this paper is to suggest that the roots of environmental problems, and the failure of environmental regulation, are deeply embedded in the processes that generate economic growth. The logic of the argument to be presented will take the following form: long-run economic growth relies on the creation of new industries and new forms of economic activity; these new forms of economic activity create new kinds of environmental problems; and new forms of economic activity constitute vested political interests that oppose environmental regulation. Each of the three main sections of the paper will provide theoretical and empirical justification for each component part of the basic argument.

Impacts- Econ Bad- Environment

Economic increase can cause a decrease in the environment

Ravenswaay 99 (Eileen O. van, Michigan State University, , <https://www.msu.edu/course/eep/255/relationship_between_the_economy_and_the_environment.htm>, )

One troubling fact should be apparent from the last few paragraphs. While it is true that the more developed economic system produces more goods and services for more people, some of the goods and services it produces are merely substitutes for ones that are no longer provided by the undeveloped or natural environment. Consequently, the total amount and variety of goods produced by the economy do not necessarily indicate whether people are getting more goods and more needs are being met. The quality and quantity of goods that would have been produced by the natural environment, but are no longer being produced because of the transformation of that system, must be subtracted to be able to say whether more people are better off. For example, suppose a population in a particular territory moves from a hunter-gatherer economic system to an agrarian one. The latter system provides more food, but at the expense of food that would have been available for hunting and gathering anyway. Thus, some food the agrarian system produces simply substitutes for food that would have been available naturally if the natural ecosystem were intact. This part of the output of the agrarian system should not be counted as a net gain from having adopted that system. Likewise, water purification systems established in an industrial system may produce the same amount of drinking water that would have been available naturally in the hunter-gatherer system. The only reason the industrial system has to purify the water is because it has become contaminated with sewage, agricultural runoff, and industrial wastes. Thus, the water produced by the purification system is not a net gain over what would have been available in the hunter-gatherer system. The loss of the naturally available drinking water is a cost of the more developed economic system. Another troubling fact apparent from the paragraphs above is that the more developed economy produces more goods only by using and degrading more matter and energy. Consequently, more economic development means more transformation of the natural environmental system. Is it possible to develop the economic system without harming the environment? Answering this question requires an understanding of how economic development occurs. In other words, we need to understand how a population in a given territory develops its economic system so that it can produce and consume more goods and satisfy more needs and wants of its people. Economic Development and Environmental Improvement The basic way an economy develops is actually very simple. Namely, people can consume more and better goods only if they produce more and better goods. Thus, economic development requires either increasing output per worker (i.e., labor productivity) or expanding the resource base available to workers. Output per worker is increased by developing manufactured capital (e.g., tools, machines, buildings, structures, knowledge and social institutions), creating new technologies, and training people how to use the capital to produce goods. The resource base is expanded by enlarging the territory (e.g., acquiring new land), discovering more about the resource base within the existing territory (e.g., exploring for minerals or discovering new types of matter), or trading with other territories. Unfortunately, increasing output per worker and the size of the resource base, not only increases the quantity and quality of goods available per person. It also increases the amount of matter, energy, and space used by the economic system. This means more environmental damage. Fortunately, there is a way to address this problem because it is also possible to increase the productivity of energy and matter used in the economy. One strategy is to recycle resources within the economic system so that fewer virgin resources must be extracted from the environment and fewer degraded materials are discharged into the environment. A second strategy called dematerialization is to invent new technologies which use and degrade less matter and energy. A third way to increase natural resource productivity is to invent technologies that utilize less polluting resources. This strategy is known as material substitution. A fourth strategy known as waste mining involves finding new uses for waste materials. Increasing natural resource productivity requires investments similar to those for increasing labor productivity. New types of capital and labor must be developed. New systems must be devised to collect and process used materials. Ways of using these recycled materials to produce goods must also be found. Energy-efficient methods for recycling and producing goods must be developed. New materials and production technologies must be found. New ways of locating and siting production facilities also need to be developed. The key to achieving economic development while protecting the environment is improving both labor and natural resource productivity. But many people believe there is another key as well, and that is limiting population size. If population increases, total output of goods and services must increase or per capita consumption must fall. But increasing output means more energy and matter must be extracted from the environment. Improvements in natural resource productivity may slow the rate of extraction over time, but inevitably more people means more extraction. This course focuses on developing productivity gains, not population control.

Impacts- Econ Bad- Environment

Economic Growth Destroys the Environment

North 5 (Peter, engineer and with qualifications in economics and accountancy , http://www.pacificecologist.org/archive/growthenvi.html ) ET

Where are we ecologically speaking? In this debate, for the most part the economists hold sway. Some governments are more active than others in addressing looming problems of environmental degradation and resource shortages. But this has made little difference to the economic policies that rule the world. On the economic front, almost all nations pursue economic growth as their number one objective. Growth policies that increase consumption of the world's resources are encouraged, the environment continues to degrade and the global population continues to grow at about 80 million per annum. There are many ways to look at the question of man's impact on the planet. One of the most common is the ecological "footprint." For the purpose of the ecological debate, the "footprint" of a country is defined as the area of land needed to support the average individual of that country. Many studies have been published on the subject of footprints. A 1997 study by the Earth Council found the world was using up its renewable resources at a rate of about 2.3 hectares per world citizen, whereas the space available was around 1.7 hectares per world citizen. From this, the Earth Council study concluded the earth was running a 35% "ecological deficit" at that time - meaning the sustainable limits of the earth had already been exceeded. Studies by bodies such as the U.N. and Australia's CSIRO reached similar conclusions. The Earth Council report studied 52 countries with about 80% of total global population. It found countries using up their resources unsustainably were spread fairly indiscriminately across rich and poor countries alike. The country with the highest impact on its environment, was the USA (1997 population 268m), with a consumption footprint of 10.3 ha per capita and a capacity of 6.7 ha per capita - indicating an ecological deficit of 3.6 ha per capita. At the bottom of table was Bangladesh, with 0.5ha per capita consumption, 0.3 ha per capita and a deficit of 0.2ha per capita. Only 20% of the countries studied - all geographically large countries with low-population density - were living sustainably.

Impacts- Econ Bad- Climate Change

Economic growth fuels climate change- root cause

Godhaven 9 (Merrick, staff writer, *Organic Consumers assocociation*, http://www.organicconsumers.org/articles/article\_18583.cfm , 7.15.10) ET

Technology is part of the solution to climate change. But only part. Techno-fixes like some of those in the Guardian's Manchester Report simply cannot deliver the carbon cuts science demands of us without being accompanied by drastic reductions in our consumption. That means radical economic and social transformation. Merely swapping technologies fails to address the root causes of climate change. We need to choose the solutions that are the cheapest, the swiftest, the most effective and least likely to incur dire side effects. On all counts, there's a simple answer - stop burning the stuff in the first place. Consume less. There is a certain level of resources we need to survive, and beyond that there is a level we need in order to have lives that are comfortable and meaningful. It is far below what we presently consume. Americans consume twice as much oil as Europeans. Are they twice as happy? Are Europeans half as free? Economic growth itself is not a measure of human well-being, it only measures things with an assessed monetary value. It values wants at the same level as needs and, while it purports to bring prosperity to the masses, its tendency to concentrate profit in fewer and fewer hands leaves billions without the necessities of a decent life. Techno-fixation masks the incompatibility of solving climate change with unlimited economic growth. Even if energy consumption can be reduced for an activity, ongoing economic growth eats up the improvement and overall energy consumption still rises. We continue destructive consumption in the expectation that new miracle technologies will come and save us.

And, continued accelerated climate change will annihilate humanity

Tickel 8

(Oliver, , Climate Researcher. The Gaurdian, 8-11-2008 “”, <http://www.guardian.co.uk/commentisfree/2008/aug/11/climatechange>) ET

We need to get prepared for four degrees of global warming, Bob Watson told the Guardian last week. At first sight this looks like wise counsel from the climate science adviser to Defra. But the idea that we could adapt to a 4C rise is absurd and dangerous. Global warming on this scale would be a catastrophe that would mean, in the immortal words that Chief Seattle probably never spoke, "the end of living and the beginning of survival" for humankind. Or perhaps the beginning of our extinction. The collapse of the polar ice caps would become inevitable, bringing long-term sea level rises of 70-80 metres. All the world's coastal plains would be lost, complete with ports, cities, transport and industrial infrastructure, and much of the world's most productive farmland. The world's geography would be transformed much as it was at the end of the last ice age, when sea levels rose by about 120 metres to create the Channel, the North Sea and Cardigan Bay out of dry land. Weather would become extreme and unpredictable, with more frequent and severe droughts, floods and hurricanes. The Earth's carrying capacity would be hugely reduced. Billions would undoubtedly die. Watson's call was supported by the government's former chief scientific adviser, Sir David King, who warned that "if we get to a four-degree rise it is quite possible that we would begin to see a runaway increase". This is a remarkable understatement. The climate system is already experiencing significant feedbacks, notably the summer melting of the Arctic sea ice. The more the ice melts, the more sunshine is absorbed by the sea, and the more the Arctic warms. And as the Arctic warms, the release of billions of tonnes of methane – a greenhouse gas 70 times stronger than carbon dioxide over 20 years – captured under melting permafrost is already under way. To see how far this process could go, look 55.5m years to the Palaeocene-Eocene Thermal Maximum, when a global temperature increase of 6C coincided with the release of about 5,000 gigatonnes of carbon into the atmosphere, both as CO2 and as methane from bogs and seabed sediments. Lush subtropical forests grew in polar regions, and sea levels rose to 100m higher than today. It appears that an initial warming pulse triggered other warming processes. Many scientists warn that this historical event may be analogous to the present: the warming caused by human emissions could propel us towards a similar hothouse Earth.

Impacts- Econ Bad- Overpopulation

Economic growth bad – overpopulation

Hickerson 5/4 (Jeremy, Statesman Journal, Economic growth might be bad, as well, 5/4/09, AD: 7/6/09 nexis)

I couldn't agree more with the April 29 letter from David Ellis, "Population growth might be bad." I suggest "Economic growth might be bad." In both cases, it depends on where you're at in the spectrum of the physical limits of your environment. For the population issue, experts concluded in the 1970s that we were nearing our planet's population limit (see the 1972 "The Limits to Growth" report to the Club of Rome). The idea that economic growth might not be desirable is just an extension of the population growth discussion. Continual economic growth depends on a growing population to supply more labor and more consumers. Likewise, a continually growing population depends on economic growth to provide jobs. Overpopulation implies economic growth is no longer good, though it remains a necessity for some of the undeveloped world. So if we can't have an economy based on continual growth, what should we do? (See Bill McKibben's "Deep Economy.") We must only manufacture what we need and end marketing ploys aimed at getting people to buy new gadgets; dismantling the economy we have known and beginning a totally different way of life. This can't be accomplished solely by the free market.

Rich countries consume more than poor countries

Ramphal 97 (Sir Shridath, 15 years Secretary-General of the Commonwealth, is Co-Chairman of the Commission on Global Governance, and author of Our Country, The Planet, written for the Earth Summit, Now the rich must adjust, http://www.unep.org/ourplanet/imgversn/91/ramphal.html, June 1997, AD: 7/6/09)

So far in the global discussion of our environmental predicament, the tendency has been to put the focus on human numbers, on population growth, as the crucial source of environmental stress. Population is undoubtedly part of the picture, and the developing world, where the growth in numbers is predominantly taking place, must hold its growth down. But it is through consumption that people impact on the environment, and because people in industrial countries consume much more per head, the one-quarter of the world population living in them presses far more heavily on the environment than the poorer three-quarters who live in the developing world. Five years after Rio, we need a wider acceptance that how much we consume - and therefore how aggressively, and often unthinkingly, we go for growth - is critical to our common future on this planet.

Rich countries consume more and allow poor countries to bandwagon

Jhunjhunwala 3/31 (Bharat, Bachelor's Degree in Science (Physics, Chemistry and Mathematics) from Kanpur University and doctorate in Food and Resource Economics from University of Florida and Assistant Professor of Economics at the Indian Institute of Management, Bangalore, Let the poor suffer more, http://www.expressbuzz.com/edition/story.aspx?title=Let%20the%20poor%20suffer%20more&artid=trgZhqqYRy0=&type=, 3/31/09, AD: 7/6/09)

The development of countries follows this pattern too. Again, there are two models. One is that a [high rate](http://www.expressbuzz.com/edition/story.aspx?title=Let%20the%20poor%20suffer%20more&artid=trgZhqqYRy0=&type=) of growth in rich countries opens markets for the goods of poor countries and pulls them out of poverty. The second model is of independent development of scores of poor countries. The second model alone delivers true development. Twenty per cent of the world’s people living in the rich countries consume 80 per cent of the world’s resources. If they reduce consumption more resources are available for the poor. A reduction in growth of the rich, as is happening in the present recession, will open up opportunities for poor countries but the World [Bank](http://www.expressbuzz.com/edition/story.aspx?title=Let%20the%20poor%20suffer%20more&artid=trgZhqqYRy0=&type=) does not like this.

Impacts- Econ Bad- Famine

Economic growth ensures famine through resource depletion—this will spark global resource wars.

Milbrath 89 (Lester, Professor Emeritus of Political science and Sociology at SUNY-Buffalo, Envisioning a Sustainable Society, pp. 343-344, AD: 7-6-9) BL

Trying to solve our nested set of ecological/economic problems only with technological fixes is like treating an organic failure with a bandage. The key difficulties, which will be ignored by that strategy are that biospheric systems will change their patterns and there will be an increasing squeeze on resources. As global human population continues to grow, and these new people demand economic growth to fulfill their needs, there will be unbearable pressure for resources. Soils will be depleted. Farmland will be gobbled up into urban settlements. Water will become scarce, more polluted, and very high priced. Forests will be depleted faster than they can regenerate. Wilderness will nearly disappear. The most easily extracted mineral deposits will be exhausted. We will search the far corners of the globe, at very high economic and environmental cost, for more minerals and possible substitutes for those that are being depleted. Fossil fuels, especially petroleum, will constantly diminish in supply and rise in price. Worst of all, biospheric systems will react to our interference by no longer working the way we have counted on. International competition for scarce mineral and fuel resources could become intense and bloody. The highly developed nations are likely to try using their money and/or military power to garner the bulk of the resources for their own use. (It is difficult to imagine that a big power would allow its supply of critical fuels or minerals to be cut off without putting up a fight.) At best, those actions will only postpone the inevitable adjustment. The poorest nations (usually those with the densest populations) will be unable to maintain even subsistence levels—they are likely to suffer widespread famine and disease. All of this frantic activity will have devastating impacts on the ecosphere. Climate change will debilitate every ecosystem and economy. Ultraviolet radiation will increase, as will acid rain and toxic poisoning of our air, soil, and water. In addition, we can expect more and more soil depletion, loss of crop land, mismanagement of water resources, oil spills, devastating accidents (Bhopal, Chernobyl), deforestation, spreading deserts, extinction of species, loss of wildlife, and air and water pollution. With disrupted biospheric systems and severe resource shortages, I cannot imagine that it will be possible to sustain growth in material throughput. We may be able to grow in nonmaterial ways (increasing knowledge, artistic output, games, and so forth), but material growth cannot continue. Our endeavor not to change will have failed to forestall change; instead, we will become victims of change.

Impacts- Econ Bad- Health

Growth bad – health

Elkins 4 (Jules, Department of Agricultural and Consumer Economics and University of Illinois at Urbana-Champaign, Is Economic Growth Bad for Your Health?, http://paa2005.princeton.edu/download.aspx?submissionId=50706, 9/22/04, AD: 7/6/09)

The type of industrialization underway in today’s developing countries provides a poignant example of the pernicious side of economic growth. It is a process marked by rapid urbanization, crowding, poor access to clean water, and high levels of industrial pollution. The adverse health consequences of these by-products of industrial growth have proven difficult to accurately measure, since industrialization also has positive effects, the most salient of which lie in rising incomes. Moreover, there is little available data from developing countries to analyze this relationship. But it is an important relationship, given the rapid pace of industrialization in many developing countries over the last several decades. This study employs a purpose-built dataset rich in health, socioeconomic and manufacturing data that allows us to circumvent the lack of credible pollution data, by linking pollution to health outcomes via industrial activity in a rapidly industrializing developing country, Indonesia. The research design builds upon work using ‘natural experiments’ to circumvent problems in identification due to omitted variables. In the case of health and pollution, the omitted variables problem arises because pollution is not random, and so it has proven difficult to control for all the variables that may impact health other than pollution, but that incidentally accompany pollution. The natural experiment this paper exploits is the Indonesian financial crisis in 1997-98, which caused large reductions in manufacturing and pollution in some areas of the country and little change in others. A plausible presumption is that the omitted variables problem is drastically reduced when the research design is based on comparisons of changes across districts during a short time of rapid change. Results from the quasi-experimental design show that the change in incidence of all respiratory problems, coughing, and breathing difficulty was positively correlated with the sub-district’s change in pollution, and was significant at the one percent level. Other health problems, including fever, headache, flu, accidents, mortality, disruptions of daily activities, doctor visits, and medication were insignificant or negative, except for the change in incidence of diarrhea (significant at 1 percent) and overall poor health (barely significant at 5 percent, t=2.05). Results from the quasi-experimental design tend to be insensitive to the inclusion of a wide variety of controls, which provides an indirect measure of the validity of the main assumption of this study design – that the treatment is close to randomly assigned.

Globalization causes disease- extinction

Neubauer 5 (Deane, 5/18, http://www.international.ucla.edu/africa/grca/publications/article.asp?parentid=107420) ET

Contemporary globalization is reproducing the classic conditions historically associated with the emergence of infectious diseases and the periodically recurring pattern of epidemics and pandemics. This chapter explores the current relationship of rapid globalization with emergent infectious disease and links it to other globalization elements that both define and impinge on the generalized notion of “health infrastructure.” The dynamics of contemporary globalization are contributing to various institutional gaps that make dealing with infectious disease increasingly difficult and threaten concentrated human populations with potential calamity.

Historically, the classic conditions associated with epidemics include rapid increases and migration of populations, crowded urban conditions that concentrate the poor, weak regulatory structures that inhibit effective intervention, climate changes associated with higher temperatures, and dislocation of traditional boundaries between microbial and human populations. (McNeill, 1976) Very rapid urbanization and its persistent association with increased poverty act to reproduce many of these conditions. What Kofi Annan has called “the urbanization of poverty” [1] results from the pattern of growth without development that Fantu Cheru situates at the core of the complex of events in which increasing numbers of the world’s poor find themselves. Growth without development leads to a weak state in which “public health” broadly defined struggles to gain an effective institution foothold.

Impacts- Econ Bad- A2: Health

Economic Growth doesn’t solve disease

Szreter 97 (Simon, http://www.jstor.org/stable/2137377)

Over the Long Term the processes of reapid economic growth seem to be strongly correlated with improvements in the prosperity and health of a society. Hence derives the commonplace notion that economic growth results in development. This essay argues that, contrary to this widely held opinion, economic growth entails critical challenges and threats to the health and welfare of the populations involved and does not, therefore, necessarily produce development. Since the 1940’s economic and demographic historians, social scientists, and policymakers have broadly accepted that each national trajectory of sustained economic growth has always been attended by a “demographic transition,” a process in which a pronounced fall in national mortality levels (and also fertility levels) occurs as a result of the gains to national wealth. In fact the idea of a demographic transition, both as a theory and as a general historical model, has been subjected both to fundamental conceptual criticism and to empirical refutation. Important counter-examples have been uncovered, such as historic France with its fertility decline occurring before either rapid economic growth or mortality decline, and contemporary states such as Kerala, Costa Rica, Sri Lanka, and china. .

Impacts- Econ Bad- Poverty

Growth increases poverty and hurts health

Jacobs and Podobny 7 (IA and MT, Universal Corporation: Alpha and Beta Division (Australia) and Australian Red Cross: Blood Service, Australia, University of South Australia, Australia, Do all benefit from economic growth?, http://ije.oxfordjournals.org/cgi/content/full/36/2/470, 3/21/07, AD: 7/6/09) JC

Whilst, economic growth has the potential to reduce poverty, history records that not all American citizens have necessarily benefited from ‘economic growth reducing poverty by the elevation of real incomes’.[20](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B20) Yates had identified that for American working class persons, real hourly wages were lower in the 1990s than in 1970s[25](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B25) and that between 1977 and 1990 the real family income fell for the poorest 60% of all families but increased by a third for the wealthiest 20% of families.[26](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B26) These figures are more recently supported by Dooley and Prause who reveal that American males in the 25th percentile earned less in real terms in 1997 (a year of supposedly ‘good’ economic times) than their 25th percentile peers did in 1967 (p. 3).[27](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B27) To further illustrate that employment need not contribute to poverty reduction for all members of society, thereby better health for all, [Figure 1](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#F1) illustrates the annual income of a full-time worker in America, single with two qualifying children, working at minimum wages and receipt of Earned Income Tax Credit (EITC) from 1970 till 2004.[28](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B28) From this graph it is evident that although working on a full-time basis, such families have not been able to maintain living above the poverty level, even after receiving the EITC. This reinforces findings by others[27,](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B27)[29](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B29) that not all individuals in societies necessarily benefit from economic development, hence not all are able to benefit from ‘economic status improvement’ as a result of (official) economic growth, consequently such subpopulations would not experience better health (lower morbidity and mortality rates) as implied by Brenner (p. 1215).[20](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B20) Given that not all members of society necessarily benefit from economic growth, it is not surprising that there is widening in life expectancy between socioeconomic groups in US,[30,](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B30)[31](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B31) which reconciles the vast literature on socioeconomic status[23,](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B23)[32,](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B32)[33](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B33) and supports Wilkinson's[34](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B34) observation that ‘among the rich developed countries, health is indeed related to relative rather than absolute income, and that, as a consequence, health may not be strongly related to economic growth’ (p. 257). As a result of such environmental factors operating in most western countries, and given that inadequately employed workers may reflect similar health outcomes as the unemployed,[35](http://ije.oxfordjournals.org/cgi/content/full/36/2/470#B35) future health-economy research should consider utilizing more comprehensive labour market measures.

Impacts- Econ Bad- A2: Poverty

Alternate causalities to poverty

Fane and Warr 2 (Geroge and Peter, Australian National University, How Economic Growth Reduces Poverty, http://www.ciaonet.org/wps/wap02/wap02.pdf, WIDER, Discussion Paper No. 2002/19, Feb 2002, AD: 7/6/09)

The results and methodology reported here suggest that large oversimplifications are involved in relating poverty reduction directly to GDP growth, without distinguishing among different possible sources of growth. Contrary to the implicit assumptions of many commentators, the poor do much better if a given amount of GDP growth is produced by technical progress in services, or manufacturing, than if it is due to technical progress in agriculture. Although more work needs to be done to improve on the parameter values assumed in this study, these qualitative results are robust with respect to wide variations in assumptions about elasticities of substitution among goods and factors. The results also imply that growth in broad sectors—agriculture, manufacturing, services, etc.—will be associated with very different effects on poverty and inequality depending on whether the exogenous shocks affect demand or supply. For example, an increase in the supply of factors used intensively in agriculture depresses the real returns to these factors while raising agricultural output; whereas an increase in demand for agricultural products, perhaps due to policy changes, would raise both agricultural output and the real returns to the factors used intensively in agriculture.

Growth is not the only factor to poverty

Madan 2 (Anisha, Financial analyst for GE and MBA at Kellogg School, Northwestern University, The Relationship between Economic Freedom and Socio – Economic Development, http://www.econ.ilstu.edu/uauje/PDF's/CarrolRound/madanpost.pdf, UAUJE, pg 8-10, 2002, AD: 7/6/09)

There is a vast amount of literature and studies performed that show that economic growth is not the end-all and be-all of economic development. Focus needs to be on social indicators that depict the quality of life of people. The Basic Needs approach to development formulated by Paul Streeten attempts to provide opportunities for the full physical, mental, and social development of the human personality and then derives ways of meeting this objective. The emphasis is on ends rather than means and non-material needs are recognized. (Streeten, 1981). Thus, mere economic growth rates cannot be a proxy for the quality of life and cannot indicate that basic needs are met. This is explained as follows: (1) The income or economic growth approach to measuring human progress deals only with the quantity of products but not with the appropriateness of those goods and services. (2) Some basic needs can only be satisfied, or more effectively satisfied through public services (education, water, and sanitation), through subsidized goods and services, or through transfer payments. (3) Consumers, both poor and rich are not always efficient in optimizing nutrition and health. Additional income can be spent on foods with lower nutritional value leading to a decrease in health. (4) The manner in which additional income is earned may affect the quality of life adversely. Compared to others, certain production choices can increase income more but have a greater negative impact on human and environmental well being. One example of this is female employment. Although the mother's income can rise, breast-feeding may reduce, which decreases the nutrition of babies. (5) Increased income does not guarantee a reduction in the mal-distribution of wealth within society or households. Therefore, the Basic Needs Approach shows that the economic growth approach neglects the importance of non-material needs and ignores the significance of socio-economic development.

Impacts- Econ Bad- Structural Violence

Growth leads to structural violence that outweighs nuclear war

Abu-Jamal 98 (Mumia, activist, 9-19, http://www.flashpoints.net/mQuietDeadlyViolence.html)

We live, equally immersed, and to a deeper degree, in a nation that condones and ignores wide-ranging "structural' violence, of a kind that destroys human life with a breathtaking ruthlessness. Former Massachusetts prison official and writer, Dr. James Gilligan observes; By "structural violence" I mean the increased rates of death and disability suffered by those who occupy the bottom rungs of society, as contrasted by those who are above them. Those excess deaths (or at least a demonstrably large proportion of them) are a function of the class structure; and that structure is itself a product of society's collective human choices, concerning how to distribute the collective wealth of the society. These are not acts of God. I am contrasting "structural" with "behavioral violence" by which I mean the non-natural deaths and injuries that are caused by specific behavioral actions of individuals against individuals, such as the deaths we attribute to homicide, suicide, soldiers in warfare, capital punishment, and so on. --(Gilligan, J., MD, Violence: Reflections On a National Epidemic (New York: Vintage, 1996), 192.) This form of violence, not covered by any of the majoritarian, corporate, ruling-class protected media, is invisible to us and because of its invisibility, all the more insidious. How dangerous is it--really? Gilligan notes: [E]very fifteen years, on the average, as many people die because of relative poverty as would be killed in a nuclear war that caused 232 million deaths; and every single year, two to three times as many people die from poverty throughout the world as were killed by the Nazi genocide of the Jews over a six-year period. This is, in effect, the equivalent of an ongoing, unending, in fact accelerating, thermonuclear war, or genocide on the weak and poor every year of every decade, throughout the world.

Impacts- Econ Bad- China- US Heg

Chinese economic growth endangers US heg

O'Connell 6 (Meghan, Research Associate at the Rudd Center for Food Policy and Obesity at Yale University, “China Threatens To Rival American Power Status,” United Press International, June 22, http://www.spacewar.com/reports/China\_Threatens\_To\_Rival\_American\_Power\_Status.html, AD: 7-6-9) ET

But the gap between America's dominance and China's power seems to be lessening. The debate is no longer about whether China has the military strength to pose a threat, but what to do about it, said Daniel Blumenthal, commissioner of the U.S.-China Economic and Security Review Commission. "China is probably the only country in the world that can compete with the United States militarily and actually pose a challenge to its hegemony," Blumenthal said, pointing to what he called a serious peacetime military buildup by China over the last 10 years. The United States has been shoring up its alliances around the region, he continued, with countries such as Japan, India, Vietnam and Mongolia all concerned about what China's military rise means. Because of the nation's military expansion, intervention should China attack Taiwan can no longer be accomplished at a low cost, said Randall Schriver, former deputy assistant secretary of state for East Asian and Pacific affairs. And though China has been bulking up its military presence along borders near Taiwan, Schriver said that the nation's vision extends far beyond the small island to regional and global contingencies. "The game is on in Asia, and the United States has to be engaged," Schriver said, emphasizing the growing global importance of Asia. According to the National Intelligence Council, Schriver said, by 2020, Asia will hold 56 percent of the world's population, six of the 10 largest militaries, three of the four largest economies, and six of the 10 largest energy consumers. By contrast, Schriver added, the NIC expects the population of the Middle East to compose only 4 percent of the world's total in 2020. "The whole center of gravity of the earth and human existence is moving to Asia," Schriver said, explaining that the United States needs a policy that will develop relations with the rest of Asia while confronting China. You get Asia right by getting China right and you get China right by getting Asia right, Schriver said. Yet in an age of globalization, any moves by China or the United States would have grand influence in areas beyond the military. "Economic setbacks and crises of confidence could slow China's emergence as a full-scale great power," the National Intelligence Council wrote in its 2020 Project report on global trends for the future. "Beijing's failure to maintain its economic growth would itself have a global impact."

U.S. hegemony prevents nuclear war

Khalilizad 95 (Zalmay Khalilizad, director of the Strategy and Doctrine Program @ RAND & former US Ambassador to Afghanistan) "Losing the Moment? The United States and the World After the Cold War," Washington Quarterly, Spring, Proquest, AD: 7-7-09 CS

Under the third option, the United States would seek to retain global leadership and to preclude the rise of a global rival or a return to multipolarity for the indefinite future. On balance, this is the best long-term guiding principle and vision. Such a vision is desirable not as an end in itself, but because a world in which the United States exercises leadership would have tremendous advantages. First, the global environment would be more open and more receptive to American values — understood as democracy, free markets, and the rule of law. Second, such a world would have a better chance of dealing cooperatively with the world's major problems, such as nuclear proliferation, threats of regional hegemony by renegade states, and low-level conflicts. Finally, U.S. leadership would help preclude the rise of another hostile global rival, enabling the United States and the world to avoid another global cold or hot war and all the attendant dangers, including a global nuclear exchange. U.S. leadership would therefore be more conducive to global stability than a bipolar or a multipolar balance of power system.

Impacts- Econ Bad- China- US Heg

Chinese growth destroys US heg

Straka 9, (Toni, INDEPENDENT Certified Financial Analyst), The Prudent Investor, June 30, http://www.nuwireinvestor.com/blogs/investorcentric/2009/06/chinas-economic-strategy-to-become.html

China is taking advantage of the global recession to position themselves to eventually become the world's number 1 superpower. They are lending out massive amounts of money to countries like the US, and stockpiling gold in order to prepare for the possible fall of the dollar. Tony Straka from The Prudent Investor explains China's economic strategy and why we should all be watching very closely. Shocked by the fact that lamestream media and Twitter are all about Michael Jackson's death from what appears to be a drug overdose, I enjoy being the spoiler for a world that seemingly does not know how to set its priorities anymore. While 33 of the 42 commercial media I regularly read headline with Jacko, it is Chinese media that published the truly important news of the day. Here's the executive version of Chinese economic news picked from the English language People's Daily Online. 1. China takes public ownership as the main body and the other (issue) is to adhere to the common growth of economy belonging to diverse forms of ownership. 2. The People's Bank of China (PBoC) will stick to an appropriately easy monetary policy but will ensure reasonable growth in money and credit, the central bank said yesterday. 3. New credit in the first half of 2009 will definitely surpass 6 trillion yuan, and some experts even predict the figure to be up to 6.5 trillion yuan. This means that total credit in the first half of this year will be more than the total amount invested in any year since China was founded. 4. China should buy more gold because the dollar is poised for a fall and the metal is needed to support the greater international role envisaged for the yuan, a senior researcher with the ruling Communist Party said. You can now go back to watch CNN's US propaganda broadcast and remain in the "don't worry, be happy" camp which still has a solid majority in the Western world. Or would you prefer to gather a little more intel on the next #1 power in the world? Then read on. Bullet point #1 appears to point to a struggle of ideologies in the Chinese communist party. Chinese entrepreneurs certainly favor a more liberal business climate but one must not forget that there is still a gap as wide as the Amazon river between the Ferrari driving riches in towns and a rural hinterland where oxcarts and bicycles remain to be seen as signs of prosperity. In order to prevent social upheaval China needs to bridge this gap or it risks falling apart. The anonymous commenter in the People's Daily reminds the world that China still favors a hands-on approach:

Impacts- Econ Bad- China- Agression

And Chinese economic growth would spur nationalism and US aggression

Brzezkninski 5 (Zbigniew, Counselor @ Center 4 Strategic & Internt’l Studies, Jan/Feb 5, *Foreign Policy,*

, <http://www.carnegieendowment.org/publications/index.cfm?fa=view&id=16538>) ET

China is rising—peacefully so far. For understandable reasons, China harbors resentment and even humiliation about some chapters of its history. Nationalism is an important force, and there are serious grievances regarding external issues, notably Taiwan. But conflict is not inevitable or even likely. China’s leadership is not inclined to challenge the United States militarily, and its focus remains on economic development and winning acceptance as a great power. China is preoccupied, and almost fascinated, with the trajectory of its own ascent. When I met with the top leadership not long ago, what struck me was the frequency with which I was asked for predictions about the next 15 or 20 years. Not long ago, the Chinese Politburo invited two distinguished, Western-trained professors to a special meeting. Their task was to analyze nine major powers since the 15th century to see why they rose and fell. It’s an interesting exercise for the top leadership of a massive and complex country. This focus on the experience of past great powers could lead to the conclusion that the iron laws of political theory and history point to some inevitable collision or conflict. But there are other political realities. In the next five years, China will host several events that will restrain the conduct of its foreign policy. The 2008 Olympic Games is the most important, of course. The scale of the economic and psychological investment in the Beijing games is staggering. My expectation is that they will be magnificently organized. And make no mistake, China intends to win at the Olympics. A second date is 2010, when China will hold the World Expo in Shanghai. Successfully organizing these international gatherings is important to China and suggests that a cautious foreign policy will prevail. More broadly, China is determined to sustain its economic growth. A confrontational foreign policy could disrupt that growth, harm hundreds of millions of Chinese, and threaten the Communist Party’s hold on power. China’s leadership appears rational, calculating, and conscious not only of China’s rise but also of its continued weakness.

US – China war would escalate into nuclear extinction

Straits Times 2k ( *Strait Times,* 6.25.2k) ET

THE high-intensity scenario postulates a cross-strait war escalating into a full-scale war between the US and China. If Washington were to conclude that splitting China would better serve its national interests, then a full-scale war becomes unavoidable. Conflict on such a scale would embroil other countries far and near and -horror of horrors -raise the possibility of a nuclear war. Beijing has already told the US and Japan privately that it considers any country providing bases and logistics support to any US forces attacking China as belligerent parties open to its retaliation. In the region, this means South Korea, Japan, the Philippines and, to a lesser extent, Singapore. If China were to retaliate, east Asia will be set on fire. And the conflagration may not end there as opportunistic powers elsewhere may try to overturn the existing world order. With the US distracted, Russia may seek to redefine Europe's political landscape. The balance of power in the Middle East may be similarly upset by the likes of Iraq. In south Asia, hostilities between India and Pakistan, each armed with its own nuclear arsenal, could enter a new and dangerous phase. Will a full-scale Sino-US war lead to a nuclear war? According to General Matthew Ridgeway, commander of the US Eighth Army which fought against the Chinese in the Korean War, the US had at the time thought of using nuclear weapons against China to save the US from military defeat. In his book The Korean War, a personal account of the military and political aspects of the conflict and its implications on future US foreign policy, Gen Ridgeway said that US was confronted with two choices in Korea -truce or a broadened war, which could have led to the use of nuclear weapons. If the US had to resort to nuclear weaponry to defeat China long before the latter acquired a similar capability, there is little hope of winning a war against China 50 years later, short of using nuclear weapons. The US estimates that China possesses about 20 nuclear warheads that can destroy major American cities**.** Beijing also seems prepared to go for the nuclear option.A Chinese military officer disclosed recently that Beijing was considering a review of its "non first use" principle regarding nuclear weapons. Major-General Pan Zhangqiang, president of the military-funded Institute for Strategic Studies, told a gathering at the Woodrow Wilson International Centre for Scholars in Washington that although the government still abided by that principle, there were strong pressures from the military to drop it. He said military leaders considered the use of nuclear weapons mandatory if the country risked dismemberment as a result of foreign intervention. Gen Ridgeway said that should that come to pass**,** we would see the destruction of civilisation.

Impacts- Econ Bad- China Arms Build Up

Chinese economic growth is used to increase defense budgets and build up military

Shah 7/7 (Anup, founder of global issues, 7.7.10, *global issues,* http://www.globalissues.org/article/75/world-military-spending*,*) ET

Also, “China and India, the world’s two emerging economic powers, are demonstrating a sustained increase in their military expenditure and contribute to the growth in world military spending. In absolute terms their current spending is only a fraction of the USA’s. Their increases are largely commensurate with their economic growth.”

Chinese economic growth allows it to spend more on weapons- 2008 proves

Shah 7/7 (Anup, founder of global issues, 7.7.10, *global issues,* http://www.globalissues.org/article/75/world-military-spending*,*) ET

The last point refers to rapidly developing nations like China and India that have seen their economies boom in recent years. In addition, high and rising world market prices for minerals and fossil fuels (at least until recently) have also enabled some nations to spend more on their militaries. China, for the first time, ranked number 2 in spending in 2008.

Arms races cause global war

Cross 6/17 (Giles, *Our Future Planet*, 6.17.10, http://www.ourfutureplanet.org/news/400-war-the-global-arms-race-is-one-of-the-more-shocking-aspects-of-humanity- ) ET

There are plenty of campaigning organisations out there looking to put an end to profit from war. Among them is the International Crisis Group (ICS), which works to put an end to worldwide conflict. Back in 2008 the group reported on how and why arms races can potentially boil over; ‘Two states wedged between Europe and Iran are locked in an arms race and preparing for war. The international community, particularly the EU, might be able to slow down Armenia and Azerbaijan’s slide toward another devastating conflict. ‘Attempts to broker peace over the past dozen years have failed, and worse, a massive arms build up has started. Boosted by oil revenues, Azerbaijan increased its military spending by a record 51 per cent in 2004/05, and then raised it a further 82 per cent in 2006. ‘The shopping spree has so far included large numbers of multi launch rocket systems, new artillery, tanks and both F-15 and Mig-29 fighters. In 2007 President Ilham Aliyev promised to make Azerbaijan’s military spending equal to Armenia’s entire state budget. ‘But Armenia is hardly a tortoise in this race. Though its military budget is only about a quarter of its neighbour’s, it last year spent some $280 million on weapons, another record.’

More recently, in March 2009, the same group reported on fears that a space arms race was developing in Korea. ‘Space race dynamics are among the likely Pyongyang motivations for the Taepodong-2 launch.’ explained the report, describing North Korean aspirations. ICS reckoned every advance in technology and development raised the risks of an arms race.

Impacts- Econ bad- China Arms Build Up I/L

Economic growth in china leads it to build up its military

Shah 7/7 (Anup, founder of global issues, 7.7.10, *global issues,* http://www.globalissues.org/article/75/world-military-spending*,*) ET

Some nations like China and India have not experienced a downturn, but instead enjoyed economic growth Most developed (and some larger developing) countries have boosted public spending to tackle the recession using large economic stimulus packages. Military spending, though not a large part of it, has been part of that general public expenditure attention (some also call this “Military Keynesianism” Geopolitics and strategic interests to project or maintain power: “rising military spending for the USA, as the only superpower, and for other major or intermediate powers, such as Brazil, China, Russia and India, appears to represent a strategic choice in their long-term quest for global and regional influence; one that they may be loath to go without, even in hard economic times”, SIPRI adds.

And, china spends half their defense budget on weapons- increases in defense budget directly increase weapons

Global Security.org 10 (Mar. 5, *Global Security.org,* http://www.globalsecurity.org/military/world/china/budget.htm) ET

United States Department of Defense officials in 1986 estimated Chinese defense spending by resources and force categories for the 1967 to 1983 period. Roughly 50 percent of defense expenditures were for weapons, equipment, and new facilities; 35 percent for operating costs; and 15 percent for research, development, and testing and evaluation. By service, these costs broke down to 25 percent for the ground forces; 15 percent for the Navy; 15 percent for strategic air defenses; 5 percent for ballistic missile forces; 5 percent for tactical air forces; and about 35 percent for command, logistics, personnel, intelligence, medical care, administration, research, development, testing and evaluation, and other support. Beginning in the late 1970s, China devoted more resources to its Strategic Missile Force, indicating an effort to increase its strategic security while modernizing the economy, and to national command and support activities, reflecting an emphasis on modernization of the defense structure

Impacts- Econ Bad- A2: China Arms

Non Unique- China increasing military spending now- no impacts

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

Out of the limelight, China has been increasing its military spending and weapons dramatically. Double-digit growth in military budgets far outstrips GDP growth. Especially if the US and Russia carry out projected nuclear reductions, China could soon be a major nuclear power in the region. Its smaller neighbors see Beijing as an increasing threat–but Beijing refuses to recognize this. The threats of war just before the Taiwanese presidential election last March, the recent increase in China’s official defense budget by 12.7 percent to 120.5 billion yuan ($15 billion)–for a huge real defense budget in 1999 of more than $40 billion, according to the latest Military Balance of the International Institute for Strategic Studies–plus this year’s enlarged gap between double-digit military spending increases and overall growth of the gross domestic product of an official 7.1 percent–have all heightened the sense of latent threat among China’s neighbors.

Non unique impacts- china’s budget increasing even in recession

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

Independent surveys that also include factors like energy consumption as reliable indicators of economic growth point to an even greater military burden in reducing calculations of GDP growth below six percent. This year’s increase in the defense budgetthe double digits of each year in the past decade–confirms the recent trend away from the former supreme leader Deng Xiaoping’s earlier priority for economic development over modernization of the Chinese People’s Liberation Army (PLA).

Non unique- Chinese arsenals going to grow immensely

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

As the West imposed a comprehensive arms embargo on China after the Tien An Men confrontation in 1989, Beijing had no choice other than intensifying its traditional armaments links with Israel and, in particular, with Russia. With the Chinese military elite still deeply dissatisfied with the products of its own armaments industry, China has since the beginning of the 1990s been acquiring the latest Russian weapons systems especially for its navy and air force. The most spectacular purchases include 72 fighter aircraft, two state-of-the-art destroyers, each equipped with eight modern cruise missiles of the type SS-N-22 Sunburn (range 120 km), and four submarines of the Kilo class. Additionally, in July of 1999 an agreement was reached to purchase 40 to 60 fighter aircraft of the type Su-30 MKK, fitted with the latest missiles, at a cost of $2 billion. Other investment plans are for two to three submarines of the Kilo or Amur class, two to three more Sovremenny destroyers, and an additional 40 fighter planes. While the destroyers with their cruise missiles constitute an effective threat to the American aircraft carriers and destroyers, the purchase of modern Russian fighter planes (range 1600 km.) is intended to achieve and then consolidate strategic air dominance, which is essential for successful maritime operations in the South China Sea and for posing an effective threat of invasion to Taiwan. By 2010-2015 Beijing is likely to have more than 1000 modern fighter aircraft and a corresponding number of tank transport aircraft and maritime patrol aircraft; this would bring about a gradual shift in the balance of military power between China on the one hand and Taiwan and the ASEAN countries on the other.

Impacts- Econ Bad- A2: China Arms I/L

Non unique- china building arsenals up now

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

Thus, in recent years China has built up its nuclear weapons and missile potential in the Taiwan Straits; by 2005 the number of systems it has in this area will have risen from 650 to 800. Beijing is also accelerating the development of land- and sea-launched cruise missiles, which will be available for the army in just a few years. At the same time, it has stationed long-range anti-aircraft missiles of the Russian type S-300 PMU1 in the region, with the intent of severely restricting Taiwanese and American air operations during any conflict.

Non unique impact turn- china increasing nuclear warheads now

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

In the global arena, too, China is trying to change the strategic military balance in coming years, and to this end has given priority to the expansion of its nuclear-strike capability. At present China has only 300 strategic and 150 tactical nuclear warheads, but in the next decade the number of strategic nuclear warheads could rise to between 600 and 900. While the other four declared nuclear powers have either frozen nuclear-weapons programs at their current level (Great Britain and France), or, like the US and Russia, have contractually undertaken to reduce their strategic nuclear arms potential to fewer than 1500 warheads each in the third Strategic Arms Reductions Talks (START III), China is so far not party to any START or Intermediate-Range Nuclear Forces (INF) agreement and can therefore continue to expand its nuclear weapons arsenal both qualitatively and quantitatively, with virtually no restrictions. An increase to between 600 and 900 warheads would by the year 2010 dramatically change the ratio of China’s warheads, especially to the nuclear arsenal of Russia. As Russia may have only 800 to 900 warheads after 2007, military and strategic parity in the nuclear weapons arsenal is now only a question of time. Russia would then have made a considerable contribution itself to the shift in the balance of military power in Asia and the world through its own armaments exports and, in particular, through technology transfer to China. This could negatively influence Russia’s own mid- and long-term security above all–a consequence that many Russian security experts are still unwilling to acknowledge at present.

Non unique impact turn- china building arms now

Umbach 9 ( Frank, analyst at German council on foreign relations, *IP Global*, http://www.ip-global.org/archiv/volumes/200/winter2000/china---s-destabilizing-arms-buildup.html , Spring 9 ) ET

As China is also increasingly linking nuclear and conventional strike options in its own nuclear doctrine of “flexible response,” its nuclear-weapons capability acts primarily as a deterrent in regional high-tech wars. It is thus intended to deter external powers like the US from military intervention, while enabling China to use its superior conventional forces effectively in the pursuit of its political goals. The development of the nuclear-weapons arsenal therefore also has high relevance to the security of China’s smaller neighbors. The People’s Republic is less interested in creating a true military balance than in building up effective military deterrent capabilities against the United States, in order to increase sharply the US vulnerability and thus raise the threshold of American intervention through a scenario of “asymmetric warfare.” Against this background of antagonistic security perceptions and concepts, the security dilemmas in East Asia could be further aggravated.

Impacts- Econ Bad- China - US/ China Rel

Chinese Economic growth causes US/ China conflict over power- escalation ensured

Hileman 7/5 (Garrick, financial consultant and trader for private corporations, 7.5.10, *Seeking Alpha*, http://seekingalpha.com/article/213101-is-a-u-s-china-economic-war-on-its-way ) ET

The Chinese have been driving a very hard bargain with the rest of the world with their managed currency policy. China has benefitted tremendously from joining the open world economy. However, free trade is not an inalienable sovereign right. China's growing economic power comes with the role of being a responsible global actor by playing by the same rules as its trading partners. The U.S. has grown weary of waiting for the Chinese government to come around at a time when it is also economically weakened. In short, the time has come for the renminbi to be revalued upward or U.S. action will occur. What is China's realpolitik calculation? China's leadership, emboldened for example by the failure of the U.S. to navigate the world away from a near financial collapse and Google's recent blink, is growing more confident. It is reasonable to assume that China will increasingly flex its economic muscles and may reject the U.S.'s request for a change in its currency policy. The Chinese government stubbornly detests public pressure from foreign government officials. Yet the Chinese leadership appears to only move when they are forced to do so. And often when they do finally make a change, as with the most recent renminbi move, they barely budge. At the same time, it is highly unlikely the U.S. will quietly surrender its role as the world's dominant superpower. And the pressure is growing to take swift, assertive action on the renminbi as calls to "do something" grow louder in the face of a deteriorating domestic economy.

US – China war would escalate into nuclear extinction

Straits Times 2k ( *Strait Times,* 6.25.2k) ET

THE high-intensity scenario postulates a cross-strait war escalating into a full-scale war between the US and China. If Washington were to conclude that splitting China would better serve its national interests, then a full-scale war becomes unavoidable. Conflict on such a scale would embroil other countries far and near and -horror of horrors -raise the possibility of a nuclear war. Beijing has already told the US and Japan privately that it considers any country providing bases and logistics support to any US forces attacking China as belligerent parties open to its retaliation. In the region, this means South Korea, Japan, the Philippines and, to a lesser extent, Singapore. If China were to retaliate, east Asia will be set on fire. And the conflagration may not end there as opportunistic powers elsewhere may try to overturn the existing world order. With the US distracted, Russia may seek to redefine Europe's political landscape. The balance of power in the Middle East may be similarly upset by the likes of Iraq. In south Asia, hostilities between India and Pakistan, each armed with its own nuclear arsenal, could enter a new and dangerous phase. Will a full-scale Sino-US war lead to a nuclear war? According to General Matthew Ridgeway, commander of the US Eighth Army which fought against the Chinese in the Korean War, the US had at the time thought of using nuclear weapons against China to save the US from military defeat. In his book The Korean War, a personal account of the military and political aspects of the conflict and its implications on future US foreign policy, Gen Ridgeway said that US was confronted with two choices in Korea -truce or a broadened war, which could have led to the use of nuclear weapons. If the US had to resort to nuclear weaponry to defeat China long before the latter acquired a similar capability, there is little hope of winning a war against China 50 years later, short of using nuclear weapons. The US estimates that China possesses about 20 nuclear warheads that can destroy major American cities**.** Beijing also seems prepared to go for the nuclear option.A Chinese military officer disclosed recently that Beijing was considering a review of its "non first use" principle regarding nuclear weapons. Major-General Pan Zhangqiang, president of the military-funded Institute for Strategic Studies, told a gathering at the Woodrow Wilson International Centre for Scholars in Washington that although the government still abided by that principle, there were strong pressures from the military to drop it. He said military leaders considered the use of nuclear weapons mandatory if the country risked dismemberment as a result of foreign intervention. Gen Ridgeway said that should that come to pass**,** we would see the destruction of civilisation.

Impacts- Econ Bad- China - Warming

Chinese growth destroys ecosystems and is one of the biggest contributors to global warming

Manila 9 (writing about a speech by Haruhiko Kuroda, President of the Asian Development Bank), http://www.spacedaily.com/2006/090616061106.c4k3t4t7.html , Space Daily)

Asia's rapid economic growth in recent years has contributed significantly to climate change and environmental pollution, the head of the Asian Development Bank (ADB) warned on Tuesday. In response to this, "it is imperative that we escalate our efforts to put the region on a path of low-carbon growth," bank president Haruhiko Kuroda told an ADB forum on climate change. "Rapid development has lifted hundreds of millions of people out of poverty while bringing the region as a whole to higher living standards. Along with this economic expansion, however, has been a rise in environmental pollution including greenhouse gas emissions," he said. He said the developing countries of Asia now account for one-third of global emissions brought about by energy consumption, deforestation and land use. "Unless measures are taken now, Asia's share of global greenhouse gas emissions could increase to more than 40 percent by 2030," he said. The ADB was trying to address this and had provided almost 1.7 billion dollars for "projects with clean energy components," including wind power projects in China and India, he said. Asian countries are also seeking ways to stimulate growth without hurting the environment, "including development of renewable energy and other environmentally sustainable technologies," he said.

Warming forms a high way to extinction, slaughtering billions through starvation, flooding and disease

Hui Min 7 (Neo Straits Times Europe Bureau staff writer) http://www.wildsingapore.com/news/20070304/070406-14.htm#st)

TOP climate scientists issued their bleakest assessment yet on global warming yesterday, with a warning that billions of people could go thirsty as water supplies dry up and millions more may starve as farmlands become deserts. Poor tropical countries that are least to blame for causing the problem will be worst hit, said the report. Small island states, Asia's big river deltas, the Arctic, and sub- Saharan Africa are also at risk. Global warming could also rapidly thaw Himalayan glaciers that feed rivers from India to China, and bring heat waves to Europe and North America. The dire warnings came from the Intergovernmental Panel on Climate Change (IPCC). The final text of a 21-page Summary for Policymakers was agreed on after an all-night session marked by serious disputes. Scientists from more than 100 countries made up the panel. Their report forms the second of a four-part climate assessment, with the final section to be released early next month in Bangkok. Its findings are approved unanimously by governments and will guide policy on issues such as extending the United Nation's Kyoto Protocol, the main plan for capping greenhouse gas emissions, beyond 2012. The grim 1,400-page report issued yesterday said change, widely blamed on human emissions of greenhouse gases, was already under way in nature. The IPCC noted that damage to the earth's weather systems was changing rainfall patterns, punching up the power of storms and boosting the risk of drought, flooding and stress on water supplies. Some scientists even called the degree-by-degree projection a 'highway to extinction'. Add 1 deg C to the earth's average temperatures and between 400 million and 1.7 billion more people cannot get enough water. Add another 1.8 deg C and as many as two billion people could be without water, and about 20 per cent to 30 per cent of the world's species face extinction. More people will also start dying because of malnutrition, disease, heat waves, floods and droughts. This could happen as early as 2050. 'Changes in climate are now affecting physical and biological systems on every continent,' said the report. University of Michigan ecologist Rosina Bierbaum, former head of the United States' IPCC delegation, said: 'It is clear that a number of species are going to be lost.' Mr Rajendra Pachauri, chairman of the IPCC, said: 'It's the poorest of the poor in the world, and this includes poor people even in prosperous societies, who are going to be the worst hit. 'This does become a global responsibility in my view.' Still, some scientists accused governments of watering down the forecasts. They said China, Russia and Saudi Arabia had raised most objections overnight, seeking to tone down some findings. Other participants also said the US, which pulled out of the Kyoto Protocol in 2001 saying it was too costly, had toned down some passages. Dr Pramod Kumar Aggarwal, one of the authors of the report, told The Straits Times that temperature increases could lead to crop failure and rising prices, with dire consequences for the poor. 'In Asia, you are talking about millions or billions of people,' he said.

Impacts- Econ Bad- India Bad- Arms

And India uses economic growth to increase weapons modernization

Arnett 97 (Eric, *Arms Control Today vol 27 no. 5*, http://www.mtholyoke.edu/acad/intrel/arnett.htm , Aug 97) ET

First, Pakistani planners may not be as sanguine about Indian capabilities, and the fears and perceptions of Pakistanis are the central issue. From Islamabad's perspective, it increasingly appears that most of the major arms suppliers are cooperating with India, even those that have already sold systems to Pakistan. Some of the systems that have been supplied, especially the Armat anti-radar missile, can be very effective even in the hands of less-skilled pilots. The quality and likely effectiveness of other systems are very difficult to judge without much greater transparency on the part of the IAE Second, Indian society is set to progress at an unprecedented rate, potentially enjoying economic growth and modernization that are likely to dramatically increase the budget and competence of the country's armed forces. As relations with China improve, even more of India's military potential can be focused on Pakistani contingencies. Even if IAF strike squadrons have some weaknesses now, U.S. policymakers should not be betting against substantial improvements in Indian technological proficiency in the near future, especially since U.S. firms are contributing to the technological base of both the civilian and military sectors.

And most of India’s economy goes to arms- economic growth would be funneled there

Arnett 97 (Eric, *Arms Control Today vol 27 no. 5*, http://www.mtholyoke.edu/acad/intrel/arnett.htm , Aug 97) ET

India and Pakistan have been rivals since their creation as separate states in 1947. Even though there have been many small scale conflicts between the two countries, the nuclearization of the region is believed to bring stability at higher levels of violence. The retarded economic growth in both countries could be associated with the ongoing arms race between the two countries, as scarce resources are allocated for military purposes. In this paper the nature of the arms race between India and Pakistan has been examined by employing Toda-Yamamoto’s approach to VAR non-causality for the time period 1949-2000. The empirical findings indicate that there is bi-directoral causality between the two countries military expenditures. Moreover, the causality between military expenditure and economic growth has been investigated. The empirical results indicate that there is a bi-directional causality between military burden and economic growth in India. However, for Pakistan causality is from economic growth to military expenditure. There is no empirical evidence of causality from military burden to economic growth in Pakistan.

And, the impact is extinction

Fai 1 (Ghulam Nabi, director of Kashmiri American Council¸*WA Times*, 7.8.1) ET

The most dangerous place on the planet is Kashmir, a disputed territory convulsed and illegally occupied for more than 53 years and sandwiched between nuclear-capable India and Pakistan.  It has ignited two wars between the estranged South Asian rivals in 1948 and 1965, and a third could trigger nuclear volleys and a nuclear winter threatening the entire globe.  The United States would enjoy no sanctuary. This apocalyptic vision is no idiosyncratic view.  The Director of Central Intelligence, the Department of Defense, and world experts generally place Kashmir at the peak of their nuclear worries.  Both India and Pakistan are racing like thoroughbreds to bolster their nuclear arsenals and advanced delivery vehicles. Their defense budgets are climbing despite widespread misery amongst their populations.  Neither country has initialed the Nuclear Non-Proliferation Treaty, the Comprehensive Test Ban Treaty, or indicated an inclination to ratify an impending Fissile Material/Cut-off Convention.

Impacts- Econ Bad- Iran Build Up

And iran nuclearization sparks a middle east arms race culminating in extinction

Finn 8 (Peter, WA Post staff writer, *The Washington Post,* 11.21.8, http://www.washingtonpost.com/wp-dyn/content/article/2008/11/21/AR2008112100091.html ) ET

The prospect of a nuclear-armed Iran spawning a nuclear arms race in the greater Middle East will bring new security challenges to an already conflict-prone region, particularly in conjunction with the proliferation of long-range missile systems," the report says. ". . . If nuclear weapons are used destructively in the next 15-20 years, the international system will be shocked as it experiences immediate humanitarian, economic, and political-military repercussions."

Impacts- Econ Bad- Russia - Kyoto

Russian economic growth would disable it from selling “hot air” credits to Japan

Sejo 5 (Roger, senior fellow and the director of RFF's forest economics, *Resources for the* Future, http://www.rff.org/Events/Pages/The-End-of-Kyoto-Or-Why-It-Doesnt-Really-Matter-What-the-Russians-Do-about-Kyoto.aspx ) ET

Russia’s hesitancy to ratify the Kyoto Protocol only confirms what has already become obvious: the Kyoto Protocol is in very deep trouble. But regardless of what Russia does, many countries are unlikely to even begin to meet their targeted emission reductions commitments. These targets, designed to reduce atmospheric greenhouse gases (GHG) in order to restrain global warming, call for emission level reductions in the period 2008– 2012 of about 6–8% below the levels of the base year, 1990. To be sure, not all industrial countries chose to ratify Kyoto. President Bush received strong criticism for his decision that the United States will not participate. Other industrial countries, such as Australia, also chose not to participate. And Russia, whose membership is required to meet the 55% participation rate by industrial countries, remains a wild card. Even with Russian ratification, however, the fundamental failure of the Protocol is almost assured. The recent admonition by the European Union (EU) environmental commissioner "that the trend is going in the wrong direction," is indicative of the lack of progress. The European Union has a collective target of GHG reductions of 8% below 1990 levels and has made strides to reach that goal. But with the exception of the United Kingdom—which is in the process of converting its energy sector from coal to natural gas—and Sweden the EU is not on a path to reach its targets. The United Kingdom was quite successful, achieving the target reduction of 12.5% percent in the year 2000 largely due to North Sea gas reserves. Spain, by contrast, is allowing a 15% increase in emissions by the 2008–2012 period, but actual emissions in 2000 were 32 % above the 1990 base. However, the European Union is still hoping to meet its collective target and then undertake internal trades among surplus and deficit countries to allow lagging countries to meet their individual targets. The likelihood of success remains open to question. Failure to stay on target is not limited EU countries. Japan has a targeted reduction of 6%, which it plans meet though a combination of new technologies and the use of capturing carbon dioxide in forest sequestration. The Japanese plan assumes that overall energy emissions will remain at their 1990 levels, based on a 30% increase in nuclear power, which does not emit greenhouse gases. However, by 2000 Japan found itself with actual emissions 11% above the 1990 base, despite an economy that stagnated through most of the 1990s. With the Japanese economy finally picking up, the requisite increases in nuclear facilities not progressing at a rate adequate to meet the 30% target, and anticipated large gains from voluntary activities, such as home insulation, unlikely to be forthcoming on the scale required, Japan will be severely tried to meet her targets. Similarly, Canada will find it extremely difficult to meet its greenhouse gas emission target of a 6 % reduction from 1990 levels. Since that year Canada has experienced modest economic expansion and correspondingly reasonably large increases in greenhouse gas emissions. Canadian emissions in 2000 were 19.6 percent above those of 1990. Another business-as-usual decade would bring emissions in 2010 to about 35 percent above 1990. The domestic emission trading system proposed for Canada, together with a plethora of ad hoc measures are unlikely to produce the emission reductions required to meet its target. A senior Canadian official publicly boasted that Canada would meet its targets regardless of Russian involvement. Don’t bet on it. Until recently, the above estimates might have seemed moot. After the fall of the Soviet Union, Russia experienced dramatic declines in economic activity and coincidental large decreases in greenhouse gas emissions. Kyoto allows Russian emission declines below its 1990 base to be traded as so called "hot air" credits to countries having difficulty meeting their targets. Hence, countries missing their domestic targets could expect meet them through the purchase of Russian "hot air" and thereby declare compliance victory. No more. Even if Russian should ratify Kyoto, the availability of "hot air" could well be limited. Russian officials have stated publicly that, if their GDP grows as projected, it likely would utilize need all its hot air to meet its own Kyoto target. Such a public statement may simply be a negotiating tactic, but the Russian hot air surplus could quickly be expended in the face of continued economic expansion. More generally, Russian concerns about Kyoto inhibiting its future economic growth appear to be a serious reason for its apparent reluctant to quickly ratify Kyoto. Russian ratification is no guarantee of Kyoto success. Kyoto is on a path to fail to meet its GHG reduction targets with or without Russia. This failure will necessitate a complete rethinking of the approach for addressing the global warming issue.

Impacts- Econ Bad- Russia - Kyoto

**If Russia stopped selling permits because of economic expansion, the US would become the primary seller**

Mckibben 97 (Warwick, Senior Fellow, Global Economy and Development, *Brookings Institute*, June 97, http://www.brookings.edu/papers/1997/06energy\_mckibbin.aspx?rssid=climate+and+energy+economics ) ET

Moreover, the U.S. proposal would probably not even achieve the goal of stabilizing emissions. Britain, Germany, and especially Russia are all already below their 1990 emission levels and would be able to sell their unused permits abroad. In that case the permit system would really amount to nothing more than an elaborate accounting mechanism for counting increases in emissions in countries like the United States against the 1990 allocation for Russia. There would be little or no overall reduction. If Russian economic growth begins to recover, the demand for permits within Russia would increase, sharply driving up the world price of permits. This could add an ironic twist to an international permit policy: if Russia were to grow quickly, the United States could soon become the developed world's low-cost emissions abater. In that case the United States would be a net seller of permits, and the rest of the industrial world would end up paying it to reduce its emissions.

And using many models, the US will become the prime permit seller

Mckibben 99 (Warwick, Senior Fellow, Global Economy and Development, *Brookings Institute,*Feb 99, http://www.brookings.edu/papers/1999/02globaleconomics\_mckibbin.aspx ) ET

We use an econometrically-estimated multi-region, multi-sector general equilibrium model of the world economy to examine the effects of using a system of internationally-tradable emissions permits to control world carbon dioxide emissions. We focus, in particular, on the effects of the system on flows of trade and international capital. Our results show that international trade and capital flows significantly alter projections of the domestic effects of emissions mitigation policy, compared with analyses that ignore international capital flows, and that under some systems of international permit trading the United States is likely to become a significant permit seller, the opposite of the conventional wisdom.

And japan is under pressure to meet their Kyoto goals- without permits, they can’t meet them

Lies 8 (Elaine, journalist , *Reuters,* feb. 10-8, http://uk.reuters.com/article/idUKT26372920080210 ) ET

Japan is the world's fifth-biggest emitter of greenhouse gases blamed for global warming, and while officials have pledged to meet its obligations under the international pact to fight global warming, critics say this may be difficult. Japanese Foreign Minister Masahiko Komura and Russian First Deputy Premier Sergei Ivanov agreed in a meeting on the sidelines of a Munich conference that the first round of vice-ministerial talks on the issue would be held on February 27 in Tokyo, Japanese officials were quoted by Kyodo news agency as saying. Separately, the Yomiuri Shimbun daily said the talks aimed at reaching a deal under which Japan would buy surplus emissions quotas from Russia, a key step towards helping Tokyo meet its Kyoto goals. The trading could take place under several options possible under the Kyoto Protocol, including one in which Japan -- one of the world's most energy-efficient nations -- takes part in work to reduce Russian emissions and then is allowed to count that cut as its own, the Yomiuri added. Officials at the Environment and Foreign Ministries were not available for comment. Japan has pledged to cut emissions by 6 percent from 1990 levels over the 2008-2012 period. A government panel said in December that Japan would be able to reach its goals if additional measures, such as extra voluntary agreements with industries, are carried out. The United States, China, India and Russia all emit more greenhouse gases than Japan, but of the top five emitting nations, only Japan is under pressure to meet a Kyoto goal.

Impacts- Econ Bad- Russia - Kyoto

**If japan looks like it isn’t going to meet its Kyoto goals it will shorten inspection times of nuclear reactors**

Arita 4 (Eriko, Japan Times staff writer, *the Japan Times*, http://search.japantimes.co.jp/cgi-bin/nn20040618f1.html , 6.18.4) ET

Yet factors such as local opposition and relatively slack growth in electricity demand have delayed the construction of new nuclear reactors, jeopardizing the government's carefully crafted plans to meet its Kyoto Protocol target of trimming emissions by 6 percent from 1990 levels between 2008 and 2012. The government now says that only four new reactors are likely to be built by fiscal 2010, whereas previous projections had put the figure at as many as 13. This scenario will probably lead to a rise in thermal power generation using fossil fuels, boosting carbon dioxide emissions by an additional 20 million to 30 million tons by fiscal 2010, according to government data. In an effort to counteract this, the Environment Ministry proposed in April that Japan produce thermal energy by making better use of natural gas, which releases 40 percent less carbon dioxide than coal. Yoshiteru Sakaguchi, assistant head of the ministry's Climate Change Policy Division, said that 19.2 million tons of carbon dioxide emissions can be cut by fiscal 2010 if the operation rate of natural gas thermal power plants is raised from the current 50.3 percent to 59.3 percent and that of power plants powered by coal is cut from the current 64.3 percent to 50.1 percent. "In Japan, nuclear power and coal thermal power plants operate around the clock" as core power suppliers, Sakaguchi explained. "But in Britain, it is the natural gas thermal power plants that operate all day." Britain's carbon dioxide emissions dropped 7 percent in 2000 compared with 1990 levels, according to the United Nations Framework Convention on Climate Change. Sakaguchi said this decline was helped by the greater role played by gas. However, the Ministry of Economy, Trade and Industry suggested earlier this month that the expected shortfall in emissions cuts should be covered by improving the operation rate of existing nuclear reactors by shortening the period in which operations are halted for regular inspections.

Japan has 52 nuclear reactors that are all instable- less inspection would be a massive mistake

Moret 4 (Leuren, Special reporter @ Japan Times, *Japan Times,* 5.23.4, http://search.japantimes.co.jp/cgi-bin/fl20040523x2.html ) ET

Of all the places in all the world where no one in their right mind would build scores of nuclear power plants, Japan would be pretty near the top of the list. An aerial view of the Hamaoka plant in Shizuoka Prefecture, "the most dangerous nuclear power plant in Japan" The Japanese archipelago is located on the so-called Pacific Rim of Fire, a large active volcanic and tectonic zone ringing North and South America, Asia and island arcs in Southeast Asia. The major earthquakes and active volcanoes occurring there are caused by the westward movement of the Pacific tectonic plate and other plates leading to subduction under Asia. Japan sits on top of four tectonic plates, at the edge of the subduction zone, and is in one of the most tectonically active regions of the world. It was extreme pressures and temperatures, resulting from the violent plate movements beneath the seafloor, that created the beautiful islands and volcanoes of Japan. Nonetheless, like many countries around the world -- where General Electric and Westinghouse designs are used in 85 percent of all commercial reactors -- Japan has turned to nuclear power as a major energy source. In fact the three top nuclear-energy countries are the United States, where the existence of 118 reactors was acknowledged by the Department of Energy in 2000, France with 72 and Japan, where 52 active reactors were cited in a December 2003 Cabinet White Paper. The 52 reactors in Japan -- which generate a little over 30 percent of its electricity -- are located in an area the size of California, many within 150 km of each other and almost all built along the coast where seawater is available to cool them. However, many of those reactors have been negligently sited on active faults, particularly in the subduction zone along the Pacific coast, where major earthquakes of magnitude 7-8 or more on the Richter scale occur frequently. The periodicity of major earthquakes in Japan is less than 10 years. There is almost no geologic setting in the world more dangerous for nuclear power than Japan -- the third-ranked country in the world for nuclear reactors. "I think the situation right now is very scary," says Katsuhiko Ishibashi, a seismologist and professor at Kobe University. "It's like a kamikaze terrorist wrapped in bombs just waiting to explode." Last summer, I visited Hamaoka nuclear power plant in Shizuoka Prefecture, at the request of citizens concerned about the danger of a major earthquake. I spoke about my findings at press conferences afterward. Because Hamaoka sits directly over the subduction zone near the junction of two plates, and is overdue for a major earthquake, it is considered to be the most dangerous nuclear power plant in Japan. Together with local citizens, I spent the day walking around the

facility, collecting rocks, studying the soft sediments it sits on and tracing the nearly vertical faults through the area -- evidence of violent tectonic movements. The next day I was surprised to see so many reporters attending the two press conferences held at Kakegawa City Hall and Shizuoka Prefecture Hall. When I asked the reporters why they had come so far from Tokyo to hear an American geoscientist, I was told it was because no foreigner had ever come to tell them how dangerous Japan's nuclear power plants are.

Impacts- Econ Bad- Russia - Kyoto

**And a nuclear reactor collapse causes apocalyptic extinction**

Wasserman 2 (Harvey, Senior Editor – Free Press, *Earth Island Journal*, Spring 2002, http://www.earthisland.org/journal/index.php/eij/article/nuclear\_power\_and\_terrorism/ ) ET

The intense radioactive heat within today's operating reactors is the hottest anywhere on the planet. Because Indian Point has operated so long, its accumulated radioactive burden far exceeds that of Chernobyl. The safety systems are extremely complex and virtually indefensible. One or more could be wiped out with a small aircraft, ground-based weapons, truck bombs or even chemical/biological assaults aimed at the work force. A terrorist assault at Indian Point could yield three infernal fireballs of molten radioactive lava burning through the earth and into the aquifer and the river. Striking water, they would blast gigantic billows of horribly radioactive steam into the atmosphere. Thousands of square miles would be saturated with the most lethal clouds ever created, depositing relentless genetic poisons that would kill forever. Infants and small children would quickly die en masse. Pregnant women would spontaneously abort or give birth to horribly deformed offspring. Ghastly sores, rashes, ulcerations and burns would afflict the skin of millions. Heart attacks, stroke and multiple organ failure would kill thousands on the spot. Emphysema, hair loss, nausea, inability to eat or drink or swallow, diarrhea and incontinence, sterility and impotence, asthma and blindness would afflict hundreds of thousands, if not millions. Then comes the wave of cancers, leukemias, lymphomas, tumors and hellish diseases for which new names will have to be invented. Evacuation would be impossible, but thousands would die trying. Attempts to quench the fires would be futile. More than 800,000 Soviet draftees forced through Chernobyl's seething remains in a futile attempt to clean it up are still dying from their exposure. At Indian Point, the molten cores would burn uncontrolled for days, weeks and years. Who would volunteer for such an American task force? The immediate damage from an Indian Point attack (or a domestic accident) would render all five boroughs of New York City an apocalyptic wasteland. As at Three Mile Island, where thousands of farm and wild animals died in heaps, natural ecosystems would be permanently and irrevocably destroyed. Spiritually, psychologically, financially and ecologically, our nation would never recover. This is what we missed by a mere 40 miles on September 11. Now that we are at war, this is what could be happening as you read this. There are 103 of these potential Bombs of the Apocalypse operating in the US. They generate a mere 8 percent of our total energy. Since its deregulation crisis, California cut its electric consumption by some 15 percent. Within a year, the US could cheaply replace virtually all the reactors with increased efficiency. Yet, as the terror escalates, Congress is fast-tracking the extension of the Price-Anderson Act, a form of legal immunity that protects reactor operators from liability in case of a meltdown or terrorist attack. Do we take this war seriously? Are we committed to the survival of our nation? If so, the ticking reactor bombs that could obliterate the very core of our life and of all future generations must be shut down

Impacts- Econ Bad- Russia- Arms Buildup

**When Russia experiences economic growth they buy more arms to increase their military influence**

Saradzhyan 8 (Simon, research fellow @ Harvard, *Warfare.RU*, http://warfare.ru/?linkid=2279&catid=239 ) ET

There are cardinal changes in what is going on in the world and the armed forces need to be prepared for […] wars of the future," according to the minister, who also holds the rank of deputy prime minister and is one of the possible contesters in the 2008 presidential race. In line with the Defense Ministry's 2007-2015 armament program, the Russian military will spend a total of 300 billion rubles on procurement this year alone, according to Ivanov. Russia's defense budget has been growing steadily thanks to economic growth fuelled by high oil prices and a consumer boom. As a result of the surge in federal budget revenues, the Defense Ministry quadrupled its budget from 214 billion rubles in 2001 to 821 billion this year. Experts say the Defense Ministry's shopping spree reflects the Kremlin's desire to transform the continuing economic resurgence into geopolitical dividends by beefing up conventional forces while maintaining the strategic nuclear forces' so-called assured destruction capability of in order to flex muscles in the adjacent neighborhoods in the short-to-medium term and across the globe in the longer term. "The procurement plan demonstrates that Russia at least wants to acquire capability to project military-political influence at least on the regional level [..]," Ruslan Pukhov, director of the Centre for Analysis of Strategies and Technologies (CAST) and member of the Defense Ministry's Public Council, told ISN Security Watch in a Saturday phone interview. Ivan Safranchuk, director of the Moscow office of the Washington, DC-based World Security Institute, concurred. "This is a sign that Russia wants to expand projection of its influence in the world, " Safranchuk told ISN Security Watch in a Wednesday phone interview. The experts specifically pointed out that talk of procuring new aircraft carriers was one sign that Russia was seeking to expand its zone of influence. The decision to procure more could be made in 2009, the statement quoted Ivanov as saying. The Russian navy currently has one Soviet-era aircraft carrier and would have to build new ones from scratch since the sole maker of this ship in Soviet times is located in now-independent Ukraine. As part of the shopping spree, the military will procure a total of 31 ships for the navy in 2007-2015, according to Ivanov. The ministry will also procure new arms for 40 tanks, 97 infantry and 50 airborne battalions in line with the 2007-2017 programs, he said.

And increased arms in Russia would embolden other enemies to attack the us- causes global war and crashes US heg

Simes, 7 (Dimitri, Pres of Nixon center, pub of Nat’l Interest, *Foreign Affairs,* nov/dec 7) ET

But if the current U.S.-Russian relationship deteriorates further, it will not bode well for the United States and would be even worse for Russia. The Russian general staª is lobbying to add a military dimension to the Shanghai Cooperation Organization, and some top officials are beginning to champion the idea of a foreign policy realignment directed against the West. There are also quite a few countries, such as Iran and Venezuela, urging Russia to work with China to play a leading role in balancing the United States economically, politically, and militarily. And post-Soviet states such as Georgia, which are adept at playing the United States and Russia officials against each other, could act in ways that escalate tensions. Putin’s stage management of Moscow’s succession in order to maintain a dominant role for himself makes a major foreign policy shift in Russia unlikely. But new Russian leaders could have their own ideas—and their own ambitions—and political uncertainty or economic problems could tempt them to exploit nationalist sentiments to build legitimacy. If relations worsen, the un Security Council may no longer be available—due to a Russian veto—even occasionally, to provide legitimacy for U.S. military actions or to impose meaningful sanctions on rogue states. Enemies of the United States could be emboldened by new sources of military hardware in Russia, and political and security protection from Moscow. International terrorists could find new sanctuaries in Russia or the states it protects.And the collapse of U.S.- Russian relations could give China much greater flexibility in dealing with the United States. It would not be a new Cold War, because Russia will not be a global rival and is unlikely to be the prime mover in confronting the United States. But it would provide incentives and cover for others to confront Washington, with potentially catastrophic results. It would be reckless and shortsighted to push Russia in that direction by repeating the errors of the past, rather than working to avoid the dangerous consequences of a renewed U.S.-Russian confrontation. But ultimately,Moscow will have to make its own decisions.Given the Kremlin’s history of poor policy choices, a clash may come whether Washington likes it or not.And should that happen, the United States must approach this rivalry with greater realism and determination than it has displayed in its halfhearted attempts at partnership.

Impacts- Econ Bad- Russia- Arms Buildup

And Russia spends every penny they can from their budget on arms- economic growth increases use

Warfare.Ru 9 (*Warefare.Ru*, http://warfare.ru/?lang=&linkid=2279&catid=239 , 9) ET

A government official said there would also be more short-range missiles, combat planes, helicopters, tanks and naval vessels. In all, Russia will spend nearly $140bn (?94.5bn) on buying arms. Russia plans a massive increase in its weapons procurement for three years beginning in 2009, with 300 tanks, 14 warships and almost 50 airplanes on the shopping list, a senior government official said on Monday. Vladislav Putilin, deputy head of the military-industrial commission, told journalists after a cabinet meeting the government planned to allocate 4 trillion roubles ($141.5 billion)in 2009-11 to bankroll equipment purchases to modernize its army. Putilin said that over the three-year period Russia's armed forces would receive more than 400 new types of weapons, including 48 aircraft, six spy drones, 60 helicopters, 14 warships, 300 tanks and more than 2,000 auto vehicles.

Impacts- Econ Bad- SE Asia Arms Build up

South asian countries use military growth to increase arms including missiles and jets

Global military 10 ( 3.17.10, *Global Military News*, http://www.global-military.com/southeast-asian-countries-to-purchase-weapons-and-the-possibility-of-war-greatly-increased-the-south-china-sea.html) ET

A report from the Stockholm International Peace Research Institute’s report on the security situation in South Asia, causing the relevant foreign media reports. British “Financial Times” reported that China’s military rise, the South Asian countries have increased their armaments, large-scale imports of modern weapons. The Reuters news agency predicts that due to recently discovered in the South Hey marine resources, making the conflict broke out between the countries concerned the possibility of greatly increased dramatically in some countries to buy modern weapons, but also neighboring countries and even caused a chain reaction throughout the region. Britain’s “Financial Times” published on March 15 article said that the Stockholm International Peace Research Institute (SIPRI) Arms Transfers Project senior research fellow Simon – Weizmann Institute (Siemon Wezeman) Military analysts have warned that China is growing modernization of military forces, neighboring Southeast Asian countries have increased investment in national defense and procurement. In recent years, some Southeast Asian countries in recent years, “substantial” to buy advanced submarines, fighter jets and long-range missiles, its aim is to possible future rainy day conflict in the South China Sea, the region’s territorial disputes are likely to evolve into a war. He said: “Although the Southeast Asian countries have not publicly expressed concerns about China’s military buildup, but they are thought to this issue, and are used to purchase advanced weapons and ways to express their position. 15 years ago, in the South China Sea, the same conflicting time, these countries do not have the ability to compete. Now, if someone in the area and attack these fields, things will become very dangerous. ”Many Southeast Asian countries because of the armed forces resigned to the 1997 Asian financial crisis led to the situation of military equipment behind the building, in the recent economic upturn began to have to buy arms. According to the article, although these countries to buy advanced weapons from the driving force is the domestic, regional and more strategic considerations, most national governments, and not directly by name China as a direct target

Arms race in asia threatens extinction

Feffer 8 (John, co director of foreign policy in focus @ Institute for policy studies, 3.19.8, *Asia Pacific Journal*, http://www.japanfocus.org/-John-Feffer/2704) ET

The arms race in Northeast Asia and the Asia Pacific threatens to overwhelm all talk of peace in the region. Northeast Asia is where four of the world's largest military forces -- those of the United States, China, Russia, and Japan, three of them leading nuclear powers -- confront each other – in addition to the two Koreas that sit astride the most dangerous flash point. Together, the countries participating in the Six-Party Talks account for approximately 65% of world military expenditures, with the United States responsible for roughly half the global total.

Impacts- Econ Bad- SE Asia Arms Build up

These arms races will go nuclear and reignite conflicts in India and Pakistan, Korea, and Taiwan leading to extinction

Cirincione 2k (Joseph, president of Ploughshares Fund, *Foreign Policy*, 3.22.00) ET

The blocks would fall quickest and hardest in Asia, where proliferation pressures are already building more quickly than anywhere else in the world. If a nuclear breakout takes place in Asia**,** then the international arms controlagreements that have been painstakingly negotiated over the past 40 years will crumble. Moreover, the United States could find itself embroiled inits fourth waron the Asian continent in six decades--a costly rebuke to those who seek the safety of Fortress America by hiding behind national missile defenses. Consider what is already happening: North Korea continues to play guessing games with its nuclear and missile programs; South Korea wants its own missiles to match Pyongyang's; India and Pakistan shoot across borders while running a slow-motion nuclear arms race; China modernizes its nuclear arsenal amid tensions with Taiwan and the United States; Japan's vice defense minister is forced to resign after extolling the benefits of nuclear weapons; and Russia--whose Far East nuclear deployments alone make it the largest Asian nuclear power--struggles to maintain territorial coherence. Five of these states have nuclear weapons; the others are capable of constructing them. Like neutrons firing from a split atom, one nation's actions can trigger reactions throughout the region, which in turn, stimulate additional actions. These nations form an interlocking Asian nuclear reaction chain that vibrates dangerously with each new development.If the frequency and intensity of this reaction cycle increase, critical decisions taken by any one of these governments could cascade into the second great wave of nuclear-weapon proliferation, bringing regional and global economic and political instability and, perhaps, the first combat use of a nuclear weapon since 1945.

\*\*Growth Good\*\*

Impacts- Econ Good- Extinction

Economic collapse causes nuclear war- extinction

Broward 9 ((Member of Triond) http://newsflavor.com/opinions/will-an-economic-collapse-kill-you/ AD: 7-7-09 )ET

Now its time to look at the consequences of a failing world economy. With five offical nations having nuclear weapons, and four more likely to have them there could be major consequences of another world war. The first thing that will happen after an economic collapse will be war over resources. The United States currency will become useless and will have no way of securing reserves. The United States has little to no capacity to produce oil, it is totatlly dependent on foreign oil. If the United States stopped getting foreign oil, the government would go to no ends to secure more, if there were a war with any other major power over oil, like Russia or China, these wars would most likely involve nuclear weapons. Once one nation launches a nuclear weapon, there would of course be retaliation, and with five or more countries with nuclear weapons there would most likely be a world nuclear war. The risk is so high that acting to save the economy is the most important issue facing us in the 21st century.

Economic collapse would lead to the spread of AIDs, famine, sickness, crime, and cause global ethnic wars leading to the extinction of civilization.

Silk 93 ( Leonard, Prof of Econ @ Pace U, *Foreign Affairs*, Wntr v72 n1 p167(16).) ET

In the absence of such shifts of human and capital resources to expanding civilian industries, there are strong economic pressures on arms-producing nations to maintain high levels of military production and to sell weapons, both conventional and dual-use nuclear technology, wherever buyers can be found. Without a revival of national economies and the global economy, the production and proliferation of weapons will continue, creating more Iraqs, Yugoslavias, Somalias and Cambodias - or worse. Like the Great Depression, the current economic slump has fanned the fires of nationalist, ethnic and religious hatred around the world. Economic hardship is not the only cause of these social and political pathologies, but it aggravates all of them, and in turn they feed back on economic development. They also undermine efforts to deal with such global problems as environmental pollution, the production and trafficking of drugs, crime, sickness, famine, AIDS and other plagues. Growth will not solve all those problems by itself But economic growth - and growth alone - creates the additional resources that make it possible to achieve such fundamental goals as higher living standards, national and collective security, a healthier environment, and more liberal and open economies and societies.

Impacts- Econ Good- Extinction

**Economic collapse culminates in extinction and complete destruction of the biosphere**

Bearden 2k (Liutenant Colonel, Lieutenant Colonel in the U.S. Army, www.cheniere.org/techpapers/Unnecessary%20Energy%20Crisis.doc) ET

Bluntly, we foresee these factors - and others { } not covered - converging to a catastrophic collapse of the world economy in about eight years. As the collapse of the Western economies nears, one may expect catastrophic stress on the 160 developing nations as the developed nations are forced to dramatically curtail orders. International Strategic Threat Aspects History bears out that desperate nations take desperate actions. Prior to the final economic collapse, the stress on nations will have increased the intensity and number of their conflicts, to the point where the arsenals of weapons of mass destruction (WMD) now possessed by some 25 nations, are almost certain to be released. As an example, suppose a starving North Korea launches nuclear weapons upon Japan and South Korea, including U.S. forces there, in a spasmodic suicidal response. Or suppose a desperate China - whose long range nuclear missiles can reach the United States - attacks Taiwan. In addition to immediate responses, the mutual treaties involved in such scenarios will quickly draw other nations into the conflict, escalating it significantly. Strategic nuclear studies have shown for decades that, under such extreme stress conditions, once a few nukes are launched, adversaries and potential adversaries are then compelled to launch on perception of preparations by one's adversary. The real legacy of the MAD concept is his side of the MAD coin that is almost never discussed. Without effective defense, the only chance a nation has to survive at all, is to launch immediate full-bore pre-emptive strikes and try to take out its perceived foes as rapidly and massively as possible. As the studies showed, rapid escalation to full WMD exchange occurs, with a great percent of the WMD arsenals being unleashed . The resulting great Armageddon will destroy civilization as we know it, and perhaps most of the biosphere, at least for many decades.

Impacts- Econ Good- War

Continued economic collapse will exacerbate tensions in Asia – China may regress to a 1930s Japan-style governance, and North Korea and Iran will advance their interests with loose nukes

Green, 9 (Michael J., Senior Advisor and Japan Chair at the Center for Strategic and International Studies (CSIS) and Associate Professor at Georgetown University. Asia Times Online, “March 26 2009. http://www.atimes.com/atimes/Asian\_Economy/KC26Dk01.html AD 6/30/09) JM

Facing the worst economic crisis since the Great Depression, analysts at the World Bank and the US Central Intelligence Agency are just beginning to contemplate the ramifications for international stability if there is not a recovery in the next year. For the most part, the focus has been on fragile states such as some in Eastern Europe. However, the Great Depression taught us that a downward global economic spiral can even have jarring impacts on great powers. It is no mere coincidence that the last great global economic downturn was followed by the most destructive war in human history. In the 1930s, economic desperation helped fuel autocratic regimes and protectionism in a downward economic-security death spiral that engulfed the world in conflict. This spiral was aided by the preoccupation of the United States and other leading nations with economic troubles at home and insufficient attention to working with other powers to maintain stability abroad. Today's challenges are different, yet 1933's London Economic Conference, which failed to stop the drift toward deeper depression and world war, should be a cautionary tale for leaders heading to next month's London Group of 20 (G-20) meeting. There is no question the US must urgently act to address banking issues and to restart its economy. But the lessons of the past suggest that we will also have to keep an eye on those fragile threads in the international system that could begin to unravel if the financial crisis is not reversed early in the Barack Obama administration and realize that economics and security are intertwined in most of the critical challenges we face. A disillusioned rising power? Four areas in Asia merit particular attention, although so far the current financial crisis has not changed Asia's fundamental strategic picture. China is not replacing the US as regional hegemon, since the leadership in Beijing is too nervous about the political implications of the financial crisis at home to actually play a leading role in solving it internationally. Predictions that the US will be brought to its knees because China is the leading holder of US debt often miss key points. China's currency controls and full employment/export-oriented growth strategy give Beijing few choices other than buying US Treasury bills or harming its own economy. Rather than creating new rules or institutions in international finance, or reorienting the Chinese economy to generate greater long-term consumer demand at home, Chinese leaders are desperately clinging to the status quo (though Beijing deserves credit for short-term efforts to stimulate economic growth). The greater danger with China is not an eclipsing of US leadership, but instead the kind of shift in strategic orientation that happened to Japan after the Great Depression. Japan was arguably not a revisionist power before 1932 and sought instead to converge with the global economy through open trade and adoption of the gold standard. The worldwide depression and protectionism of the 1930s devastated the newly exposed Japanese economy and contributed directly to militaristic and autarkic policies in Asia as the Japanese people reacted against what counted for globalization at the time. China today is similarly converging with the global economy, and many experts believe China needs at least 8% annual growth to sustain social stability. Realistic growth predictions for 2009 are closer to 5%. Veteran China hands were watching closely when millions of migrant workers returned to work after the Lunar New Year holiday last month to find factories closed and jobs gone. There were pockets of protests, but nationwide unrest seems unlikely this year, and Chinese leaders are working around the clock to ensure that it does not happen next year either. However, the economic slowdown has only just begun and nobody is certain how it will impact the social contract in China between the ruling communist party and the 1.3 billion Chinese who have come to see President Hu Jintao's call for "harmonious society" as inextricably linked to his promise of "peaceful development". If the Japanese example is any precedent, a sustained economic slowdown has the potential to open a dangerous path from economic nationalism to strategic revisionism in China too. Dangerous states It is noteworthy that North Korea, Myanmar and Iran have all intensified their defiance in the wake of the financial crisis, which has distracted the world's leading nations, limited their moral authority and sown potential discord. With Beijing worried about the potential impact of North Korean belligerence or instability on Chinese internal stability, and leaders in Japan and South Korea under siege in parliament because of the collapse of their stock markets, leaders in the North Korean capital of Pyongyang have grown increasingly boisterous about their country's claims to great power status as a nuclear weapons state. The junta in Myanmar has chosen this moment to arrest hundreds of political dissidents and thumb its nose at fellow members of the 10-country Association of Southeast Asian Nations. Iran continues its nuclear program while exploiting differences between the US, UK and France (or the P-3 group)

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Impacts- Econ Good- War

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and China and Russia - differences that could become more pronounced if economic friction with Beijing or Russia crowds out cooperation or if Western European governments grow nervous about sanctions as a tool of policy. It is possible that the economic downturn will make these dangerous states more pliable because of falling fuel prices (Iran) and greater need for foreign aid (North Korea and Myanmar), but that may depend on the extent that authoritarian leaders care about the well-being of their people or face internal political pressures linked to the economy. So far, there is little evidence to suggest either and much evidence to suggest these dangerous states see an opportunity to advance their asymmetrical advantages against the international system.

Impacts- Econ Good- War

Economic growth actually checks war – empirically proven

Griswold 5(Daniel- Director of Center for Trade @ Cato Institute, *Free Trade,* 12.29.5, http://www.freetrade.org/node/282) ET

Many causes lie behind the good news -- the end of the Cold War and the spread of democracy, among them -- but expanding trade and globalization appear to be playing a major role. Far from stoking a "World on Fire," as one misguided American author has argued, growing commercial ties between nations have had a dampening effect on armed conflict and war, for three main reasons. First, trade and globalization have reinforced the trend toward democracy, and democracies don't pick fights with each other. Freedom to trade nurtures democracy by expanding the middle class in globalizing countries and equipping people with tools of communication such as cell phones, satellite TV, and the Internet. With trade comes more travel, more contact with people in other countries, and more exposure to new ideas. Thanks in part to globalization, almost two thirds of the world's countries today are democracies -- a record high. Second, as national economies become more integrated with each other, those nations have more to lose should war break out. War in a globalized world not only means human casualties and bigger government, but also ruptured trade and investment ties that impose lasting damage on the economy. In short, globalization has dramatically raised the economic cost of war. Third, globalization allows nations to acquire wealth through production and trade rather than conquest of territory and resources. Increasingly, wealth is measured in terms of intellectual property, financial assets, and human capital. Those are assets that cannot be seized by armies. If people need resources outside their national borders, say oil or timber or farm products, they can acquire them peacefully by trading away what they can produce best at home. Of course, free trade and globalization do not guarantee peace. Hot-blooded nationalism and ideological fervor can overwhelm cold economic calculations. But deep trade and investment ties among nations make war less attractive. Trade wars in the 1930s deepened the economic depression, exacerbated global tensions, and helped to usher in a world war. Out of the ashes of that experience, the United States urged Germany, France and other Western European nations to form a common market that has become the European Union. In large part because of their intertwined economies, a general war in Europe is now unthinkable. In East Asia, the extensive and growing economic ties among Mainland China, Japan, South Korea, and Taiwan is helping to keep the peace. China's communist rulers may yet decide to go to war over its "renegade province," but the economic cost to their economy would be staggering and could provoke a backlash among its citizens. In contrast, poor and isolated North Korea is all the more dangerous because it has nothing to lose economically should it provoke a war. In Central America, countries that were racked by guerrilla wars and death squads two decades ago have turned not only to democracy but to expanding trade, culminating in the Central American Free Trade Agreement with the United States. As the Stockholm institute reports in its 2005 Yearbook, "Since the 1980s, the introduction of a more open economic model in most states of the Latin American and Caribbean region has been accompanied by the growth of new regional structures, the dying out of interstate conflicts and a reduction in intra-state conflicts." Much of the political violence that remains in the world today is concentrated in the Middle East and Sub-Saharan Africa -- the two regions of the world that are the least integrated into the global economy. Efforts to bring peace to those regions must include lowering their high barriers to trade, foreign investment, and domestic entrepreneurship. Advocates of free trade and globalization have long argued that trade expansion means more efficiency, higher incomes, and reduced poverty. The welcome decline of armed conflicts in the past few decades indicates that free trade also comes with its own peace dividend.

Impacts- Econ Good- War

Economic downturn breeds wars

Mead 9 (Henry , Sr fellow in U.S. Foreign Policy at the Council on Foreign Relations, *The New Republic*, 2/4/09, http://www.tnr.com/politics/story.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8&p=2) ET

So far, such half-hearted experiments not only have failed to work; they have left the societies that have tried them in a progressively worse position, farther behind the front-runners as time goes by. Argentina has lost ground to Chile; Russian development has fallen farther behind that of the Baltic states and Central Europe. Frequently, the crisis has weakened the power of the merchants, industrialists, financiers, and professionals who want to develop a liberal capitalist society integrated into the world. Crisis can also strengthen the hand of religious extremists, populist radicals, or authoritarian traditionalists who are determined to resist liberal capitalist society for a variety of reasons. Meanwhile, the companies and banks based in these societies are often less established and more vulnerable to the consequences of a financial crisis than more established firms in wealthier societies. As a result, developing countries and countries where capitalism has relatively recent and shallow roots tend to suffer greater economic and political damage when crisis strikes--as, inevitably, it does. And, consequently, financial crises often reinforce rather than challenge the global distribution of power and wealth. This may be happening yet again. 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.

Impacts- Econ Good- War

The economy is in a continual downhill slide – unless we can make a recovery the world is destined for violent political unrest.

**Klare, 9** (Michael T., Professor of Peace and World Security Studies at Hampshire College, author of “Resource Wars” and “Blood and Oil”, serves on the board of directors of the Human Rights Wach, and is a columnist for Foreign Policy in Focus. The Pine Hills News, February 25 2009. http://thepinehillsnews.com/wp/2009/02/25/economic-crash-will-fuel-social-unrest/ AD 6/30/09)

While most such incidents are triggered by an immediate event — a tariff, the closure of local factory, the announcement of government austerity measures — there are systemic factors at work as well. While economists now agree that we are in the midst of a recession deeper than any since the Great Depression of the 1930s, they generally assume that this downturn — like all others since World War II — will be followed in a year, or two, or three, by the beginning of a typical recovery. There are good reasons to suspect that this might not be the case — that poorer countries (along with many people in the richer countries) will have to wait far longer for such a recovery, or may see none at all. Even in the United States, 54% of Americans now believe that “the worst” is “yet to come” and only 7% that the economy has “turned the corner,” according to a recent Ipsos/McClatchy poll; fully a quarter think the crisis will last more than four years. Whether in the U.S., Russia, China, or Bangladesh, it is this underlying anxiety — this suspicion that things are far worse than just about anyone is saying — which is helping to fuel the global epidemic of violence. The World Bank’s most recent status report, Global Economic Prospects 2009, fulfills those anxieties in two ways. It refuses to state the worst, even while managing to hint, in terms too clear to be ignored, at the prospect of a long-term, or even permanent, decline in economic conditions for many in the world. Nominally upbeat — as are so many media pundits — regarding the likelihood of an economic recovery in the not-too-distant future, the report remains full of warnings about the potential for lasting damage in the developing world if things don’t go exactly right. Two worries, in particular, dominate Global Economic Prospects 2009: that banks and corporations in the wealthier countries will cease making investments in the developing world, choking off whatever growth possibilities remain; and that food costs will rise uncomfortably, while the use of farmlands for increased biofuels production will result in diminished food availability to hundreds of millions. Despite its Pollyanna-ish passages on an economic rebound, the report does not mince words when discussing what the almost certain coming decline in First World investment in Third World countries would mean: “Should credit markets fail to respond to the robust policy interventions taken so far, the consequences for developing countries could be very serious. Such a scenario would be characterized by… substantial disruption and turmoil, including bank failures and currency crises, in a wide range of developing countries. Sharply negative growth in a number of developing countries and all of the attendant repercussions, including increased poverty and unemployment, would be inevitable.” In the fall of 2008, when the report was written, this was considered a “worst-case scenario.” Since then, the situation has obviously worsened radically, with financial analysts reporting a virtual freeze in worldwide investment. Equally troubling, newly industrialized countries that rely on exporting manufactured goods to richer countries for much of their national income have reported stomach-wrenching plunges in sales, producing massive plant closings and layoffs. The World Bank’s 2008 survey also contains troubling data about the future availability of food. Although insisting that the planet is capable of producing enough foodstuffs to meet the needs of a growing world population, its analysts were far less confident that sufficient food would be available at prices people could afford, especially once hydrocarbon prices begin to rise again. With ever more farmland being set aside for biofuels production and efforts to increase crop yields through the use of “miracle seeds” losing steam, the Bank’s analysts balanced their generally hopeful outlook with a caveat: “If biofuels-related demand for crops is much stronger or productivity performance disappoints, future food supplies may be much more expensive than in the past.” Combine these two World Bank findings — zero economic growth in the developing world and rising food prices — and you have a perfect recipe for unrelenting civil unrest and violence. The eruptions seen in 2008 and early 2009 will then be mere harbingers of a grim future in which, in a given week, any number of cities reel from riots and civil disturbances which could spread like multiple brushfires in a drought.

Impacts- Econ Good- War

Economic decline will result in global war.

Mead, 9 (Walter Russell Mead, [Henry A. Kissinger](http://en.wikipedia.org/wiki/Henry_A._Kissinger) senior fellow for [U.S. foreign policy](http://en.wikipedia.org/wiki/U.S._foreign_policy) at the Council on Foreign Relations. *The New Republic*, 2.4.9.  http://www.tnr.com/politics/story.html?id=571cbbb9-2887-4d81-8542-92e83915f5f8&p=2 AD 6/30/09) ET

So far, such half-hearted experiments not only have failed to work; they have left the societies that have tried them in a progressively worse position, farther behind the front-runners as time goes by. Argentina has lost ground to Chile; Russian development has fallen farther behind that of the Baltic states and Central Europe. Frequently, the crisis has weakened the power of the merchants, industrialists, financiers, and professionals who want to develop a liberal capitalist society integrated into the world. Crisis can also strengthen the hand of religious extremists, populist radicals, or authoritarian traditionalists who are determined to resist liberal capitalist society for a variety of reasons. Meanwhile, the companies and banks based in these societies are often less established and more vulnerable to the consequences of a financial crisis than more established firms in wealthier societies. As a result, developing countries and countries where capitalism has relatively recent and shallow roots tend to suffer greater economic and political damage when crisis strikes--as, inevitably, it does. And, consequently, **financial crises often reinforce rather than challenge the global distribution of power and wealth.** This may be happening yet again. 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**.

Impacts- Econ Good- War

Economic collapse leads to global imperialism and war

Internationalist Perspective, 2 (Sander, 4/12/2002, http://users.skynet.be/ippi/3t15%20iptex.htm) ET

But let us now examine the consequences of a deep global economic crisis on the imperialist impulses of other countries. The worsening economic conditions would be felt most acutely in the periphery of the global order, where already now many capitals feel the knife of devalorization on their throats and many states are losing their authority over parts of their territories and their monopoly over the use of armies. Thus, the economic collapse will inevitably ignite more inter-imperialist fires, wars of states against states as well as so-called civil wars. Increasingly, the US and its main allies will face the dilemma whether to put them out or not. The line of what the sheriff of the global order permits will be constantly shifting. Given their own economic problems, the cost of intervening militarily will weigh increasingly heavily. The dispute over who should carry the burden will come on top of the other conflicts created by the economic crisis and further undermine the perception of commonality of interests between them. Furthermore the willingness of society and of the working class in particular to accept growing military intervention may throw up an impassable roadblock. What is and what is not in the vital national interest of the US and Europe will be constantly redefined. It seems very likely then, that an increasing number of conflicts will have to be allowed to go on without intervention of the major powers. Countries such as Russia, China, Iran and others would jump into the vacuum to advance their own imperialist interests. Alliances and connections between different conflicts would emerge. The deeper the economic crisis becomes and the more wars are permitted, the more the imperialist impulse would snowball. Even if the major powers would succeed in imposing a retrenched but hard line of defense of the global order, which is a very big ‘if’, and prevent war between the nuclear armed India and Pakistan, between China and Taiwan or Japan, an invasion of South-Korea by the North or wars that would endanger oil-production in the Middle East, the fire would burn wide and deep. To summarize: for many capitals, the cost-benefit analysis of imperialist undertakings would drastically change because the severity of their economic problems would increase the incentive to seek compensation through conquest and pillage, while the disincentive to do so would diminish because the global economy in crisis would offer them less benefits, especially if the developed capitals react to this crisis in a defensive, protectionist way. The military disincentive would progressively diminish by a growing reluctance and incapacity of the US and other powers to intervene and last but not least the social incentive would increase because through nationalist, racist and xenophobic war and ethnic/religious cleansing campaigns, capitalism would seek to channel the increasing unrest, anger and violence in society to protect its own rule and domestic order.

Impacts- Econ Good- Impact Calc & War

Economic collapse leads to Nazism, global starvation, WMD wars–best timeframe

Nyquist, 5 (economist, 2-4-05, weekly column, financial sense, http://www.financialsense.com/stormwatch/geo/pastanalysis/2005/0204.html) ET

Hayek acknowledged that political exigencies might take precedence over economic principles. As it happened, Röpke did not publish Hayek’s article. According to Hayek, “the political danger of increasing unemployment was so great that [Röpke] would risk the danger of causing further [economic] misdirections by more inflation in the hope of postponing the crisis.” Within three years of Hayek’s note to Röpke, Germany’s troubles led to the appointment of Hitler as Chancellor of Germany. The question may be asked: Why were two economists of the [Austrian School](http://cepa.newschool.edu/het/schools/austrian.htm) – Hayek and Röpke – willing to stifle their criticism of credit expansion in the face of political revolution? As it happens, political wisdom is not the same as economic wisdom. In politics the correct solution to a problem may not be acceptable to the voters. After all, the public does not understand economic principles. They do not recognize that pain is necessary to market correction and a healthy economy. Instead, they are frequently ready to reject good economic policy in favor of anti-market demagogues (like Hitler). From the point of view of practical politics, therefore, it is better to adopt bad economic policies and steal the demagogue’s thunder than allow a totalitarian party to win popular approval and destroy the republic. It is still remarkable, however, that Hayek and Röpke were willing to accept the necessity of credit expansion in the case of Weimar Germany. Their colleague, Ludwig von Mises, warned against credit expansion in the text of [Human Action](http://www.amazon.com/exec/obidos/ASIN/0930073185/financialsenseon): “A lowering of the gross market rate of interest as brought about by credit expansion always has the effect of making some projects appear profitable which did not appear so before.” In other words, credit expansion leads to bad investments and an inevitable market debacle. “If the credit expansion is not stopped in time,” Mises explained, “the boom turns into [a] crack-up boom; the flight into real values begins, [and] the whole monetary system founders.” Mises also stated: “The final outcome of the credit expansion is general impoverishment.” Sadly, the voters in Germany during the 1930s and the voters in America today do not understand the harmfulness of credit expansion. Worse yet, the Federal Reserve does not fully appreciate – or does not admit – that America must pass through a period of economic pain in order to regain its economic health. If the Federal Reserve cannot speak frankly, or act correctly in this regard, what can we expect from leading politicians? The party most associated with the free market – the Republican Party – will doubtless take the blame for future economic consequences. Logically, the political left – now in firm control of the Democratic Party – will make significant gains. In a book titled [Omnipotent Government](http://www.amazon.com/exec/obidos/ASIN/0910884153/financialsenseon), written during World War II, Ludwig von Mises noted that the Nazis initially triumphed because the “fundamental tenets of the Nazi ideology do not differ from the generally accepted social and economic ideologies.” According to Mises, these “generally accepted” ideologies embrace the following six points: “(1) Capitalism is an unfair system of exploitation. It injures the immense majority for the benefit of a small minority…. (2) It is therefore the foremost duty of popular government to substitute government control of business for the management of capitalists and entrepreneurs. (3) Price ceilings and minimum wage rates … are an adequate means for improving the lot of the consumers and permanently raising the standard of living…. (4) Easy money policy, i.e., credit expansion, is a useful method of lightening the burdens imposed by capital upon the masses and making a country more prosperous. It has nothing to do with the periodical recurrence of economic depression. Economic crises are an evil inherent in unhampered capitalism. (5) All those who … assert that capitalism best serves the masses … are ill-intentioned and narrow-minded apologists of the selfish class interests of the exploiters…. (6) The advantage derived from foreign trade lies exclusively in exporting. Imports are bad and should be prevented as much as possible.” (See pp. 222-223.)at a time of economic crisis, the appeal of Nazi economic ideas must prove irresistible. It stands to reason, therefore, that a future financial crash will benefit political extremists whose ideas coincide with those listed above. Please note: there is no appreciable difference between the six dogmas listed above and the rhetoric of the Democrats in Congress. Should the United States experience a severe economic contraction during the second term of President Bush, the American people will likely support politicians who advocate further restrictions and controls on our market economy – guaranteeing its strangulation and the steady pauperization of the country. In Congress today, Sen. Edward Kennedy supports nearly all the economic dogmas listed above. It is easy to see, therefore, that the coming economic contraction, due in part to a policy of massive credit expansion, will have serious political consequences for the Republican Party (to the benefit of the Democrats). Furthermore, an economic contraction will encourage the formation of anti-capitalist majorities and a turning away from the free market system. The danger here is not merely economic. The political left openly favors the collapse of America’s strategic position abroad. The withdrawal of the United States from the Middle East, the Far East and Europe would catastrophically impact an international system that presently allows 6 billion people to live on the earth’s surface in relative peace. Should anti-capitalist dogmas overwhelm the global market and trading system that evolved under American leadership, the planet’s economy would contract and untold millions would die of starvation. Nationalistic totalitarianism, fueled by a politics of blame, would once again bring war to Asia and Europe. But this time the war would be waged with mass destruction weapons and the United States would be blamed because it is the center of global capitalism. Furthermore, if the anti-capitalist party gains power in Washington, we can expect to see policies of appeasement and unilateral disarmament enacted. American appeasement and disarmament, in this context, would be an admission of guilt before the court of world opinion. Russia and China, above all, would exploit this admission to justify aggressive wars, invasions and mass destruction attacks. A future financial crash, therefore, must be prevented at all costs. But we cannot do this. As one observer recently lamented, “We drank the poison and now we must die.”

Impacts- Econ Good- Interdependence

Economic growth breeds interdependence with China

Aversa 6/8 (Jeannine, *AP Staff Writer*, *USA Today*, 6.8.10, http://www.usatoday.com/money/economy/2010-06-08-bernanke\_N.htm ) ET

Federal Reserve Chairman Ben Bernanke said Monday he is hopeful the economy will gain traction and not fall back into a "double dip" recession. "My best guess is we will have a continued recovery, but it won't feel terrific," Bernanke said. That's because economic growth won't be robust enough to quickly drive down the unemployment rate, now at 9.7%, he said in remarks to the Woodrow Wilson International Center for Scholars, a non-partisan research group. The economy grew at a 3% pace in the first quarter of this year. That's good growth during normal times. But coming out of such a deep recession, the economy must grow much more strongly to make a dent in the jobless rate. Fears have grown that the recovery could be derailed if Europe's debt crisis turns into a broader financial contagion, crimping lending in the United States and around the globe. The situation has spooked investors and sent Wall Street into fits of panic. Bernanke said the Fed is monitoring the European crisis carefully, and he believes European leaders are taking the right steps to deal with the problems. Asked when the Fed will start raising interest rates, Bernanke quipped "in the future." The Fed has pledged to hold rates at record lows to nurture the recovery. A growing number of economists now believe the Fed won't start to boost rates until next year given the European crisis and high unemployment. Bernanke didn't offer new clues about when the Fed would reverse course and start to tighten credit. However, he did say the Fed won't be able to wait until the jobs market is fully healed before it pushed rates up. Observing the economy, Bernanke said the news so far is "pretty good." Both consumers and companies are spending sufficiently to keep the recovery moving forward. The private sector, he said, is "picking up the baton" as government stimulus, which mainly powered the recovery in its earliest stage, starts to fade. On relations between the United States and China, Bernanke said there is a real desire between the two superpowers to work together to ease trade and economic tensions. Both countries sort of understand there is a "co-dependency relationship," Bernanke said. The United States snaps up Chinese goods and the Chinese is a major buyer of the U.S. government's debt.

And interdependence discourages war by making the marginal cost bigger than marginal benefit

O-Reilly 9 (Pierce, prof of poli-sci @ Columbia U, apr 29-9, *Columbia.edu* , http://www.columbia.edu/cu/polisci/pdf-files/miniapsa\_oreilly.pdf ) ET

Game theoretic perspectives on war argue that countries fight when the gains outweigh the costs.[?] Much research in international relations has focused on nation-states as rational actors who benefit from certain assets that can be gained from war. These assets may be territory, resolution of a dispute in their favour, international or domestic prestige, or greater security. States, as rational actors, weigh these gains against the costs of war, such as the cost of military operation, destruction of capital, disruption of economic activity, or the loss of territory or other assets in the event of defeat. The costs of war can also be less tangible, such as lost or disrupted alliances, reputational costs, or increased risks of war with other countries. A crucial type of the gain from war has historically been the acquisition of economic resources. Wars are of- ten fought to sustain the huge demand for primary inputs needed by growing economies. Thus resource-rich countries can be an attractive target for aggressors.

Impacts- Econ Good- Interdependence

Economic growth spurs international cooperation which, through free trade- causes peace

O-Reilly 9 (Pierce, prof of poli-sci @ Columbia U, apr 29-9, *Columbia.edu* , http://www.columbia.edu/cu/polisci/pdf-files/miniapsa\_oreilly.pdf ) ET

Now, wars are costly; in addition to the costs of military build-up and waging a war, natural and other

productive resources are often destroyed during war- fighting. Consider, for example, the Soviet Union's

scorched-earth policy during 1941-42, or the budget deficits incurred by the United States during the recent

war in Iraq. Reputational losses and international approbation must also be considered; consider the repu-tational dificulties encountered by Britain and France during their abortive attempt to seize the Suez canal in 1956. Given these deadweight losses, we are at pains to explain why countries face such strong incentives to go to war for resources. I argue that economic heterogeneity can be important part of an explanation of this. Economic asymmetries are instances where countries of similar gross output might be possessed of very resource endowments; Germany may have coal, France iron, or Japan may have high-skilled labour and capi- tal while China may have low-skilled labour and land. This should result in increased incentives for countries to wage wars in instances where their would-be opponent has a relatively large amount of a resource they lack. Trade, however, can allow natural resources to be shared between countries on an international market. Often, countries will prefer to buy resources their economy needs from another country rather than take them by force. Thus free trade can be a key mechanism in reducing the incentives for countries to go to war. Where trade is feasible (where tarrifs and shipping costs are low enough, and where economic resources are tradable) it can be cheaper to buy goods than to appropriate them by force. I will show that the gains to peace from trade are largest when war is most likely, and that the gains to peace are directly proportional to the `gains from trade', familiar from trade models.

Growth good- spurs international dependence that provides security- Kissinger and Cold war conclude

Franks 80 (Edward, assistant director @ Rand, *RAND,*Aug 80, http://www.rand.org/pubs/notes/2009/N1568.pdf ) ET

Events of the late 1960s and early 1970s resulted in significant changes in the international system. According to numerous policy-makers, these changes were at least in part due to increased economic interdependence. As a result, there ensued a proliferation of strategies linking the international economic and political arenas. Such linkage strategies were a prevalent feature of diplomacy during the Nixon/ Ford administration, especially with regard to the concept of détente. Kissinger envisioned that the interrelationship of issues, as expressed in the linkage concept, would develop a network of interests between the United States and the Soviet Union and make both sides conscious of what they would lose by reverting to policies of confrontation and crisis. One important aspect of this linkage phenomenon is the economic component. This is reflected in the widespread belief that economic interdependence brings political and security benefits. Indeed during the cold war, when contact between the United States and the USSR was severely limited, many argued that improved economic relations might mitigate international tensions, as evidenced by several congressional resolutions to that effect. The question, according to Kissinger, was, “ how could trade and economic contact serve the purpose of peace?” Kissinger (1977, p. 158) concluded that: Over time, trade and investment may lesson the autocratic tendencies of the soviet system, invite gradual association of the Soviet economy with the world economy, and foster a degree of interdependency that adds an element of stability to the political equation.

Impacts- Econ Good- A2: War- Goldstein

Goldstein’s argument is logically flawed- explains a nation state level argument in the context of systemic level factors

Cashman 2k (Greg, poli-sci @ Salisbury state U, *What causes war?: an introduction to theories of international conflict* , pg. 68) ET

Goldstein’s explanation for the link between K-waves and war is that increasing production produces a great demand for these resources. This competition occurs during a period when production increases have made increased supplies of war material available to the military sector, drastically increasing the probability of war. (This is essentially a lateral pressure argument without the emphasis on population growth.) Since war is a costly endeavor, states prefer to engage in it when the resources are relatively plentiful. War is most likely to occur, then, near the end of the long-wave upswing. Note, however, that Goldstein falls back on nation-state- level argument ( the presence of economic wherewithal) to help explain a theory based on systemic-level factors (K-waves).

Goldstein’s theory of upswing causing war is empirically wrong- 4 of the last 10 wars were in a downswing and only 2 were in an upswing

Cashman 2k (Greg, poli-sci @ Salisbury state U, *What causes war?: an introduction to theories of international conflict* , pg. 68) ET

What does this have to do with Modelski’s long-cycle theory? Goldstein argues that the hegemonic cycle and economic long-wave cycle, though they are not in phase with each other, operate in conjunction with each other. Thus, hegemonic decline does not by itself lead to war; it is only dangerous when it coincides with an expansionary phase of the economic cycle. Economic expansion by itself is not dangerous either; it must be accompanied by hegemonic stagnation. For example, the economic expansion of the 1960s was not associated with major wars because of the strong hegemonic position of the United States. Goldstein predicts new economic upswings to coincide with the continuation of American hegemonic decline between 2000 and 2030 Jack levy reexamines the issue, matching Goldstein’s data on economic production cycles against the ten general wars of the last 5 centuries. He is interested not in peaks of war severity, but in war initiation. When the production cycle alone is considered (after all, Goldstein’s theory is based on the rise and fall of production, rather than on prices or other variables), Levy discovers a picture at odds with Goldstein’s theory. Four of the ten wars were begun during the middle or end of a production downswing phase, and two occurred at the beginning of an upswing- rather than near the end of the upswing, as Goldstein’s theory suggests. Many of the wars broke out near the transition from downswing to upswing, so that the causalities associated with them belonged in the upswing phase even though the wars might have begun in the downswing- explaining why Goldsttein found an association between K-waves and severity of war, but not between k- waves and war initiation.

Impacts- Econ Good- A2: War- Goldstein

Goldstein is wrong- fails to take key authors into account

Midlarsky 89 ( Manus, political science @ Rutgers U, *Journal of Politics*, Vol 51 No. 4, Nov 89, http://www.jstor.org/stable/2131568 , pg 1068-9)ET

There are heartening and disappointing aspects to both books taken together. On the positive side, the study of systemic, world, or hegemonic wars is now receiving separate and, I might add, highly successful theoretical and empirical treatment. This is indicative of the maturation of a science. Cognate elements of a phenomenon are analyzed separately from the remainder to see how well they cohere in the attempt at explanation. Additionally and importantly, how successful is that explanatory effort? Fortunately, in the case of Goldstein treatment, the answer to both questions is yes. The disappointing aspect emerges in the danger that analysts of systemic wars may become increasingly divorced from those who treat smaller wars. This danger is already foreshadowed in the two books under review here. Neither Modelski, Levy, nor Doran are referenced in James' book. In turn, neither Bueno de Mesquita, Zinnes, nor Wilkenfeld are referred to in Goldstein's volume. The division already is appearing at this time, with unforeseen, but I suspect ultimately deleterious consequences for the field of international conflict research.

Goldstein’s statistical methods were flawed- wrong groupings and lack of quantitative methods

Rostow 88 (W.W., United States National Security Advisor, *Journal of Economic History*, vol 48 no. 4, Dec 1988, http://www.jstor.org/stable/2121682 , p.990 ) ET

This book is flawed in a number of respects. The review of long-cycle theories and evidence is complicated by the effort to link the character of theories to the political orientation of theorists. The grouping proves rather unsatisfactory, with a good many figures disposed of in a few unpersuasive phrases; and there are some curious anomalies as well. While respecting Goldstein's effort to survey and give shape to the whole long-cycle literature, I can only report that, for this reader, it didn't come off. The flaw in Part Two is much more serious. First, as indicated earlier, the data are not adequate for a test of his long-wave/war hypothesis, with respect to time periods, quality, or variables covered. Second, the statistical methods and results constitute a reduction and absurdum of the present fashion in political science of reliance on formal quantitative methods.

Goldstein is wrong- his empirics are based off of nominal rather than real figures- economically incorrect

Rostow 88 (W.W., United States National Security Advisor, *Journal of Economic History*, vol 48 no. 4, Dec 1988, http://www.jstor.org/stable/2121682 , p.990 ) ET

To get at the heart of the matter, it is simply not true that there is a systematic relation between the price trends which underlie Goldstein's "base dating scheme" and trends in production. There are good and bad price upswings and downswings. The first price downswing (1815-1848) was marked by a higher rate of growth in the British and world economies than the first upswing (1790-1815), when corrected for cyclical biases in dating. The second price downswing (1873-1896) was a period of deceleration in British production (not real wages) but accelerated growth in a good many other countries. The third price downswing (1920-1933) was, of course, accompanied by deceleration or decline in most parts of the world economy. The results of the upswings are similarly mixed. The clustering of major innovations is also erratic in relation to the "base dating scheme."

Goldstein is false- historical summaries incorrect

Rostow 88 (W.W., United States National Security Advisor, *Journal of Economic History*, vol 48 no. 4, Dec 1988, http://www.jstor.org/stable/2121682 , p.990 ) ET

Finally Goldstein's historical summaries are inevitably thin, given the long timeperiod covered, his speculations on the past and future as well, and the complexity of the issues he raises. The human race won't get from here to "common security" by incantation, or even the joint exploration of space. The peaceful phasing out of the Cold War; the absorption into the world economy and polity of technologically mature China, India, Brazil, and Mexico, and other upwardly mobile states; the preservation of a viable physical environment in the face of the strains imposed by global industrialization; the patient provision of support for countries not yet in take-off; and the maintenance of strong, vital societies in North America, Western Europe, and Japanworking in partnership-and much more are implied by the decent aspirations evoked by Goldstein at the close.

Impacts- Econ Good- A2: War- Goldstein

Goldstein only shows correlation- no causation claims

Midlarsky 89 ( Manus, political science @ Rutgers U, *Journal of Politics*, Vol 51 No. 4, Nov 89, http://www.jstor.org/stable/2131568 , pg 1065-1066)ET

The core of Goldstein's analysis is the relationship between elements of the long cycle and what has been called the hegemonic war (more on that usage momentarily). As conceived of by Nikolai Kondratieff in his first 1925 publication, long cycles are waves of economic activity which undergo long upswings and downswings as measured by prices, production, and trade, among other economic indices. His legacy, although not without substantial controversy, has been to bequeath his name to what is now frequently called the Kondratieff wave. More recently, George Modelski suggested theoretical relationships between the Kondratieff wave (or more generally, the long cycle) and world war, and William Thompson, among others, provided empirical support for aspects of this relationship. In this book, data on prices, production, wages, and other important economic indicators are collected over the period 1495-1975. A total of 55 economic time series are used to test a bevy of hypotheses that Goldstein has collected from the long-cycle literature. What is appealing about these hypotheses is that they are frequently paired with their obverse counterparts, also culled from that literature. Thus, the first hypothesis-that "long waves exist"-is paired with its obverse, namely, that "long waves do not exist" (164). Or "war concentrations occur on long wave upswings" is coupled with "war clusters early in the downswing" (168). The economic time series then are used to demonstrate the strong relationship between prices and, in a time-lagged effect, production, with periods of war severity (measured by battle fatalities) occurring on the long-wave upswing. This is the major contribution of Goldstein's study-not only to confirm or disconfirm hypotheses in the long-wave literature using a variety of straightforward as well as highly sophisticated methodologies-but finally to demonstrate a robust relationship between two of the most frequently used economic variables in longwave research, and periods of war severity. These points coincide with wars such as the Thirty Years' War, the Napoleonic Wars, and World War I. The findings are used to construct a theory of long waves with production growth and war severity at its core.

Goldstein wrong- based off the wrong hegemon

Midlarsky 89 ( Manus, political science @ Rutgers U, *Journal of Politics*, Vol 51 No. 4, Nov 89, http://www.jstor.org/stable/2131568 , pg 1066)ET

These accomplishments notwithstanding, there is a problematic area in the historical treatment of the book. And in fairness to Goldstein, this emerges not so much from his own analysis, as in his acceptance of the term hegemonic war, used by others, to characterize his periods of greatest war severity. The difficulty may be summarized in the question: Who is the hegemon at any given time? It is fairly easy to pinpoint hegemonic powers in the contemporary period, especially if one accepts the primacy of economic production and sea power in that determination. Great Britain during the nineteenth century or the United States during the latter part of the twentieth century easily comes to mind. But what of earlier time periods when the choice of a particular country is unclear and the criteria for selection are fuzzy? These difficulties lead Goldstein to choose Venice as the initial hegemon of the modern period beginning approximately in 1350 and ending in 1648. With a population only slightly in excess of 100,000 in the middle of this period, and a military size to match, it is difficult to conceive of Venice as a hegemonic power. True, in economic terms, and especially trade, she stood out from the remainder but is it sufficient to use only economic criteria and sea power in the Mediterranean, when the other bases of power are so meager? This problem points to the further difficulty of choosing either landbased or sea-based power as the principal basis for selecting the hegemon.

Impacts- Econ Good- A2: War- Goldstein- Wave theory

Kondratieff wave theory empirically false

North 6/27 (Gary, economist and publisher and PhD in history from the University of California, Riverside, The Myth of the Kondratieff Wave, http://www.lewrockwell.com/north/north725.html, 6/27/09, AD: 7/6/09) JC

THE K-WAVE These days, the Kondratieff Wave has a spiffy new name: the K-Wave. (I can almost hear it: "Attention: K-Wave shoppers!") The K-Wave is supposedly going to bring a deflationary collapse Real Soon Now. The Western world's debt structure will disappear in a wave of defaults. Kondratieff's 54-year cycle is almost upon us. Again. The last deflationary period ended in 1933. This became clear no later than 1940. World War II orders from Great Britain, funded by American loans and Federal Reserve policy, ended the Great Depression by lowering real wages. In 1942, price and wage controls were imposed by Washington, the FED began pumping out new money, ration stamps replaced the free market, the black market overcame shortages, and the inflationary era began. That was a long time ago. But the K-Wave is heralded as a 50 to 60-year cycle, or even more specifically, a 54-year cycle. That's the entire cycle, trough to trough or peak to peak. The K-Wave supposedly should have bottomed in 1933, risen for 27 years (1960), declined in economic contraction until 1987, and boomed thereafter. The peak should therefore be in 2014. There is a problem here: the cyclical decline from 1960 to 1987. It never materialized. Prices kept rising, escalating with a vengeance after 1968, then slowing somewhat – just in time for the longest stock market boom in American history: 1982–2000. OK, say the K-Wavers: let's extend the cycle to 60 years. Fine. Let's do just that. Boom, 1932–62; bust, 1963–93; boom, 1994–2024. Does this correspond to anything that happened in American economic history since 1932? No.

More empirical evi

North 6/27 (Gary, economist and publisher and PhD in history from the University of California, Riverside, The Myth of the Kondratieff Wave, http://www.lewrockwell.com/north/north725.html, 6/27/09, AD: 7/6/09) JC

You may think that I am devoting way too much space to this. But I want my readers to understand why Kondratieff was wrong in 1925. His popularizers were even more wrong in 1975–85, with their "idealized" chart, and their contemporary heirs' unwillingness to learn from the fact that the downward phase of the cycle is now 44 years late. It should have begun no later than Kennedy's administration: 1932+30=1962. This assumes that the original downward phase was due in 1932. It wasn't. It was due around 1926: 1896+30=1926. It should have lasted until 1956. But 1945–73 was a boom era, with mild recessions and remarkable economic growth per capita. Forget about a K-Wave which is going to produce price deflation. The Federal Reserve System remains in control. Sorry about that. It is creating new money. Long-term price deflation of 5% per annum is not in the cards or the charts – anywhere. I recommend that you not take seriously arguments to the contrary that are based on the latest updated version of the K-Wave. The K-Wave forecasted that secular deflation was just around the corner, repeatedly, ever since 1932. It wasn't.

Impacts- Econ Good- A2: War- Goldstein- Wave theory

Kondratieff wave theory fails – creator even admits the theory is false

North 6/27 (Gary, economist and publisher and PhD in history from the University of California, Riverside, The Myth of the Kondratieff Wave, http://www.lewrockwell.com/north/north725.html, 6/27/09, AD: 7/6/09) JC

Kondratieff admitted that there was no theoretical basis for his cycle. He also admitted that some of the price data revealed no traces in his cycle. He selected two groups of "elements of economic reality," as he called them. This is from [The Long Wave Cycle](http://www.amazon.com/gp/product/0943940079?ie=UTF8&tag=lewrockwell&linkCode=xm2&camp=1789&creativeASIN=0943940079) (Richardson & Snyder, 1984). The elements of the first group were characterized by the fact that, along with the fluctuating processes, their dynamic did not manifest any general growth or decline (secular trend), or else that trend was scarcely noticeable – at any rate, for the period under observation (p. 33). What was he talking about? For one thing, commodity prices. He admitted: "In processing the statistics on the dynamics of the series of this group, I used simple analytical methods to bring out the long cycles" (p. 33). In short, he manipulated the evidence until he obtained a pattern. He said he found patterns in other statistics. But was there an underlying economic reality, "some real trends in economic development? This is a very big question, and I cannot now elucidate it." Yet this is the heart of his supposed cycle. "We do not have a method for determining how accurately a theoretical curve reflects real evolutionary-economic trends" (p. 35). All that he could find in the pig iron and lead statistics was one and a half or maybe two cycles (p. 52). . . . we did not succeed at all if finding long cycles in the dynamics of cotton consumption in France, and wool and sugar production in the United States, or in the dynamics of certain other series (p. 58). As has already been noted, in my own investigation I discovered series in whose dynamics there were no long cycles (p. 62). As for the pattern of the long cycle, First, I emphasize its empirical character: as such, it is lacking in precision and certainly allows of exceptions. Second, in presenting it I am absolutely disinclined to believe that it offers any explanation of the causes of the long cycles (pp. 68–69). He was frank about the extreme limitations on his data and his findings. His disciples are not.

Depression empirically proves K-wave validity

Baranov 8 (Eric Von, Founder & CEO of The Kondratyev Theory Letter, An Introduction, http://www.kondratyev.com/reference/theory\_explained.htm, 1/3/08, AD: 7/6/09) JC

He was arrested in 1930 and sentenced to the Russian Gulag (prison); his sentence was reviewed in 1938, and he received the death penalty, which it is speculated was carried out that same year. Kondratieff’s major premise was that capitalist economies displayed long wave cycles of boom and busy ranging between 50-60 years in duration. Kondratieff’s study covered the period 1789 to 1926 and was centered on prices and interest rates. Kondratieff’s theories documented in the 1920’s were validated with the depression less than 10 years later.

Today, we are faced with another Kondratieff Winter (depression) when the majority of the world anticipates economic expansion. Each individual needs to weigh the risk of depression in light of Kondratieff's work.

Historical evidence proves the K-wave theory

Taylor 5/12 (Jay, Taylor Hard Money Advisors, Kondratieff Winter Is Here? Is This the Greater Depression, http://www.modavox.com/voiceamerica/vepisode.aspx?aid=38122, 5/12/09, AD: 7/5/09) JC

Nations and their economies run through 50 to 70 year credit expansion/contraction cycles known as a Kondratieff wave. Special guest Ian Gordon, Chairman of Long Wave Group and economic historian tells Jay Taylor why the U.S. and the global economy has entered into a credit contraction that will be as bad or worse than the deflationary depression of the 1930s. Ian will explain why polices geared to stimulating the economy will not only fail but will plunge us even deeper into a price collapsing depression. Ian will explain why he is betting on deflation, not inflation and why, in this environment, gold mining will be a portfolio savior as it was during the Great Depression when the Dow to gold ratio approached 1:1. Ian tells why he believes the Dow to gold ratio may well fall to an even more remarkable 0.25:1.0 in this depression and why gold stocks will make their owners truly wealthy. Ian may also name a few of his favorite gold mining stocks. [www.longwavegroup.com](http://www.longwavegroup.com)

Impacts- Econ Good- Space vsn 2

Economic growth is key to expanding space exploration

Elhefnawy 8 (Nader, prof @ u of Miami, *The Space Review*, Sep 29-8, http://www.thespacereview.com/article/1220/1 ) ET

No less important is the expansion of the economic base that would have to support such endeavors, a point which rarely gets much attention. There is an obvious reason why that approach is often ignored: the common claim that the limits to growth on Earth mandate a turn to the exploitation of space. (Such arguments are not exclusive to the writers of the 1970s. John S. Lewis posits that the failure to do so will mean “civilization collapses to subsistence agriculture by 2030” in his 1996 book Mining the Sky.) However, this is far from being the only reason. The plain truth is that relying on terrestrial economic expansion to endow us with the resources for eventual space expansion will mean admitting the most exciting things are further off than we would like, outside the time frame of “meaningful” discussions of what public policy should be or what private business can do. Besides, it makes for a less compelling and attractive story than the idea of a technological revolution just over the horizon that opens up the heavens to all of us—especially if one is a market romantic when it comes to these matters (see “Market romanticism and the outlook for private space development”, The Space Review, September 2, 2008)

Nonetheless, that is what one would have to assume given the state of the art. Additionally, however, while space launch costs (and other, related costs) may drop in real terms in the coming decades, it is safe to say that any viable future spacefaring society will also see them drop markedly in relative terms. The United Nations predicts the rise of Gross World Product (GWP) to about $140 trillion by 2050, more than twice today’s level, and this is still rather conservative next to some previous periods of comparable length. A repeat of the growth of 1950–1990, for instance, would likely result in a GWP in the $250–350 trillion range. And of course, if one goes in for that sort of thinking, the growth we could realize if the predictions of futurists like Ray Kurzweil pan out would absolutely explode those numbers. Of course, some caution is in order. Given the challenges the world now faces, including tight energy supplies, ecological degradation, and financial instability (and the huge uncertainties involved in not just space, but other technologies like molecular engineering and robotics), it is easy to picture even the modest numbers supplied by the UN proving overoptimistic.

An increased space budget is key to nuclear propulsion- key to mars

Lemos 7 (Robert, 9/20, “http://www.wired.com/print/science/space/news/2007/09/space\_nukes) ET

"We need to restart development into nuclear propulsion," said Maureen Heath, vice president of Northrup Grumman's Civil Space division. "This is an area where we need to spend more resources to enable the next era of exploration." Nuclear power and propulsion for spacecraft are nothing new. Since the 1960s, the United States has had the capabilities to launch vehicles powered by radioactive materials. Experiment packages on many of the Apollo missions used nuclear power systems as well. In 2006, NASA shut down most of its research into nuclear propulsion technologies, a project the agency had dubbed Prometheus. The agency had contracted with Northrup Grumman, Boeing and Lockheed Martin to propose future propulsion systems based on nuclear power.Nuclear propulsion encompasses any technology that uses a nuclear reactor to provide the energy for a rocket engine. The best-known engines are nuclear-thermal rockets, which use nuclear energy to heat a rocket propellant, and nuclear-electric propulsion, which uses the generator to ionize a propellant. Both outperform current chemical-based rockets and are currently under consideration only for spaceflight, not for lifting a rocket from the ground to orbit. Using a nuclear reactor for propulsion also solves energy problems for missions to the outer planets. Getting power from solar energy becomes increasingly problematic the farther the probe travels from the sun. Nuclear power would allow probes to stay active through planetary nights and not be threatened by any loss of light -- as happened during the recent sandstorms on Mars that almost doomed the two Martian rovers. "When people go to Mars, there is not enough sunlight" to satisfy the power requirements, said Scott Horowitz, associate administrator for NASA's Exploration Systems Mission Directorate. "You are in a place where you need nuclear."NASA's latest probe, the Dawn mission to the asteroids Vesta and Ceres in the asteroid belt, uses a solar-powered ion drive for propulsion. By using a nuclear version, the probe could get to the asteroids more quickly and have better and more-powerful scientific instruments, industry experts said. "Mapping missions that explore multiple celestial bodies like comets, asteroids and moons are made possible by the highly efficient use of propellant that nuclear propulsion offers," Northrup Grumman said in a statement sent to Wired News. "The available electrical power used for propulsion can also operate vastly more complex scientific instruments and return hundreds to thousands of times more scientific data than other technologies." Because of the concerns, as well as funding cutbacks, NASA has refocused its Prometheus nuclear program to concentrate on creating a power generator that would satisfy the needs of the first lunar outpost. Advancing the technology of nuclear propulsion will have to wait, said NASA's Horowitz. "Right now, it's not in the budget, because we don't have the budget to do it," he said. "But they (the scientists) are working on an important piece, so they are still engaged.

Impacts- Econ Good- Space vsn 2

Mars is the only place we have after earth- key to human survival

Zubrin 96 (former Chairman of the National Space Society, and President of the Mars Society, Robert, Ad Astra, “The Case for Colonizing Mars,” July/August, <http://nss.org/settlement/mars/zubrin-colonize.html>) ET

Among extraterrestrial bodies in our solar system, Mars is singular in that it possesses all the raw materials required to support not only life, but a new branch of human civilization. This uniqueness is illustrated most clearly if we contrast Mars with the Earth's Moon, the most frequently cited alternative location for extraterrestrial human colonization. In contrast to the Moon, Mars is rich in carbon, nitrogen, hydrogen and oxygen, all in biologically readily accessible forms such as carbon dioxide gas, nitrogen gas, and water ice and permafrost. Carbon, nitrogen, and hydrogen are only present on the Moon in parts per million quantities, much like gold in seawater. Oxygen is abundant on the Moon, but only in tightly bound oxides such as silicon dioxide (SiO2), ferrous oxide (Fe2O3), magnesium oxide (MgO), and aluminum oxide (Al2O3), which require very high energy processes to reduce. Current knowledge indicates that if Mars were smooth and all its ice and permafrost melted into liquid water, the entire planet would be covered with an ocean over 100 meters deep. This contrasts strongly with the Moon, which is so dry that if concrete were found there, Lunar colonists would mine it to get the water out. Thus, if plants could be grown in greenhouses on the Moon (an unlikely proposition, as we've seen) most of their biomass material would have to be imported. The Moon is also deficient in about half the metals of interest to industrial society (copper, for example), as well as many other elements of interest such as sulfur and phosphorus. Mars has every required element in abundance. Moreover, on Mars, as on Earth, hydrologic and volcanic processes have occurred that are likely to have consolidated various elements into local concentrations of high-grade mineral ore. Indeed, the geologic history of Mars has been compared to that of Africa, with very optimistic inferences as to its mineral wealth implied as a corollary. In contrast, the Moon has had virtually no history of water or volcanic action, with the result that it is basically composed of trash rocks with very little differentiation into ores that represent useful concentrations of anything interesting. You can generate power on either the Moon or Mars with solar panels, and here the advantages of the Moon's clearer skies and closer proximity to the Sun than Mars roughly balances the disadvantage of large energy storage requirements created by the Moon's 28-day light-dark cycle. But if you wish to manufacture solar panels, so as to create a self-expanding power base, Mars holds an enormous advantage, as only Mars possesses the large supplies of carbon and hydrogen needed to produce the pure silicon required for producing photovoltaic panels and other electronics. In addition, Mars has the potential for wind-generated power while the Moon clearly does not. But both solar and wind offer relatively modest power potential — tens or at most hundreds of kilowatts here or there. To create a vibrant civilization you need a richer power base, and this Mars has both in the short and medium term in the form of its geothermal power resources, which offer potential for large numbers of locally created electricity generating stations in the 10 MW (10,000 kilowatt) class. In the long-term, Mars will enjoy a power-rich economy based upon exploitation of its large domestic resources of deuterium fuel for fusion reactors. Deuterium is five times more common on Mars than it is on Earth, and tens of thousands of times more common on Mars than on the Moon. But on Mars there is an atmosphere thick enough to protect crops grown on the surface from solar flare. Therefore, thin-walled inflatable plastic greenhouses protected by unpressurized UV-resistant hard-plastic shield domes can be used to rapidly create cropland on the surface. Even without the problems of solar flares and month-long diurnal cycle, such simple greenhouses would be impractical on the Moon as they would create unbearably high temperatures. On Mars, in contrast, the strong greenhouse effect created by such domes would be precisely what is necessary to produce a temperate climate inside. Such domes up to 50 meters in diameter are light enough to be transported from Earth initially, and later on they can be manufactured on Mars out of indigenous materials. Because all the resources to make plastics exist on Mars, networks of such 50- to 100-meter domes couldbe rapidly manufactured and deployed, opening up large areas of the surface to both shirtsleeve human habitation and agriculture. That's just the beginning, because it will eventually be possible for humans to substantially thicken Mars' atmosphere by forcing the regolith to outgas its contents through a deliberate program of artificially induced global warming. Once that has been accomplished, the habitation domes could be virtually any size, as they would not have to sustain a pressure differential between their interior and exterior. In fact, once that has been done, it will be possible to raise specially bred crops outside the domes. The point to be made is that unlike colonists on any known extraterrestrial body, Martian colonists will be able to live on the surface, not in tunnels, and move about freely and grow crops in the light of day. Mars is a place where humans can live and multiply to large numbers, supporting themselves with products of every description made out of indigenous materials. Mars is thus a place where an actual civilization, not just a mining or scientific outpost, can be developed. And significantly for interplanetary commerce, Mars and Earth are the only two locations in the solar system where humans will be able to grow crops for export.

Impacts- Econ Good- Prolif

Economic growth solves proliferation

Burrows and Windram 94 (William & Robert, Critical Mass, p. 491-492) LL

Economics is in many respects proliferation’s catalyst. As we have noted, economic desperation drives Russia and some of the former Warsaw Pact nations to peddle weapons and technology. The possibility of considerable profits or at least balanced international payments also prompts Third World countries like China, Brazil, and Israel to do the same. Economics, as well as such related issues as overpopulation, drive proliferation just as surely as do purely political motives. Unfortunately, that subject is beyond the scope of this book. Suffice it to say that, all things being equal, well-of, relatively secure societies like today’s Japan are less likely to buy or sell superweapon technology than those that are insecure, needy, or desperate. Ultimately, solving economic problems, especially as they are driven by population pressure, is the surest way to defuse proliferation and enhance true national security.

Economic affluence deters proliferation – NK proves

Japan Times 8 (October 23, Lexis) LL

South Korea, which is enjoying unprecedented prosperity, is becoming increasingly uncomfortable with North Koreans' economic despair. Probably no two neighboring countries have such a huge economic gap, let alone countries that share the same ethnic and historical background. The danger is that such a discrepancy can become a source of instability and conflict. To overcome its economic deficiencies and attain social stability, the North has no choice but to abandon its nuclear weapons program and move toward reform and greater openness. South Korea is trying to persuade the North to make this strategic decision. We are more than willing to help the North achieve economic growth, which is almost always the source of peace and security. As such, North Korea's economic recovery is vital for an enduring peace on the Korean Peninsula.

And, prolif causes extinction from arms races and miscalculations

Utgoff 2 (Deputy Director of the Strategy Forces, and Resources Division of the Institute for Defense Analyses, Victor, “Proliferation, Missile Defence, and American Ambitions,” Survival, Volume 44, Number 2, Summer) ET

In sum, widespread proliferation is likely to lead to an occasional shoot-out with nuclear weapons, and that such shoot-outs will have a substantial probability of escalating to the maximum destruction possible with the weapons at hand. Unless nuclear proliferation is stopped, we are headed toward a world that will mirror the American Wild West of the, late 1800s. With most, if not all, nations wearing nuclear 'six-shooters' on their hips, the world may even be a more polite place than it is today, but every once in a while we will all gather on a hill to bury the bodies of dead cities or even whole nations.

Impacts- Econ Good- Terrorism

Economic collapse leads to terrorism

Bremmer, 9(Ian, - President of the Eurasia Group, sr. fellow @ World Policy Institute, , 3/4/09, *Foreign Policy,* http://eurasia.foreignpolicy.com/posts/2009/03/04/the\_global\_recession\_heightens\_terrorist\_risks) ET

But there's another reason why the financial crisis heightens the risk of global terrorism. Militants thrive in places where no one is fully in charge. The global recession threatens to create more such places. No matter how cohesive and determined a terrorist organization, it needs a supportive environment in which to flourish. That means a location that provides a steady stream of funds and recruits and the support (or at least acceptance) of the local population. Much of the counter-terrorist success we've seen in Iraq's al Anbar province over the past two years is a direct result of an increased willingness of local Iraqis to help the Iraqi army and US troops oust the militants operating there. In part, that's because the area's tribal leaders have their own incentives (including payment in cash and weaponry) for cooperating with occupation forces. But it's also because foreign militants have alienated the locals. The security deterioration of the past year in Pakistan and Afghanistan reflects exactly the opposite phenomenon. In the region along both sides of their shared border, local tribal leaders have yet to express much interest in helping Pakistani and NATO soldiers target local or foreign militants. For those with the power to either protect or betray the senior al-Qaeda leaders believed to be hiding in the region, NATO and Pakistani authorities have yet to find either sweet enough carrots or sharp enough sticks to shift allegiances. The slowdown threatens to slow the progress of a number of developing countries. Most states don't provide ground as fertile for militancy as places like Afghanistan, Somalia, and Yemen. But as more people lose their jobs, their homes, and opportunities for prosperity -- in emerging market countries or even within minority communities inside developed states -- it becomes easier for local militants to find volunteers. This is why the growing risk of attack from suicide bombers and well-trained gunmen in Pakistan creates risks that extend beyond South Asia. This is a country that is home to lawless regions where local and international militants thrive, nuclear weapons and material, a history of nuclear smuggling, a cash-starved government, and a deteriorating economy. Pakistan is far from the only country in which terrorism threatens to spill across borders.

Impacts- Econ Good- Terrorism I/L

Econ decline leads to terrorism

Bremmer 9

(Ian , president of Eurasia Group, a political-risk consultancy, *Foreign Affairs*, 3.4.9, <http://eurasia.foreignpolicy.com/posts/2009/03/04/the_global_recession_heightens_terrorist_risks>) ET

In the Pakistani city of Lahore on Tuesday, a dozen gunmen attacked a bus carrying members of Sri Lanka's cricket team, killing six policemen and a driver and injuring several of the athletes. Press accounts of the assault suggest a level of coordination similar to that used by the Pakistan-based militants who killed 173 people at several sites in Mumbai in September. Across Pakistan, suicide bombers killed two people in 2005, six in 2006, 56 in 2007, and 61 in 2008. Suicide attackers killed more people in Pakistan last year than in either Iraq or Afghanistan. There are two important reasons why the threat of global terrorism is growing. The first is long-term and structural. The second is more directly tied to the global financial crisis. Both have everything to do with what's happening in Pakistan. First, a report released in December from the U.S. Commission on the Prevention of Weapons of Mass Destruction, Proliferation, and Terrorism hints at both sets of problems. The report notes an increasing supply of nuclear technology and material around the world and warns that "without greater urgency and decisive action by the world community, it is more likely than not that a weapon of mass destruction will be used in a terrorist attack somewhere in the world by the end of 2013."Destructive (and potentially destructive) technologies are now more accessible than at any time in history for small groups and even individuals. This will dramatically increase the baseline threat of disruptive violence from non-state actors over time. It's not just biological and nuclear material. GPS tracking devices help pirates operating off Somalia's coast venture further from shore and undertake increasingly ambitious attacks on private and commercial vessels. Second, it's unlikely that we'll see the "greater urgency and decisive action by the world community" called for in the report. For the moment, political leaders around the world are too busy wrestling with the effects of the global financial crisis on their domestic economies (and their political standing) to coordinate action against such a diffuse threat. But there's another reason why the financial crisis heightens the risk of global terrorism. Militants thrive in places where no one is fully in charge. The global recession threatens to create more such places. No matter how cohesive and determined a terrorist organization, it needs a supportive environment in which to flourish. That means a location that provides a steady stream of funds and recruits and the support (or at least acceptance) of the local population. Much of the counter-terrorist success we've seen in Iraq's al Anbar province over the past two years is a direct result of an increased willingness of local Iraqis to help the Iraqi army and US troops oust the militants operating there. In part, that's because the area's tribal leaders have their own incentives (including payment in cash and weaponry) for cooperating with occupation forces. But it's also because foreign militants have alienated the locals. The security deterioration of the past year in Pakistan and Afghanistan reflects exactly the opposite phenomenon. In the region along both sides of their shared border, local tribal leaders have yet to express much interest in helping Pakistani and NATO soldiers target local or foreign militants. For those with the power to either protect or betray the senior al-Qaeda leaders believed to be hiding in the region, NATO and Pakistani authorities have yet to find either sweet enough carrots or sharp enough sticks to shift allegiances. The slowdown threatens to slow the progress of a number of developing countries. Most states don't provide ground as fertile for militancy as places like Afghanistan, Somalia, and Yemen. But as more people lose their jobs, their homes, and opportunities for prosperity -- in emerging market countries or even within minority communities inside developed states -- it becomes easier for local militants to find volunteers. This is why the growing risk of attack from suicide bombers and well-trained gunmen in Pakistan creates risks that extend beyond South Asia. This is a country that is home to lawless regions where local and international militants thrive, nuclear weapons and material, a history of nuclear smuggling, a cash-starved government, and a deteriorating economy. Pakistan is far from the only country in which terrorism threatens to spill across borders. But there's a reason why the security threats flowing back and forth across the Afghan-Pakistani border rank so highly on Eurasia Group's list of top political risks for 2009 -- and why they remain near the top of the Obama administration's security agenda.

Impacts- Econ Good- Terrorism I/L

Growth solves terrorism

Schaefer 2001 (Brett D., Jay Kingham Fellow in International Regulatory Affairs in the Center for International Trade and Economics at The Heritage Foundation, Heritage Foundation Backgrounder #1508, "Expand Freedom to Counter Terrorism", December 6, http:Ilwww.heritage.orglResearch~~radeandForeignAid/BGi 508.cfm)

The governments of those countries must be held reslponsible for policies that undermine or oppose freedom, stifle economic qrowth, and help create the circumstances under which terrorism flourishes. America's battle in Afghanistan against the Taliban regime and al-Qaeda terrorist network is merely the first skirmish in a long war. If the war on terrorism is to be won, and if this victory is to be sustainable, America must focus on encouraging the qovernments of developing countries to embrace economic liberty in order to counter the poverty and desperation upon which terrorist qroups depend.

Impacts- Econ Good- Terrorism I/L

Economic decline leads to increased risk of nuclear terrorism

Warrick, 8 (Joby, staff writer, *Washington Post*, 11/15/08)

Intelligence officials are warning that the deepening global financial crisis could weaken fragile governments in the world's most dangerous areas and undermine the ability of the United States and its allies to respond to a new wave of security threats. U.S. government officials and private analysts say the economic turmoil has heightened the short-term risk of a terrorist attack, as radical groups probe for weakening border protections and new gaps in defenses. A protracted financial crisis could threaten the survival of friendly regimes from Pakistan to the Middle East while forcing Western nations to cut spending on defense, intelligence and foreign aid, the sources said. The crisis could also accelerate the shift to a more Asia-centric globe, as rising powers such as China gain more leverage over international financial institutions and greater influence in world capitals. Some of the more troubling and immediate scenarios analysts are weighing involve nuclear-armed Pakistan, which already was being battered by inflation and unemployment before the global financial tsunami hit. Since September, Pakistan has seen its national currency devalued and its hard-currency reserves nearly wiped out. Analysts also worry about the impact of plummeting crude prices on oil-dependent nations such as Yemen, which has a large population of unemployed youths and a history of support for militant Islamic groups. The underlying problems and trends -- especially regional instability and the waning influence of the West -- were already well established, but they are now "being accelerated by the current global financial crisis," the nation's top intelligence official, Director of National Intelligence Mike McConnell, said in a recent speech. McConnell is among several top U.S. intelligence officials warning that deep cuts in military and intelligence budgets could undermine the country's ability to anticipate and defend against new threats.

Impacts- Econ Good- Heg

Downturn in econ causes spending cuts that destroy heg

Thompson 9 (Loren, chief executive officer of Lexington, Armed Forces Journal, Mar 9, <http://www.armedforcesjournal.com/2009/03/3922551>) ET

As if all this were not enough, the parts of the defense program that are politically easiest to cut — the investment accounts — are the parts that contribute most tangibly to long-term military power. If military pay and benefits are slashed, the consequences are felt quickly in the field and on Capitol Hill. The same is true if readiness accounts are cut. With military health care costs having risen 144 percent during the present decade, there are compelling reasons to try to restrain their further growth (one Pentagon panel called cost increases in military health care an “existential threat” to the future defense posture). But investment in the future is almost always easier to cut than current consumption, because the near-term consequences in the field are imperceptible, and the domestic impact is felt in only a handful of congressional districts. The bottom line, then, is that the current defense program will probably not be sustainable if the decline of the economy continues, and when the cutting begins to bring military outlays into closer alignment with available resources, the first items to go will be those that contribute most to the nation’s long-term military power. In other words, the erosion of national economic power will be paced by the erosion of national military power.

Economic downturn destroys heg

Pape 9 (Robert , poli sci @u of Chicago, *Chicago Tribune*, 3.8.9, http://www.chicagotribune.com/news/nationworld/chi-perspec0308diplomacymar08,0,4785661.story) ET

For nearly two decades, [the U.S.](http://www.chicagotribune.com/topic/politics/government/national-government/united-states-ORGOV0000001.topic) has been viewed as a global hegemon—vastly more powerful than any major country in the world. Since 2000, however, our global dominance has fallen dramatically. During the Bush administration, the self-inflicted wounds of the Iraq war, growing government debt, increasingly negative current account balances and other internal economic weaknesses cost the U.S. real power in a world of rapidly spreading knowledge and technology. Simply put, the main legacy of the Bush years has been to leave the U.S. as a declining power.  From Rome to the United States today, the rise and fall of great nations have been driven primarily by economic strength. At any given moment, a state's power depends on the size and quality of its military forces and other power assets. Over time, however, power is a result of economic strength—the prerequisite for building and modernizing military forces. And so the size of the economy relative to potential rivals ultimately determines the limits of power in international politics. The power position of the U.S. is crucial to the foreign policy aims that it can achieve. Since the Cold War, America has maintained a vast array of overseas commitments, seeking to ensure peace and stability not just in its own neighborhood, the Western hemisphere, but also in Europe, Asia and the oil-rich Persian Gulf. Maintaining these commitments requires enormous resources, but American leaders in recent years chose to pursue far more ambitious goals than merely maintaining the status quo.

And, hegemonic decline leads to transition wars – the impact is extinction

Nye 90 (Joe, Sultan of Oman Professor of International Relations and former Dean of the Kennedy School at Harvard and one of the most influential and respected contemporary IR scholars, pg 17) ET

Perceptions of change in the relative power of nations are of critical importance to understanding the relationship between decline and war. One of the oldest generalizations about international politics attributes the onset of major wars to shifts in power among the leading nations. Thus Thucydides accounted for the onset of the Peloponnesian War which destroyed the power of ancient Athens. The history of the interstate system since 1500 is punctuated by severe wars in which one country struggled to surpass another as the leading state. If as Robert Gilpin argues, international politics has not changed fundamentally over the millennia, “the implications for the future are bleak. And if fears about shifting power precipitate a major war in a world with 50,000 nuclear weapons, history as we know it may end.

Impacts- Econ Good- Heg- More I/L

Economic growth is key to heg—history proves.

Pietroburgo 9 (Anthony, Political Scientist, Apr 10, 9, http://ezinearticles.com/?The-End-of-American-Hegemony&id=2207395: Ad 7-6-9) BL

However we can learn from past hegemonic states, all of which, withered away with time just as the American one is currently in the process of doing. Great Britain was perhaps the last true hegemon before that of the United States. Back in 1890 the collapse of their empire had just began. David A. Lake's research on the issue is work that should be greatly analyzed due to the illustrious similarities between the British recession in to retirement and the United States' as well. For much of the 19th century Great Britain was dominating in the same fields as the U.S. did so in the 1950's through the late 1970's. Soon in the later 1800's The United States and Germany moved to a protectionist system to plant their economic seeds and soon after were surpassing British industries and abilities. The industrial base of Great Britain crumbled and forced them to invest heavily in the service, shipping and insurance sectors of the economy just to break-even when concerning their balance of payment statistics. For the time being the British were able to carry on with the pound as the dominant world currency. The frail system was already on the thinnest of ice, when WWI confounded the weak British economy (Lake 122). At the time of Great Britain's reign of power they also pursued operations to completely open up and liberalize the world economy. This did lead to substantial brief economic abundance but eventually the struggles of remaining a strong enough power to be considered an absolute hegemon wore off. Hegemonic powers are only sustainable during periods of constant economic growth. When growth is no longer the complete and utter status of the hegemony's economic functionality the power ceases to be consistent. We see this to be the case with Great Britain, as other world powers emerged and caught up in terms of economic status and influence, British power that was exerted was much more explicit and coercive, just like it was during the American hegemonic era under President Nixon (Lake 121). It is safe to say that the U.S. is headed down the same path that will eventually end up being the ultimate de-throning of the American empire and it's hegemonic capabilities. If you think back to all the complications that the United States is experiencing in this very moment concerning obvious financial difficulties and others in the areas of education, technological innovation and healthcare respectively. Other nations have clearly started their own catch up phase and are impeding on American power as we speak. The irony between the situations leading up to the collapse of the British hegemonic state and the current burdens that are being placed upon a contemptuous American hegemon are too similar for coincidence. It took the disaster of WWI to finally destabilize the British hegemon and the United States is one major crisis away from experiencing the same fate (Bartilow Lecture).

Economic growth is key to hegemony

Hunt 7 (Michael, Professor of History at the University of North Carolina at Chapel Hill, 5.21.7, http://hnn.us/articles/37486.html) ET

If in the U.S. case empire is genetic, hegemony is an acquired characteristic. Hegemony was made possible by a rate of economic growth over the course of the nineteenth and early twentieth centuries that had no precedent in human history. This achievement created the preconditions for a U.S.-inspired, designed, and regulated international system that took shape during the first two thirds of the twentieth century. American economic and cultural clout remade societies and reshaped the practices of daily life around the world.

Impacts- Econ Good- A2: China Heg Turn

China is not going to be able to compete with the US long-term—labor shortages.

French 6 (Howard, Associate Professor of Journalism at Columbia University, Former Foreign Correspondent for the NYT, “As China Ages, a Shortage of Cheap Labor Looms,” New York Times, June 30, 2006, http://www.nytimes.com/2006/06/30/world/asia/30aging.html, AD: 7-6-9)

The world's most populous nation, which has built its economic strength on seemingly endless supplies of cheap labor, China may soon face manpower shortages. An aging population also poses difficult political issues for the Communist government, which first encouraged a population explosion in the 1950's and then reversed course and introduced the so-called one-child policy a few years after the death of Mao in 1976. That measure has spared the country an estimated 390 million births but may ultimately prove to be another monumental demographic mistake. With China's breathtaking rise toward affluence, most people live longer and have fewer children, mirroring trends seen around the world. Those trends and the extraordinarily low birth rate have combined to create a stark imbalance between young and old. That threatens the nation's rickety pension system, which already runs large deficits even with the 4-to-1 ratio of workers to retirees that it was designed for. Demographers also expect strains on the household registration system, which restricts internal migration. The system prevents young workers from migrating to urban areas to relieve labor shortages, but officials fear that abolishing it could release a flood of humanity that would swamp the cities. As workers become scarcer and more expensive in the increasingly affluent cities along China's eastern seaboard, the country will face growing economic pressures to move out of assembly work and other labor-intensive manufacturing, which will be taken up by poorer economies in Asia and beyond, and into service and information-based industries. "For the last two decades China has enjoyed the advantage of having a high ratio of working-age people in the population, but that situation is about to change," said Zuo Xuejin, vice president of the Shanghai Academy of Social Sciences. "With the working-age population decreasing, our labor costs will become less competitive, and industries in places like Vietnam and Bangladesh will start becoming more attractive."

Impacts- Econ Good- Democracy

Economic decline causes multiple sites of state failure and democratic backsliding

Ferguson 9 Niall ,Senior Fellow at the Hoover Institution at Stanford University, *Harvard Business Review*, Vol. 87 Issue 7/8, July/aug 9) ET

Will this financial crisis make the world more dangerous as well as poorer? The answer is almost certainly yes. Apart from the usual trouble spots -- Afghanistan, Congo, Gaza, Iraq, Lebanon, Pakistan, Somalia, and Sudan -- expect new outbreaks of instability in countries we thought had made it to democracy. In Asia, Thailand may be the most vulnerable. At the end of 2007 it reverted to democracy after a spell of military rule that was supposed to crack down on corruption. Within a year's time the country was in chaos, with protesters blocking Bangkok's streets and the state banning the People's Power Party. In April 2009 the capital descended into anarchy as rival yellow-shirted and red-shirted political factions battled with the military. Expect similar scenes in other emerging markets. Trouble has already begun in Georgia and Moldova. Then there's Ukraine, where economic collapse threatens to trigger political disintegration. While President Viktor Yushchenko leans toward Europe, his ally-turned-rival Prime Minister Yulia Tymoshenko favors a Russian orientation. Their differences reflect a widening gap between the country's predominantly Ukrainian west and predominantly Russian east. Meanwhile, in Moscow, Putin talks menacingly of "ridding the Ukrainian people of all sorts of swindlers and bribe-takers." The Crimean peninsula, with its ethnic Russian majority, is the part of the "Near Abroad" (the former Soviet Union) that Putin most covets. January's wrangle over gas supplies to Western Europe may have been the first phase of a Russian bid to destabilize, if not to break up, Ukraine. The world's increasing instability makes the United States seem more attractive not only as a safe haven but also as a global policeman. Many people spent the years from 2001 to 2008 complaining about U.S. interventions overseas. But if the financial crisis turns up the heat in old hot spots and creates new ones at either end of Eurasia, the world may spend the next eight years wishing for more, not fewer, U.S. interventions.

Economic decline collapses democracy - empirically proven

Friedman '5(Benjamin, Prof of Political Econ @ Harvard, *The Atlantic*, http://www.theatlantic.com/magazine/archive/2005/07/meltdown-a-case-study/4049/ Aug 5, ) ET

Not just in America but in the other Western democracies, too, history is replete with instances in which a turn away from openness and tolerance, often accompanied by a weakening of democratic institutions, has followed economic stagnation. The most familiar example is the rise of Nazism in Germany, following that country's economic chaos in the 1920s and then the onset of worldwide depression in the early 1930s. But in Britain such nasty episodes as the repression of the suffragette movement under Asquith, the breaking of Lloyd George's promises to the returning World War I veterans, and the bloody Fascist riots in London's East End all occurred under severe economic distress. So did the ascension of the extremist Boulangist movement in late-nineteenth-century France, and the Action Française movement after World War I. Conversely, in both America and Europe fairness and tolerance have increased, and democratic institutions have strengthened, mostly when the average citizen's standard of living has been rising. The reason is not hard to understand. When their living standards are rising, people do not view themselves, their fellow citizens, and their society as a whole the way they do when those standards are stagnant or falling. They are more trusting, more inclusive, and more open to change when they view their future prospects and their children's with confidence rather than anxiety or fear. Economic growth is not merely the enabler of higher consumption; it is in many ways the wellspring from which democracy and civil society flow. We should be fully cognizant of the risks to our values and liberties if that nourishing source runs dry.

Impacts- Econ Good- Democracy

Direct correlation between economic growth and social/political progress

Friedman 6 (Benjamin, William Joseph Maier Professor of Political Economy at Harvard University, THE MORAL CONSEQUENCES OF ECONOMIC GROWTH, http://www.economics.harvard.edu/faculty/friedman/files/The%20Moral%20Consequences%20of%20Economic%20Growth.pdf, February 6, AD: 7/6/09)

The link between economic growth and social and political progress in the developing world has yet other practical implications as well. For example, the continuing absence of political democracy and basic personal freedoms in China has deeply troubled many observers in the West. Until China gained admission to the World Trade Organization in 2002, these concerns regularly gave rise in the United States to debate on whether to trade with China on a “most favored nation” basis. These concerns still cause questions about whether to give Chinese firms advanced American technology, or allow them to buy an American oil company. Both sides in this debate share the same objective: to foster China’s political liberalization. How to do so, however, remains the focus of intense disagreement. But if a rising standard of living leads a society’s political and social institutions to gravitate toward openness and democracy—as the evidence mostly shows— then as long as China continues its recent economic expansion, Chinese citizens will eventually enjoy greater political democracy together with the personal freedoms that democracy brings. Since 1978, when Deng Xao-Ping’s economic reforms began, the Chinese have seen a fivefold increase in their material standard of living. The improvement in nutrition, housing, sanitation, and transportation has been dramatic, while the freedom of Chinese citizens to make economic choices—where to work, what to buy, whether to start a business—is already far broader than it was. With continued economic advance (the average Chinese standard of living is still only oneeighth that in the United States), greater freedom to make political choices, too, will probably follow. Indeed, an important implication of the idea that it is in significant part the growth rather than just the level of people’s living standards that matters for this purpose is that the countries in the developing world whose economies are actually developing, like China, will not have to wait until they achieve Western-level incomes before they experience significant political and social liberalization.

Impacts- Econ Good- Democracy

Economic growth key to democracy

Friedman 6 (Benjamin, William Joseph Maier Professor of Political Economy at Harvard University, THE MORAL CONSEQUENCES OF ECONOMIC GROWTH, http://www.economics.harvard.edu/faculty/friedman/files/The%20Moral%20Consequences%20of%20Economic%20Growth.pdf, February 6, AD: 7/6/09)

How the citizens of any country think about economic growth, and what actions they take in consequence, are therefore a matter of far broader importance than we conventionally assume. In many countries today, even the most basic qualities of any society— democracy or dictatorship, tolerance or ethnic hatred and violence, widespread opportunity or economic oligarchy— remain in flux. In some countries where there is now a democracy, it is still new and therefore fragile. Because of the link between rising or falling living standards and just these aspects of social and political development, the absence of growth in so many of what we usually call “developing economies,” even though many of them are not actually developing, threatens their prospects in ways that standard measures of national income do not even suggest. The same concern applies, albeit in a more subtle way, to mature democracies as well. Even in the United States, I believe, the quality of our democracy—more fundamentally, the moral character of American society—is similarly at risk. The central economic question for the U.S. at the outset of the twentyfirst century is whether the nation in the generation ahead will again achieve increasing prosperity, as in the decades immediately following World War II, or lapse into the stagnation of living standards for the majority of our citizens that persisted from the early 1970s until the early 1990s. And the more important question that then follows concerns how these different economic paths would affect our democratic political institutions and the broader character of our society. As the economic historian Alexander Gerschenkron once observed, “even a long democratic history does not necessarily immunize a country from becoming a ‘democracy without democrats.’” Our own experience, as well as that of other countries, demonstrates that merely being rich is no bar to a society’s retreat into rigidity and intolerance once enough of its citizens lose the sense that they are getting ahead. The familiar balancing of material positives against moral negatives when we discuss economic growth is therefore a false choice, and the parallel assumption that how we value material versus moral concerns neatly maps into whether we should eagerly embrace economic growth or temper our enthusiasm for it is wrong as well. Economic growth bears moral benefits as well, and when we debate the often hard decisions that inevitably arise—in choosing economic policies that either encourage growth or retard it, and even in our reactions to growth that takes place apart from the push or pull of public policy—it is important that we take these moral positives into account.

Impacts- Econ Good- Famine

Economic growth is the only solution to famine

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Mahder 8 (Ethiopian Development Website, “Addressing the root cause of famine and poverty in Ethiopia,” September 27, 2008, http://mahder.com/pdf/Addressing\_the\_root\_cause\_of\_famine\_and\_poverty\_in\_Ethiopia..pdf, AD: 7-6-9)

It is well established that there is a strong correlation between famine and economic development or growth. Economic growth leads to development and reduction in poverty and famine. Real economic growth embracing and benefiting all the citizens of a country produces safety mechanisms which are of vital importance in alleviating or avoiding displacements and live destruction emanating from famine. The suffering and significant loss of lives resulting from persistent famines which are hitting Ethiopia could not be avoided or even mitigated owing to the shrinking economy or increasing poverty in the country. On the other hand, one can can not avoid but face the irony of Ethiopia failing to be self sufficient and feed its population despite possessing all the potential to do so. Thus a critical examination of the major stumbling block or factor acting as a bottleneck and preventing the country from eradicating or even coping with famine is necessary.

Economic development empirically averts famine.

Norberg 3 (Johan, Senior Fellow at the Cato Institute, In Defense of Global Capitalism, p. 33-34, AD: 7-6-9)

Such is the triumph of the “green revolution.” Higher-yield, more-resistant crops have been developed, at the same time as sowing, irrigation, manuring, and harvesting methods have improved dramatically. New, efficient strains of wheat account for more than 75 percent of wheat production in the developing countries, and farmers there are estimated to have earned nearly $5 billion as a result of the change. In southern India, the green revolution is estimated to have boosted farmers' real earnings by 90 percent and those of landless peasants by 125 percent over 20 years. Its impact has been least in Africa, but even there the green revolution has raised maize production per acre by between 10 and 40 percent. Without this revolution, it is estimated that world prices of wheat and rice would be nearly 40 percent higher than they are today and that roughly another 2 percent of the world's children—children who are now getting enough to eat—would have suffered from chronic malnourishment. Today's food problem has nothing to do with overpopulation. Hunger today is a problem of access to the available knowledge and technology, to wealth, and to the secure background conditions that make food production possible. Many researchers believe that if modern farming techniques were applied in all the world's agriculture, we would already be able, here and now, to feed another billion or so people. 10 The incidence of major famine disasters has also declined dramatically, largely as a result of the spread of democracy. Starvation has occurred in states of practically every kind—communist regimes, colonial empires, technocratic dictatorships, and ancient tribal societies. In all cases they have been centralized, authoritarian states that suppressed free debate and the workings of the market. As Amartya Sen observes, there has never been a famine disaster in a democracy. Even poor democracies like India and Botswana have avoided starvation, despite having a poorer food supply than many countries where famine has struck. By contrast, communist states like China, the Soviet Union, Cambodia, Ethiopia, and North Korea, as well as colonies like India under the British Raj, have experienced starvation. This shows that famine is caused by dictatorship, not by food shortage. Famine is induced by leaders destroying production and trade, making war, and ignoring the plight of the starving population. Sen maintains that democracies are spared starvation for the simple reason that it is easily prevented if the rulers of a society wish to prevent it. Rulers can refrain from impeding the distribution of food, and they can create jobs for people who would not be able to afford food purchases in times of crisis. But dictators are under no pressure: they can eat their fill however badly off their people are, whereas democratic leaders will be unseated if they fail to address food distribution problems. Additionally, a free press makes the general public aware of the problems, so that they can be tackled in time. In a dictatorship, even the leaders may be deceived by censorship. Much evidence suggests that China's leaders were reassured by their own propaganda and their subordinates' laundered statistics while 30 million people died of starvation during “the Great Leap Forward” between 1958 and 1961.

Impacts- Econ Good- Health

Economic Productivity solves Poverty, Disease, and War

Bailey 7 (Ronald, Ronald Bailey is the award-winning science correspondent for Reason magazine and Reason.com, where he writes a weekly science and technology column , August 1, “Peace and Prosperity Through Productivity Can economic growth solve all the problems in the world?”, http://www.reason.com/news/show/121697.html) ET

Productivity can save the planet and produce peace and prosperity for all. Productivity is the tool that can eliminate all of the scourges of humanity—poverty, hunger, disease and war. Norwegian-American economist and business consultant Tor Dahl passionately made this argument in his keynote presentation at the World Future Society's annual meeting. Dahl is the chairman emeritus of the World Confederation of Productivity Science. One must be on guard against the exaggerated claims of the mavens of any discipline for the significance of their field. Of course, mavens believe that what they do is vitally important, otherwise why would they do it? That said, Dahl was very persuasive.

Economic decline turns disease- kills health

Robinson 9 (Andrew, fellow of Wolfson College, Cambridge,  *Emerging Health Threats Journal*, 6.12.9, tp://www.physorg.com/news163993567.html) ET

There are concerns that the financial crisis has already hit tuberculosis control, which has global ramifications, says Robertson.“There are already indications that funding for TB diagnosis and management is decreasing in [developing countries](http://www.physorg.com/tags/developing%2Bcountries/) and a surge of new cases there may flow onto the US and other countries,” he says.Healthcare in developed countries will also suffer if budgets are cut and incomes fall. Fewer people are accessing private health services in the USA, which will increase the burden on public health services.Resources for disease surveillance are often cut back during difficult economic times, jeopardising the systems we rely on to identify and deal with emerging diseases - including the current swine flu epidemics.The 1995 economic crisis in Mexico led to 27,000 excess deaths in that country alone - but the effect of this far greater, global downturn is currently “impossible to quantify,” according to Robertson.

Economic decline leads to disease spread

Alexander, 9 (Brian, MSNBC staff writer, *msnbc*, www.msnbc.msn.com/id/29599786) ET

To most Americans, diseases with names like dengue fever, chikungunya, malaria, Chagas and leishmaniasis might sound like something out of a Victorian explorer’s tales of hacking through African jungles. Yet ongoing epidemics of these diseases are killing millions of people around the world. Now, disease experts are increasingly concerned these and other infections may become as familiar in the United States as West Nile or Lyme disease. Few believe Americans face a killer epidemic from tropical diseases. But scientists who specialize in emerging infectious diseases say such illnesses may become more common here as the economic downturn batters an already weakened public health system, creating environmental conditions conducive to infectious diseases spread by insects or other animals. At the same time, such vector-borne diseases are capable of spreading around the world much more rapidly due to massive south-to-north immigration, rapid transportation, and global trade.

Impacts- Econ Good- Health

Deteriorating economies hurt women’s maternity and AIDS prevention

International People’s Health Council 94[Third World Network, http://www.twnside.org.sg/title/sap-ch.htm]

In addition to the negative impact on women's health associated with the general decline in communicable disease control and health care provision, there is evidence that morbidity and mortality associated with pregnancy has also been aggravated. In a number of countries the introduction of user charges for antenatal and maternity care has been associated with an increase in deliveries conducted at home, as well as those occurring in hospital without previous antenatal care or assessment. The rising costs of transport together with lack of money on the part of poor women have been other contributory factors. Finally, there is evidence, mainly of a qualitative nature, that risk behaviour in relation to HIV transmission has been influenced by deteriorating economic circumstances which have forced an increasing number of women into commercial sex activity.

Economic slump leads to disease spread and prevents treatment

International People’s Health Council 94[Third World Network, http://www.twnside.org.sg/title/sap-ch.htm]

The likely causes of these reversals derive from declines in incomes; increases in food prices; and reductions in health sector spending, which have led to the imposition of user charges for health care, cutbacks in preventive programmes' budgets and interruptions in supply of pharmaceuticals to public health care facilities. These have in turn resulted in inter alia: deterioration in both the quantity and quality of diets, and reductions in immunisation coverage and in utilisation of health services for acute conditions, as well as weakening of disease control programmes. Consequently, the incidence (and possibly the severity) of the vaccine-preventable diseases has probably increased together with mortality from diarrheal disease, respiratory infections and malaria. There has also been a resurgence of certain communicable diseases which were previously substantially under control, particularly malaria, tuberculosis and cholera. All of these have contributed to increased morbidity and mortality, especially amongst children and women.

Impacts- Econ Good- Poverty

Economic Productivity solves Poverty, Disease, and War

Bailey 7 (Ronald, Ronald Bailey is the award-winning science correspondent for Reason magazine and Reason.com, where he writes a weekly science and technology column , August 1, “Peace and Prosperity Through Productivity

Can economic growth solve all the problems in the world?”, http://www.reason.com/news/show/121697.html) ET

Productivity can save the planet and produce peace and prosperity for all. Productivity is the tool that can eliminate all of the scourges of humanity—poverty, hunger, disease and war. Norwegian-American economist and business consultant Tor Dahl passionately made this argument in his keynote presentation at the World Future Society's annual meeting. Dahl is the chairman emeritus of the World Confederation of Productivity Science. One must be on guard against the exaggerated claims of the mavens of any discipline for the significance of their field. Of course, mavens believe that what they do is vitally important, otherwise why would they do it? That said, Dahl was very persuasive.

Economic growth reduces poverty and saves the environment from destruction – prefer environmental think tank

World Institute 99 (*World resources institute*, winter 98-99, independent environmental think tank non profit, http://www.wri.org/publication/content/8372 ) ET

Economic growth is an important factor in reducing poverty and generating the resources necessary for human development and environmental protection. There is a strong correlation between gross domestic product (GDP) per capita and indicators of development such as life expectancy, infant mortality, adult literacy, political and civil rights, and some indicators of environmental quality. However, economic growth alone does not guarantee human development. Well-functioning civil institutions, secure individual and property rights, and broad-based health and educational services are also vital to raising overall living standards. Despite its shortcomings, though, GDP remains a useful proxy measure of human well-being. The world economy has grown approximately fivefold since 1950, an unprecedented rate of increase. The industrialized economies still dominate economic activity, accounting for US$22.5 trillion of the US$27.7 trillion global GDP in 1993 [1]. Yet a remarkable trend over the past 25 years has been the burgeoning role played by developing countries, in particular the populous economies of east and south Asia. (See Rapid Growth in Low Income Economies.)

Impacts- Econ Good- Poverty

Growth from social services solve poverty

Madan 2 (Anisha, Financial analyst for GE and MBA at Kellogg School, Northwestern University, The Relationship between Economic Freedom and Socio – Economic Development, http://www.econ.ilstu.edu/uauje/PDF's/CarrolRound/madanpost.pdf, UAUJE, pg 5-6, 2002, AD: 7/6/09)

Merely studying the relationship between economic freedom and economic growth rates, however, is not enough. Whether the benefits of freedom and "increased economic growth rates" translate into something real and make a significant contribution to socio-economic welfare of people is a matter of critical concern. Today, one in five of the world’s people - 1.2 billion - live on less than a dollar a day. It has been the experience of most of the countries that have seen positive growth rates that the number of people living in poverty has increased. The United Nations Development Program (UNDP) has developed the Human Development Index (HDI), which ranks countries based on the level of human development they have attained. (The HDI is explained in depth in Section IV.A.2 of this paper). The link between economic growth and human development is neither automatic nor obvious. For example, in 1998-99, Moldova had the highest economic growth rate of 16.5% but its HDI score in 1999 was only 0.69, which means that it had more than 30% shortfall in human development. Another example is Turkmenistan, which had the second highest growth rate of 14.9%, but its HDI score was only 0.68. As a counter example, Canada had the highest HDI rating of 0.932 buts its growth rate in 1998-99 was only 3.8%. Moreover, fifty-six percent of the developing world lacks the most basic sanitation, and more than 50 countries have lower real per capita incomes today than they did a decade ago. Where poverty is extreme and unending, human rights are eroded and the level of human capital deteriorates. Therefore, if progress does not benefit the citizens of the country, then it is not progress in concrete terms. Thus, it is important to look beyond economic growth and focus on the status of the people. The criteria for judging whether people are better off can be clearly delineated. This research study assumes that people will be better off if there is greater equality of income, if per capita income increases, and if they have better access to education and health care through which they can lead a more fulfilling life. The World Health Organization defines health as a state of complete physical, mental, and social well being and not merely the absence of disease and infirmity. Education is a basic need because it improves skills, improves productivity, and lowers reproductivity by improving the status of women. Education also contributes to meeting other basic needs. If the behavioral changes from education can be built into other welfare programs dealing with health, nutrition, and sanitation, savings by a factor of ten to twenty on the cost of implementing these other programs can be attained (Streeten, 1981). Only when people’s basic needs of health, education, and a reasonable standard of living are met, can they derive benefits from the country’s increased growth rates. When there is greater equality of income, then the poor are equally able to benefit. Therefore, for the purpose of this paper, socio-economic development can be said to consist of access to resources, health, education, and greater income equality. The level of socio-economic development indicates the quality of life.

Economic growth is the solution to global poverty.

Ben-Ami 6 (Daniel, Journalist with a Specialty in Economics, Editor of Fund Strategy, “Who’s afraid of economic growth?” May 4, 2006, http://www.spiked-online.com/Articles/0000000CB04D.htm, AD: 7-6-9)

Perhaps the best starting point is to remind ourselves that economic growth and affluence have had enormous social benefits. These are all too easily forgotten in a society with little sense of history. Our lives are substantially better than those of any previous generations. Anne Krueger, first deputy managing director of the International Monetary Fund (IMF), looked at some of the key global indicators over the previous half century in a speech in 2002. She is worth quoting at length 'Infant mortality has declined from 180 per 1000 births in 1950 to 60 per 1000 births. Literacy rates have risen from an average of 40 per cent in the 1950s to over 70 per cent today. World poverty has declined, despite still-high population growth in the developing world. Since 1980, the number of poor people, defined as those living on less than a dollar a day, has fallen by about 200 million, much of it due to the rapid growth of China and India. 'If there is one measure that can summarise the impact of these enormous gains, it is life expectancy. Only 50 years ago, life in much of the developing world was pretty much what it used in be in the rich nations a couple of centuries ago: "nasty, brutish and short." But today, life expectancy in the developing world averages 65 years, up from under 40 years in 1950. Life expectancy was increasing even in sub-Saharan Africa until the effects of years of regional conflicts and the AIDS epidemic brought about a reversal. The gap between life expectancy between the developed and developing world has narrowed, from a gap of 30 years in 1950 to only about 10 years today.' (22)

Impacts- Econ Good- A2: No Growth Solves Poverty

Zero growth is immoral – it dooms future generations to poverty and no access to resources

Florea 8 (Adrian, The Limits of Zero Economic Growth Strategy, University of Oradea, Faculty of Economics, http://imtuoradea.ro/auo.fmte/MIE\_files/FLOREA%20ADRIAN%201.pdf)

They noticed that in spite of the fact that the study wants to be a global one, it is built on premises and values belonging to the rich. But in spite of the fact that the bases of the study is about development world, the solutions claim to be valid everywhere, irrespective of the mosaic-like, political and economical landscape of world. It is well-known that every country and region has their own problems. And the problem of a majoritary part of this world was and still is underdevelopment. To propose to this world a zero economic growth is first of all an immoral act. Moreover, such a solution is totally opposed to the conception of lasting development. If zero growth were accepted, the next generations from the underdeveloped countries would be practically condemned to live not better but in continuous poverty. Edgar Faure’s words are memorable in this respect: „the hypocrisy of the rich countries will be immeasurable if on behalf of pollution and protection of raw material, they require the limiting of the economic growth.

Impacts- Econ Good- De Dev

Economic growth critical to resistance and positive moral economic revolution

Friedman 6 (Benjamin, prof of political econ @ Harvard U, http://www.economics.harvard.edu/faculty/friedman/files/The%20Moral%20Consequences%20of%20Economic%20Growth.pdf, February 6, AD: 7/6/09) ET

Greater affluence means, among many other things, better food, bigger houses, more travel, and improved medical care. It means that more people can afford a better education. It may also mean, as it did in most Western countries during the twentieth century, a shorter work-week that allows more time for family and friends. Moreover, these material benefits of rising incomes accrue not only to individuals and their families but to communities and even to entire countries. Greater affluence can also mean better schools, more parks and museums, and larger concert halls and sports arenas, not to mention more leisure to enjoy these public facilities. A rising average income allows a country to project its national interest abroad, or send a man to the moon. All these advantages, however, lie chiefly in the material realm, and we have always been reluctant to advance material concerns to the highest plane in our value system. Praise for the ascetic life, and admiration for those who practice self-denial have been continual themes in the religions of both West and East. So, too, have warnings about the dangers to man’s spiritual wellbeing that follow from devotion to money and luxury, or, in some views, merely from wealth itself. Even the aristocratic and romantic traditions, which rest on the clear presumption of having wealth, are nonetheless dismissive of efforts to pursue it. Furthermore, even when people plainly acknowledge that more is more, less is less, and more is better, economic growth rarely means simply more. The dynamic process that allows living standards to rise brings other changes as well. More is more, but more is also different. The qualitative changes that accompany economic growth—including changes in work arrangements, in power structures, in our relationship to the natural environment— have nearly always generated resistance. The anti-globalization protests in the streets of Seattle, Genoa, and Washington, D.C., and even on the outskirts of Davos, reflect a long-standing line of thinking. the forces that create “the wealth of nations,” Jean- Jacques Rousseau instead admired the “noble savage, arguing that mankind’s golden age had occurred not only before industrialization but before the advent of settled agriculture. Seventy-five years later, as prominent Victorians were hailing the “age of improvement,” Karl Marx observed the raw hardships that advancing industrialization had imposed on workers and their families, and devised an economic theory of how matters might (and in his mind, would) become better, together with a political program for bringing that supposedly better world into existence. Although Communism is now mostly a relic where it exists at all, romantic socialism, combining strains of Marx and Rousseau, continues to attract adherents, as do fundamentalist movements that celebrate the presumed purity of preindustrial society. The Club of Rome’s influential “Limits to Growth” report and the “Small is Beautiful” counterculture of the 1970s, the mounting concerns over the impact on the environment of economic expansion, especially since the 1980s, and most recently the antiglobalization movement mounted in opposition to the World Trade Organization and against foreign investment more generally are all echoes of the same theme, which is thoroughly familiar today. Environmental concerns in particular have expanded from their initial focus on the air and water to encompass noise pollution, urban congestion, and such fundamental issues as the depletion of nonrenewable resources and the extinction of species. In recent years, the force of competition in global markets and the turmoil of an unsettled world financial system have inflicted visible hardships on large numbers of people both in the developing world and in countries that are already industrialized, just as they have created opportunities and given advancement to many others. As in the past, the plight of those who are affected adversely—Indonesians who faced higher food prices when their currency plunged, Argentinians who found their savings blocked when the country’s banking system collapsed, textile workers throughout the developing world who cannot compete with low-cost factory production in China—has led not only to calls for reform of the underpinnings of economic growth but to outright opposition. What marks all these forms of resistance to the undesirable side effects of economic expansion or of the globalization of economic growth is that, just as with earlier strands of religious thinking, in each case they are accompanied by a distinctly moral overtone. Ever larger segments of our society accept that it is not just economically foolish but is morally wrong for one generation to use up a disproportionate share of the world’s forests, or coal, or oil reserves, or to deplete the ozone or alter the earth’s climate by filling the atmosphere with greenhouse gases. While pleas on behalf of biological diversity sometimes appeal to practical notions like the potential use of yet-to-be-discovered plants for medicinal purposes, we also increasingly question our moral right to extinguish other species. Opposition to the global spread of markets is often couched as much in terms of the moral emptiness of consumerism as in the tangible hardships sometimes imposed by world competition and unstable financial systems. But if a rising standard of living makes a society more open and tolerant and democratic, and perhaps also more prudent on behalf of generations to come, then it is simply not true that moral considerations argue wholly against economic growth. Growth is valuable not only for our material improvement but for how it affects our social attitudes and our political institutions— in other words, our society’s moral character, in the term favored by the Enlightenment thinkers from whom so many of our views on openness, tolerance, and democracy have sprung. The attitude of people toward themselves, toward their fellow citizens, and toward their society as a whole is different when their living standard is rising from when it is stagnant or falling. It is likewise different when they view their prospects and their children’s prospects with confidence as opposed to looking ahead with anxiety or even fear. When the attitudes of the broad majority of citizens are shaped by a rising standard of living, over time that difference usually leads to the positive development of—to use again the language of the Enlightenment— a society’s moral character. Hence questions about economic growth are not a matter of material versus moral values. Yes, economic growth often does have undesirable effects, such as the disruption of traditional cultures and damage to the environment, and yes, some of these are a proper moral concerns that we are right to take into account. But economic growth bears social and political consequences that are morally beneficial as well. Especially for purposes of evaluating different courses for public policy, it is important that we take into account not only the familiar moral negatives but these moral positives as well.

Impacts- Econ Good- Laundry List

Economic decline causes global instability, scenarios of conflict with china, and European Instability

**Green, 9** (Michael J., Senior Advisor and Japan Chair at the Center for Strategic and International Studies (CSIS) and Associate Professor at Georgetown University*. Asia Times Online*, 3.26.9, http://www.atimes.com/atimes/Asian\_Economy/KC26Dk01.html AD 6/30/09) ET

Facing the worst economic crisis since the Great Depression, analysts at the World Bank and the US Central Intelligence Agency are just beginning to contemplate the ramifications for international stability if there is not a recovery in the next year. For the most part, the focus has been on fragile states such as some in Eastern Europe. However, the Great Depression taught us that a downward global economic spiral can even have jarring impacts on great powers. It is no mere coincidence that the last great global economic downturn was followed by the most destructive war in human history. In the 1930s, economic desperation helped fuel autocratic regimes and protectionism in a downward economic-security death spiral that engulfed the world in conflict. This spiral was aided by the preoccupation of the United States and other leading nations with economic troubles at home and insufficient attention to working with other powers to maintain stability abroad. Today's challenges are different, yet 1933's London Economic Conference, which failed to stop the drift toward deeper depression and world war, should be a cautionary tale for leaders heading to next month's London Group of 20 (G-20) meeting. There is no question the US must urgently act to address banking issues and to restart its economy. But the lessons of the past suggest that we will also have to keep an eye on those fragile threads in the international system that could begin to unravel if the financial crisis is not reversed early in the Barack Obama administration and realize that economics and security are intertwined in most of the critical challenges we face. A disillusioned rising power? Four areas in Asia merit particular attention, although so far the current financial crisis has not changed Asia's fundamental strategic picture. China is not replacing the US as regional hegemon, since the leadership in Beijing is too nervous about the political implications of the financial crisis at home to actually play a leading role in solving it internationally. Predictions that the US will be brought to its knees because China is the leading holder of US debt often miss key points. China's currency controls and full employment/export-oriented growth strategy give Beijing few choices other than buying US Treasury bills or harming its own economy. Rather than creating new rules or institutions in international finance, or reorienting the Chinese economy to generate greater long-term consumer demand at home, Chinese leaders are desperately clinging to the status quo (though Beijing deserves credit for short-term efforts to stimulate economic growth). The greater danger with China is not an eclipsing of US leadership, but instead the kind of shift in strategic orientation that happened to Japan after the Great Depression. Japan was arguably not a revisionist power before 1932 and sought instead to converge with the global economy through open trade and adoption of the gold standard. The worldwide depression and protectionism of the 1930s devastated the newly exposed Japanese economy and contributed directly to militaristic and autarkic policies in Asia as the Japanese people reacted against what counted for globalization at the time. China today is similarly converging with the global economy, and many experts believe China needs at least 8% annual growth to sustain social stability. Realistic growth predictions for 2009 are closer to 5%. Veteran China hands were watching closely when millions of migrant workers returned to work after the Lunar New Year holiday last month to find factories closed and jobs gone. There were pockets of protests, but nationwide unrest seems unlikely this year, and Chinese leaders are working around the clock to ensure that it does not happen next year either. However, the economic slowdown has only just begun and nobody is certain how it will impact the social contract in China between the ruling communist party and the 1.3 billion Chinese who have come to see President Hu Jintao's call for "harmonious society" as inextricably linked to his promise of "peaceful development". If the Japanese example is any precedent, a sustained economic slowdown has the potential to open a dangerous path from economic nationalism to strategic revisionism in China too. Dangerous states It is noteworthy that North Korea, Myanmar and Iran have all intensified their defiance in the wake of the financial crisis, which has distracted the world's leading nations, limited their moral authority and sown potential discord. With Beijing worried about the potential impact of North Korean belligerence or instability on Chinese internal stability, and leaders in Japan and South Korea under siege in parliament because of the collapse of their stock markets, leaders in the North Korean capital of Pyongyang have grown increasingly boisterous about their country's claims to great power status as a nuclear weapons state. The junta in Myanmar has chosen this moment to arrest hundreds of political dissidents and thumb its nose at fellow members of the 10-country Association of Southeast Asian Nations. Iran continues its nuclear program while exploiting differences between the US, UK and France (or the P-3 group)

<Continued…>

Impacts- Econ Good- Laundry List

<Continued…>

and China and Russia - differences that could become more pronounced if economic friction with Beijing or Russia crowds out cooperation or if Western European governments grow nervous about sanctions as a tool of policy. It is possible that the economic downturn will make these dangerous states more pliable because of falling fuel prices (Iran) and greater need for foreign aid (North Korea and Myanmar), but that may depend on the extent that authoritarian leaders care about the well-being of their people or face internal political pressures linked to the economy. So far, there is little evidence to suggest either and much evidence to suggest these dangerous states see an opportunity to advance their asymmetrical advantages against the international system.

Impacts- Econ Good- A2: Environment

The Environment is improving- won’t happen

Hayward 3 (Stephan F. Senior Fellow, Pacific Research Institute for Public Policy, 1992-present , 03, “Lomborg Gets the Galileo Treatment”, http://www.aei.org/outlook/15242, CH)

I was provoked," Lomborg explains. "I had never really questioned my belief in an ever deteriorating environment--and here was Simon, telling me to put my beliefs under the statistical microscope." Being a professor of statistics, he made a class project of checking the data and refuting Simon. But a funny thing happened on the way to debunking Simon: "Not everything he said was correct but--contrary to our expectations--it turned out that a surprisingly large amount of his points stood up to scrutiny and conflicted with what we believed ourselves to know." Thus chastened, Lomborg set out in The Skeptical Environmentalist to refute what he calls the litany: We are all familiar with the Litany: the environment is in poor shape here in Earth. Our resources are running out. The population is ever growing, leaving less and less to eat. The air and water are becoming ever more polluted. The planet's species are becoming extinct in vast numbers--we kill off more than 40,000 each year. The forests are disappearing, fish stocks are collapsing and the coral reefs are dying. We are defiling our Earth, the fertile topsoil is disappearing; we are paving over nature, destroying the wilderness, decimating the biosphere, and will end up killing ourselves in the process. The world's ecosystem is breaking down. We are fast approaching the absolute limit of viability, and the limits of growth are becoming apparent.[2] "There is just one problem," Lomborg adds. The litany "does not seem to be backed up by the available evidence." The Skeptical Environmentalist reviews trend data, primarily from UN or other government sources, for hundreds of environmental variables and finds that most aspects of the world's environment are either improving or are not catastrophic as the public imagines. Lomborg quickly adds that he is not saying that the environment is fine, that there is no cause for worry, or that civilization should be content with the current state of things. The point of assessing and comparing various environmental trends is to help policymakers set priorities among different environmental problems. "When things are improving," Lomborg writes, "we know we are on the right track. Although perhaps not at the right speed." Conversely, misleading perceptions lead to misallocation of resources, especially in wealthy countries.[3] As the U.S. Environmental Protection Agency found in an internal study more than a decade ago, funding priorities are often in inverse proportion to the seriousness of environmental problems.

Economic growth prevents environmental destruction.

Ben-Ami 6 (Daniel, Journalist with a Specialty in Economics, Editor of Fund Strategy, “Who’s afraid of economic growth?” May 4, 2006, http://www.spiked-online.com/Articles/0000000CB04D.htm, AD: 7-6-9) BL

The importance of economic growth to providing a better environment should be clear. As a general rule the environment in the developed world is far better for humans than in the poorer countries. For many people in the world, malnutrition, as well as a lack of clean water and modern sanitation, are key killers. In addition, the World Health Organisation (WHO) estimates that 1.6 million people a year - that is one person every 20 seconds - dies as a result of indoor air pollution. As WHO notes: 'More than half of the world's population rely on dung, wood, crop waste or coal to meet their most basic energy needs. Cooking and heating with such solid fuels on open fires or stoves without chimneys leads to indoor air pollution. This indoor smoke contains a range of health-damaging pollutants including small soot or dust particles that are able to penetrate deep into the lungs.' (24) Yet those of us lucky enough to live in the developed world do not need to cope with such problems. Since the overwhelming majority of us are connected to the electricity grid, gas mains or both, the scourge of indoor air pollution is not a killer. Economic development has played a key role in improving the environment for many millions of people, although many more could gain from its benefits in the future.

Impacts- Econ Good- A2: Environment

Zero growth prohibits the discovery of new resources or innovation - its ultimately unsustainable

Florea 8 (Adrian, The Limits of Zero Economic Growth Strategy, University of Oradea, Faculty of Economics, http://imtuoradea.ro/auo.fmte/MIE\_files/FLOREA%20ADRIAN%201.pdf) LE

From the beginning the report entitled „The limits of growth” was the topic of some interesting disputes on the theme of the limited character of resources concluded in valuable studies which are even today serious supports for reflecting on the future. The studies „Catastrophe or a new society? A latino-amercian model of the world?”, Published by the Argentinean Bariloche Fundation having Amilcar Herrera as a coordinator and „Mankind at crossroads” by Mihailo Mesarovit and Eduard Pestel are just on example. These projects of world development vehemently criticized the discrepancy between the rich and the poor, the immorality of waste in the developed countries as compared to the great lack in the third world; underlined the annoying fact that „in the developed regions of world the material consumption reached the proportion of an absurd waste”, with all the consequences that come out. The above mentioned study draws attention on a real fact: the existent resources especially row materials and energy is limited. But from this realistic and necessary finding, to the suggestion of a solution of limiting the growth, the way was too easily chosen, evading intentionally or not the promising chance that the dimension of the known resources will be multiplied, on the basis of the new discoveries sustained by the new achievements of science and technics. And as if this had not been enough they didn’t take into account the possibility that known type of growth that alarmed through waste, to be changed with a rational one, based on another matrix of values, and on another technical way of production and consumption. We have to underline the fact that the project of zero growth was an attempt to suggest that any model of economical growth must be thought on the canons of logics, hidden of ideology. The attempt remained at a level of suggestion because on the whole they didn’t manage to prove that development can be part of social-political pattern. For instance when the society of future is proposed to be an egalitarian one, to allow the participation of all the countries in an equal way, in the advantages that can be obtained on international trade; it is easily observable that this statement contains a big amount of ideology. In spite of all this facts, we consider that the attempt had its role, mainly that of objectification of the analysis on a field of activity which is not negligible. On this open path the efforts of mathematical shaping and formalizing contributed once again to the growth of the scientific and objectivity level of a forming science like the environment economy.

Even with zero growth we would still exhaust all resources

Florea 8 (Adrian, The Limits of Zero Economic Growth Strategy, University of Oradea, Faculty of Economics, http://imtuoradea.ro/auo.fmte/MIE\_files/FLOREA%20ADRIAN%201.pdf) LE

Disasters of a serious gravity made the world realise that the nature is invaded with offals and that the old theories of the value, where only the work and the capital are considered main actors, does not provide a real explaining basis. Thus, the entropic value was born, which tells us, uncomfortably. That we are using resources from a finite deposit and that we do not replace them with others. In the same way the preoccupation for the economy of value imposed itself, moving the centre of the analysis from explaining the causes of the value, finite through its nature, to be reduced, with the maintaining of the quality of the product in which it is incorporated, “the tendency towards quality” and not quantity, to use a phrase preferred by Keynes, becomes an imperative because, as Paul Bran draws the attention, “[T]he law of the entropic value will not forgive us if we do not use the feeding of the Nature with services meant to reduce the pollution and to repair what we broke during the years of the ‘industrial unleash’, of the low entropy theft, theft followed, in many cases, by the ecological crime”. Therefore, the economy of value sends directly towards the reduction of the consumptions specific to raw materials and energy. In the conditions we know that the natural substance of the goods cannot be lowered bellow certain threshold, without questioning the existence of the product itself, it could be said that such a solution can only delay the moment of the resource exhaustion. And if the whole remains the same, we will get to its total consumption only later, engaging and exhausting decreasingly from its content, but we will get there.

Impacts- Econ Good- A2: Environment – A2: Carrying Capacity

Carrying capacity is arbitrary

Green 5 (C. Brooks, U of Central Ark, http://www.brooksgreen.net/capacity.pdf.)

Some scholars have recognized carrying capacity as problematic. Muir (2003) argues, “Logistic growth is very idealized, of course. K [carrying capacity] is not likely to be constant (for example, year-to-year changes in weather effect food production; the richer a life we desire, the lower K for humans is likely to be, etc.). However, the model is useful conceptually.” Muir (2003) concludes by noting, “It is unlikely, however, that we can define a specific K (that is, an actual number) for humans. (People seem to enjoy trying though!).” Hardin (2003) expresses similar concerns. He maintains, “There is no hope of ever making carrying capacity figures as precise as, say, the figures for chemical valence or the value of the gravitational constant.” “As a result,” he writes, “… any particular figure for carrying capacity has a substantial element of the arbitrary in it.”

Carrying capacity is variable – Adaptation solves

Green 5 (C. Brooks, U of Central Ark, http://www.brooksgreen.net/capacity.pdf.)
Second, Cohen (1995) likewise understood that “The future of the human population, like the future of its economies, environment, and cultures, is highly unpredictable” (341). While he noted “… a probabilistic measure of human carrying capacity has been developed for local populations in the Amazon, no probabilistic approach to global human population carrying capacity has been developed” (343). He further maintains, “In basic and applied ecology, the carrying capacity of nonhuman species has been defined in at least nine different ways, none of which is adequate for humans” (343). The problem with calculating human carrying capacity is that “Human carrying capacity depends both on natural constraints, which are not fully understood, and on individual and collective choices concerning the average level and distribution of material well-being, technology, political institutions, economic arrangement, family structure, migration and other demographic arrangements, physical, chemical, and biological environment, variability and risk, the time horizon, and values, tastes, and fashions” (343)

Impacts- Econ Good- Climate Change

Capitalism as sustained by economic growth is key to containing climate change

Intelligence 7 (*Intelligence^2,* global forum reports on debates, oct. 30-7, http://www.intelligencesquared.com/events/capitalism-can-save-the-planet ) ET

The panel debate whether capitalism offers a viable solution for the challenge of reducing carbon dioxide emissions, and whether carbon trading can solve the climate change crisis without damaging economic growth. Arguing in favour of the motion are Tim Harford, John Redwood, and Eric Bettelheim. Tim Harford starts by supporting the motion. He emphasises the necessity to change the decisions made by individuals rather than introducing bureaucratic controls, which he regards as counterproductive. As a solution to effectively reduce carbon dioxide emissions he suggests the implementation of a carbon price set by the government, which will subsequently influence decisions made by individuals through market mechanisms. John Redwood stresses the power of the free enterprise system linked with capitalism. He emphasises the idea that capitalism works in parallel with the grain of human nature, and that capitalistic societies will subsequently produce a green planet as they call for it. Finally, Eric Bettelheim speaks in favour for the motion. He reminds the audience of the failure of the predictions presented by the Club of Rome, which failed as it did not take into account the role of markets in the allocation of resources. Referring to the success of the sulfur dioxide trading program in the US, he speaks in favour of an emission trading scheme for carbon dioxide

Global warming leads to extinction- highest probability

Roach 4 (John, http://news.nationalgeographic.com/news/2004/01/0107\_040107\_extinction.html , *National Geographic*, July 12.4) ET

As global warming interacts with other factors such as habitat-destruction, invasive species, and the build up of carbon dioxide in the landscape, the risk of extinction increases even further, they say. In agreement with the study authors, Pounds and Puschendorf say taking immediate steps to reduce greenhouse gas emissions is imperative to constrain global warming to the minimum predicted levels and thus prevent many of the extinctions from occurring. "The threat to life on Earth is not just a problem for the future. It is part of the here and now," they write.

Impacts- Econ Good –Overpopulation

Growth results in lower population – Bangladesh study proves

Hasan 6 (Mohammad, Department of Finance and Economics, AN EMPIRICAL INVESTIGATION TO DETERMINE THE LONG-RUN RELATIONSHIP BETWEEN POPULATION GROWTH AND PER CAPITA INCOME IN BANGLADESH, http://www.bdiusa.org/Publications/JBS/Volumes/Volume7/JBS7.2-2-Part-1.pdf, 2/20/06, AD: 7/6/09) JC

This paper empirically examines the nature of the time-series relationship between population growth and per capita income growth using the annual data of Bangladesh within the framework of cointegration methodology. This study finds evidence of a long-run stationary relationship between population and per capita income. Our results also indicate a bi-directional or feedback relationship between population and per capita income. The results of a negative causality flowing from per capita income to population growth appear to indicate that per capita income tends to lower the population growth. Likewise, population growth positively contributes to the growth of per capita income.

Inverse relationship between fertility rates and economic growth

Schultz 5 (T Paul, Yale University - Economic Growth Center; Institute for the Study of Labor, Fertility and Income, http://papers.ssrn.com/sol3/papers.cfm?abstract\_id=838227, October 2005, AD: 7/6/09)

There is an inverse association between income per adult and fertility among countries, and across households this inverse association is also often observed. Many studies find fertility is lower among better educated women and is often higher among women whose families own more land and assets. What do we know about the social consequences of events and policies that change fertility, if they are independent of parent preferences for children or the economic conditions which account for much of the variation in parent lifetime fertility? These effects of exogenous fertility change on the health and welfare of children are assessed from Kenyan household survey data by analysis of the consequences of twins, and the effect of avoiding unanticipated fertility appears to have a larger beneficial effect on the body mass index or health status of children in the family than would be expected due to variation in fertility which is accounted for by parent education and household land.

Impacts- Econ Good –Overpopulation

Economic growth inversely is proportional to population growth

Lustig et al 98 (Nora, Nancy Birdsall and Monica Das Gupta, International Union for the study of population, Extract from a Report from the Exploratory Mission on Population and Poverty, http://www.iussp.org/Activities/scc-pov/pov-outline.php, 12/4/98, AD: 7/6/09)

The prediction from standard growth theory is that population and economic growth should be inversely related during the transition, but changes in population growth should not affect the long-run growth rate of output per worker. What does the empirical evidence show? up until this decade researchers failed to find any significant relationship between population growth and output growth (4). The interpretation was not that population did not have an effect on economic growth, but that the effects were complex and tended to offset one another. Even in the cases where a negative relationship was found, it varied considerably by country and over time, and the impact of population was small by comparison with other factors affecting output growth. Hence, the traditionalist view that population growth was bad for economic growth was not strongly supported by empirical evidence. Recent research, however, arrives at a different conclusion (5). After assessing, replicating and extending a number of studies, Kelley and Schmidt conclude that there appears to be a sizeable inverse relationship between population growth and economic growth over the period 1960-1995 (6). Specifically, declining population growth, fertility and mortality have had a sizeable positive impact on economic growth. Changing age distributions and rising population density and size also had a positive impact, although the contribution of size is small. Of all the demographic variables, improvements in life expectancy constitute the largest single impact on changes in output growth. Furthermore, the authors also find some evidence that the impact of demographic change is not solely transitional but that it also affects long-run economic growth. This result would imply that mechanisms other than those captured by the standard neo-classical growth model are at work in the real world. One such mechanism could be the relationship between population growth and resource degradation. These results are good news for the many countries that are now passing through the demographic transition. If true, they predict a boost to economic growth and an opportunity to accelerate the pace of poverty reduction. However, as emphasised by the authors, these results should be taken as preliminary. The Kelley and Schmidt study is careful in incorporating the dynamics of demographic change in their analysis (7). The impact on economic growth of a new birth varies over a lifetime: usually negative during the child rearing years, then positive during the labour force years, and possibly negative during retirement. Modelling of demography must account for the patterns of birth and death rate changes over time. Some of the early "no correlation" findings can possibly be due to the fact that no care was taken in decomposing population change in its various factors. But, the question still remains whether the results obtained by Kelley and Schmidt (and others) are robust with respect to different statistical specifications and modelling variants. This is an area where further research is welcome.

Impacts- Econ Good- A2: Overpopulation

No Carrying Capacity- Carrying capacity is arbitrary

Green 5 (C. Brooks, U of Central Ark, http://www.brooksgreen.net/capacity.pdf.) ET

Some scholars have recognized carrying capacity as problematic. Muir (2003) argues, “Logistic growth is very idealized, of course. K [carrying capacity] is not likely to be constant (for example, year-to-year changes in weather effect food production; the richer a life we desire, the lower K for humans is likely to be, etc.). However, the model is useful conceptually.” Muir (2003) concludes by noting, “It is unlikely, however, that we can define a specific K (that is, an actual number) for humans. (People seem to enjoy trying though!).” Hardin (2003) expresses similar concerns. He maintains, “There is no hope of ever making carrying capacity figures as precise as, say, the figures for chemical valence or the value of the gravitational constant.” “As a result,” he writes, “… any particular figure for carrying capacity has a substantial element of the arbitrary in it.”

Carrying capacity is variable- adaptation solves

Green 5 (C. Brookes, U of Central Ark, http://www.brooksgreen.net/capacity.pdf) ET

Second, Cohen (1995) likewise understood that “The future of the human population, like the future of its economies, environment, and cultures, is highly unpredictable” (341). While he noted “… a probabilistic measure of human carrying capacity has been developed for local populations in the Amazon, no probabilistic approach to global human population carrying capacity has been developed” (343). He further maintains, “In basic and applied ecology, the carrying capacity of nonhuman species has been defined in at least nine different ways, none of which is adequate for humans” (343). The problem with calculating human carrying capacity is that “Human carrying capacity depends both on natural constraints, which are not fully understood, and on individual and collective choices concerning the average level and distribution of material well-being, technology, political institutions, economic arrangement, family structure, migration and other demographic arrangements, physical, chemical, and biological environment, variability and risk, the time horizon, and values, tastes, and fashions” (343)

Impacts- Econ Good- Racism

Economic decline primarily drives racism

New York Times 90 (*New York Times,* Oct 90) ET

The emancipation of the slaves did not lead directly to segregation, as it should have if American society was primarily and fundamentally racist. Rather, segregation arose in response to a threatening biracial political challenge from black and white farmers in the 1890's to the white elite -- which capitulated to racism after paternalism failed. Segregation collapsed in the face of a civil rights movement sustained by post-World War II prosperity, while racism is now resurgent in an era of economic decline. This oversimplified summary is meant to document the assertion that racism has been and continues to be fostered by competition for limited resources, that is, it is primarily a class issue. It can best be fought by policies for economic and, hence, social justice.

Impacts- Econ Good- Russia Good- Nukes

Russian collapse causes a global nuclear war

David 99 **(**Steven, Professor of Political Science at The Johns Hopkins University, *Foreign Affairs*, Jan/Feb) ET

If internal war does strike Russia, economic deterioration will be a prime cause. From 1989 to the present, the GDP has fallen by 50 percent. In a society where, ten years ago, unemployment scarcely existed, it reached 9.5 percent in 1997 with many economists declaring the true figure to be much higher. Twenty-two percent of Russians live below the official poverty line (earning less than $ 70 a month). Modern Russia can neither collect taxes (it gathers only half the revenue it is due) nor significantly cut spending. Reformers tout privatization as the country's cure-all, but in a land without well-defined property rights or contract law and where subsidies remain a way of life, the prospects for transition to an American-style capitalist economy look remote at best. As the massive devaluation of the ruble and the current political crisis show, Russia's condition is even worse than most analysts feared. If conditions get worse, even the stoic Russian people will soon run out of patience. A future conflict would quickly draw in Russia's military. In the Soviet days civilian rule kept the powerful armed forces in check. But with the Communist Party out of office, what little civilian control remains relies on an exceedingly fragile foundation -- personal friendships between government leaders and military commanders. Meanwhile, the morale of Russian soldiers has fallen to a dangerous low. Drastic cuts in spending mean inadequate pay, housing, and medical care. A new emphasis on domestic missions has created an ideological split between the old and new guard in the military leadership, increasing the risk that disgruntled generals may enter the political fray and feeding the resentment of soldiers who dislike being used as a national police force. Newly enhanced ties between military units and local authorities pose another danger. Soldiers grow ever more dependent on local governments for housing, food, and wages. Draftees serve closer to home, and new laws have increased local control over the armed forces. Were a conflict to emerge between a regional power and Moscow, it is not at all clear which side the military would support. Divining the military's allegiance is crucial, however, since the structure of the Russian Federation makes it virtually certain that regional conflicts will continue to erupt. Russia's 89 republics, krais, and oblasts grow ever more independent in a system that does little to keep them together. As the central government finds itself unable to force its will beyond Moscow (if even that far), power devolves to the periphery. With the economy collapsing, republics feel less and less incentive to pay taxes to Moscow when they receive so little in return. Three-quarters of them already have their own constitutions, nearly all of which make some claim to sovereignty. Strong ethnic bonds promoted by shortsighted Soviet policies may motivate non-Russians to secede from the Federation. Chechnya's successful revolt against Russian control inspired similar movements for autonomy and independence throughout the country. If these rebellions spread and Moscow responds with force, civil war is likely. Should Russia succumb to internal war, the consequences for the United States and Europe will be severe. A major power like Russia -- even though in decline -- does not suffer civil war quietly or alone. An embattled Russian Federation might provoke opportunistic attacks from enemies such as China. Massive flows of refugees would pour into central and western Europe. Armed struggles in Russia could easily spill into its neighbors. Damage from the fighting, particularly attacks on nuclear plants, would poison the environment of much of Europe and Asia. Within Russia, the consequences would be even worse. Just as the sheer brutality of the last Russian civil war laid the basis for the privations of Soviet communism, a second civil war might produce another horrific regime. Most alarming is the real possibility that the violent disintegration of Russia could lead to loss of control over its nuclear arsenal. No nuclear state has ever fallen victim to civil war, but even without a clear precedent the grim consequences can be foreseen. Russia retains some 20,000 nuclear weapons and the raw material for tens of thousands more, in scores of sites scattered throughout the country. So far, the government has managed to prevent the loss of any weapons or much material. If war erupts, however, Moscow's already weak grip on nuclear sites will slacken, making weapons and supplies available to a wide range of anti-American groups and states. Such dispersal of nuclear weapons represents the greatest physical threat America now faces. And it is hard to think of anything that would increase this threat more than the chaos that would

Impacts- Econ Good- Russia Good- Nukes

**Russian economic decline causes nuclear**

Filger 9 (Sheldon, founder of Global Economic Crisis, *The Huffington Post,*, 5.10.9, http://www.huffingtonpost.com/sheldon-filger/russian-economy-faces-dis\_b\_201147.html ) ET

In Russia, historically, economic health and political stability are intertwined to a degree that is rarely encountered in other major industrialized economies. It was the economic stagnation of the former Soviet Union that led to its political downfall. Similarly, Medvedev and Putin, both intimately acquainted with their nation's history, are unquestionably alarmed at the prospect that Russia's economic crisis will endanger the nation's political stability, achieved at great cost after years of chaos following the demise of the Soviet Union. Already, strikes and protests are occurring among rank and file workers facing unemployment or non-payment of their salaries. Recent polling demonstrates that the once supreme popularity ratings of Putin and Medvedev are eroding rapidly. Beyond the political elites are the financial oligarchs, who have been forced to deleverage, even unloading their yachts and executive jets in a desperate attempt to raise cash. Should the Russian economy deteriorate to the point where economic collapse is not out of the question, the impact will go far beyond the obvious accelerant such an outcome would be for the Global Economic Crisis. There is a geopolitical dimension that is even more relevant then the economic context. Despite its economic vulnerabilities and perceived decline from superpower status, Russia remains one of only two nations on earth with a nuclear arsenal of sufficient scope and capability to destroy the world as we know it. For that reason, it is not only President Medvedev and Prime Minister Putin who will be lying awake at nights over the prospect that a national economic crisis can transform itself into a virulent and destabilizing social and political upheaval. It just may be possible that U.S.

Russian economic collapse breeds political instability and global insecurity

Filger 9 (Sheldon, founder of Global Economic Crisis, *The Huffington Post,*, 5.10.9, http://www.huffingtonpost.com/sheldon-filger/russian-economy-faces-dis\_b\_201147.html ) ET

President Barack Obama's national security team has already briefed him about the consequences of a major economic meltdown in Russia for the peace of the world. After all, the most recent national intelligence estimates put out by the U.S. intelligence community have already concluded that the Global Economic Crisis represents the greatest national security threat to the United States, due to its facilitating political instability in the world. During the years Boris Yeltsin ruled Russia, security forces responsible for guarding the nation's nuclear arsenal went without pay for months at a time, leading to fears that desperate personnel would illicitly sell nuclear weapons to terrorist organizations. If the current economic crisis in Russia were to deteriorate much further, how secure would the Russian nuclear arsenal remain? It may be that the financial impact of the Global Economic Crisis is its least

Impacts- Econ Good- Russia Good- War

Russian growth prevents war with the US

Bronwen 9 (Maddox, Chief Foreign Commentator for The Times, The Times, http://www.timesonline.co.uk/tol/comment/columnists/bronwe n\_maddox/article6 652936.ece ) ET

The most interesting and unexpected ingredient in the Russia-US summit is how well the Russian leaders have managed the financial turmoil. That changes in their favour, slightly, the dynamics of the meeting, which otherwise turn on that peculiar Russian mix of extremes of strength and weakness.On one hand, President Medvedev and Vladimir Putin, the Prime Minister, hold cards that matter hugely to any US president: nuclear missiles; oil; gas; one of the world’s largest armies; friendship with Iran; influence, obsessively deployed, over the Caucasus and Central Asia; a permanent seat — and veto — on the United Nations Security Council. On the other, there is the reality of Russia’s vulnerability on every count of finance, trade, and military strength. There are the big, bald statistics of its shrinking population (although that may be reversing), falling life expectancy (although that is suddenly improving), and stubborn poverty. Most painfully, too, there is the memory of the Soviet era and the incredulity at the sharpness of the reversal. The US team has made clear that in its calculation, the strengths make it worth its while trying to “reset” the relationship. But the weaknesses mean that if the attempt fails, Russia could be relegated behind more pressing problems.The element that might change this calculation is the Russian leaders’ recent skilful management of the economy. It not only points to surefootedness in economic management, which their rhetoric has not often suggested. It offers hope that Russia may find its way out of its current sour resentment, and autocratic rule, and into a more stable future. A World Bank report last month spelt out the unexpected upside to Russia’s otherwise unsurprising suffering during the crisis. Yes, there has been plenty of damage. Real gross domestic product is expected to shrink by about 7.9 per cent this year (compared with a global fall in output of 2.9 per cent). That is a big shock after a decade of high growth, driven by high oil and gas prices. The stock market lost two thirds of its value in the five months to November 2008.Unemployment could now rise to 13 per cent and poverty to 17.4 per cent by the end of the year, the bank warned, noting that the middle class would also shrink by a tenth, or more than six million people, to just over half the population.However, the bank, which called the Government’s response “swift, co-ordinated, and comprehensive”, noted that Russia’s leaders had moved quickly to cut spending as the oil price fell (including pushing through an aggressive rethinking of the military). They had arranged a large stimulus, and had responded to the plunge in foreign reserves (figures yesterday showed a net capital inflow of $7.2 billion in the second quarter of 2009, after $35 billion flowed out in the first quarter). The worst effects of the crisis were perhaps past, the bank suggested. If — a huge if — Russia took the chance to reform old industries, and made them more competitive, then it could come out of the crisis with a more modern, diversified economy.There are a few slight signs that Russia’s leaders might seize that chance, such as the overhaul of the military (arms, and rules for conscription). Alternatively, they will persist with their technique of blaming others for their problems, and focusing on external threats, not obstacles at home.President Obama’s quest of trying to find a new deal to cut stockpiles of nuclear missiles is an honourable one. But its success will depend on whether Russia can be persuaded out of the mindset in which the expansion and success of the European Union and Nato are a threat. The US has had much less success with Russia than with China in persuading it of the value of becoming part of international organisations and laws. Not much in Putin’s or Medvedev’s recent behaviour suggests that they are that way inclined. All the same, the weakness of modern Russia, clutching the few great prizes of its recent past, in the form of missiles and oil wells while the rest lies in tatters, is one point of leverage. So is the Russian leaders’ astute reaction to the crisis, which they dubbed the failure of capitalism. That shows that they can set ideology aside and take quick steps in the country’s interest. That can only be a hopeful sign for Russia’s chances of becoming a less fearful and more modern state.

Impacts- Econ Good- A2: Russia Conflict

Russian growth prevents war with the US – capitalism must look good in order to maintain its ideological prominence and avoid conflict

Bronwen 9 (Maddox, Chief Foreign Commentator for The Times, The Times, http://www.timesonline.co.uk/tol/comment/columnists/bronwe n\_maddox/article6 652936.ece ) ET

The most interesting and unexpected ingredient in the Russia-US summit is how well the Russian leaders have managed the financial turmoil. That changes in their favour, slightly, the dynamics of the meeting, which otherwise turn on that peculiar Russian mix of extremes of strength and weakness.On one hand, President Medvedev and Vladimir Putin, the Prime Minister, hold cards that matter hugely to any US president: nuclear missiles; oil; gas; one of the world’s largest armies; friendship with Iran; influence, obsessively deployed, over the Caucasus and Central Asia; a permanent seat — and veto — on the United Nations Security Council. On the other, there is the reality of Russia’s vulnerability on every count of finance, trade, and military strength. There are the big, bald statistics of its shrinking population (although that may be reversing), falling life expectancy (although that is suddenly improving), and stubborn poverty. Most painfully, too, there is the memory of the Soviet era and the incredulity at the sharpness of the reversal. The US team has made clear that in its calculation, the strengths make it worth its while trying to “reset” the relationship. But the weaknesses mean that if the attempt fails, Russia could be relegated behind more pressing problems.The element that might change this calculation is the Russian leaders’ recent skilful management of the economy. It not only points to surefootedness in economic management, which their rhetoric has not often suggested. It offers hope that Russia may find its way out of its current sour resentment, and autocratic rule, and into a more stable future. A World Bank report last month spelt out the unexpected upside to Russia’s otherwise unsurprising suffering during the crisis. Yes, there has been plenty of damage. Real gross domestic product is expected to shrink by about 7.9 per cent this year (compared with a global fall in output of 2.9 per cent). That is a big shock after a decade of high growth, driven by high oil and gas prices. The stock market lost two thirds of its value in the five months to November 2008.Unemployment could now rise to 13 per cent and poverty to 17.4 per cent by the end of the year, the bank warned, noting that the middle class would also shrink by a tenth, or more than six million people, to just over half the population.However, the bank, which called the Government’s response “swift, co-ordinated, and comprehensive”, noted that Russia’s leaders had moved quickly to cut spending as the oil price fell (including pushing through an aggressive rethinking of the military). They had arranged a large stimulus, and had responded to the plunge in foreign reserves (figures yesterday showed a net capital inflow of $7.2 billion in the second quarter of 2009, after $35 billion flowed out in the first quarter). The worst effects of the crisis were perhaps past, the bank suggested. If — a huge if — Russia took the chance to reform old industries, and made them more competitive, then it could come out of the crisis with a more modern, diversified economy.There are a few slight signs that Russia’s leaders might seize that chance, such as the overhaul of the military (arms, and rules for conscription). Alternatively, they will persist with their technique of blaming others for their problems, and focusing on external threats, not obstacles at home.President Obama’s quest of trying to find a new deal to cut stockpiles of nuclear missiles is an honourable one. But its success will depend on whether Russia can be persuaded out of the mindset in which the expansion and success of the European Union and Nato are a threat. The US has had much less success with Russia than with China in persuading it of the value of becoming part of international organisations and laws. Not much in Putin’s or Medvedev’s recent behaviour suggests that they are that way inclined. All the same, the weakness of modern Russia, clutching the few great prizes of its recent past, in the form of missiles and oil wells while the rest lies in tatters, is one point of leverage. So is the Russian leaders’ astute reaction to the crisis, which they dubbed the failure of capitalism. That shows that they can set ideology aside and take quick steps in the country’s interest. That can only be a hopeful sign for Russia’s chances of becoming a less fearful and more modern state.

Impacts- Econ Good- A2: Russia Build Up

Concerns about arms sales to Russia are silly- stabilizes the region

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

A great deal of ink has been spilled recently about how terrible it is that a number of European NATO members are considering selling arms and military equipment to Russia. Many commentators vehemently argue against such arms sales. The reasons for the opposition are rarely stated openly, but when they are they tend to focus on the fear that such deals would tie West European states more closely to Russia, preventing them from standing firm against Russian policies that the commentators oppose. A secondary reason is that these deals would improve Russian military capabilities.Both of these reasons are fundamentally misguided. First of all, countless studies have shown that greater ties between states reduce the likelihood of conflict between them.

Russia buying more arms good- makes them dependent on NATO

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

If France or Germany sell military equipment to Russia, they not only establish closer ties between their militaries, but they also make the Russian military more dependent on NATO military equipment. Cold warriors seem to think that the dependency argument only runs in one direction — Western states who sell to Russia wouldn’t want to lose sales, so they’ll do whatever Russia wants. But the road of mutual dependence is a two way street. If Russia starts buying certain categories of military equipment from abroad, its domestic defense industry will likely lose whatever capability it still has to produce that category of equipment. Russia will then depend on NATO states for the procurement (and perhaps maintenance) of its military equipment.

Russia arm buying increases Western control over Russia- it’s good

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

 In that situation, Russian leaders will have to think twice before undertaking any actions towards NATO that are sufficiently hostile as to result in it being cut off from access to such equipment. This form of dependence is much more serious. After all, if Russia gets upset with France and stops buying its military equipment, French arms manufacturers will lose some money and perhaps some French people will lose their jobs. But if France cuts off military sales to Russia in a situation where Russia is dependent on France for certain types of equipment, Russian security will suffer.

Impacts- Econ Good- A2: Russia Build Up

And Russian arm buying doesn’t make conflict worse- Georgia proves

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

Some analysts fear that Russia could use equipment purchased from NATO, such as the Mistral ships, to attack its neighbors. The 2008 Georgia war showed that even without NATO equipment the Russian military is plenty strong enough to defeat a small and weak army of the kind that just about all of its immediate neighbors possess. Western arms sales are not necessary for Russia to be able to successfully undertake hostile action against a country like Georgia. But again, if NATO arms sales to Russia become ubiquitous, Russia may well become more hesitant to undertake actions that could potentially result in the cut-off of such arms sales. In other words, Western leverage over Russian actions will actually increase.

Russia buying arms improves US security

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

Second, if Russia starts using NATO equipment, this will improve interoperability between Russian and NATO military forces, making their efforts at military cooperation more effective. Since the two sides are much more likely to work together on potential issues such piracy, smuggling and counter-terrorism than they are to actually fight each other, it seems to me that selling NATO equipment to Russia can only lead to improvements in security for NATO states.

Russian leaders don’t trust their own arms- shows they need international community

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

Russian leaders have recently contemplated a large number of potential arms purchases from abroad, including both basic equipment, such as uniforms, weaponry, such as sniper rifles, and major platforms, such as amphibious assault ships and armored vehicles. This shows that these leaders no longer trust the capabilities of Russia’s domestic defense industry to rebuild the Russian army, which is equipped almost entirely with aging Soviet-era technology. They have come to understand that foreign ties are only way to rebuild their military capabilities in a reasonable time frame.

Russia Arms sales are in interest of US security paradigm

Gorenburg 10 (Dmitry, Executive Director, American Association for the Advancement of Slavic Studies, *Russian Military Forum*, 5.12.10, http://russiamil.wordpress.com/2010/05/12/russian-foreign-arms-purchases-are-good-for-regional-stability/ ) ET

Western leaders should encourage this trend, because it will only enhance regional and global security. Rather than “eroding the effectiveness of NATO policies toward Russia and in NATO’s own eastern neighborhood,” extensive arms sales by NATO states to Russia will increase Russian dependence on the West, decreasing the likelihood that Russia would take unilateral military action contrary to Western interests, while enhancing regional security by improving the ability of Russian forces to cooperate with NATO forces against threats to their mutual security.

\*\*Transition\*\*

Transition Yes – A2: No Tech

Quick transition to low growth is feasible

Trainer 89 (Lecturer of economics at university of new south Wales, developed to death 1989, p207)

Most development theorists radical as well as conventional, seem to have little or no idea of the potential for appropriate development inherent in these existing alternative technologies. Most recommend the acceptance of decades of further suffering on the part of billions of people until trickle down saves them or until capitalism self-destructs, essentially because they do not understand that we already have the ideas and techniques necessary to enable those people to build satisfactory economies for themselves within a few years, and in many cases within a few months.

Transition Yes – A2: Backlash

Transition is underway – attitude shift is occurring

Henderson 91 , Hazel (Director of worldwide watch institute, paradigms in process life beyond economics) 1991

What we see emerging today in all the industrial societies are basic value and behavior shifts, new perceptions and an emerging paradigm, based on facing up to a new awareness of planetary realties and confirmed by a “post-Cartesian” scientific worldview based on biological and systemic life sciences, rather than inorganic, mechanistic models. Its principles involve: Interconnectedness, redistribution, heterarchy, complementarity, uncertainty and change. The newly interlinked agenda of citizens. These new worldviews are already generating better policy tools and models, beyond economics: technology assessment, social and job impact studies, environmental impact statements, future research, cross-impact studies, scenario building, global modeling and forecasting no longer based on past trend extrapolation. At the grassroots level, in academia, and all our institutions the politics of reconceptualization ahs begun. We see it in the newly interlinked agendas of citizens converging on the June 1992 UN Earth Summit in Rio de Janiero and in the emergence of human rights and planetary citizenship. These movements all embrace a new world order based on renewable resources and energy, sustainable forms of productivity and per capita consumption, ecologically-based science and technologies and equitable sharing of resources within and between countries as the only path to peace-keeping and redirecting the billions spent on the global arms race.

The world is embracing the new economy – transition is underway

Pederson 9 (David, 4-15-9, The New Ecological Growth Economy, Policy Innovations, http://www.policyinnovations.org/ideas/commentary/data/000121)

A new economy is on the doorstep. It's not the economy we used to know as "the new economy." It's not the information-technology-driven growth of the last few decades, although that makes up part of the new economy. A new economy is rapidly emerging, one which will transform the ways that people live and do business. The name of the new new economy is the "ecological growth economy." This is neither a bad joke nor an anachronism. It is the emerging new reality. It is also the precondition for the continuation of human progress and the survival of millions of other species on Earth. We have an obvious choice: We can speed up the realization of the ecological growth economy now, or our children and theirs will suffer for centuries. It appears to be an easy choice, doesn't it? We can choose human progress over suffering. And yet, we are not making this choice at sufficient speed or scale today. Ignorance, institutional inertia, vested interests, and greed are the main reasons for our far-too-slow action. However, as sentient creatures (Homo sapiens), humans are equipped with knowledge, good will, and a degree of wisdom. A majority of people around the Earth today are realizing that we cannot survive without embracing the ecological growth economy. Most people are willing to join forces and are willing to make certain sacrifices in lifestyle to achieve an economy that will allow the continuation of human progress into future generations. Fortunately, an increasing number of people are making great efforts to bring about this new economy.

Transition Yes – A2: Mindset

Dedev shifts values – realizations of limits of growth

Kassiola 90 (Joel, Prof of Poli-Sci @ Brooklyn College, 90, p. 196) ET

To sum up the main thrust of this chapter, I believe that the current industrial crisis centering on the limits to growth can be instrumental in getting citizens of advanced industrial societies to recognize the erroneous nature of the dominant postindustrial social paradigm, its way of life, and values. As a consequence, this crisis will stimulate these citizens to be conscious of their society’s deficiencies inspiring the destruction of the limitless growth illusion as well as the illusory materialist reductionism of humanity, society, and politics. What I have in mind here is that the entire growth-addictive conceptual apparatus that supports postindustrial society, the industrial ideology containing the Hobbesian conception of humanity, liberalism, materialism, and competitiveness—all must be destroyed as well. Such a cleansing process will pave the way to begin the necessary transformation of postindustrial society to a transindustrial one; one not burdened by these weaknesses that are potentially fatal to our planet and all of its inhabitants.

Value shift due to de-dev changes social order

Kassiola 90 (Joel, Prof of Poli-Sci @ Brooklyn College, 90, p. 81) ET

Of course, we know that the purported “transpolitical” claim of economic growth as a substitute for redistribution is the result of an illusion (economic brain damage) brought on by the ideology of economic reductionist doctrine of unlimited economic growth and the elites whose interests this ideology serves. This illusion is rapidly being exposed by the disguiselifting, consciousness-creating and consciousness-raising, limits to growth and their consequences. Once the doctrine of the limitlessness of economic growth is questioned as being either impossible to achieve and/or undesirable in itself, its resulting ideological manipulation will be recognized by its victims and thereafter challenged by them. Thus, this recognition will destroy this illusion’s political effectiveness just as the awareness of any illusion produces its own self-destruction. Hence the need for political disillusionment when the illusions are as damaging as this one. The path to joy is, indeed, through the despair of the mourning period for our fantasies. When the fantasy of unlimited economic growth is recognized as such we may then proceed to create a social order whose conditions for existence do not require such delusions or its detrimental effects. No wonder the rhetoric of both sides of the limits-to-growth controversy is impassioned—so much is at stake!

Transition Yes – A2: Mindset

Dedev shifts values – dedev lit proves

Kassiola 90 (Joel, Prof of Poli-Sci @ Brooklyn College, 90, p. 36) ET

The strong resistance by defenders of the postindustrial status quo and advocates of progrowth values to claims of the existence of the industrial crisis and to pleas for a reassessment of industrial values by the limits-to-growth advocates tends to support Hirschman’s “avoidance” explanation. From this perspective, Ronald Reagan’s and other progrowth proponents’ electoral successes throughout postindustrial society and the public enthusiasm for their message of ceaseless, unlimited economic growth for all may be viewed as part of this disappointment-denying phenomenon. It was so much more comforting to hear the message of the resurgence of America and the coming limitless prosperity—’ ‘the morning in America’ ‘—then to admit that at its foundation was a fantasy and that a change in our values and social order were necessary! Nevertheless, considering the reluctance of mankind to experience disappointment and admit errors—and our tendency to deny reality in order to accomplish these objectives—the fact that the apocalyptic limits-to-growth literature and critical environmental movement exist at all, especially as extensively and influentially as they do in the multidisciplinary scholarly community, the public media, and slowly but significantly within the public at large,’2 provides evidence that the phenomenon of human denial is breaking down as social conditions worsen and the undesirable consequences of industrial values are experienced directly by more advanced industrial citizens.

Value shift key to social change

Kassiola 90 (Joel, Prof of Poli-Sci @ Brooklyn College, 90, p. 177-8) ET

As Slater has argued, personal (and, I would add, social) change requires a disillusionment with the current values and beliefs. There are indications of such disillusionment that should encourage advocates of transformational change within industrial societies: the persistent and various environmental groups throughout the industrial nation-states even through poor economic times when progrowth critics expected a return to the priority of materialism and economic values;56 the rise of new social movements throughout the postindustrial world, like the Greens, proclaiming alternative nonmaterialist values; and the workplace democracy movement increasing the autonomy of workers as well as humanizing the nature of industrial work. All of these challenge the dominance of existing post-industrial values and social conditions. They also reveal that the educational, conscientizing, disillusioning process pertaining to postindustrial life and values has already begun. The excesses of limitless industrialism— ecological, normative, and, if you will, spiritual—implying the existence of limits beyond which “excess” is defined, are beginning to be understood by the postindustrial public at large!

Transition Yes – A2: Mindset

Crisis key to shift to dedev values

Kassiola 90 (Joel, Prof of Poli-Sci @ Brooklyn College, 90, p. 28-9) ET

I think that this psychological analysis provides insight into much of the predicament of contemporary industrial citizens and their culture. The illusion of unlimited economic growth that forms the bedrock of industrial civilization, the dream of limitless economic growth with prosperity for everyone, and the social value of “unlimited progress” has been challenged effectively by recent developments. These include: biophysical limits asserted by the limits-to-growth advocates and recent shocking environmental, economic and political events. Even the steadfast defenders of industrialism find themselves either denying that a crisis exists at all and going on to counterattack the limits-to-growth critics of industrial society (as exemplified by the progrowth literature and defenders of industrial culture such as the contributors to the Simon and Kahn volume) or suffering the pains of being trapped in their incomplete despair because they still hold on to the idea that industrial culture can somehow be salvaged with its basic values intact, including unlimited economic growth. These industrial diehards, from scholars like Beckerman, Kahn and Julian L. Simon, to virtually all policymakers like former president Ronald Reagan down to the county and municipal leaders (but see rise of antigrowth movement in American West) ,76 hang on to, instead of mourn for, their illusory unlimited growth conception that deserves to be laid to rest. Ridding ourselves of that concept and recognizing its futility as well as undesirability would free industrial inhabitants to create a new and more satisfying social order for all of its members. This could occur despite the temporary grief associated with the mourning period for our fantasies that would surely characterize the transitional period. “So long as we imagine things are getting better we will never reexamine basic assumptions.”77

Transition Yes – Hundredth Monkey

Transition will happen- the hundredth monkey will arise from the oil spill

Ruppert 10 (Michael, author of Crossing The Rubicon: The Decline of the American Empire at the End of the Age of Oil, *Peak Oil*, 5.2.10, http://peakoil.com/enviroment/michael-ruppert-gulf-oil-leak-catastrophic/) ET

Worse: The oil slick is now the size of Delaware. It will be Ohio-sized within days. Florida has declared a state of emergency. All commercial fishing in the Gulf is threatened. All widlife is threatened. And when and if the slick gets to NOLA it will have a disatarous impact on energy production and the brave, battered, courageous people who live there. Coastal refineries may have to close… What might happen if the oil ignited? Oil should be at $100 before the end of next week. I suspect between $150 and $200 (maybe higher) this summer. Worse: Napolitano and Salazar are already talking about huge claim funds. Massive class-actions against BP are starting. Insurance claims may well dwarf Katrina. The economy of the entire Gulf Coast is in jeopardy. From what I heard there is no real plan to stop the leak and no estimation as to when that will happen. (I might have missed that.) What happens when the slick hits Cuba? The rest of the Caribbean? The current fradulent Wall Street bubble will pop in shorter order than anticipated. Within about a week, man’s greed and reach for energy have found natural and unyielding limits. Two coal mine disasters and an oil slick that will cause as yet unknown catastrophic damage, loss of life and property. And yet there are still those in this movement who think we need to argue with people who believe there’s plenty of easy oil about anything. It would be so poetic if history recorded that this was the event that marked the cliff edge of human industrial civilization. Maybe then someone will get the point. Maybe then we will find our hundredth monkey… And maybe Mother Earth will have poisoned us with the substance we have so greedily raped her — and killed each other — for… “You want oil?… I’ll give you oil.”

Transition Yes – Hundredth Monkey

Hundredth monkey means that when awareness reaches a critical point, it becomes universal

Keyes 9 (Ken, Chairman of National Black Trade Association, http://www.nbbta.org/members/headquarters/blog/VIEW/00000003/00000042/The-100th-Monkey-Story.html#00000042 ) ET

The Japanese monkey, Macaca fuscata, has been observed in the wild for a period of over 30 years. In 1952, on the island of Koshima scientists were providing monkeys with sweet potatoes dropped in the sand. The monkeys liked the taste of the raw sweet potatoes, but they found the dirt unpleasant. An 18-month-old female named Imo found she could solve the problem in a nearby stream. She taught this trick to her mother. Her playmates also learned this new way and they taught their mothers, too. This cultural innovation was gradually picked up by various monkeys before the eyes of the scientists. Between 1952 and 1958, all the young monkeys learned to wash the sandy sweet potatoes to make them more palatable. Only the adults who imitated their children learned this social improvement. Other adults kept eating the dirty sweet potatoes. Then something startling took place. In the autumn of 1958, a certain number of Koshima monkeys were washing sweet potatoes—the exact number is not known. Let us suppose that when the sun rose one morning there were 99 monkeys on Koshima Island who had learned to wash their sweet potatoes. Let’s further suppose that later that morning, the hundredth monkey learned to wash potatoes. THEN IT HAPPENED! By that evening almost everyone in the tribe was washing sweet potatoes before eating them. The added energy of this hundredth monkey somehow created an ideological breakthrough! But notice. A most surprising thing observed by these scientists was that the habit of washing sweet potatoes then jumped over the sea …Colonies of monkeys on other islands and the mainland troop of monkeys at Takasakiyama began washing their sweet potatoes! Thus, when a certain critical number achieves an awareness, this new awareness may be communicated from mind to mind. Although the exact number may very, the Hundredth Monkey Phenomenon means that when only a limited number of people know of a new way, it may remain the consciousness property of these people. But there is a point at which if only one more person tunes-in to a new awareness, a field is strengthened so that this awareness is picked up by almost everyone! …

Transition- Yes- Oil Spill

BP oil enables transition- makes mindset of anti capitalist government that focuses on profit

Cardinale 6/30 (matthew, Founder and News Editor of Atlanta Progressive News 6.30.10, *Common Dreams*, http://www.commondreams.org/headline/2010/06/30-10 ) ET

"They [BP and the government] have been taking out ads, holding meetings, they're on TV daily telling the population that everything is being done that should be done, that everyone should follow their lead. This is a lie. They're not informing people of the full scope of this horror either," Everest said. Two actions have been held so far in New Orleans as a result of the Summit. First, two days after the Summit, about 25 activists protested at the United Command in New Orleans. The protesters presented a BP official with their list of demands. The BP official wouldn't even identify himself to the protesters, Everest said. Two days after that, Emergency Committee activists attended one of BP's Open Houses for the public, again presented their demands, and demanded that BP answer questions. In the period shortly after the Apr. 20 explosion on the Deepwater Horizon oil rig, BP representatives would answer questions from citizens at their forums, Everest said. However, BP changed the format after they were "crucified by members of the public" and now company spokespersons give short prepared statements and allow members of the public to visit informational tables. The Emergency Committee demanded that BP answer questions publicly, not one-on-one, and BP gave in, answering questions at least at that forum for about 40 minutes, Everest said. "They're trying to prevent collective mass consciousness and actions. It's major PR [public relations] and damage control... These open house meetings are propaganda and disinformation sessions, that 'everything is being done' and 'we're so sorry'. They're cover-ups," Everest said. In addition, activists have been holding protests across the country in cities not directly impacted by the oil spill. One day of national protests, referred to as "Crude Awakening", was called on Jun. 19 by Code Pink and the Sierra Club. In Atlanta, a dozen protesters gathered at a midtown BP gas station. Many of the protesters were young people unaffiliated with any organisation. Others were members of the Revolutionary Communist Party, which also sent many representatives to the Summit. We're here to protest BP and the crimes they continue to be perpetrating against all living things in the Gulf Coast region and the U.S.," said Carol Coney, an organiser of the local protest. "It's an assault on our country - environmental and economic terrorism." People in the U.S. "who have any kind of heart for working people and creatures that live in the ocean, all of us are heartbroken by what has happened and what is still happening", Coney said. "I think BP has done a great disservice to humanity. This is a f\*\*king disaster and I think BP needs to be held solely responsible for the cleanup effort," said Oliver Howington, a protester and transgender activist. "This is an excellent example of how corporations and government work together to make environmental disasters like this possible," Howington said. "The government let them have all this deregulation and [won't] impose limits or caps."

Transition- Yes- Oil Spill

**BP oil made transition possible- exposes the bad side of economic based government and society**

Time and Space 7/9 (Blog by prof of poli sci @ UVA,  *This Time and this Space*, 7.9.10)

Richard has published two though provoking articles in response to the oil spill in the Gulf of Mexico, and NASA photos depicting the effects of global warming around the globe. The first is titled Our addiction to oil: The cost in pictures and the second is titled Oil slick around Mississippi barrier islands. They provided much food for thought and evoked distress about how little governments, including our own Canadian government, are doing to address the issues and stop subsidizing the oil and gas industry. The need to kick our addiction to fossil fuels as soon as possible is before us and “in our faces” so to speak. But is it possible to energize people the world over to embrace the green energy changes be made, without evoking the fear that arises from accidents like the Exxon Valdez and now the BP oil spill in the Gulf of Mexico? Images are so powerful and can become motivators for change. When my husband and I viewed the images by AP Photographer Charlie Riedel of seabirds caught in the oil slick on a beach on Louisiana’s East Grand Terre Island we were heartsick. As BP engineers began their efforts to cap the underwater flow of oil, we feared our federal government, which is in bed with big business, might lift the moratorium and allow off shore oil drilling permits do even more tankers would be transporting oil up and down the Canadian coastline and increasing the risk of blow outs and spills. But on May 21st, 2010 Federal Environment Minister Jim Prentice said that the moratorium on offshore oil development in B.C. won’t be lifted any time soon, especially in the wake of the environmental disaster unfolding in the Gulf of Mexico B.C. offshore drilling moratorium stays: Prentice The National Wildlife Federation has also released a powerful video titled Crude Awakening: BP Oil Spill/NWF Spec PSA. It was made as an unsolicited donation to the organization and drives home the impact of the BP oil spill on wildlife in the Gulf of Mexico by depicting a young woman’s perfect world consumed by oil. Chicago-based Jane Fulton photographed more than a dozen people drenched in an oil-like substance while standing on local beaches. “When I started to photograph, people would come up and ask if they could be involved,” she said. “The pictures just flowed.” Fulton worked temporarily as a clinical social worker in New Orleans after Hurricane Katrina and says she can’t forget the wrenching photographs of oil-drenched birds. Crude Awakening (15 photos) I believe it’s reasonable to expect our governments to ensure that industry complies with the laws of our land and to strengthen them. I believe we must insist regulatory oversight be put into place to protect the environment and must be stringently enforced. I believe maintaining oil as a energy resource and relying on oil based economies only serves to keep some people rich at the cost of the environment and the future ability of our beautiful planet to meet the needs of its inhabitants. We must rid ourselves of the faulty economic model referred to as the three legged stool and the governance model founded upon it. The environment is grounds for all and without it we have nothing.

Transition- Yes- Recession

The recession provides the perfect time to transition – the world understands that growth led us to economic downturn

Fletcher 9 (Nick, 3-30-9, Prosperity without growth”, The worlds resources, http://www.stwr.org/economic-sharing-alternatives/prosperity-without-growth-transition-to-a-sustainable-economy.html)

The pursuit of economic growth was one of the root causes of the financial crisis, and governments should respond to the recession by abandoning growth at all costs in favour of a more sustainable, greener system, says a report out today. Before this week's G20 summit, the Sustainable Development Commission, an independent adviser to the government, says the developed world's reliance on debt to fuel its relentless growth has created an unstable system that has made individuals, families and communities vulnerable to cycles of boom and bust. The benefits of growth have also been delivered unequally, with a fifth of the world's population earning only 2% of global income. Inreased consumption also has disastrous environmental consequences, including the degradation of some 60% of the world's ecosystems. According to the SDC, the global economy is almost five times larger than it was 50 years ago, and if it continues to grow at the same rate it would be 80 times larger by the end of the century. "Faced with the current recession, it is understandable that many leaders at the G20 summit will be anxious to restore business as usual," said Professor Tim Jackson, economics commissioner at the SDC. "But governments really need to take a long, hard look at the effects of our single-minded devotion to growth - effects which include the recession itself. "It may seem inopportune to be questioning growth while we are faced with daily news of the effects of recession, but allegiance to growth is the most dominant feature of an economic and political system that has led us to the brink of disaster. Not to stand back now and question what has happened would be to compound failure with failure: failure of vision with failure of responsibility. Figuring out how to deliver prosperity without growth is more essential now than ever." The report - called Prosperity without growth? - calls on governments to develop a sustainable economic system that does not rely on ever-increasing consumption. The SDC's proposals to achieve this include: improving financial and fiscal prudence, as well as giving priority to investment in public assets and infrastructure over private affluence; allowing individuals to flourish by tackling inequality, sharing available work, improving work-life balance and reversing the culture of consumerism; and establishing ecological limits on economic activity. The report concludes: "The clearest message from the financial crisis is that our current model of economic success is fundamentally flawed. For the advanced economies of the western world, prosperity without growth is no longer a utopian dream. It is a financial and ecological necessity."

Transition- Yes- Recession

The recession has caused the “zero growth” idea to be pushed into politics – the transition would be feasible now

Jackson 9 (Tim, Prosperity without growth, Sustainable development commission, 3-26-9, http://www.sd-commission.org.uk/pages/redefining-prosperity.html)

The economy is geared, above all, to economic growth. Economic policy in the current recession is all about returning to growth – but an economic crisis can be an opportunity for some basic rethinking and restructuring. Two objectives other than growth – sustainability and wellbeing – have moved up the political and policy-making agenda in recent years, challenging the overriding priority traditionally given to economic growth. SDC's "Redefining Prosperity" project has looked into the connections and conflicts between sustainability, growth, and wellbeing. As part of a two year programme of work, we commissioned thinkpieces, organised seminars, and invited feedback. This project has now resulted in a major SDC report: 'Prosperity without Growth?: the transition to a sustainable economy' by Professor Tim Jackson, SDC’s Economics Commissioner. Prosperity without growth? analyses the relationship between growth and the growing environmental crisis and 'social recession'. In the last quarter of a century, while the global economy has doubled, the increased in resource consumption has degraded an estimated 60% of the world’s ecosystems. The benefits of growth have been distributed very unequally, with a fifth of the world’s population sharing just 2% of global income. Even in developed countries, huge gaps remain in wealth and well-being between rich and poor. While modernising production and reducing the impact of certain goods and services have led to greater resource efficiency in recent decades, our report finds that current aspirations for 'decoupling' environmental impacts from economic growth are unrealistic. The report finds no evidence as yet of decoupling taking place on anything like the scale or speed which would be required to avoid increasing environmental devastation. Prosperity without growth? proposes twelve steps towards a sustainable economy and argues for a redefinition of "prosperity" in line with evidence about what contributes to people’s wellbeing. SDC intends to generate discussion and debate on the challenges on the issues that Prosperity without Growth? raises. We have sent the report to the Prime Minister, government leaders in the devolved administrations, the Chancellor of the Exchequer, and other government ministers, as well as business and civil society leaders.

Transition- Yes- A2: Inevitable

Growth isn’t inevitable—anthropology proves. Evidence to the contrary is part of the consumerist dream.

Hamilton 2 (Clive, Professor of Public Ethics at the Australian National University, Growth Fetish, p. 121, AD: 7-6-9)

Several arguments are used in support of the belief that growth is inevitable. They are the arguments that will be used to suggest that the “post-growth society’ advocated in this book is utopian. The economics texts share at least one thing with popular wisdom—that human desire is insatiable and people will always want to increase their incomes. This is obviously a culturally specific belief that has been presented as ‘human nature’. Anyone with a knowledge of pre-industrial societies knows that, while greed has a very long history, the idea that human desire for material goods is inherently limitless is contradicted by anthropological facts, including (as discussed in Chapter 8) some anthropological facts of the 21st century. But perhaps a more compelling explanation for the fact that so many people believe that economic growth is inevitable is simply that nature is so often intoned, and all authoritative people seem to believe it. So rarely is the inevitability of growth questioned that most people immediately become defensive when asked to follow the position through. Maybe the belief in the inevitability of growth is the counterpart of the consumerist dream: it is convenient to believe that growth will never end because such a belief opens up the possibility of unrestrained expansion in our lifetimes, thus validating our guilty acquisitiveness.

History proves that excess consumption and market principles aren’t inevitable.

Miller 99 (Will, Professor of Philosophy at Vermont University, “Social Change and Human Nature,” Monthly Review, 50(9), http://www.monthlyreview.org/299mill.htm, AD: 7-6-9)

It is not without reason that economics has come to be known as the dismal science. Mainstream economists since Adam Smith have assumed that all human relations are ultimately those of the marketplace, of buying and selling, of control and exploitation of the suffering, vulnerability and desperation of others. The current dominance of private property relations—where land, resources and tools are exclusively controlled by a small minority of individuals for their private perpetual reward—is projected backward over the whole span of human history. However useful this projection may be for justifying existing market society, it is strikingly poor anthropology, dubious history, and third-rate psychology. But it seems actual human history has had a much different bent. For our first few hundred thousand years on this planet—according to current evidence—humans lived in small groups organized around mutually beneficial social relations, with resources held in common as social property. Social equality and voluntary divisions of labor endured for millennia as the basis for human communal life. With essentially social incentives, everyone who could contributed to the commonwealth for the use of all. In the long sweep of this history the emergence of dominant classes—chiefs, kings, aristocracies of birth and wealth—is a very recent event, perhaps no more than 10,000 years ago, or less, depending on which culture is considered. From time to time, small human communities organized in such communal ways continue to be 'discovered,' communities that have been spared being "civilized" by conquest at the hands of more "advanced" class societies.

Transition- Yes- A2: Human Nature

Economic decline and recession is not hard wired- contingent on human mindsets

Tamny 7/6 (John, editor of RealClearMarkets, & Sr econ advisor 2 H.C. Wainwright Economics, *Value Expectations*, 7.6.10, http://www.valueexpectations.com/blogs/paul-krugmans-depression-economics07062010 ) ET

All of this takes on great relevance given New York Times columnist Paul Krugman's recent assertion that we may well be headed for a third Great Depression. To believe Krugman, deflationary monetary policy and "belt-tightening" among G20 governments speaks to "a failure of policy" that has us on a path toward economic decline. Regarding his deflation suggestion, there he quite simply has things backwards. Deflation is always and everywhere a monetary phenomenon of overly strong currencies, and with every major global currency down versus gold and most other commodities, there's no deflation to speak of. As for government spending, he's right that tapped out governments, perhaps chastened by the developments in Greece, are moving to reduce the very "government stimulus" that has done nothing to revive economies anywhere it's been tried. That stimulus has failed is quite logical considering we live in a world of limited capital. When governments seek a disproportionate share, there's less available for private-sector businesses to access in order to grow. To put it very simply, government spending is a huge tax on true economic productivity, so contrary to Krugman's deeply held views, global economic revival will be at least partially authored by the spending cuts he decries, not the increases that he endorses. If government austerity were an economy killer as Krugman supposes, West Germany would never have recovered from World War II, and Japan wouldn't have either. Considering growth more broadly, it must be remembered that "recessions" and "depressions" are false notions. Thanks to our ravenous desire for the better things in life, we only know how to be productive and grow. In short, there's no such thing as "economic" recessions or depressions. Instead, our productivity plummets when governments get in the way of our natural desire to produce. Recessions are always and everywhere authored by governments; they're never economic.

Transition- No- Backlash

Elite backlash fails – too much resistance

**Kassiola 90** (Joel, Professor of Political Science, Brooklyn College, 1990, The Death of Industrial Civilization, p.194) ET

Moreover, as a result of disappointment, Wildean tragedy, and value erosion, the postindustrial elite (the current members of the beneficiary class within the dominant, postindustrial social paradigm and structure) might come to a realization unique in history. The elite, postindustrial consciousness may be shocked into change by increasingly conspicuous limits to growth as well as by the profoundly challenging nature of the limits-to-growth literature: the futility, insecurity, and disaster looming in our foreseeable future (unlike the predicted long-range disaster of our sun burning up in several billion years), and a future filled with the preoccupation of seeking to maintain their relative advantages and ceaselessly fend off all of the others seeking to replace them. The enjoyment of the elite’s present success seems short-lived, unstable, and increasingly inadequate relative to both the concern and effort expended in attaining such “success” in the first place, and the rising costs of maintaining their celebrated position on top.

No elite backlash – revolution comes from middle and upper classes

**Kassiola 90** (Joel, Professor of Political Science, Brooklyn College, 1990, The Death of Industrial Civilization, p.194) ET

One important conclusion of the relative deprivation theory is that poverty per se does not cause revolution—if it did, revolution and revolutionary activities would be a constant set of phenomena on the world scene or, at least, far more frequent than they are. From this revolutionary perspective, rather than the issue being why there is so much political violence in the world, the pressing social issue should be why there is so little political violence relative to the enormous extent and severity of destitution in the world. Actually, it is the failure of materially affluent societies to fulfill the rising expectations of materially richer people—not the abject poor—which leads to dissatisfaction and revolutionary efforts. This suggests that one should expect transformational sentiments and action to come from a dissatisfied middle and even upper class rather than from the more objectively and materially deprived lower or underclass. Whether such a transformational middle or upper class does emerge remains to be seen, but the early signs of industrial middle-class members supporting new social movements for change like the Greens and their alternative anti-industrial values such as postmaterialism or voluntary simplicity would seem to confirm this theoretical anticipation.86

Transition- No- Backlash- Trainer Indicts

Trainer’s analysis is wrong – economic growth will solve the problems he says it creates

Jackson 7 (Gerard, Brookes News Economic Editor , “Defending Economic Growth, 4-16-7, http://www.brookesnews.com/071604trainer1.html) LE

If anyone doubts for a moment that Marxism is a cult they need look no further than Ted Trainer. Full-blooded Marxism has been an utterly brutal failure that killed more than 100,000,000 people (The Black Book of Communism: Crimes, Terror, Repression, Harvard University Press,1999) yet Trainer remains so blind to historical facts that he proposes a Marxism solution to the non-problem of economic growth and natural resources. According to the learned Mr Trainer: The fundamental cause of the big global problems threatening us now is simply over-consumption. The rate at which we in rich countries are using up resources is grossly unsustainable. It’s far beyond levels that can be kept up for long or that could be spread to all people. (The Age, ) Let me first deal with Trainer’s absurd notion that we are running out of resources. The following table clearly show that from a human perspective mineral resources are infinite. So much for Trainer’s easily refuted idea of over-consumption. (In economic theory over-production would be defined as capital consumption). However, what the above table does not reveal is that resources are basically a function of technology. Oil was a just a smelly nuisance, a liability that reduced the value of a farmer’s land. In 1886, when the Burma Oil Company of Britain first started to commercially pump oil, it bought thousands of barrels of oil from 24 families at Yenangyaung. In English it means “the creek of stinking waters”. (James Dale Davidson & Lord Rees-Mogg, Blood in the Streets, Sidgwick & Jackson Limited, 1988). Farming families in Pennsylvania experienced the same good fortune more than 25 years earlier, as did Arab sheiks at a much later date. This, and many other examples from economic history, demonstrates that genuine growth is actually a resource-generating process. It also needs to be stressed that mineral and oil reserves are a function of prices. As prices rise so do reserves. This is why Ali Al-Naimi, Saudi Minister of Petroleum and Mineral Resources, was able to tell an international conference in April 2004 that his countries proven oil reserves have been greatly under-estimated and that the country “has 1.2 trillion barrels of estimated reserve” — four times what is usually estimated. No wonder that Peter Odell of Rotterdam’s Erasmus University was able to observe that since 1971, over 1,500 billion barrels have been added to reserves. Over the same 35-year period, under 800 billion barrels were consumed. One can argue for a world which has been ‘running into oil’ rather than ‘out of it’. (The Economist, 30 April 2005). Not only are we running out of mineral resources we are also facing eventual famine because “the average per capita area of productive land available on the planet is only about 1.3 hectares”. This is called “cherry picking”. Let’s forget the “cherries” and concentrate of the sort of facts that lefties hate. In 1960 it took about 1500 million acres to produce the world’s supply of grain; today it still only takes about 1500 million acres. Without this 134 per cent increase in productivity we would now need about 3.5 billion acres for grain production.

Trainer is wrong – zero growth would not be sustainable or desirable

Jackson 7 (Gerard, Brookes News Economic Editor, “Defending Economic Growth, 4-16-7, http://www.brookesnews.com/071604trainer1.html)

But our “radically green anarchist ” (his own description) is not going to let a little thing like facts and economics challenge his calcified ideology. This is why he makes the patently absurd assertion that we need to cut resource use by “90 per cent” and share “ the remaining energy among 9 billion people.” This Marxist cultist seems unaware of the scientific fact that there can never be an energy shortage. Energy is neither created nor destroyed. What is scarce is the capital — material means of production that can be used to turn energy into a useful work. And that is why we build power stations — or used to. He then made the idiotic claim that once we had virtually abolished our use of natural resources and slashed our consumption of energy to a suicidal level we could all enjoy a ... simpler [and] far more satisfying way of life.. [and be] able to live well on two days work for money a week, without any threat of unemployment, or insecurity in old age, in a supportive community. To the conventional mind such claims are insanely impossible. Only a certifiable idiot could possible think that one could reduce energy use to the level of a medieval peasant and still enjoy a 21st century lifestyle. Revealing his extensive knowledge of economic history and his profound grasp of economic theory Trainer also claimed that an average rate of growth of 3 per cent from now until 2070 would mean that “total world economic output each year would be 60 times as great as it is now” then it is at present if the economic expectations of the “then the 9 billion people” are to be satisfied. Gee! How terrible! How will our grand children and great grand children manage if they are going to be 60 times richer than their grandparents?

Transition- No- Human Nature

Human Kind has feels they are supposed to fulfill destiny- makes growth inevitable

Zey 1 (Dr. Michael G., 2001, “THE EXPANSIONARY THEORY OF HUMAN DEVELOPMENT”, http://www.zey.com/perspective.htm, )

The Theory in a NutshellThe Expansionary Theory posits that the human species is a unique entity that can and will play a special role in the greater cosmological framework. According to this theory, over the eons, humankind will apply its ingenuity to overcoming the forces of entropy. The theory synthesizes ideas from astronomy, cosmology, anthropology, physics, sociology, and other fields, and borrows from Kaku, Dyson, Darwin, Teilhard de Chardin, Gribbins, Rees, Moravec, Kurzweil, the Russian Cosmism school, and others. This theoretic synthesis incorporates ideas such as the Anthropic principle, complexity theory, and the Big Bang theory, and reflects recent discoveries in physics, astronomy, and astrobiology. Our current and future breakthroughs in biotechnology, aerospace, and computers will hasten humankind's achievement of its destiny. This section will be expanded over the coming weeks and months. THE EXPANSIONARY VISION OF HUMAN DEVELOPMENT Humanity is on a quest to improve the species, marshal the forces of nature, and reshape the universe. Through such processes as biogenesis, cybergenesis, species coalescence, and dominionization, our species has prepared itself for the achievement of its ultimate destiny, vitalization. The question that still remains unanswered is, of course, why? What motivates humankind to feverishly prepare itself for what seems to be a grand mission? Humankind, a species residing on an infinitesimal island in a corner of the universe, dares to believe that the fate and future of the universe lie in its hands. What act of pride do we commit, what hubris do we exhibit to entertain the notion that we even have a destiny, let alone such a lofty one? And who are we to believe that we not only possess such a magnificent destiny, but also are capable of mastering the skills and knowledge necessary to fulfill such a mandate.

Growth inevitable- hardwired in human psyche

Zey 1 (Dr. Michael G., 2001, “THE EXPANSIONARY THEORY OF HUMAN DEVELOPMENT”, http://www.zey.com/perspective.htm, ) ET

The emerging picture of early Earth is one of a planet brimming with activity, virtually forcing life into existence. As soon as the molecules had the chance, they attempted to establish the conditions for life. This self-organization of molecules made life, and the evolution of life forms, possible. It is the contention here that the same inclination to self-organize, to intentionally evolve oneself from the simple to the complex, exists on the biological level as well as the molecular. And the human species is the finest example of this process. Alfred Russell Wallace, a contemporary of Darwin who concurrently developed a similar theory of natural selection, discussed a major mystery in human evolution. It seems that between Homo habilis and Homo erectus the human brain undergoes a gigantic jump in its size. The earlier hominid has a brain only slightly larger than that of an ape. Homo erectus, which existed for a million years starting around 1.5 million years ago, has a cortex as large as ours. Wallace contends that the human brain was overdesigned for its primitive uses and thus could not have been a production of natural selection. He said that natural selection could only have endowed savage man with a brain a few degrees superior to that of an ape, whereas he actually possesses one very little inferior to that of a philosopher. Robert Orenstein, a biologist specializing in brain research, is similarly curious about why Homo erectus possessed a brain that he ostensibly had little use for. Our brain expanded to a size for which there was little functional use at the time. According to Orenstein, (in his book The Evolution of Consciousness) Homo erectus' brain was complex enough to invent a microprocessor, even though all that was needed at the time was a brain that could figure out how to hammer out the first few stone tools. "Why be able to fly to the moon when no one has even understood how to make iron?", Orenstein asks.

Transition- No- Inevitable

Growth is inevitable—policies to the contrary are impossible long-term.

Gibson-Graham 6 (JK, Feminist Economic Geographers at the Australian National University, The End of Capitalism (As We Knew It),” March 24, 2006, AD: 7-6-9)

Though divorced from its association with an evolutionary narrative of capitalism’s inevitable breakdown and supersession, accumulation brings its other meanings to the stories of Fordism and post-Fordism, which its status as a central process and systemic imperative cannot help but reinforce. Most prominently here I am thinking of the growth imperative that is traditionally associated with capitalist economies. If the regulationists have dispensed with the inevitability of capitalist breakdown, they have no dispensed with the inevitability of growth. Growth remains an unquestioned “law” of capitalist development, with the implication for progressive activists that politics must at least accommodate and at most foster capitalist expansion (the alternative to the “necessary” process of growth being a crisis of accumulation).

Alternatives to capitalist development are impossible—the door has been closed.

Isbister 1 (John, Professor of Economics at the University of California at Santa Cruz, Capitalism and Justice, p. 46, AD: 7-6-9)

Some in the capitalist world try to retain or re-create the best parts of precapitalism. Some Amish and Mennonite communities are based on precapitalist values, as are some other faith-based groups. The 1960s and 1970s saw the creation of secular alternative rural communes, communities whose members tried to eliminate all marks of distinction between them, to be self-sufficient, and to live simply. The communes had some successes, but most eventually collapsed. Communities such as these have attempted to embody precapitalist values, but none has succeeded in cutting itself off from capitalist influences: from the market, from the media, from the legal system, and from other influences of the modern world. While we can learn from our antecedent societies, we cannot return to them. The door has been closed.

Transition- No- Inevitable- Brain Chem

Growth and consumption is inevitable in the long-run—it is rooted in our brain chemistry.

Allenby 7 (Brad, Professor of Civil and Environmental Engineering at Arizona State University, “The Benefits of Our Hardwired Need to Consume,” GreenBiz.com, March 7, 2007, http://www.greenbiz.com/blog/2007/03/08/the-benefits-our-hardwired-need-consume, AD: 7-6-9) BL

That humans are inclined to make choices that offer more pleasure than pain comes as no surprise, but a look at how marketing -- whether of consumer goods or environmental causes -- offers intriguing ideas on how to create change, Brad Allenby writes. The issue of consumption is perhaps one of the most vexed in the environmental and sustainability discourses, especially when contrasting the United States, which tends towards more of a free market, free consumer choice philosophy, with the European Union. Some interesting recent work indicates that it may also be much more complex than we generally realize. Take the recent work by George Lowenstein at Carnegie-Mellon University, Brian Knutson of Stanford, and Drazen Prelec of MIT. In order to better understand the brain chemistry underlying consumption, they presented product choices, then payment choices, to volunteers while scanning their brains with functional magnetic resonance imaging. They found that the nucleus accumbens, which is involved in processing reward stimuli (food, recreational drugs) was activated by presentation of desirable products such as chocolates, while the insular cortex, linked to expectations of pain, was activated by price information. After both product and price were presented, the prefrontal cortex, an area associated with rational calculation, engaged as well. This not only indicated that modern behavior ("rational" consumption choices) are piggybacking on neural circuits evolved for much different circumstances (not a surprise), but leads to some interesting if speculative possibilities. A fairly straightforward interpretation of these data is the suggestion that, at the neural level, consumption is affected, perhaps significantly, by a weighing of immediate pleasure versus immediate pain, rather than rational calculation, which only comes later. This may not sound revolutionary, especially to marketing gurus, but it nonetheless has some substantial implications. To begin with, it emphasizes the importance of marketing and presentation in consumption: if the benefits of a product can be made explicit and attractive from the beginning, the decision to purchase can be encouraged before the "rational weighing" process is even engaged. This might argue against the traditional environmental project of reducing consumption by generating large amounts of environmental information to be appended to particular products: if the V8 GT or large SUV is initially appealing, information on fuel consumption may be only marginally relevant because it enters the cognitive processes after the purchasing decision is essentially made. Conceptually, in other words, the environmental approach to reducing consumption through product specific information implicitly accepts "the rational consumer" model of human behavior: provide more information on social and environmental costs, and consumers, rationally balancing their options, will choose the more “rational” outcome -- that is, environmental preferability (remembering that consumers may not share the values prioritization of environmentalists). This appears to be an oversimplistic, if not incorrect, model of consumer cognition. However, while this research might discourage product-by-product information schemes, it might support general anti-consumption campaigns. After all, such campaigns when successful make the act of consumption itself more negative emotionally, and thus enhance the expectations of pain associated with any consumption (the downsides of consistently negative messages from environmentalists are well known, however, and might generate consumer backlash that outweighs such consumption reduction effects over time). Another, perhaps more difficult, implication is the possibility that use of credit, which on balance reduces the immediate “pain” of a purchase because nothing material is apparently given up in exchange, creates a context within which consumers are inherently weighted towards consumption (the researchers have not yet tested this hypothesis). The growth and differentiation of credit mechanisms, and the dematerialization of money, are long-term trends in developed economies, and a major mechanism supporting the continued growth in complexity of financial and economic structures. Thus, it becomes problematic for anti-consumption activists if the inherent dynamics and structure of economic systems as they evolve shifts the balance between consumption and pain towards consumption. That consumption has deep emotional dimensions, and that access to credit encourages economic growth, and along with it consumption, are not revolutionary findings. But that consumption decisions engage particular brain pathways in ways that affect the effectiveness of environmental campaigns and projects is both interesting and important, even if at this point it may be difficult to be sure quite how these new discoveries cut. At the least, however, the demonstration that even apparently straightforward decisions are, in fact, grounded in pre-rational cognitive information processing suggests that environmental and sustainability activists need to become more sophisticated in the way they think about, and seek to socially engineer, consumption decisions. For social engineering is a double-edged sword, and especially in areas like consumption, increasingly understood as involving complex and fundamental behaviors, such efforts can rebound against those who seek to impose such behavior change, regardless of their good intentions.

Transition- No- Mindset

The right is well armed and waiting to take over – economic collapse won’t lead to DeDevelopment, but it will cause the rise of new fascist states

Martin Lewis professor in the School of the Environment and the Center for International Studies at Duke University. Green Delusions, 1992 p170-171

While an explosive socioeconomic crisis in the near term is hardly likely the possibility certainly cannot be dismissed. Capitalism is an inherently unstable economic system, and periodic crises of some mag­intude are inevitable. An outbreak of jingoistic economic nationalism throughout the world, moreover, could quickly result in virtual economic collapse. Under such circumstances we could indeed enter an epoch of revolutionary social turmoil. Yet I believe that there are good reasons to believe that the victors in such a struggle would be radicals not of the left but rather of the right. The extreme left, for all its intellectual strength, notably lacks the kind of power necessary to emerge victorious from a real revolution. A few old street radicals may still retain their militant ethos, but today’s college professors and their graduate students, the core marxist con­tingent, would be ineffective. The radical right, on the other hand, would present a very real threat. Populist right-wing paramilitary groups are well armed and well trained, while establishment-minded fascists probably have links with the American military, wherein lies the greatest concentration of destructive power this planet knows. Should a crisis strike so savagely as to splinter the American center and its political institutions, we could well experience a revolutionary movement simi­lar to that of Germany in the 1930.

They won’t ever be able to achieve their mindset shift, and even if they do concrete policies are key

Martin Lewis professor in the School of the Environment and the Center for International Studies at Duke University. Green Delusions, 1992 p11-12

Here I will argue that eco-radical political strategy, if one may call it that, is consummately self-defeating. The theoretical and empirical rejection of green radicalism is thus bolstered by a series of purely pragmatic objections. Many eco-radicals hope that a massive ideological campaign can transform popular perceptions, leading both to a fundamental change in life­styles and to large-scale social reconstruction. Such a view is highly credulous. The notion that continued intellectual hectoring will even­tually result in a mass conversion to environmental monasticism (Ros­zak 1979:289)—marked by vows of poverty and nonprocreation—is dif­ficult to accept. While radical views have come to dominate many environmental circles, their effect on the populace at large has been minimal. Despite the greening of European politics that recently gave stalwarts considerable hope, the more recent green plunge suggests that even the European electorate lacks commitment to environmental radi­calism. In the United States several decades of preaching the same eco­radical gospel have had little appreciable effect; the public remains, as before, wedded to consumer culture and creature comforts. The stubborn hope that nonetheless continues to inform green ex­tremism stems from a pervasive philosophical error in radical environ­mentalism. As David Pepper (1989) shows, most eco-radical thought is mired in idealism: in this case the belief that the roots of the ecological crisis lie ultimately in ideas about nature and humanity As Dobson (1990:37) puts it: “Central to the theoretical canon of Green politics is the belief that our social, political, and economic problems are substan­tially caused by our intellectual relationship with the world” (see also Milbrath 1989:338). If only such ideas would change, many aver, all would be well. Such a belief has inspired the writing of eloquent jere­miads; it is less conducive to designing concrete strategies for effective social and economic change.

It is certainly not my belief that ideas are insignificant or that attempt­ing to change others’ opinions is a futile endeavor. If that were true I would hardly feel compelled to write a polemic work of this kind. But I am also convinced that changing ideas alone is insufficient. Widespread ideological conversion, even if it were to occur, would hardly be adequate for genuine social transformation. Specific policies must still be formu­lated, and specific political plans must be devised if those policies are ever to be realized.

Transition- No- A2: Recession

No transition- latest recession reinforces economic growth with no worries- bailouts

Harrison 10 (Edward, *Credit Write downs,* mar 10, http://www.creditwritedowns.com/2010/03/the-mindset-will-not-change-a-depressionary-relapse-may-be-coming.html ) ET

As for Xie’s views on the U.S., optimistically, he entitles his latest piece “A Change of Mindset,” as if to say the bailout mentality has come to an end:We are hearing the first major departure from the mainstream consensus; US President Barack Obama has just announced a proposal to limit proprietary trading on Wall Street. This is his first major step to address the root cause of the crisis. The crisis happened because financial professionals had incentives to bet other people’s money in a game they could not lose. With so many getting in on the act, the liquidity they threw into the trades made them effective, turning bankers into heroes, but only for a while. The crisis showed that their behavior was indeed rational: while the losses to shareholders and taxpayers surpassed all the accounting profits that Wall Street reported during the bubble, those who made the trades are still rich, because they paid themselves bonuses in cash, not derivatives. Obama has not been well-advised. His so-called accomplishment — stabilizing the financial system — comes from throwing trillions of taxpayers’ dollars at financial firms. He has behaved like a Wall Street trader: spending other people’s money with no thought of consequences. Anyone can do that. Hopefully Obama has fundamentally changed his approach. Reform, not stimulus, is the solution. Only by limiting financial speculation can the foundations be laid for a healthy recovery, and to prevent another crisis. I am glad he is hopeful that Obama sees the folly in more bailouts and malinvestment. Perhaps he is on to something. However, I do not expect the mindset to change whatsoever. Bank profits are back at record levels and the worst of the panic is now over. You don’t get a change in mindset in that environment. More likely, you get a victory lap.

Transition- No- AT: BP

Not even the oil spill changes mindset- the only way to do so would be to economically tax oil to show the environment is important (retag)

Rogers 7/2 (Diane, staff writer @ Christian science monitor, *The Christian Science Monitor,* http://www.csmonitor.com/Money/Economist-Mom/2010/0602/BP-oil-spill-rethinking-how-we-craft-environmental-policy7/2/10 ) ET

The right policy needs to indeed spread the burden of the costs of cleaning up the oil spill to all participants in the oil marketplace, including those of us who innocently just fill up our tanks with gasoline. Only when the extra social costs of the environmental risks associated with both fossil fuel production (e.g., risk of offshore drilling mishaps) and fossil fuel consumption (e.g., global warming, pollution) are incorporated into the prices all of us face in the fossil fuel markets we participate in, will we be led to make the correct, or at least better, decisions from a social welfare standpoint, not just from our own selfish standpoints. These better decisions include the oil companies using safer production methods (which likely means producing less offshore), and consumers buying less gasoline. But what I neglected to consider is that a tax or charge on fossil fuels in general would not really get at putting a price on the extra social costs associated with the risky offshore drilling methods. A carbon tax would be able to price the external costs associated with global warming (a cost that quite appropriately should be designed to hit both consumers and producers), but would not put an extra marginal cost on riskier versus safer ways of producing (or more specifically, extracting) oil. That additional social cost needs to be imposed on the producers making the decisions about how to produce the oil, or else the incentives to produce using safer methods (especially if they are more expensive than dangerous methods) won’t be there.

BP oil doesn’t solve- corporations will co-opt for economic profits

Rogers 7/2 (Diane, staff writer @ Christian science monitor, *The Christian Science Monitor,* http://www.csmonitor.com/Money/Economist-Mom/2010/0602/BP-oil-spill-rethinking-how-we-craft-environmental-policy7/2/10 ) ET

So, I want to make an addendum to the post from almost a month ago. I stick by my position that this is a very public problem in need of a very public (policy not just relations) solution. But imposing higher prices on fossil fuels in general, to correct for the global-warming-type environmental costs, is not enough. To get this right, we need to somehow price the expected marginal external costs of offshore oil production as well, if we determine that that production method in particular indeed imposes social costs that exceed private costs. The lump-sum punitive fine on BP imposed after the incident (as well as what has just happened to BP stock prices, pictured above) may have a deterrent effect on other oil companies who engage in offshore drilling, but it’s not an offshore drilling policy. If the government’s response is just an ex-post fine on BP alone, going forward, oil companies in general will still have the incentive to produce at least expected private cost regardless of potential external social costs associated with potential (but still low-probability) accidents.

Transition- No- AT: BP

BP oil spill only shows how economic growth destroys caring for the environment- new link to impact

Rogers 7/2 (Diane, staff writer @ Christian science monitor, *The Christian Science Monitor,* http://www.csmonitor.com/Money/Economist-Mom/2010/0602/BP-oil-spill-rethinking-how-we-craft-environmental-policy7/2/10 ) ET

It seems to me that in our negligence regarding public policy toward the oil and gas industry, we have greatly underpriced the cost of fossil fuels produced from offshore drilling methods for two reasons: (i) for the potential social costs associated with the global warming caused by the consumption and use of fossil fuels in general, and (ii) for the expected environmental costs associated with offshore oil and gas production in particular. The first problem would be solved by turning to a carbon tax or charge, but the second requires another tax or fee that would be charged to any oil company who engages in offshore drilling based perhaps on the quantity of oil they produce offshore or wells drilled or whatever is best correlated with the imposed social risks. The revenue from these latter fees/taxes could go into some sort of trust fund designed to cover the (large) costs of cleaning up (low-probability) accidents. This sounds a lot like an insurance policy, doesn’t it? But it’s like a social insurance program, because these are social costs and a very public problem.

De-Dev Fails – Hypergrowth 1/1

Decreased growth leads to rapid and unrestrained rebounds supercharging their reasons why growth is bad

Bronson 6 (Bob, Bronson Capital Markets Research, LLC, http://www.financialsense.com/editorials/bronson/2006/0517.html)

The reasons behind the investor psychology of an “echo-mania” are the stuff of the field of behavioral finance. Quite simply, investors haven’t had enough of the easy money made in the original mania, even though much, if not all, of that money was lost in the first downleg (A) of the Supercycle Bear Market. The eagerness for quick riches is hard to squelch, and so they rush in to buy all over again, creating a second, or “echo” bubble.

They tell themselves they’ve “learned a lesson” and “won’t make the same mistake twice” by holding on to their hot stocks too long. They think they’ll sell in time to avoid the next market collapse, but empirical evidence shows they don’t. In fact, their eventual “herding,” when the decline is well underway and they finally “get it” and decide to sell en masse, usually causes a more severe second downleg than the first.

Experiments conducted by George Mason University professor Vernon Smith, who shared in the 2002 Nobel Prize for economics, confirmed this behavior. Participants traded a dividend-paying “stock” with a very clear fundamental value. A bubble invariably forms, then bursts. If the experiment is repeated with the same people, a bubble forms again. The second time, though, participants think they will be able to sell their stock before trouble strikes. They then express surprise that, in fact, they weren’t able to get out before the second collapse, which leads to their total disdain for investing in stocks. This collective investor disillusionment is both a necessary and sufficient condition for bringing about the selling that results in the extreme fundamental undervaluation that finally ends the Supercycle Bear Market Period.

We have seen exactly this behavior at work since the stock market began its rebound from the October 2002 and March 2003 lows. We expect that the recent “echo-mania” will end like the original mania and like the good professor’s experiment: badly for the investors speculating once again on highly overvalued stock and believing they’re now a better-than-average investor.

Dislocations make the boom-bust cycle go crazy, allowing us to access all of their impacts

Fekete 3 (Alan, Memorial U of Newfoundland, Nov 3, http://www.shoemakerconsulting.com/GoldisFreedom/Archives/goldsstability.htm)

The world economy has been in a deflationary mode since 1980, witness the dishoarding of marketable commodities that had been hoarded during the pre-1980 inflationary period (e.g., crude oil, grains, metals, lumber, etc.). In this context "hoarding" should be understood in its broadest sense to include the creation of excess capacity to produce agricultural and industrial goods for consumption. Likewise, "dishoarding" also includes the dismantling of excess capacity causing what I call “job-drain” or the export of American jobs to Asia.

The destabilization of the interest-rate structure is the single greatest economic dislocation that has wreaked the greatest havoc on the world, and was caused by government tampering with the right to own gold. Unless this right is carved in the stone of the Constitution, more damage will follow as the rate of interest can plunge to zero (hyper-deflation), or it can take a flight to infinity (hyper-inflation), and it is impossible to predict which should come first.