# GSQ – Tues Updates –

# Econ

### Econ Bad Now

#### The economy will get worse.

Clyde Prestowitz July 9, 2012 president of the Economic Strategy Institute and writes on the global economy for FP. The U.S. economy is worse than it looks http://prestowitz.foreignpolicy.com/posts/2012/07/09/the\_us\_economy\_is\_worse\_than\_it\_looks

So the headlines said June jobs were up by about 80,000 and unemployment stayed at 8.2 percent. Not great, but not a disaster. At least things are not getting worse. Right? Well, you could be forgiven if that was the meaning you drew from the headlines and the latest Labor Department releases on job creation. That was how it looked to me at first glance. But having been through this many times before, I took a second glance -- and quickly lost my appetite. The headline unemployment numbers are the so called U-3 government numbers that count just current jobs held, gained, and lost. Because of seasonal factors it is easily subject to distortion that makes it more or less meaningless as was the case in June. A broader, more meaningful measure is U-6 which takes into consideration short term discouraged workers who have only recently stopped looking for work as well as those working part time who really want full time work. U-6 unemployment is 14.9 percent and up about two tenths of a percent in June. Then there are the numbers of the consulting firm Shadow Government Statistics (SGS) which hark back to 1994. Until that time, the U.S. government kept track of long term discouraged workers as well as short term discouraged workers. In 1994, the method of collecting and calculating the unemployment data was changed and the workers who said they would like to work but were so discouraged that they hadn't been looking for work for a long time were defined out of the calculation. But SGS still does the calculation, and it's a shocker -- 22.9 percent. Yes, that's the percent of Americans who say they would like to work but for one reason or another can't find work, are working only part time when they want to work full time, or have become so discouraged that they have given up looking for work. That number means that the U.S. full time work force ought to be a quarter larger than it currently is. Can you imagine what that would do to U.S. GDP growth, to local, state, and federal government tax collections and budget deficits, to savings and investment, and to long term retirement prospects? The fact is that the U.S. economy is operating far below its potential productive capacity. Estimates of how far below vary, but a good guess is about 5-8 percent of GDP or close to $1 trillion. Remember when Senator Everett Dirksen used to say: "a billion here, a billion there, pretty soon you're talking about real money?" Well a trillion dollars is real money, and it's money America isn't making. Why is the big question.

### Trade Deficits Key

#### Trade deficits kill the US economy now

Clyde Prestowitz July 9, 2012 president of the Economic Strategy Institute and writes on the global economy for FP. The U.S. economy is worse than it looks http://prestowitz.foreignpolicy.com/posts/2012/07/09/the\_us\_economy\_is\_worse\_than\_it\_looks

A significant piece of the answer can be glimpsed in a recent report by U.S. Trade Representative Ron Kirk. In a recent press statement about the Global System of Preferences he said: "GSP is a valuable tool for advancing the Administration's goals to boost trade and to advance international economic development. The GSP program helps developing countries to grow their economies while also helping U.S. businesses, workers, and consumers by lowering the costs of imported goods, including those used as inputs for U.S. manufacturing. The annual review allows the Administration to ensure that the program is working as intended." Got that? The focus is on promoting cheap imports. Looking at the U.S. trade deficit, I'd say the program is working fully as intended. But if the U.S. government spent a fraction of the effort it spends on promoting cheap imports on promoting domestic American production, the U.S. unemployment numbers would look a lot better and the economy would be much closer to operating at its full potential capacity. For the United States to achieve growth without increasing debt, it must substantially cut its trade deficit.

## Econ Good now

#### **Strength of US banks proves economy picking up now.**

Wall Street Journal 7/9/12 http://blogs.wsj.com/marketbeat/2012/07/09/heres-one-reason-why-the-u-s-economy-is-leaving-europe-in-the-dust/

Great chart here from the always-insightful Deutsche Bank fixed income squad. It shows the difference between credit creation — essentially borrowing from banks — in the U.S. and Europe. As you can see the U.S. banking sector — the grey dotted line — has started making more loans again. European banks, which are on especially poor footing, haven’t. There are a bunch of reasons why the European banks are loathe to lend, and they differ from country to country. In Spain, for example, they’re vulnerable to a ton of bad housing loans they made during that country’s housing boom, then bust. In Italy it might be because they’re super exposed to the debt of the Italian government. Prices for that debt have been hugely volatile. Essentially that means the foundation of the banks are especially unsteady. Either way the lack of lending is a really bad sign for the European economy. Our arch rivals over at Bloomie report today that Italian mortgage lending dropped by 47% in the first quarter. As we know here in the U.S., housing is a huge driver for the economy. So that’s not good news. Meanwhile, stateside we’ve seen the banks boosting their lending, much of it in business loans. Mortgage lending in the U.S. is still way down from the peak. Even so, this is a decent sign for the U.S. economy, as it means if they want to, companies can borrow the cash that they need to expand. The Federal Reserve will offer a new up date on lending this afternoon, when it releases figures on consumer loans for May. The expectations are that some $7.8 billion in net consumer lending was done in May, up from $6.5 billion in April.

# Oil

## Oil Prices up

#### Oil Prices rising-Norway Production Shutdown

AP 7/9. Chris Kahn writing for the Associated Press on Newser.com. July 9, 2012. (“Oil price rising as strike may force production of Norwegian North Sea crude to shut down”) <http://www.newser.com/article/d9vth8j81/oil-price-rising-as-strike-may-force-production-of-norwegian-north-sea-crude-to-shut-down.html>.-JS.

The price of oil climbed nearly 2 percent Monday as Norway prepares for a shutdown of its North Sea crude production. Norway's oil industry, which produces more than 3.8 million barrels of oil and natural gas per day, says platforms will switch off after 6 p.m. EDT Monday due to a strike by offshore oil workers over retirement benefits. The government still may intervene to keep oil and gas flowing. A shutdown would seriously impact European oil supplies, cutting off a major source of crude as the European Union officially begins an embargo of Iranian oil. Norway exports most of its crude to the United Kingdom, the Netherlands, France and Germany. The U.S. also imports a small amount of oil from Norway. Benchmark U.S. crude rose $1.44 to $85.89 per barrel in New York. Brent crude, which comes from the North Sea and sets the price for oil imported into the U.S., added $1.81 to $100 per barrel in London. Independent analyst and trader Stephen Schork said oil could jump higher if and when Norway's production stops. Most traders expect the country's government to force an end to the strike. "There's a lot of skepticism about this strike," Schork said. "This isn't Libya" where rebels forced oil fields to close for several months last year. He noted that the pension dispute is a far less serious matter. If the government doesn't intervene, oil would stop flowing shortly after the deadline. A complete shutdown could take up to four days. The Norwegian Oil Industry Association estimates the strike could cost the industry $296 million per day. Meanwhile, gasoline prices rose 2.4 cents over the weekend to a national average of $3.38 per gallon, according to AAA, Wright Express and Oil Price Information Service. A gallon of regular has risen by an average of nearly 6 cents since last week, but it's still about 23 cents cheaper than the same time last year. In other futures trading, heating oil rose 4 cents to $2.75 per gallon and wholesale gasoline rose by 4 cents to $2.75 per gallon. Natural gas rose 10 cents to $2.88 per 1,000 cubic feet.

#### **Oil Rising on Norwegian Production Fears**

Journal of Commerce 7/9. Mark Szakonyi, Associate Editor of the Journal Of Commerce. July 9, 2012. (“Diesel prices rise for first time in three months”). <http://www.joc.com/suppliers/diesel-prices-rise-first-time-three-months>.-JS

Oil prices jump more than $1 on fears of shutdown of Norwegian production Diesel prices in the U.S. rose for the first time in three months, climbing 3.5 cents in the week ending July 9 as oil prices rose more than a $1. The last time [the average price rose was in the week ending April 9](http://www.eia.gov/petroleum/gasdiesel/) when the cost of diesel per gallon inched up six-tenths of a cent, according to the U.S. Energy Infromation Administration. Diesel prices are down 2.16 cents from a year ago and 10 cents from the beginning of the year. Prices rose across the nation except in the East Coast’s New England region and the Rocky Mountain region, which saw prices stay flat and fall 2.5 cents, respectively. The Midwest saw the sharpest increase in prices, with the cost of diesel per gallon rising 5.8 cents to $3.638. Crude oil for August delivery on the New York Mercantile Exchange rose $1.54 to $85.99 barrel. Prices rose on fears that a disagreement between Norwegian oil producers and striking offshore workers could suspend production.

**Previous Drops were flukes**

**Bloomberg New 7/8**. Ben Sharples and Anthony DiPoala writing for Bloomberg News. July 8, 2012. (“Oil Gains after biggest drop in two weeks as Norway talks fail”). <http://www.bloomberg.com/news/2012-07-08/oil-trades-near-one-week-low-on-concern-slowdown-to-curb-demand.html>-JS.

**Oil rebounded** on speculation the biggest drop in two weeks was excessive after energy companies and labor unions in Norway failed to reach a compromise to prevent a strike from escalating. **Futures advanced** as much as **0.7 percent** after falling 3.2 percent on July 6, the biggest decline since June 21. Labor action by Norway’s energy workers entered a 15th day yesterday after talks supervised by a state mediator failed. There are no new discussions planned, according to Kristin Bremer Nebben, a spokeswoman for the Norwegian Oil Industry Association. Prices slid last week after a report showed the U.S., the world’s biggest crude user, created fewer jobs than estimated in June. “I don’t think upward momentum will be that powerful or sustained,” [Jarmo Kotilaine](http://topics.bloomberg.com/jarmo-kotilaine/), the chief economist at Jeddah- based [**National Commercial Bank**](http://topics.bloomberg.com/national-commercial-bank/) who **forecasts** [**Brent crude**](http://topics.bloomberg.com/brent-crude/) **will trade in a range of $90 to $110 a barrel**, said by telephone yesterday. “Norway is an issue.” West Texas Intermediate oil for August delivery climbed as much as 58 cents to $85.03 a barrel in electronic trading on the [New York Mercantile Exchange](http://topics.bloomberg.com/new-york-mercantile-exchange/) and was at $84.98 at 12:57 p.m. Sydney time. The contract slid $2.77 on July 6 to close at $84.45, the lowest settlement since July 2. Prices are 14 percent lower this year. **Brent crude for August gained** 78 cents, or **0.8 percent, to $98.97 a barrel** on the London-based ICE Futures Europe exchange. The European benchmark’s premium to WTI was at $13.99, from $13.74 on July 6.

#### Tensions in Iran have caused crude oil prices to skyrocket.

Forexpros. "Iranian Tensions Send Crude Oil Skyrocketing over 4.5%." *By Forexpros*. N.p., 7/3 2012. Web. <http://www.forexpros.com/news/commodities-news/iranian-tensions-send-crude-oil-skyrocketing-over-4.5-235533>.

Crude oil futures rocketed higher during U.S.trade Tuesday, as escalating Iranian tensions combined with global monetary easing hopes to create a bullish move in the commodity. On the New York Mercantile Exchange, light sweet crude futures for delivery in August traded at USD87.52 a barrel during U.S. afternoon trade, surging 4.56%. Oil prices jumped to the highest levels of the session after media outlets in Tehran reported that Iran had successfully tested medium-range missiles capable of hitting Israel in response to threats of military action against the country. Oil traders have renewed their focus on lingering tensions between Iran and Israel in recent sessions. There are fears that an escalation of hostilities between Israel and Iran could set off a conflict across the region and send oil prices skyrocketing. Meanwhile, Iran's National Security and Foreign Policy Committee drafted a bill Monday proposing to block the Strait of Hormuz for oil tankers in response to a European Union oil embargo on imports from Iran, which started on July 1. The Strait of Hormuz, located between Iran and Oman, is one of the most important oil-shipping channels in the world, handling about 33% of all ocean-borne traded oil, according to the U.S. Energy Information Administration. U.S. oil prices hit a high of USD110.53 on March 1, at a time when tensions over Iran's nuclear program were running high. Prices found additional support amid growing expectations that central banks in Europe and the U.S. will implement measures to bolster economic growth. The U.S. Institute for Supply Management said Monday that its index of purchasing managers fell by 3.8 point to 49.7 in June from a reading of 53.5 in May, the first contraction since July 2009. The data fuelled speculation that the Federal Reserve may implement a third round of quantitative easing, to shore up growth in the U.S. economy, which has been hit by the ongoing crisis in the euro zone. Investors were also eyeing the outcome of the European Central Bank’s policy meeting on Thursday, amid growing expectations for a rate cut to help bolster growth in the bloc. Data on Monday showed that the unemployment rate in the region rose to a record in May, while the manufacturing sector remained firmly in contraction territory in June. Oil traders were also looking ahead to fresh weekly information on U.S. stockpiles of crude and refined products to gauge the strength of oil demand in the world’s largest oil consumer. The American Petroleum Institute will release its inventories report later in the day, while Thursday’s government report could show crude stockpiles fell by 2.2 million barrels. The U.S. is the world’s biggest oil-consuming country, responsible for almost 22% of global oil demand. Elsewhere, on the ICE Futures Exchange, Brent oil futures for August delivery climbed 3.15% to trade at 100.41 a barrel, with the spread between the Brent and crude contracts standing at USD13.90. Brent prices have been well-supported in recent sessions amid concerns over a disruption to supplies from Norway, the world's eighth largest oil exporter.

#### Norwegian oil strikes have caused crude oil prices to rise.

Press, Associated. "Oil Price Rises as Strike May Force Production of Norwegian North Sea Crude to Shut down." *Washington Post*. The Washington Post, 7/9 2012. Web. <http://www.washingtonpost.com/business/markets/oil-rises-slightly-to-near-85-in-asia-amid-hope-for-stimulus-measures/2012/07/09/gJQAjVrQXW\_story.html>.

The price of oil climbed about 2 percent Monday as striking oil workers in Norway forced the industry to prepare for a historic shutdown in the North Sea. Norway’s oil fields, which produce more than 3.8 million barrels of oil and natural gas per day, could shut down after 6 p.m. EDT if the industry doesn’t resolve a dispute over employee retirement benefits. Workers have been on strike since June 24, and the country’s oil industry said a lockout would begin at midnight. Many analysts and traders expect the Norwegian government to intervene at the last minute and keep the oil and gas flowing. Government-owned Statoil ASA expects to lose $85.5 million per day if the strike continues. “Right now everyone’s pricing in the possibility that there could be some oil supply off the market,” due to the strike, said Gene McGillian, a broker and oil analyst at Tradition Energy. But financial pressures should force both sides to find common ground, independent analyst and trader Stephen Schork said. “There’s a lot of skepticism about this strike,” Schork said. “This isn’t Libya” where rebels forced oil fields to close for several months last year. He noted that the pension dispute is a far less serious matter. The Norwegian Oil Industry Association said the country has never experienced a total shutdown of its oil fields. A lockout would affect about 6,500 workers. Any production stoppage would seriously crimp European oil supplies, cutting off a major source of crude as the European Union officially begins an embargo of Iranian oil. Norway exports most of its crude to the United Kingdom, the Netherlands, France and Germany. American refineries also buy a small amount of oil from Norway. Benchmark U.S. crude rose $1.54 to end the day at $85.99 per barrel in New York. Brent crude, which comes from the North Sea and sets the price for oil imported into the U.S., added $2.13 to finish at $100.32 per barrel in London. Statoil shares were flat, down 4 cents to $23.23 in afternoon trading. Meanwhile, gasoline pump prices rose 2.4 cents over the weekend to a national average of $3.38 per gallon, according to AAA, Wright Express and Oil Price Information Service. A gallon of regular has risen by an average of nearly 6 cents since last week, but it’s still about 23 cents cheaper than the same time last year. In other futures trading, heating oil rose 4 cents to end at $2.75 per gallon and wholesale gasoline rose by 4 cents to finish at $2.76 per gallon. Natural gas rose 11 cents to finish at $2.88 per 1,000 cubic feet.

## Oil Prices Down

#### **Oil prices are falling: China data and halted Norway strikes.**

Associated Press 7/10 – (2012, “Oil price down on China data, end of Norway strike”, http://www.boston.com/business/news/2012/07/10/oil-price-down-china-data-end-norway-strike/Y5zkdyoggEzrj2GVV25lHK/story.html)

NEW YORK (AP) — Oil prices is falling Tuesday after China released data indicating its economy continues to slow and Norway stepped in to end a strike that threatened its North Sea oil production. Benchmark U.S. crude fell by $1.02 to $84.98 in morning trading. Brent crude lost $1.77 to $98.55 in London. China’s June imports increased by about 6 percent. But that was down from May’s rate and less than analysts forecast. Export growth fell as well. China is the world’s second biggest oil consumer behind the U.S. Demand for oil is likely to soften as its economy loses steam. Norway’s government imposed binding arbitration on striking oil workers, preventing a lockout that would have shut down production of about 1.6 million barrels a day of Brent crude.

#### Crude Oil dropping now

NASDAQ, 7/6/12, “Oil Ends Down on Weak Jobs Report, Norway,” <http://www.nasdaq.com/article/oil-prices-drop-sharply-after-us-jobs-data-20120706-00277> Accessed: 7/10/12

Crude oil futures fell 3.3% Friday after a surprisingly weak U.S. jobs report and amid expectations that a Norwegian oil strike would end soon. Light, sweet crude for August delivery settled at $84.45 a barrel on the New York Mercantile Exchange, down $2.77. Brent crude on the ICE futures exchange settled at $98.19 a barrel, down $2.51 or 2.5%. Oil futures, already down on the day, fell $1.23, or 1.4%, in the 25 minutes after the U.S. Labor Department reported that nonfarm payrolls for June grew by 80,000, below the 100,000 forecast by economists. The futures were decidedly lower for the rest of the session.

## Oil Supply up

#### Not running out of oil.

Tim Worstall 7/6/12 Economics Last updated: July 6th, 2012 We are nowhere near hitting 'peak oil', because we keep inventing new ways of extracting the stuff <http://blogs.telegraph.co.uk/finance/timworstall/100018350/so-thats-the-end-of-peak-oil-then/>

Peak oil always was a silly thing to panic over and now we've the UK's very own High Priest of the Church of Gaia telling us so. George Monbiot used his column this week to point out that we're not running out of oil and the wells are not going to run dry anytime soon. Supply is increasing rather nicely. As he says: The constraints on oil supply over the past 10 years appear to have had more to do with money than geology. The low prices before 2003 had discouraged investors from developing difficult fields. The high prices of the past few years have changed that. Any economist could have told him that. Resource constraints are always an economic problem: solved by the price mechanism. It was never true that we would run out of oil – it just gets more expensive. At a higher price, people use less and go and hunt for more. Both have happened: the amount of oil (or energy of any kind) used to produce one dollar of GDP has been falling for decades now. Techniques to extract more have been developed as those prices rise. And I'm afraid that people don't seem to understand the implications of those new techniques. Take the Macondo field drilled by BP. Yes, a disaster in the Gulf: but also the deepest well ever drilled. Having developed the technology to drill so deeply we have not only discovered one new oil field – we've also discovered a whole new Earth that we can explore for oil. That part of the entire globe that between 4,000 and 5,000 feet below the surface. Inventing fracking does not mean just extracting gas from Pennsylvania or oil from the Bakken. It means prospecting the whole planet again for such deposits. New technologies mean we have invented whole new planets to explore for resources. This does not apply only to peak oil or peak gas. There are those out there who worry about peak copper, peak indium and even peak tellurium (an odd one when we use 125 tonnes a year and there's 120 million tonnes in the crust). None of these are geological problems, they are all plain and simple economic ones.

## Gas Prices Up

#### Gas Prices have spiked

Washington Examiner 7/10/12 Washington Secrets – News Website <http://washingtonexaminer.com/o-bummer-gas-prices-up-in-10-of-12-swing-states/article/2501735>

That was fast. The early summer drop in gas prices, welcomed with relief inside the White House, has stopped and now the cost of fueling up for that summer road trip is up [nationally](http://fuelgaugereport.aaa.com/?redirectto=http://fuelgaugereport.opisnet.com/index.asp) by 6-cents in just a week. Worse for the president's campaign: In 10 of 12 key swing states receiving most of the attention from President Obama and GOP challenger Mitt Romney, the price of regular gas has surged. And the biggest price increases have come in states Obama feels he must win to keep control of the White House: Florida, Ohio, and Virginia. "The guy in charge always gets blamed," pollster John Zogby told Secrets. "We will have to see if the trend continues or not to determine how much this really hurts the president," he added. Gas prices have been a nagging problem for Obama and his re-election campaign. When they surge, the White House has attacked refining companies for price gouging while Republicans have hit the administration for failing to promote home-grown gas production. When prices drop, both sides go quiet. It is unclear where gas prices are heading, though pollsters say a sustained increase would undermine the president's re-election. But right now it's where the increases are hitting that could hurt his campaign. Of the 12 key swing states the two candidates are battling in, prices have continued to drop only in Nevada and Colorado. But in the 10 others, prices have taken a one-week jump ranging from 2-cents to 19-cents: Florida is up 9-cents, Iowa 4-cents, Michigan 3-cents, New Hampshire 2-cents, New Mexico 7-cents, North Carolina 5-cents, Ohio 19-cents, Pennsylvania 5-cents, Virginia 8-cents, and Wisconsin 5-cents.

#### Gas prices have increased recently and will continue to jump.

Jeffries, Fran, July 9, 2012, journalist for AJC, Gas prices up 8 cents in metro Atlanta, The Biz Beat, http://blogs.ajc.com/business-beat/2012/07/09/gas-prices-up-8-cents-in-metro-atlanta/?cxntfid=blogs\_business\_beat

We hope you enjoyed the gas-price free fall while it lasted, because it’s done for the summer. Pump prices jumped 8 cents on average in the last week in Georgia — the first increase since April when the weekly average was $3.92, according to AAA South. The average price of regular unleaded gas in Georgia stands at $3.21; in Tennessee, $3.09 and in Florida, $3.26; the national average is $3.38 — 5 cents more than last week. Unfortunately, expect prices to continue to rise, according to AAA spokeswoman Jessica Brady.”It’s likely motorists have seen the last of the summer price reductions at the pump,” she said. AAA blamed the increase on two factors: European sanctions imposed on Iran starting July 1, and European leaders agreeing to a plan to save the euro and its ongoing debt crisis.“While some local retailers have already started to post higher gas prices, drivers can still find relatively cheap gas by filling up in areas where there’s ample competition, paying with cash, or by using AAA’s TripTik Mobile app that allows motorists to search for the cheapest gas stations prior to filling up,” Brady said. Cheaper prices are still to be found in metro Atlanta. We found gas for $3.09 at Shell, 3750 Campbellton Rd. in Atlanta, and $3.19 at BP, 704 Whitlock Ave SW in Marietta; and $3.22 at RaceTrac, 7721 Tara Blvd, Jonesboro. For more low prices in metro Atlanta, go to [Georgiagasprices.com](http://www.georgiagasprices.com/GasPriceSearch.aspx).

#### Gas prices up over $3 per gallon

Troy Messenger 7/9. Troy Messenger. July 9, 2012. (“Despite dip below $3, gas prices on the rise again”) [.](http://www.troymessenger.com/2012/07/09/despite-dip-below-3-gas-prices-on-the-rise-again/)-JS

While motorists enjoyed a long-awaited respite at the gas pump for the Fourth of July holiday, prices climbed last week back to more than $3 per gallon. “Prices are rising in Alabama, as well as other coastal states,” Michael Green, manager for AAA Public Relations with an expertise in gas prices, said. “Alabama briefly flirted with going below $3 a gallon, but rates have risen above that in the past week.” According to Green, last week Alabama saw its first seven-day increase since March. When gas prices peaked at $3.81 in early April, rates then decreased the following 75 out of 77 days, with the state average dropping as low as $3.05 per gallon. However, gas prices have been increasing steadily and are now up an average of 7.5 cents from last week. “Alabama is in a great position, however, because it is still among the cheapest in the country,” Green said. “The state average is 72 cents less than when prices peaked in April and 38 cents less than it was on this day last year.” According to Green, the national average is currently at $3.38 per gallon, while Alabama is among the top five least expensive state averages at $3.09 per gallon. South Carolina has the lowest average in the nation at $3.02 per gallon while Hawaii had the highest at $4.22 per gallon. “It would be nice if the prices could stay down,” Pam Salter of Luverne said while pumping gas at CITGO in Troy (formerly Horizon). “I have to get diesel, so I never got to pay under $3. But, lower prices really help a lot when you’re paying $120 for a full tank.” According to Green, the main reason for the gas price increase nationwide is a result of the rising price of crude oil. He said there are expectations that European leaders are reaching a solution to the debt crisis and that the global economy will improve as a result. A boost to the economy also means a rising demand for oil products. This, in turn, raises rates at the pump. On Tuesday, crude oil was priced at $86 per barrel after dropping below $80 on June 30. At press time Tuesday, Chevron on U.S. Highway 231 South had the lowest rate with $3.18 per gallon. CITGO, Murphy USA and Z-Tec, all on U.S. Highway 231 South and Pinckard’s on Elba Highway were close behind at $3.19 per gallon. BP on U.S. Highway 231 South and Texaco on Elba Highway had the highest prices at $3.21 per gallon. “Right now, we see gas prices rise, but the good news is we are doing better than we were at the same time last year and when the prices peaked in April,” Green said. “It all depends on expectations about where the economy is going.”

#### Gas Prices Rise as Crude goes up

Flanagan 7/10. Mel Flanagan, staff writer for the Toledo Blade. July 10, 2012. (“Spike in gasoline prices puts Toledo average about $3.50”). <http://www.toledoblade.com/Energy/2012/07/10/Spike-in-gasoline-prices-puts-Toledo-average-about-3-50.html-JS>.

A recent spike in gasoline prices may cause Toledoans to think twice before they leave their houses several times to accomplish daily tasks. After two weeks of rapidly falling prices that brought some local filling stations' prices for regular, unleaded grade below $3 per gallon, area prices jumped twice during the first week of July, settling to an average price of $3.503 per gallon by Monday evening, according to the Web site [gasbuddy.com](http://www.toledoblade.com/gasbuddy.com). Charlene Brevor of Toledo said the pricier gasoline is prompting her to attend to multiple errands on a single trip, rather than leaving her house several times a day and only accomplishing one task each time. "I'm on Social Security, so this [price increase] is terrible for me," Ms. Brevor said as she filled her car's gas tank at a 7-Eleven store at Lewis and Eleanor avenues in West Toledo. Average prices from Gasbuddy's volunteer spotters began a two-week decline on June 13, ending with prices as low as $3.059 on June 26. After sharp rises on July 2 and 3, rates leveled off at about $3.35 per gallon on the Fourth of July before spiking again the following day to $3.50. The weekend brought another increase to about $3.55 per gallon on Friday, followed by falling prices over the weekend that resulted in Monday's rate of $3.503.

# Politics Link Uniqueness

### No Political Capital

#### Obama unable to use his political Capital correctly

[John Hayward](http://www.humanevents.com/author/john-hayward/), staff writer author of the recently published Doctor Zero: Year One, 7/10/2012, Barack Obama, grand master of outsourcing, Human Events, <http://www.humanevents.com/2012/07/10/barack-obama-grand-master-of-outsourcing/>, [7/10/12]

The only Obama political attack that hasn’t blown up in his face is his claim that Mitt Romney “outsourced” a large number of jobs during his years with private equity firm Bain Capital. These Obama attacks are demonstrably false, having been [shredded by fact checkers](http://www.washingtonpost.com/blogs/fact-checker/post/4-pinocchios-for-obamas-newest-anti-romney-ad/2012/06/20/gJQAGux6qV_blog.html) both left and right. A local TV news station in Florida became the latest to demolish these false Obama attack ads, which pour in remarkable volume from a candidate who spends a great deal of time complaining about “negative campaigns”: Obama has distorted the term “outsourcing” to include Bain investments in companies with overseas operations, even when no American jobs were actually “transferred” overseas. Obama also castigated Romney for vetoing a sloppy, hideously expensive anti-outsourcing bill when he was governor of Massachusetts, but it was a move applauded by liberals and conservatives alike. Romney’s prediction that the company targeted by the bill (a call center for electronic food stamp cards – no wonder Obama loves this story!) would simply “outsource” its jobs to a different state proved entirely accurate. At least this particular slander is consistent with the principles of Obamanomics, in which the cost and inefficiency of government programs are directly proportional to Obama’s enthusiasm for them. Many of the Obama attacks rely upon his well-established tactic of somehow blaming Romney for events that occurred at Bain Capital after he left. This is especially rich coming from the President who insists no one should “read too much” into the last thirty dismal unemployment reports under his tenure. Obama still isn’t accountable for any of his actions as President, three and a half years into his term, but Romney is responsible for things that happened at Bain Capital when he didn’t even work there? Still, the “outsourcing” slander seems to have gained a bit of traction with the public, perhaps because they’ve heard years of complaints about Big Business shipping jobs overseas. Many people have been conditioned to believe wealthy investors and business executives are amoral and unpatriotic, so the outsourcing attack folds neatly into the anti-capitalist, class-warfare rhetoric of this President. The truth, as laid out by a new Republican National Committee website called [Obamanomics Outsourced](http://obamanomicsoutsourced.com/), is that Barack Obama is the undisputed grand master of “outsourcing.” No one has sent as many American jobs overseas as this President. Billions of his “stimulus” dollars went to overseas firms, from electric car companies to wind turbine manufacturers. As the RNC recalls, Obama explicitly promised in 2008 that his “new energy jobs” would “pay well and can’t be outsourced.” They’ve even provided an interactive map of the world, where users can click on a country and see how much taxpayer loot Obama has shipped there. But there’s even more to the bill of particulars against Obama the Outsourcer than his taxpayer-funded overseas “investments.” America gained the highest corporate tax rates in the world on Obama’s watch, and he’s created a regulatory nightmare machine that works to “crucify” American businesses, as one of his EPA bureaucrats famously put it. These are powerful incentives for businesses to move their operations overseas. Executives who would prefer to keep those operations closer to home find it increasingly unreasonable to do so. Whether or not any individual decision to move jobs overseas is “justified” will always be a judgment call… but who, in their right minds, could look at President Obama’s record and conclude he’s the right person to make it? He certainly doesn’t seem to have a problem with his good friends, like General Electric CEO Jeffrey Immelt – chairman of the President’s Council on Jobs and Competitiveness – [moving jobs overseas](http://www.humanevents.com/2011/07/12/after-moving-ge-positions-overseas-immelt-calls-on-business-to-create-jobs/). Barack Obama [flew to Brazil](http://www.instituteforenergyresearch.org/2011/03/22/obama-calls-for-more-offshore-drilling%E2%80%A6in-brazil/) to provide strong encouragement, and U.S. taxpayer support, for the very same offshore drilling operations he destroyed in the United States through regulatory fiat. How could anyone deny that’s “outsourcing,” implemented through compulsive government force, on a scale beyond anything Mitt Romney has even been falsely accused of? The number of Americans renouncing their citizenship to escape Obama’s taxes has [more than doubled](http://www.humanevents.com/2012/06/25/americans-flee-country-avoid-taxmageddon/) over the past year – a dramatic outsourcing of job-creating wealth and talent. There is particular anxiety over the looming threat of Taxmaggedon on January 1 – which Obama resolutely refuses to avoid, except for a tepid one-year means-tested stay of execution for people his ideology defines as “middle class.” The latest high-profile journey overseas to avoid confiscatory U.S. taxes was undertaken by socialite Denise Rich… whose ex-husband Marc Rich is the tax cheat Bill Clinton pardoned on his last day in office, after Denise Rich made lavish contributions to his presidential library and political campaigns. That’s gratitude for you! And let’s not forget that Obama abused his executive powers to dump 800,000 work permits on illegal aliens. He can outsource your job to foreign workers even if the bricks and mortar of the business remain on American soil. Obama makes a lot of noise about other people outsourcing jobs, but he never puts his political capital where his mouth is. The [Washington Post](http://www.washingtonpost.com/business/economy/obamas-record-on-outsourcing-draws-criticism-from-the-left/2012/07/09/gJQAljJCZW_print.html) ran a story on Monday about liberal critics unhappy because Obama “walked away from the campaign commitments” he made on outsourcing, in the words of Robert E. Scott, a “pro-labor advocate” from the liberal Economic Policy Institute. The only measure Obama shows much enthusiasm for is ending tax breaks for companies that move jobs overseas, but “neither Democrats in the Senate nor Republicans in the House have taken up the measure,” and the President doesn’t seem to be twisting his Party’s arm to get it done. Of course, the liberal approach to “outsourcing” is hopelessly wrong-headed. The true solution lies with reducing the tax and regulatory burden on American businesses, not building barbed-wire tax fences around the borders and passing measures to punish anyone who manages to climb over them. We should have a stampede of foreign companies racing to move operations into the United States, which ought to be the best place in the world to open a business of any size. Instead, the Left moans about outsourcing because it reduces the supply of captive subjects for their socio-economic experiments. It also has the potential to make them look bad with the public, if voters shut out the class-warfare static long enough to wonder exactly why executives from Ohio would find it more practical to build a new factory in China. No wonder socialists like Obama are working so hard to transform the chant of “outsourcing” into a magic spell that only works against their political enemies.

### Jobs create PC

#### Link turn Jobs create Political capital

Chris Miles, Associated Press and the Stars and Stripes master's degree in political science and international relations BA in journalism and political science , 7/6/12, New Jobs Report: U.S. Adds 80,000 Jobs in June, Unemployment at 8.2%, Policy Mic, <http://www.policymic.com/articles/10790/new-jobs-report-u-s-adds-80-000-jobs-in-june-unemployment-at-8-2>, [7/10/12]

The U.S. added a meager 80,000 jobs in June, the government reported Friday, falling short of market and analysts' expectations and showing that the labor market cooled off considerably in the second quarter. Unemployment stayed the same, at 8.2%. The numbers, though stable, show that the economy has not tremendously improved, providing new talking points for both Republicans and Democrats in election 2012. The biggest political debate this election cycle will be how America can pull itself out of the Great Recession. How to create jobs, jobs, jobs and more jobs will be the centerpiece policy that will define the campaigns of the incumbent Barack Obama, and his GOP rival Mitt Romney ahead of November’s general election. U.S. employers were expected to have added between 90,000 and 125,000 new jobs. The current 80,000 number is tepid, but it’s still better than the jobs created in May, which was the fewest in a year. The number of new jobs created in May was revised up to 77,000 from an original estimate of 69,000, while April's figure was revised down to 68,000 from 77,000. The biggest gains in June occurred in the fields of professional services (47,000), health care (13,000) and manufacturing (11,000). Yet the private sector only added 84,000 jobs in total. The average workweek last month rose 0.1 hour to 34.5, while average hourly earnings climbed 6 cents to $23.50. The unemployment rate has been stuck at around 8%, leaving many Americans squeamish about the trajectory of the economy. Romney and Obama have been seeking to gain political capital from any economic news. Obama, though, has felt the heat of a spiraling economy during the last three summers of his presidency. In each of the past three summers, the unemployment rate has bumped upwards while the job creation numbers have either leveled off or dipped downward. That trend — plus the fact that we are 123 days before the election — makes the Bureau of Labor Statistics’ announcement of the utmost political importance. A look back at the past few summers reveals how tough it has been for Obama: On the job creation front, the economy added 193,000 jobs in April 2010 but dipped to add 84,000, 92,000 and 92,000 in May, June and July 2010, respectively. By August 2010, that number bumped up to 128,000 jobs created. The story was similar in the summer 2011. In April 2011, the economy added 264,000 jobs. In May, 108,000 jobs were created, while just 102,000 were added in June. The July 2011 jobs report showed 175,000 jobs added, but that number dipped drastically to 52,000 jobs created in August.

# Neg – Jackson Vanik

### 1NC – Will pass

#### Congress will pass Permanent Normal Trade relations now. Any amendments will be watered down to avoid controversy.

Inside US Trade 7/10/12 Finance Markup On Russia Slated For July 17, Several Amendments Likely http://insidetrade.com/201207102404044/WTO-Daily-News/Daily-News/finance-markup-on-russia-slated-for-july-17-several-amendments-likely/menu-id-948.html

Senate Finance Committee Chairman Max Baucus (D-MT) is expected to hold a markup next Tuesday (July 17) for legislation that would both allow the White House to grant permanent most-favored nation (MFN) status to Russia and put in place measures to address human rights violations in that country, sources said. Finance Committee members are expected to offer several amendments at the markup, although sources said they are being crafted in a fairly non-controversial way that should not prevent the legislation from advancing. For instance, these amendments will not condition permanent MFN on Russia proving it has met certain requirements. Instead, amendments are more likely to impose a number of reporting requirements on the administration, requiring it to prove that Russia is meeting its obligations as a member of the World Trade Organization. One Senate aide said that most members support passage of the underlying bill, and are therefore refraining from controversial amendments, or amendments that are not narrowly focused on trade issues with Russia. Baucus has expressed a preference for keeping the Russia bill "as clean as possible," although he has signaled a willingness to possibly accept some amendments (Inside U.S. Trade, June 15). One source said Baucus appears confident that desires by some members to offer amendments will not complicate committee proceedings.

### Overview – T/F

#### The time frame is now – if we don’t repeal Jackson Vanik before August – it will cut the US off from trade with Russia.

The Hill 7/7/12 Time running out for Russia trade bill http://thehill.com/blogs/global-affairs/russia/236523-time-running-out-for-russia-trade-bill

The Russian parliament is expected to vote to join the World Trade Organization (WTP) on Tuesday, giving Congress a short window to either adopt trade legislation or risk seeing U.S. companies trail competitors in the world's ninth-largest economy. Establishing normal trade relations with Russia is a no-brainer for U.S. businesses eyeing a vast export market, but lawmakers in the House and Senate are still debating how to do that while retaining leverage over the country on human rights. Once the Russian parliament ratifies accession to the world trade body, Russia will automatically become a WTO member within 30 days. If the vote happens Tuesday, it means Congress would have to act before the August recess to prevent U.S. companies from losing out.

#### Now key.

The Moscow Times 7/5/12 U.S. Businesses Favor Increasing Trade Ties <http://www.themoscowtimes.com/mobile/article/461676.html>

The Russian legislature is scheduled to vote this month on membership in the World Trade Organization. If the measure passes, Russia will join the Geneva-based trade forum as soon as August. That would benefit American exporters, except for a 1974 trade law that restricted trade with the Soviet Union. Under WTO rules, all members are supposed to grant each other permanent normal trade ties. If Congress doesn't repeal the law's Jackson-Vanik Amendment, U.S. companies may lose out on tariff reductions and potential deals in Russia, according to U.S. businesses and officials. "Our businesses and our innovators and exporters will be at a competitive disadvantage compared to their global counterparts," U.S. Trade Representative Ron Kirk told the Senate finance panel on June 21. The United States also won't be able to use the WTO's dispute-resolution process in dealing Russia, he said. U.S. lawmakers have 16 working days to act before leaving for a five-week recess, according to the Coalition for U.S.-Russia Trade, an organization led by 22 U.S. companies and industry groups such as the U.S. Chamber of Commerce.

### Obama Push

#### Obama is pushing repeal of JV.

The Hill 7/7/12 Time running out for Russia trade bill http://thehill.com/blogs/global-affairs/russia/236523-time-running-out-for-russia-trade-bill

“The [Obama] administration has consistently urged Congress to terminate application of the Jackson-Vanik amendment and authorize the president to extend permanent normal trade relations to Russia before it becomes a WTO Member,” a spokesperson for the Office of the U.S. Trade Representative told The Hill via e-mail. Doing so would “ensure that American workers and businesses will be able to reap the full benefits of Russia’s WTO membership and to put them on a level playing field with their competitors in Latin America, Europe and Asia,” the spokesperson said.

### Will pass – Generic

#### Will pass despite congressional fears about Russia.

Inside US Trade 7/10/12 Finance Markup On Russia Slated For July 17, Several Amendments Likely http://insidetrade.com/201207102404044/WTO-Daily-News/Daily-News/finance-markup-on-russia-slated-for-july-17-several-amendments-likely/menu-id-948.html

However, one Senate aide expected more amendments from Republicans than Democrats next week, as Baucus is better able to "control" members on his side of the aisle and thereby limit amendments. Senate aides expected the bill to pass easily through committee, although Sens. John Cornyn (R-TX) and Jon Kyl (R-AZ) may oppose, they said. That said, some committee members will not be that enthusiastic about the vote, as they are wary of doing anything that could be perceived as "helping" Russia at a time when U.S.-Russia diplomatic relations are on rocky footing over Syria and Iran. But members understand that the bill largely helps U.S. companies wanting to export to Russia, one aide said.

#### Russian accession vote ramps up pressure for JV vote now – will pass.

Vicki Needham 07/10/12 Top US trade official urges congressional action on Russia

http://thehill.com/blogs/on-the-money/1005-trade/236987-top-us-trade-official-urges-congressional-action-on-russia

The nation's top trade official on Tuesday urged Congress to lift a Cold War-era provision to grant Russia permanent normal trade relations. The call from U.S. Trade Representative Ron Kirk comes on the heels of the Russian Duma’s ratification of its membership into the World Trade Organization (WTO), an 18-year quest. “We are pleased to hear that Russia has completed this critical first step in its domestic process for approving the terms for becoming a member of the World Trade Organization," Kirk said. "We reiterate our call on Congress to act now on Jackson-Vanik and Permanent Normal Trade Relations legislation,” he said. Once the upper chamber of Russia's parliament, the Federation Council, approves the accession package, it then heads to the desk of President Vladimir Putin for his signature, which is expected before the July 23 deadline. When complete, Russia will gain membership in 30 days and Congress will need to act. That means lawmakers must clear a bill that will give U.S. exporters greater access to the world's ninth largest economy, and biggest outside of the WTO, before the August recess. "Russia’s membership in the rules-based global trading system of the WTO will contribute to Russia’s economic growth as well as provide us with new opportunities to guide and grow our bilateral economic relationship," Kirk said. That ramps up pressure on lawmakers in Washington to clear out the Jackson-Vanik provision, which would allow for normal trade relations. The Senate Finance Committee is planning to mark up legislation, most likely next week, that would combine a repeal of Jackson-Vanik with human-rights legislation known at the Magnitsky bill. The House Ways and Means Committee has not announced a markup yet, and an aide told The Hill they are still working with the Obama administration and the Senate on how to move forward. Panel Chairman Dave Camp (R-Mich.) has said he wants to move a clean repeal without any human-rights language.

#### Will pass-corporation push

Cassata 7-9 ( Writer for Associated Press at Cleveland.com “Conservative Strength Stymies even Business-Oriented Laws in Divided Congress” http://www.cleveland.com/nation/index.ssf/2012/07/conservative\_strength\_stymies.html)

Democrats also are giving the business community fits beyond the normal ferment over workplace and union issues. Industry and corporations are pushing for Congress to approve permanent normal trade relations with Russia this month, now that Moscow is slated to join the World Trade Organization. Normal trade ties would open Russian markets to more U.S. goods and investments. Russia has the ninth largest economy in the world, but its imports from the U.S. were a paltry $11 billion in 2011.

#### Will pass now – Massive Business juggernaut.

Richard A. McCormack 7/6/12 On Russia Free Trade Issue, Big Business Interests Run Against Domestic Manufacturers July 6, 2012 Volume 19, No. 11 http://www.manufacturingnews.com/news/russiapntr76121.html

"In 1999, the same proponents of PNTR for Russia argued for and pushed through a bill granting Permanent Normalized Trade Relations for China," says CPA. "The same export growth arguments were made while ignoring the potential import explosion. The import explosion that materialized was made possible by those same proponents outsourcing American jobs to China." Subsequent massive U.S. trade deficits have crippled the American economy's ability to create jobs. Entire industries have disappeared and governments lost their tax base. "The problem has been caused by America's inability or unwillingness to neutralize foreign unfair trade practices, including state capitalism and its inherent barriers and subsidies," says CPA. "The U.S. cannot afford to continue making the same mistakes again and again." But CPA is up against a pro-Russia business PR juggernaut. The Business Roundtable says on its Russia PNTR website that there is "a universe of support for Russian PNTR." At a Senate Finance Committee hearing, United States Trade Representative Ron Kirk said that PNTR would "expand jobs here at home." Without it, the United States will have "no leverage with Russia over areas of disagreement." He said that all of the trade treaties signed to date have "clearly contributed to economic recovery." Kirk noted that Russia is the world's seventh largest economy, "but is only our 20th largest trading partner -- with $42.9 billion in two-way trade in goods in 2011." Absent was mention that the "two-way trade" was skewed four-to-one in Russia's favor. He also crooned about how U.S. exports to Russia increased by almost 40 percent between 2010 and 2011 (by $2.3 billion, from $6 billion to $8.3 billion) but failed to mention that imports from Russia skyrocketed by three times that amount ($6.9 billion, from $25.7 billion to $34.6 billion). Secretary of Agriculture Tom Vilsack was equally as effusive of PNTR with Russia, stating that U.S. agricultural exports to Russia were $1.4 billion, while agricultural imports from Russia were $25 million "This impressive performance by U.S. exporters has been accomplished in spite of Russia's imposition of non-science-based sanitary and phytosanitary measures and unjustified technical barriers to trade," said Vilsack. In directing his pitch to Montana Democratic Sen. Max Baucus, a fervent free trader from an agricultural state and chairman of the Senate Finance Committee, Vilsack said that "entrepreneurial Montanans have shipped more than $20 million in live cattle and bovine genetics to Russia in the past two years. Russia is an excellent market for cattle, genetics and USDA Choice and Prime cuts." The U.S. State Department is also a proponent of Russia PNTR. Providing Russia with Most Favored Nation trade status "would give ballast to our overall relationship with Russia and strengthen the case of those who argue that greater cooperation with America is good for the Russian people," said Deputy Secretary of State William Burns. "Over time, extending PNTR can help Russians achieve their goal of building a modern, successful and prosperous nation." Burns did not mention that Russia supports Syrian President Assad and has warm relations with Iran. Baucus is convinced that Russia's accession to the World Trade Organization "will mean thousands of jobs here in the United States, but only if we pass Russia Permanent Normal Trade relations legislation by August," he said. "If we do pass Russia PNTR, U.S. exports to Russia are projected to double within five years, and that means thousands of new jobs here at home. These new jobs come at no cost to us -- zero."

### Will pass – with Magnitsky

#### Obama Administration will allow magnitsky add - on pass in order to get PNTR passed.

Bonnie B **Byers and** William C **Talmadge** 7/5/**12** (Intenational trade economist in Washing D.C. Office. And participates Counsel in the Government Advocacy and Public Policy Practice Group. King and Spalding “Russia reconsiders stance on trade with Russia” <http://www.lexology.com/library/detail.aspx?g=de93196f-c0e4-40aa-809f-7708454a0da6>)

The legislation is not, however, without its problems. **Several Members in both chambers have insisted that any concessions on Russia trade must be tied to human rights concerns**. Senator Ben Cardin (D-MD) introduced a provision, **referred to as the Magnitsky bill** in honor of Sergei Magnitsky, a lawyer activist who died in a Russian jail after investigating high level corruption. The bill would deny visas to and freeze the assets of individuals guilty of significant human rights violations. A version of Senator Cardin’s bill was voted out of the Senate Foreign Relations Committee last week as well as from the House Foreign Affairs Committee. **The Obama Administration supports PNTR for Russia and dropped objections to a Magnitsky**-like human rights provision **in order to build further Congressional support for passage**. Senator Baucus has indicated his desire to move the legislation before the August recess.

#### **Bipartisan support, business support, and presidential push mean PNTR will pass now.**

Byers and Talmadge 7/5 – (Bonnie Byers joined King & Spalding in 2004 as an international trade economist in the firm’s Washington, D.C., office.  She is responsible for economic analysis of trade litigation and policy analysis of international trade and investment issues; Bill Talmadge joined King & Spalding in 1987 and is Counsel in the Government Advocacy and Public Policy Practice Group. Mr. Talmadge has represented clients across a broad range of issues including defense, healthcare, campaign finance law, trade, tax, telecom and food and drug matters before committees of Congress, federal agencies and state legislatures, 2012, “Congress reconsiders stance with Russia”, <http://www.lexology.com/library/detail.aspx?g=de93196f-c0e4-40aa-809f-7708454a0da6>)

Senator Max Baucus, chairman of the Senate Finance Committee, has drafted legislation that would lift the Jackson-Vanik amendment as it applies to Russia. Lifting the restrictions would extend “most favored nation” trading status to Russia, also known as “permanent normal trade relations,” or PNTR. The Baucus proposal enjoys bipartisan support in the Senate including Senator John McCain (R-AZ), Ranking Member of the Senate Armed Services Committee, Senator John Thune (R-SD), Chairman of the Republican Conference, and Senator John Kerry (D-MA), Chairman of the Senate Foreign Relations Committee. In the House, Ways and Means Chairman Dave Camp (R-MI) and Trade Subcommittee Chairman Kevin Brady (R-TX) support PNTR for Russia, and have urged the Administration to take a more active role in pressing for passage. The business community strongly supports quick passage of PNTR for Russia. Working actively for the provision are the Business Roundtable, the US Chamber of Commerce and the National Association of Manufacturers. These groups fear that if Congress does not act before Russia joins the World Trade Organization, U.S. exporters may be left at a competitive disadvantage, since they would not enjoy the same improved access to the Russian markets as other trading partners. The legislation is not, however, without its problems. Several Members in both chambers have insisted that any concessions on Russia trade must be tied to human rights concerns. Senator Ben Cardin (D-MD) introduced a provision, referred to as the Magnitsky bill in honor of Sergei Magnitsky, a lawyer activist who died in a Russian jail after investigating high level corruption. The bill would deny visas to and freeze the assets of individuals guilty of significant human rights violations. A version of Senator Cardin’s bill was voted out of the Senate Foreign Relations Committee last week as well as from the House Foreign Affairs Committee. The Obama Administration supports PNTR for Russia and dropped objections to a Magnitsky-like human rights provision in order to build further Congressional support for passage. Senator Baucus has indicated his desire to move the legislation before the August recess.

#### WTO Ascension makes repeal likely.

[**Borshchevskaya**](http://www.foxnews.com/archive/author/anna-borshchevskaya/index.html), Anna, July 6, 2012, Writer for FOX News, Supporting human rights in Russia should be a core strategic interest for US, FOX News http://www.foxnews.com/opinion/2012/07/06/supporting-human-rights-in-russia-should-be-core-strategic-interest-for-us/#ixzz20ESVX7Lx

On Tuesday, July 10, the Russian Duma will vote on ratification of the agreement for Russia’s entry into the World Trade Organization (WTO). Policymakers in both countries view Russia’s entry as a foregone conclusion. The question before Congress therefore is how best to pressure Russia to respect human rights following its repeal of the Jackson-Vanik amendment. Passed in 1974, Jackson-Vanik tied favorable trade to the freedom to emigrate from the Soviet Union. It provided a foundation for Cold War human rights advocacy. The Sergei Magnitsky Rule of Law Accountability Act, approved unanimously by the Senate Foreign Relations Committee on June 26, was meant to fill the void left by lifting Jackson-Vanik. Named after a Russian anti-corruption lawyer tortured and killed in prison in 2009 after he uncovered a $230 million embezzlement scheme, it would sanction Russia’s worst human rights violators by denying them U.S. visas and freezing their assets in U.S. banks. However, at the last minute, in order to assuage the Kremlin, the Committee chose not to single out Russia and passed a watered-down version of the bill, applying it to human rights abusers worldwide. Lost is the original purpose of the Act—to show ordinary Russians that the United States wants to see a better Russia—one that does not abuse its citizens and one that can be a strong partner to the United States, an ally with whom we share values.

#### Will be repealed now.

Russian American Business Magazine 7/4/12 http://russianamericanbusiness.org/web\_CURRENT/articles/1052/1/Jackson-Vanik-amendment-expected-to-be-canceled-in-2012

Jackson-Vanik amendment expected to be canceled in 2012 The U.S. Congress plans to hear the issue of canceling the Jackson-Vanik amendment by this summer, said Mikhail Margelov, chairman of the Federation Council’s International Affairs Committee. Margelov addressed legislators and experts at a high-profile roundtable devoted to the problems in the context of Russia’s coming accession to the WTO. The administration of Barack Obama is currently considering ways to recruit the necessary support in Congress, Margelov said.

#### Russian accession will pressure congress to repeal Jackson Vanik.

Inside US Trade 7/6/12 http://insidetrade.com/201207062403835/WTO-Daily-News/Daily-News/russian-duma-expected-to-vote-on-wto-accession-package-on-july-10/menu-id-948.html

Most observers expect the accession package to easily pass through the parliament due to the fact that the ruling United Russia party holds a clear majority and fully supports WTO membership. However, the accession package has been subject to a review by Russia's Constitutional Court after more than 130 opponents in the Duma requested the court's opinion. The court is expected to issue its ruling on July 9. The members that petitioned the court, primarily from opposing parties, have argued that Duma members have the right to see a full, official translation of the accession package before making a decision, as opposed to doing so based on an unofficial, translated summary of the package that had been provided by the government. A large block of the Duma opposes WTO membership for fear it will adversely impact Russia's domestic economy. But sources have noted that the opponents, largely comprised of members of the Communist and Social Democratic parties, do not hold enough seats to effectively block the measure. Business sources have said that the ratification of the accession package in Russia could put more pressure on the U.S. Congress to pass a bill that would enable the White House to extend permanent most-favored nation (MFN) status to Russia. Permanent MFN status is required for the U.S. to be able to fully leverage all the commitments to which Russia will be subject as a WTO member.

### Will pass – In Russia

#### The Russian Duma will pass WTO accession.

Inside US Trade 7/6/12 http://insidetrade.com/201207062403835/WTO-Daily-News/Daily-News/russian-duma-expected-to-vote-on-wto-accession-package-on-july-10/menu-id-948.html

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### Obama Key to Block Magnitsky

#### Obama’s capital is critical to block magnitsky bill.

Thai News Service Group 7/3/12 Russia: Matviyenko points to impermissibility of one-sided interpretation of law re Magnitsky Act Asia News Monitor [Bangkok] 03 July 2012. Proquest

Mrs. Clinton said they were doing their best to cancel the amendment, because it was harmful not only for Russia but also for the American business, she said. The invalidation of this amendment will assist U.S. businessmen to work on the Russian market more actively, Matviyenko said. The U.S. Senate Foreign Relations Committee has approved the Sergei Magnitsky Act. The bill provides for visa and economic sanctions against a number of Russian citizens suspected by Washington with implication in the death of Hermitage Capital lawyer Sergei Magnitsky during his imprisonment. The vote on the Magnitsky Act was due originally in April, but active lobbying of the U.S. President Barack Obama Administration delayed the voting. Foreign Relations Committee Chairman John Kerry explained the delay with the need to overcome disagreements over certain provisions of the bill.

### A2 Uniqueness Overwhelms

#### Jackson Vanik still controversial in congress – 3 warrants

The Hill 7/7/12 “Time running out for Russia trade bill” <http://thehill.com/blogs/global-affairs/russia/236523-time-running-out-for-russia-trade-bill> Accessed 7/10/12

Lawmakers are at odds over whether to link the Magnitsky bill to the legislation normalizing trade relations, which has yet to clear either chamber. Sen. Max Baucus (D-Mont.), whose Senate Finance Committee has jurisdiction over trade, has proposed doing so, but his counterpart on the House Ways and Means Committee, Rep. David Camp (R-Mich.), disagrees with the move. Russia's continued support for the regime of Syrian President Bashar Assad has further complicated matters. The top Democrat on the Ways and Means Committee, Rep. Sander Levin (D-Mich.), has called for the House to delay action on the trade bill “for a period of time to determine whether Russia will join our nation and others in steps to address the Assad regime’s horrendous violence against its own people.” The Obama administration's apparent inconsistencies on the issue have added to lawmakers' reluctance. Secretary of State Hillary Clinton, in particular, has urged Congress to pass the trade deal — a priority for President Vladimir Putin — while simultaneously calling on other countries to make Russia "pay a price" for supporting Assad.

### **A2 Not until the election**

#### Vote will be before the august recess.

Inside US Trade 7/10/12 Finance Markup On Russia Slated For July 17, Several Amendments Likely http://insidetrade.com/201207102404044/WTO-Daily-News/Daily-News/finance-markup-on-russia-slated-for-july-17-several-amendments-likely/menu-id-948.html

The Finance Committee legislation is expected to include a human rights bill that passed out of the Senate Foreign Relations Committee on June 26. That bill is known as the Sergei Magnitsky Rule of Law Accountability Act of 2012 (Inside U.S. Trade, June 29). Foreign Relations Chairman John Kerry (D-MA) is still working to alter the bill before Baucus includes it in his broader trade legislation. The Magnitsky bill as it currently stands would give Congress the ability to request that human rights violators anywhere in the world be publicly named on a U.S. visa ban list and also be eligible for financial sanctions. Business groups are still looking to meet with Kerry this week to try to influence any possible changes, one business source said. Kerry has raised objections over a provision in the committee-passed bill that would allow the administration to list names secretly in a "classified annex," rather than list them publicly. He also said he wanted to discuss the issue of whether the bill should be global in scale or apply only to Russia. The administration has major objections about the impact of the legislation if it applies to all countries, but Senate supporters of the bill strongly support global application. Overall, one aide said the current bill has wide support, and questioned the scope of changes that could be agreed before the Finance markup next week. In a June 12 letter to four other senators, Baucus stated explicitly that he will add the Magnitsky legislation "as an amendment" to a bill to extent permanent MFN during the Finance Committee markup. He also urged his fellow committee members to approve this inclusion of the Magnitsky bill. The legislation to be marked up would lift the application of the Jackson-Vanik amendment to Russia. Congress must take this step before the president can formally grant Russia permanent MFN status. That, in turn, would allow the U.S. to take advantage of all the commitments Russia has made in order to join the WTO. Baucus has said he wants the Senate to vote on permanent MFN legislation before the August recess and is hoping that a strong vote will help in this goal, according to one Senate aide.

### **A2 Magnitsky Turns Relations**

#### Only Obama’s capital can block Magnitsky or force a compromise that won’t derail relations.

The Moscow Times 7/5/12 U.S. Businesses Favor Increasing Trade Ties http://www.themoscowtimes.com/mobile/article/461676.html

While the U.S. should improve its trade ties with Russia, "there has to be action on Magnitsky," Representative Sander Levin of Michigan, the top Democrat on the House Ways and Means Committee, told reporters after a hearing on June 20. The White House disagrees. "We do have concerns about human rights in Russia, and we have concerns in particular about this case," Secretary of State Hillary Clinton said June 27 during a visit to Finland. "We think there is a way of expressing those concerns without derailing the relationship." Ways and Means Committee Chairman Dave Camp, a Michigan Republican, has said he plans to push for a bill without the human-rights provision attached. Sergei Kislyak, Russia's ambassador to the United States, has warned of an unspecified reprisal if the United States attaches the human-rights bill to trade legislation.

#### Even if the Magnitsky bill is attached, cooperation and trade with Russia solve any backlash.

Ben Van Meter, 7/9/12 Intern for the Working Group. http://us-russiafuture.org/2012/07/09/congressional-bartering-and-the-death-of-sergei-magnitsky/ 7/9/12

**The Sergei Magnitsky Rule of Law Accountability Act has shown the ugliness of the American legislative** sausage-making process and how great the void between policy and politics can become. The act, which penalizes Russian officials implicated in the death of Sergei Magnitsky in 2009, was born from domestic political concerns unrelated to American legislators’ concern over the rule of law in Russia. **As the next presidential and congressional elections approach, conservatives see an opportunity in the bill’s passage to oppose the Obama administration and show they are tough on foreign policy and particularly Russia** (a common bugbear for the likes of Senator John McCain and presidential hopeful Mitt Romney). Liberals see an opportunity to buff their own credentials while championing human rights. So with Washington’s legislative shock troops arrayed, why is this bill so important? Sergei Magnitsky was a lawyer employed by Hermitage Capital Management, an investment firm run by the UK businessman Bill Browder. Magnitsky was representing Browder’s firm on charges of tax evasion and fraud when Browder was expelled from Russia in 2005. The Russian government maintains that he posed a threat to national security, while Browder holds that his expulsion was due to his financial activism in exposing corruption in the companies he invested in, including state-owned ventures like Gazprom. Soon after, Hermitage’s firm was raided and tax documents stolen. Magnitsky claimed that he had found evidence of tax fraud—not by Hermitage, but by government-connected conspirators. Shortly after these accusations, Magnitsky was arrested, held in prison for 11 months, and died in custody from denial of medical treatment for illnesses contracted during his internment. **The eponymous bill going through Congress is the result of a lobbying campaign conducted by Browder, who has gone from being a Putin supporter to calling Russia “a criminal state” and has pressured governments worldwide to respond to his lawyer’s death**. He even created a film about the issue which has been shown to the Canadian, German, Estonian, Polish, British, and European parliaments and the U.S. Congress. The bill aims to ban visas and restrict financial activity of Russian officials implicated in Magnitsky’s death. **It comes also at a time of Congressional horse trading over Russian trade regulations. The Obama administration has been pushing to revoke the Jackson-Vanik amendment**—a fossil of anticommunist trade policy still enshrined in law—in preparation for Russia’s admittance to the World Trade Organization. Normalizing trade relations with Russia is not just a matter of politeness; keeping the Jackson-Vanik amendment would violate WTO regulations and lead to penalties for American businesses. **Politicians on both sides of the aisle are now arguing that for the Jackson-Vanik amendment to be repealed, the Magnitsky bill will have to replace it**. The bill is at once redundant and hypocritical if taken as seriously as its legislative backers insist. The State Department has already enacted visa restrictions against the Russian officials accused of complicity in Magnitsky’s murder, and it is unlikely that Russia’s human rights priorities will shift as a result of the new measure. Instead, **the bill will only give more ammunition to anti-Western politicians in Russia**, on whom the hypocrisy is not lost. Similar or worse human rights violations have been reported in many countries, but nations of greater importance to Washington lawmakers, like China or Pakistan, have not been subject to such measures. Moreover, the federal government has ignored cases similar to Magnitsky’s that have taken place within the United States (see the case of Adam Montoya). Russia is not merely angry over U.S. hypocrisy (Putin takes that for granted), but is infuriated by what it sees as a needless intrusion in Russian domestic politics. While everyone from the Potomac to the Volga publicly agrees that Magnitsky’s death was a tragedy, the Russian government does not take kindly to a foreign government passing judgment on a crime that has not even reached court. Although the Russian government deserves criticism for the slow pace of the investigation into Magnitsky’s death, one can imagine the reaction of the U.S. government were a foreign government to pronounce American government officials guilty of a crime that a court had yet to rule on. Moreover, the whole affair has been an opportunity for American media outlets to review Russia’s faulted human rights history. Especially with accusations of wrongdoing directed at the state arms export company, Rosboronexport (also contracted by the United States to supply the Afghan government with weapons), for selling arms to Syria, Russia is not eager to have its dirty laundry aired at such a sensitive time in U.S.-Russia relations. **And yet this bill too shall pass. The Magnitsky bill has already sailed through the House of Representatives and was approved unanimously last month by the Senate Foreign Relations Committee.** **The bill has already been obstructed by** Obama supporters within the Senate like Senator John Kerry, but obstructionism is only politically feasible for so long.  Kerry, chair of the Senate Foreign Relations Committee, said last month that despite his reservations about the bill, he acknowledged that it would pass but warned of “the need for the United States not to always be pointing fingers and lecturing.” Although the Obama administration has opposed the bill’s passage, President Obama’s hands are tied domestically and internationally until the November elections. The best strategy of accommodating this piece of political reality into U.S. policy vis-à-vis Russia is by ignoring the bill entirely.  Although this means Russia will have to accept sanctions against some government officials, both Russia and America have shown some accommodation to domestic political necessity in negotiations, notably in discussing missile defense and Iran.  Since these officials are already barred from entering the United States, the details of the legislation are less important to the Russians than the corrosive effect this law has on Russia’s image in America and worldwide. **The only way to counter these fears is to demonstrate U.S. commitment to partnership and cooperation with** Russia. There is far too much on the line to waste political capital and energy on what amounts to an unimpressive sideshow. America and Russia have numerous areas where cooperation is an absolute necessity, be it Iran’s nuclear program, Syria’s civil war, or the fight against terrorism. Economic opportunities in developing Russia’s Far East and energy sector promise massive monetary and geopolitical benefits to both Russia and the United States, and will foster greater private interaction and investment between the two nations. Our countries cannot afford to be distracted by parochial domestic squabbles.

#### Russia won’t actually do anything about the Magnitsky bill – its all bluster.

Anna Borshchevskaya 7/6/12 is assistant director at the Dinu Patriciu Center at the Atlantic Council. Supporting human rights in Russia should be a core strategic interest for US http://www.foxnews.com/opinion/2012/07/06/supporting-human-rights-in-russia-should-be-core-strategic-interest-for-us/

Vladimir Putin’s government reacted with anger and condemnation to the Magnisky act when it first introduced, vowing “grave consequences” should it pass, and threatened to deny Americans visas to visit Russia. Not only does this bluster indicate Russian vulnerability, but it also shows that Putin remains more interested in bolstering his own image as a popular strongman than taking any serious steps to punish those who responsible for Magnisky’s murder. His manufactured outrage at the United States is simply a political crutch which he shows no intention of abandoning no matter how obsequious President Obama or Senate Foreign Relations Committee chairman John Kerry may be. Advancing human rights is not simply a nice thing to do; it is a core strategic interest. Allies share values. Alleviating pressure on Russia will win not Russian respect, but rather ridicule. Naming and shaming Russian human rights abusers provides an essential metric by which the White House can gauge its reset. Watering down the Magnisky Act is not statesmanship; rather, it signals to Putin that the United States is a pushover, and he can get away with murder.

#### Russia won’t retaliate even if Magnitsky is passed

The Moscow Times, 7/10/12, “Putin Tells Diplomats to Improve Russia's Image,” <http://www.themoscowtimes.com/news/article/putin-tells-diplomats-to-improve-russias-image/461894.html> Accessed:7/10/12

In an apparent jab at Western policies toward Syria and Libya, Putin argued that Moscow was losing the public relations battle by advocating restraint. "Those who constantly shoot and carry out missile attacks are the good guys, while those who call for dialogue are getting the blame. Our fault is that we do not explain our position well enough," he said. Putin also knocked the U.S. Congress' plans to enact sanctions against officials implicated in the death of Hermitage Capital lawyer Sergei Magnitsky by saying that this was a reason to be worried. He said that while Moscow won't "dramatize" the debate of a bill in the middle of the U.S. presidential election campaign season, "to replace the anti-Soviet Jackson-Vanik amendment with an anti-Russian law … cannot leave us without alarm." Some U.S. lawmakers are calling for linking the annulment of the Cold-War-era Jackson-Vanik legislation to the passing of the Magnitsky bill.

## **Relations – Up – Syria**

#### Relations are up now – Russian concessions on Syrian Arms sales.

RIA Novosti 7/10/12 Russia Picks Politics Over Syria Arms Exports http://en.rian.ru/analysis/20120710/174530767.html

Moscow’s announcement on Monday that it was refusing to make new arms sales to Syria came unexpectedly, after top Russian diplomats previously staunchly defended Russia’s right to supply arms to the embattled Assad regime. “We are not talking about new arms supplies to that country,” Vyacheslav Dzirkaln, deputy head of the Federal Service for Military-Technical Cooperation said about Syria on Monday. “Until the situation stabilizes we will not deliver any new weapons” to Syria, Dzirkaln said at the Farnborough airshow in Britain. He said this included, in particular, the 36 Yak-130 combat training aircraft that Syria was intending to purchase for a total price of $550 million. From the onset of the conflict in Syria last spring, Russian Foreign Ministry and political leadership has persistently maintained that Moscow’s arms shipments do not violate any international laws and will be continued. “We are completing right now the implementation of contracts that were signed and paid for a long time ago,” Foreign Minister Sergei Lavrov said in June. “We are not supplying the Syrian government with arms that even an overwrought imagination could suppose are being used against peaceful protesters.” Lavrov’s remarks came after a Russian vessel carrying Mi-25 gunships to Syria was forced to turn back to Russia after its British insurer withdrew insurance cover in June. Moscow said the helicopter gunships it was carrying had undergone overhaul in Russia under a contract made before the outbreak of the Syrian conflict, and was not violating any international sanctions against Damascus. Moscow gave no official explanation this week for its dramatic policy shift, but most Russian and Western analysts told RIA Novosti that Russia might be looking for a new balance between its reputation as a reliable arms supplier and as an international power-broker involved in resolution of the Syrian crisis. Acting Out a Great Power Russia has staunchly opposed any direct pressure on Assad’s regime, pushing instead for a national reconciliation effort in Syria. This has earned it much criticism from both the Western countries and the Sunni Arab nations, most of whom are geopolitical opponents of Syria, the main ally of Shia Iran. “Yesterday's announcement shows that Russia is striking a balance between its reputation as a reliable arms supplier and its reputation as a Great Power that is supporting UN efforts to resolve the Syrian conflict,” said Nicholas Redman, a senior fellow at the International Institute for Strategic Studies, a London-based think-tank. “This doesn't mean it is giving up on Assad,” Redman said. “Moscow is sending a signal to the Syrians, telling them to sort out internal affairs in order to go on with cooperation, and to the West, showing that Russia will not back Assad’s regime at any cost,” said Pyotr Topychkanov, an analyst with the Moscow Carnegie Center think tank.

# Aff – Jackson Vanik

### No Pass

#### Won’t pass without Magnitsky

**JTW 7/10/**12 (Journal of Turkish Weekly (JTW), International news, 7/10/12, “Putin Worried Over Europe and ‘Anti-Russian’ US Plans)

**A number of U.S. Senators have threatened not to vote for the repeal of the Jackson-Vanik amendment**, which restricts trade relations with Russia, **unless the Magnitsky bill is attached. Putin has vowed to respond to both the Magnitsky bill** and the projected U.S. missile shield in Eastern Europe. **Putin said the solution of "many global and regional problems" depended on Russia-U.S. relations, adding he has been "taking note" of U.S. officials' "harsh statements" about Russia**

#### Won’t Pass- Human Rights and Syria block

Pecquet 7-10(Julian, Reporter for The Hill “Tuesday’s Global Agenda: Russia votes to Join WTO” http://thehill.com/blogs/global-affairs/trade/236891-tuesdays-global-agenda-russia-joins-wto)

The Russian parliament is expected to vote today to join the World Trade Organization, giving Congress 30 days to establish permanent normal trade relations or risk seeing U.S. businesses get edged out for access to the world's ninth largest economy.  The Senate Finance Committee will mark up dual legislation on trade and human rights next week, The Hill has [learned](http://thehill.com/blogs/on-the-money/1005-trade/236775-senate-finance-plans-russia-trade-markup), while the House Ways and Means panel has yet to take action. The human-rights bill would hit Russian human-rights violators with travel and financial sanctions — a must-pass for lawmakers to be able to support the trade bill — but the trade bill is made even more complicated by **Russia**'s continued support for **Syria**'s Bashar Assad. Russia threw the United States and the international community a bone on that front Monday by announcing that it would [stop](http://thehill.com/blogs/defcon-hill/policy-and-strategy/236681-russia-says-its-stopping-new-arms-sales-to-syria) new arms sales to Syria; exports already approved will continue, however. The decision comes as United Nations/Arab League special envoy Kofi Annan traveled to Syria and **Iran** on Monday to try to [salvage](http://www.washingtonpost.com/world/middle_east/special-envoy-kofi-annan-tries-to-salvage-his-peace-plan-in-talks-with-syrian-president/2012/07/09/gJQAO0GgXW_story.html) his moribund six-point peace plan.

#### No pass – Human rights and Syria block.

The Hill 7/7/12 “Time running out for Russia trade bill” <http://thehill.com/blogs/global-affairs/russia/236523-time-running-out-for-russia-trade-bill> Accessed 7/10/12

Lawmakers are at odds over whether to link the Magnitsky bill to the legislation normalizing trade relations, which has yet to clear either chamber. Sen. Max Baucus (D-Mont.), whose Senate Finance Committee has jurisdiction over trade, has proposed doing so, but his counterpart on the House Ways and Means Committee, Rep. David Camp (R-Mich.), disagrees with the move. Russia's continued support for the regime of Syrian President Bashar Assad has further complicated matters. The top Democrat on the Ways and Means Committee, Rep. Sander Levin (D-Mich.), has called for the House to delay action on the trade bill “for a period of time to determine whether Russia will join our nation and others in steps to address the Assad regime’s horrendous violence against its own people.” The Obama administration's apparent inconsistencies on the issue have added to lawmakers' reluctance. Secretary of State Hillary Clinton, in particular, has urged Congress to pass the trade deal — a priority for President Vladimir Putin — while simultaneously calling on other countries to make Russia "pay a price" for supporting Assad.

#### Won’t pass – Anti-Russian sentiments and elections.

The Moscow Times 7/5/12 U.S. Businesses Favor Increasing Trade Ties http://www.themoscowtimes.com/mobile/article/461676.html

Even with the pressure from corporate America and the White House, U.S. lawmakers may not act as quickly as supporters would like. "It's going to be pretty tough" for Congress to vote on repeal of trade restrictions before November, Andrew Kuchins, director of the Russia and Eurasia Program at the Center for Strategic and International Studies in Washington, said in a phone interview. "I don't think that the administration really wants to have a broad debate about its Russia policy" before the elections, he said. Republicans are also reluctant to support an Obama foreign-policy goal, and members of both parties want to see more support from the White House, Kuchins said.

### A2 Obama PC solves Magnitsky

#### Obama dropped objections to the Magnitsky bill – won’t use his capital to block it.

Anton Kulikov 6/14/12 It has little to do with justice, yet, it is not the goal here. Pravda.Ru Vanik and Magnitsky vs. Mother Russia http://english.pravda.ru/russia/politics/14-06-2012/121382-vanik\_magnitsky\_russia-0/ 14.06.2012

As for the "Magnitsky list", until recently the U.S. administration was against linking it to the abolition of the Jackson-Vanik amendment. Moreover, last year the State Department tried to be proactive, making a list of the Russians who are banned from entering the U.S. territory. However, the names were not named (as opposed to the list of Cardin). The only thing that Washington has achieved was a counter-list from Russia. The bill proposing the introduction of visa and economic sanctions against the individuals suspected of the involvement in the death in jail of a lawyer Magnitsky was introduced in the U.S. Congress in April of 2011. Among the lobbyists for the bill was not only its author, Benjamin Cardin, but his Senate colleague John McCain. In addition, heads of the international committees of the Senate and House of Representatives at U.S. Congress John Kerry and Ileana Ros-Lehtinen supported the idea to link the lifting of Jackson-Vanik amendment to the simultaneous adoption of the draft law on "the list of Magnitsky". It seems that the Obama administration decided not to show too much persistence in responding to the request of the congressmen and senators to adopt a "combined" bill. Perhaps one of the reasons is the election campaign gaining momentum. It is unlikely that Barack Obama is interested in an extra reason for criticism by his rivals.The important thing is that Washington is not ready to give up such an instrument of political pressure. Jackson-Vanik amendment is simply ridiculous. Hence, it is necessary to find a modern replacement, which would be the infamous "Magnitsky list." Incidentally, part of Russia's liberal opposition insists on its adoption.

#### Obama won’t block Magnitsky.

Thai News Service Group 7/3/12 Russia: Matviyenko points to impermissibility of one-sided interpretation of law re Magnitsky Act Asia News Monitor [Bangkok] 03 July 2012. Proquest

Senator Benjamin Cardin (a Democrat) is the main sponsor of the bill, which will bar the aforesaid Russians and their families from visiting the United States and freeze their accounts in U.S. banks. The Cardin draft compelled the U.S. state secretary and treasury secretary to publish the Magnitsky list within 90 days since the adoption of the bill, together with the list of persons responsible for torture and other serious abuse of human rights. Many Congress members view the Magnitsky Act as a mandatory condition of the cancellation of the discriminative Jackson-Vanik Amendment and the granting of a normal trade partner status to Russia. The Obama administration had been opposing that link until recently.

### Magnitskty Turns Relations (\*maybe neg cards\*)

#### Russia will withdraw from cooperation if Magnitsky passes.

RIA Novosti 7/9/12 news agency, Moscow Russia may pull out of joint projects if USA passes Magnitskiy Act - senator

BBC Monitoring Former Soviet Union (Jul 9, 2012). Proquest

Moscow, 9 July: Russia may withdraw from a number of Russian-US projects in response to the adoption by the USA of the Magnitskiy Act, Mikhail Margelov, chairman of the Russian Federation Council's Committee for International Affairs and the Russian president's special envoy for cooperation with African countries, said on Ekho Moskvy radio on Monday [9 July]. "There can probably be only one response to all the actions that we regard as unfriendly: one should not descend into hostility. One can simply stop taking part in something, decline to respond to something, decline to help in something, close one's eyes to something. This may sometimes be more effective than if you start shouting at the top of your voice straight away. Maybe one should just withdraw into the shadows for a while," he said. At the same time, talking about the link between "the Magnitskiy list' and the abolition of the Jackson-Vanik amendment, which was discriminatory to the Russian Federation, Margelov added that "the replacement of a political dinosaur from the Jurassic Park of the Cold War era (the amendment)" with the Magnitskiy list ran against the principles of the reset [in Russian-US relations].

#### Magnitsky causes Russian retaliation.

Thai News Service Group 7/3/12 Russia: Matviyenko points to impermissibility of one-sided interpretation of law re Magnitsky Act Asia News Monitor [Bangkok] 03 July 2012. Proquest

Meanwhile, Moscow has warned Washington about the negative effect of the bill on bilateral relations. Russia will retaliate the possible endorsement of 'the Sergei Magnitsky bill' by the U.S. Congress, Presidential Aide for International Affairs Yuri Ushakov. We insist in all-level contacts with the U.S. administration that it is impermissible to swap the Jackson-Vanik Amendment for the anti-Russian 'Sergei Magnitsky bill', which introduces visa restrictions and other sanctions under far-fetched 'human rights' pretexts. Washington must realize that we will have to take retaliation measures, Ushakov said.

#### Magnitsky undermines the reset and relations.

Behi & Wagner 7/6/12 Kambiz Behi is a partner at Mostafavi & Associates who teaches law and social sciences at universities in the U.S., Russia and Belarus. Edsel Tupaz is managing partners of Tupaz and Associates, and teaches at law schools in the U.S. and the Philippines. Daniel Wagner is CEO of Country Risk Solutions and author of the new book Managing Country Risk. http://www.huffingtonpost.com/daniel-wagner/foreign-policy-objectives-russia\_b\_1651673.html

So it is ironic that the U.S. Congress is in the process of implementing the Sergei Magnitsky Rule of Law Accountability Act, a piece of legislation designed to replace the Soviet-era Jackson-Vanik Amendment, and intended to penalize Russia for perceived human rights violations. We wonder whether the U.S. Congress is focused on the right sets of issues at the right time vis-?-vis Russia. Rather than use a carrot to try to obtain Russia's assistance on a host of foreign policy-related issues, the U.S. Congress appears to prefer to use a well worn Cold War stick to scold Russia for its imperfections. This is unlikely to elicit a favorable response from Mr. Putin, at a time when the U.S. needs Russia more than Russia needs the U.S. to achieve its foreign policy objectives. Adoption of the Magnitsky Law is particularly ill timed, given what the U.S. would like to achieve in Iran and Syria. Russia has a pivotal role to play in achieving the desired outcome in both places. Scolding Russia has never resulted in warmer relations between the two countries; it is certainly not going to do so now. Rather, Russia will more likely prove to be an impediment on both subjects, at least in part in response to adoption of the Magnitsky Law. Russia should be applauded for taking such a responsible approach to the adoption of a WTO-friendly private law system in such a swift manner. It should also be held to task for ensuring that the new Code is more than just words on paper, but actually results in substantive favorable change in how foreign trade and investment is conducted in Russia. Likewise, the U.S. should treat Russia with respect, not only as a new member of the WTO, but also as a critical component to arriving at a peaceful resolution regarding Iran and a more timely resolution in Syria. Lecturing Russia on human rights while seeking its collaboration on these and other highly important issues are incompatible goals.

# Elections

## Obama Lose

#### Obama is losing now – the economy.

Michael Gerson - July 10, 2012 oPlicy Fellow with the ONE Campaign[1][2], and a former senior fellow at the Council on Foreign Relations.[3] He served as President George W. Bush's chief speechwriter from 2001 until June 2006, as a senior policy advisor from 2000 through June 2006, and was a member of the White House Iraq Group.[4 Obama in Denial http://www.realclearpolitics.com/articles/2012/07/10/obama\_in\_denial\_114744.html

Obama is not responsible for the eurozone crisis or the softening of the Chinese economy. But he has done several things to hinder American recovery. "He turned a temporary expansion of government, through TARP and the auto bailouts, into a permanent expansion of government," argues Keith Hennessey of the Hoover Institution. "Government, measured by federal spending, is this year about 15 percent bigger than the historical average, measured relative to the economy. ... This drains resources from private firms and individuals and means slower productivity growth." Obama's major regulatory initiatives, particularly Obamacare and the Dodd-Frank financial reform, have added to economic uncertainty. Businesses are waiting for the implications of these laws to become clear, and federal rules to be written, before making investment choices. At the same time, the Obama administration has failed to make tough calls and secure legislative compromises on a variety of issues -- the federal debt, future tax rates, the Keystone pipeline -- that might remove sources of economic uncertainty. Instead, we get short-term policy extensions on large policy matters. Given both the state of the economy and his policy performance, the buoyancy of Obama's polling is a political marvel. But a portion of this depends on doubts about Mitt Romney, which can be eased. A humanizing Romney convention speech, some reassuring debate performances, a few innovative policy proposals appealing to Latinos or suburban women -- and Romney becomes a more broadly imaginable president. In this case, Obama could well suffer a Carter-like collapse, circa 1980. Not because of an ideological shift but a simple, collective judgment: He did not deliver recovery.

#### Obama lose- Obama down in three key areas of the election

Business Insider, 7/10/12, “One Chart That Shows Just How Difficult It Will Be For Obama To Win,” <http://www.businessinsider.com/obama-approval-rating-economy-immigration-healthcare-romney-election-2012-7> Accessed: 7/10/12

Here's an idea, in one chart, of just how much President Barack Obama will have to overcome to win re-election over [Mitt Romney](http://www.businessinsider.com/blackboard/mitt-romney). In a new [ABC/Washington Post poll conducted by Langer Research](http://www.langerresearch.com/uploads/1138a1The2012Election.pdf), Obama earns highly negative marks in three crucial areas — the economy, health care and immigration. Take a look: He's down double-digits in all three of these issues — three of the top six, according to the poll. That's despite his recent shift in the administration's immigration policy and despite the Supreme Court's decision upholding the Affordable Care Act as constitutional. The president has seen an uptick from recent events in his favor. The immigration shift is a big hit with swing states. And in this ABC/WaPo poll, support for Obamacare has jumped to a 47-47 split. In just April, voters opposed it by 14 points.

#### Obama losing now – the economic numbers are against him.

Council on Foreign Relations 7/10/12 Economy Update: Obama’s Tough Road After Jobs Report

http://blogs.cfr.org/campaign-2012/2012/07/10/economy-update-obamas-tough-road-after-jobs-report/

Though optimism about a recovery abounded earlier in the year with more positives jobs reports from December through February–possibly giving a boost to President Barack Obama’s reelection chances. But economists are now tempering their forecasts for the rest of the year (NYT) and predicting a continued sluggishness that could work in favor of Republican challenger Mitt Romney (LAT). The job report released for June last week showed the U.S. economy added 80,000 jobs in June, not far off from the 77,000 jobs added in May, and consumer spending remained stagnant according to Gallup polling, consistent with recent monthly spending levels and June spending in 2010 and 2011. The unemployment rate remains unchanged at 8.2 percent, according to the U.S. Labor Department, leading to analysts to believe voters will see little economic change between now and election day, which presents a significant challenge for the Obama campaign. At the National Review, Larry Kudlow writes that the flat numbers are undermining Obama’s message to voters that the economy is picking up under his stewardship. “No objective observer can deny that the economy is headed in the wrong direction. I don’t like playing the pessimist, but the numbers are the numbers,” Kudlow says, noting Romney’s promises to “return to free-market, supply-side policies on taxes, trade, regulation, and spending.”

#### **Romney can beat Obama- 5 reasons**

Global Grind, 7/6/12, “Yes, He Can! Romney CAN Beat Obama In The Presidential Race: Here's How! (LIST),“ <http://globalgrind.com/news/ways-mitt-romney-can-beat-president-obama-presidential-race-list?page=6> Accessed: 7/10/12

Romney has advantage in Florida and North Carolina: Florida and North Carolina are two of the biggest swing states necessary to win a presidential election. Romney has tremendous strength in the South and many sources say these two key states will swing in Romney's favor in the end. Economy Damages Obama's Chances Of Winning Hispanic Vote: A key factor determining Obama's chances of re-election will be the minority voter turnout - particularly the Hispanics - because Obama is nearly certain to inspire a strong black voter turnout. However; the poor economy has forced many low-income families to move, and this group is heavily disproportionately represented by minorities. Changing addresses means these people must re-register to vote, and there is no guarantee that everyone possible will do so in order to bring Obama the same support he had in the 2008 election. Romney Has Large Advantage Amongst Poor White Voters: According to the Washington Post, Romney has an advantage by a large margin, of 58 to 32 percent, for white voters that are financially struggling or have lost their jobs. These are middle-class whites struggling to maintain their financial position that believe that Romney will do more to help their families' economic interests. This, combined with Obama potentially losing minority voters, could be extremely harmful to the Obama campaign. Romney Can Beat Obama In The $Money$ Race: The Republican Party always has the advantage in gaining donations from rich corporations and businesses, as shown by Donald Trump's support of Romney above. With the aid of Super PAC's, and an effective money-raising strategy, Romney can use this to his advantage. At this point, nearly all voters have decided who they will vote for. The real battle is using the campaign funds to communicate to the people, getting them to vote. Democrats have been great with their get-out-the-vote operation. However; the Republicans showed in Wisconsin that they too have an impressive voter turnout strategy. Republican Party & Party Supporters Are More Determined Than Ever: One thing that ObamaCare has done is made nearly every American positive about who they will vote for in November. This piece of legislation is extremely polarizing, and has divided the American people as Obama or bust, or Romney or bust. Additionally, the new health care law has fired up all Republicans to do everything and anything possible in order to be able to repeal the health care law. To sum up, there are very few undecided voters due to ObamaCare. Those that were moderates on either side now will most likely not shift to vote for the other side. And the Obama campaign is dealing with a much more formidable Republican opposition than 2008's McCain-Palin team that did not have nearly as much on the line. Lastly, Romney will continue to blame Obama for not doing enough to get the economy on track. The struggling economy has spread all around the world, including Europe, so this obviously cannot be at the fault of Obama. Nonetheless, Romney will use the struggling economy as a tool to bash Obama. Once again, a President has never been re-elected in a severely struggling economic state.

#### Obama loses election because of money

Jackson 07/06/12 (David Jackson, journalist for USA Today, “Obama camp: GOP spending 'could cost us the election,’” <http://content.usatoday.com/communities/theoval/post/2012/07/obama-camp-gop-spending-could-cost-us-the-election/1>)

President Obama's campaign manager warns backers that Obama could lose to Mitt Romney because of money. "Their gap is getting wider, and if it continues at this pace, it could cost us the election," Jim Messina wrote in a solicitation e-mail sent to supporters today. Messina cited reports that Romney and the Republicans raised more than $100 million in June, and "that's about what we raised in April and May combined." He said, "We're still tallying our own numbers, but this means their gap is getting wider, and if it continues at this pace, it could cost us the election." Also from Messina's e-mail: If everyone who's been waiting to give pitches in $3 or more today, we can start reversing this trend in just a few hours. Please do your part -- make a donation of $3 or more right now. One hundred million is alarming enough, but it doesn't even include the millions pouring into pro-Romney super PACs -- or the fact that, unlike four years ago, it's perfectly legal for the Koch brothers, Sheldon Adelson, Karl Rove, and anonymous billionaires to funnel unlimited money into attacking President Obama in critical battleground states. I'm proud of the way we build this organization. Through the primaries, more than three-quarters of our donations were from people giving less than $1,000. Meanwhile, in that same period, Mitt Romney's campaign raised three-quarters of its money from people giving $1,000 or more. If we don't take this seriously now, we risk finding ourselves at a point where there is too much ground to make up. We need to do something about it. Today.

#### Obama WILL lose the election

Bommarito 7/4/12. Sal Bommarito. Policymic. “10 Reasons Obama Will Lose in November”. <http://www.policymic.com/articles/10704/10-reasons-obama-will-lose-in-november>. (Accessed 7/10/12).

The writing is on the wall: Barack Obama is going to lose the presidential election in November. Mitt Romney’s efforts between now and then will have a relatively minor impact on the voters unless he makes a grave misstep. Here are the top ten issues that will cause voters to support the alternative candidate. Every issue presented herein is virtually out of the hands of the president and his supporters. 1) The economy. There is not an issue that is going well for Obama in this area. Unemployment will continue to be extremely high when it is announced on Friday. In addition to official unemployment numbers, the situation is exacerbated by a huge number of unemployed workers who have given up their efforts to find employment. 2) Europe. Absolutely nothing will be settled on the continent before our elections. The instability created by the on again, off again negotiations between Euro zone leaders is depressing America. Corporate executives are concerned, stock market investors are skittish and people around the world are wondering why the U.S. is playing no role in the important changes that are happening in Europe. This speaks to the irrelevance of Obama in the deliberations. 3) The stock markets. Middle class investors are still far off their highpoints of wealth accumulation prior to 2008 as exhibited by lower pension and housing valuations. The continued turmoil in the world will result in no meaningful upsurge in the markets before the elections. 4) Inability to lead. Every important issue facing this country is out of the hands of Obama. His leadership is moot as best presented by his totally ineffectual impact on congressional deliberations. 5) Partisanship. Obama has done very little to make Washington a kinder and gentler place. There are very few times in history that our government has been more partisan. Voters will be reminded of this phenomenon every day on TV and ascribe most of the blame for this on Obama, whether it is true or not. 6) Iran. From my perspective, Obama does not have a clue what he should do to temper the Iranian crisis. To make matters worse, he is getting no support from the two countries that could end Iranian aggression, threats and nuclear development - China and Russia. The latter are aware that the U.S. and Obama are weak and indecisive, and hope to further erode U.S. influence in the region. It is doubtful that Obama can even impact the actions of the Israelis, who may take control of the situation in the near future. 7) The “Fast and Furious” debacle. Some people have said Attorney General Eric Holder has not done anything illegal or conspiratorial. It sure does not seem that way. Congress has already embarrassed the AG and the administration, and the former’s decision to play hardball with Congress looks bad for the Obama administration. If he has not done anything wrong, why not give Congress all the information it has requested? 8) Health care. The majority of Americans are not in favor of the current health care law. Now that Chief Justice Roberts has proclaimed it a new tax on Americans, Republicans will make hay on this issue in campaign advertisements. 9) Young, minority and disenfranchised voter apathy. Obama energized all of these groups in 2008. The magic is gone, or should I say the myth of Obama has been debunked. Many voters feel a sense of helplessness and will not vote; the vast majority of these groups would likely support Obama if they did. 10 The conservatives and the Tea Party smell blood. These groups will be totally engaged in November, as they know that Obama is vulnerable. The power of the right was obvious during the Republican primaries. I predict that Tea Party activity in swing states will have a gigantic impact on the elections.

#### Obama’s will lose reelection – His utopian ideals have begun to prove to be false – Carter Proves.

**Vogl 7/9**/12 (Mark Vogl, Columnist of the Nolan Chart, Government, Elections, and philosophy updates, “Obama’s Agenda success has created the re-elect environment” http://www.nolanchart.com/article9718-obamas-agenda-success-has-created-the-reelect-environment.html)

**Well, recession, unemployment, government deficits, trade deficits and a realization that socialism really is poison to prosperiety and opportunity. Obama and the Democrats had sufficient political strength to impose on America their agenda. In retaliation America turned against the Democrats in 2010 and threw many of them out of office, giving control of the House back to Republicans and providing the force to massively shift state governments to the right.** Blue states like Wisconsin found themselves in Republican hands, and when the Unions and other "leftees" attempted to recall the election, the fed up people refused, standing by their original decision. So today, July 9th, four months from election day **we see that Obama's success will be or could be the very reason he loses at the ballot box. The same thing happened when Jimmy Carter was President. Carter had offered a "better way." Carter promised he could reason with the Soviets. Carter blamed the state of the world on the Republicans and promised that he knew how to bring peace to the world. The result, American hostages taken in Iran. Inflation, a Misery Index created. America was prevented from being America by its own leadership. History repeats itself. The Americans who had embraced "Hope and Change," are now tired of words and dreams of Obama's Utopia**. Real life is knocking on the door. **Massive deficits and a stalled economy have people disappointed. Young people sit at home, with no jobs, no future. Obama can lose this race because of his successes in the first two years; successes which are destroying America.**

#### Obama will lose by a landslide.

Ken Kappel. 7/9/12. Democratic Info Greater Chicago Area. Use Foreclosure Law. “Political Economy − Emphasis on BOTH − Underwater Homeowners Take Heed − Charles Hugh Smith article” <http://www.useforeclosurelaw.com/2012/07/09/political-economy-%E2%88%92-emphasis-on-both-%E2%88%92-underwater-homeowners-take-heed-%E2%88%92-charles-hugh-smith-article/>

“For those who are new to the Musings reports: they are basically a glimpse into my notebook, the unfiltered swamp where I organize future themes, sort through the dozens of stories and links submitted by readers, refine my own research and start connecting dots which appear later in the blog or in my books. As always, I hope the Musings spark new appraisals and insights, and thank you for supporting the site.” **“The Economy and the Presidential Election”** “I know some readers hope for occasional guidance in terms of navigating the economy’s erratic devolution, and so today I will share a few preliminary thoughts on the direction of the U.S. economy and the upcoming Presidential election.” “In my view, it’s increasingly likely President Obama will lose his bid for a second term by a landslide. Why? because the economy is starting to slide just like an avalanche, and there is nothing the President or the Federal Reserve can do about it. After everything is said and done, Americans vote their pocketbooks, and by any measure their pocketbooks are not much thicker than they were in 2009.” “Even worse, Obama failed to take the side of the American people against the bank cartel. He did not need Congress’s approval to do so. If he had tried with all his powers to truly reform the corrupt and corrupting banking cartel that was insolvent when he took office, he would still have core supporters. Even if his efforts had failed due to congressional meddling or resistance, he could still rightly claim to have taken the public’s side. Instead he basically took the bank cartel’s side against the people.” “As a result, even his core constituencies’s support is now a tepid “lesser of two evils” sort. Every constituency he needs to win has lost faith in his ability to deliver any value to them or the nation.” “Americans easily tire of people, wars and problems, and voters are tired of Obama. Even though they are fully aware of Romney’s limitations, they are culturally inclined to “give a new face a try.” That was largely what boosted Obama to the presidency in 2008.” “The economy is sinking fast, as four years of extend-and-pretend has failed to fix what is broken. The timing could not be worse for a sitting president with a poor track record of understanding economics. Romney doesn’t need to be anything other than “not Obama” to win.” “Here is a chart of leading economic indicators. Note the giant megaphone topping pattern, and the downtrend since 2008. Extend-and-pretend bought some time but did not repair the economy or our crippled, destructive financial sector.” *Ken Here. Sorry the charts would not import. But, he explains them in the text below. Not a pretty picture.* Here is a chart comparing the S%P 500 stock index in 2011 with the present (2012). We are now at Point 16, right before the market crashed in 2011. Every possible “save” has already been tried this year, with the exception of the Fed’s “QE3″ quantitative easing, but the Fed cannot launch this when the market is down a mere 5% from its highs, and in a highly partisan political campaign for the presidency.” “I’ve marked up this simple chart of the S&P 500 (SPX). Notice the 1-2-3 pattern top in 2011. 2012′s 1-2-3 is not quite as pretty, but the pattern still holds in my view. Note how the MACD indicator looks almost exactly the same as last year.” “A number of technicians and analysts have come out saying that stocks always rise strongly in the presidential election year, but our longtime correspondent B.C. broke out the years that were in Bull markets and those that were in Bear markets. In structural Bear markets like the one we’re in, stocks tanked hard into October, just ahead of the election.” “Based on this and some other charts, I suspect the market will repeat 2011–drop hard and fast here in July, chop around with extreme volatility in August and September, and fall again in October. After Romney wins, the market will explode in a powerful Bull rally from November into January 2013 that could reach new highs for the year. ” “The market will weaken or roll over in January 2013, and start a massive, sustained decline in May or June 2013 that will last, with the usual fits and starts and counter-rallies, until June-July 2014.” “That is my “most likely scenario” guess at this point in time. I will of course adjust it as events play out.” **“The Power of Conformity and Misplaced Self-Interest”** “A recent report issued in Japan found that the Fukushima Dai-ichi nuclear power plant accident was “was a profoundly manmade disaster that could and should have been foreseen and prevented.” “The report found a “multitude of errors and willful negligence” that left the power plant unprepared for the earthquake and tsunami. It blamed the “ingrained conventions of Japanese culture,” such as “our reflexive obedience, our reluctance to question authority, our devotion to ‘sticking with the program’, our groupism, and our insularity.” The report laments that “nuclear power became an unstoppable force, immune to scrutiny by civil society,” where regulators and promoters were one and the same.” “A “tightly knit elite with enormous financial resources” and “the collective mindset of Japanese bureaucracy” conspired “to resist regulatory pressure and cover up small-scale accidents.” “This describes the U.S. financial sector prior to the 2008 meltdown with uncanny accuracy. The financial meltdown was totally predictable, but those serving the Elites chose to protect their own position in the machine in what they perceived as their self-interest. Their pursuit of self-interest and obedience to conformity brought the entire system down. What failed was not allowed to fail, but it also wasn’t repaired. The failure has simply been delayed four years.”

#### Obama unpopular in the polls

Susan Duclos, editor of the Wake up America, July 09, 2012, hill polling and more : 56% believe Obama has changed country for the worse, Wake up America, <http://wwwwakeupamericans-spree.blogspot.com/2012/07/hill-polling-and-more-56-believe-obama.html>, [7/10/12]

A few polls released this morning, none of them news Obama's wants to see kicking off another week on the campaign trail. Pulse Opinion Research has conducted a poll for The Hill and found that 68 percent of likely voters believe Obama kept his promse to change America, but 56 percent of voters say Obama changed it for the worse, negatively. Rasmussen finds that among likely voters, 80 percent believe if Romney beats Obama in the November 2012 presidential election and Republicans take control of Congress, Obamacare will be repealed and from another poll, they finds 53 percent of likely voters want it repealed. 47 percent of likely voters believe Obama's views are extreme with only 31 believing the same about Romney and Romney is the only candidate Rasmussen shows has a majority of voters (51%) that think his views are more mainstream. Last week Gallup reported that by a nine point margin, 46 percent to 37 percent, Americans see more harm than good in the health care law aka Obamacare. CNN/ORC International finds that while a majority of the public believe Republicans are investigating Attorney General Eric Holder over Fast and Furious, for political gain, the majority (53%) also approve of the House holing Holder in Contempt of Congress, and 69 percent say that the Obama administration should come clean and answer all questions pertaining to Fast and Furious.

## Obama Win

#### Obama will win - Jobs

Nate Silver 7/6/12 July 6, 2012, “Three Questions After the June Jobs Report” <http://fivethirtyeight.blogs.nytimes.com/2012/07/06/three-questions-after-the-june-jobs-report/>

As I mentioned, I am not sure this qualifies as a significant miss relative to the market’s expectations. Still, those expectations were quite low to begin with. These are certainly disappointing numbers as compared to what had seemed possible earlier in the year. Before the January job numbers were released, I wrote that 150,000 jobs added per month would make Mr. Obama roughly break-even for re-election given his approval ratings at that time. Between the strong numbers in the first few months of the year and the weaker ones recently, almost exactly 150,000 jobs per month have been created so far in 2012. However, Mr. Obama seems to have gotten the benefit of the doubt from voters. His approval ratings improved some early in the year, but have not yet declined much with recent jobs reports.

#### Obama winning now

Earle 7-10-12 George. "Prez's Thin Lead among Swingers." *New York Post*. N.p., 10 July 2012. Web. 10 July 2012. <http://www.nypost.com/p/news/national/prez\_thin\_lead\_among\_swingers\_gGY2icMOffRWmlPbKKEbEM?utm\_medium=rss>.

WASHINGTON — President Obama and Mitt Romney are storming back into the swing states today as a new poll shows the race tightening in the crucial battlegrounds. Obama heads out to Cedar Rapids, Iowa, today to talk about the economy after a two-day bus tour through Ohio and Pennsylvania last week. Romney heads to Colorado, where his campaign hopes to snatch back one of the swing states Obama carried in 2008. A new USA Today/ Gallup poll shows Obama clinging to a 47-45 lead over Romney in a new poll of 12 battleground states that will play a key role in deciding the election. The race is tighter in those states, where the campaigns and outside groups have poured millions into TV ads, than in the rest of the country, as Obama holds a 48-44 lead among voters nationwide. “Despite all of the negative advertising from the Obama campaign, polling numbers are exactly where they were before they started this onslaught,” said Romney spokeswoman Andrea Saul. The Romney camp says it got outspent on the air $46 million to $17 million, with 75 percent of the attacks being negative.

#### Romney will lose – Hasn’t addressed the economy, rejected bipartisan dream act, will lose hispanic, elderly and women vote, and losing in Florida

UPI 7/10/12 “Even with high unemployment, Obama wins Re-election” <http://www.upi.com/Top_News/Analysis/Outside-View/2012/07/10/Outside-View-Even-with-high-unemployment-Obama-wins-Re-election/UPI-24451341916200/> Accessed 7/10/12

Unemployment hangs stubbornly at more than 8 percent, yet, defying election history, U.S. President Barack Obama would handily win a second term if voters went to the polls today. Former Massachusetts Gov. Mitt Romney hasn't capitalized on the stagnant economy because after sewing up the GOP nomination, he failed to move quickly on issues critical to key demographic groups and act on the challenger's imperative to offer a better alternative to the president's policies. To win conservative primary voters, Romney rejected the Dream Act, which enjoyed bipartisan sponsorship in Congress and would permit young adults brought to America illegally as children to earn citizenship by completing two years of college or military service. After securing the nomination, Romney failed to define a compromise position more acceptable to Hispanic voters and permitted Obama to pre-empt the issue by suspending deportation of those young adults. Obama enjoys an overwhelming lead among Hispanic voters. Romney vows to repeal ObamaCare but is vague about what would replace it. The president's healthcare reforms may be too expensive and encourage private firms to offshore jobs to escape costly coverage for employees; however, the law contains provisions popular among the elderly and with women -- for example, much improved Medicare prescription drug coverage and coverage for children with chronic conditions. No surprise! Obama leads Romney in Florida -- a must-win state for any Republican candidate, along with Texas, given the Democrats' lock on California and New York. And the president enjoys a significant lead among women in battleground states.

#### **Obama winning now.**

Gary Langer 7/10/12 Dead Heat in Vote Preferences Presages an Epic Battle Ahead http://abcnews.go.com/blogs/politics/2012/07/dead-heat-in-vote-preferences-presages-an-epic-battle-ahead/

Obama also continues to prevail in expectations: Despite his troubles, this poll, produced for ABC by Langer Research Associates, finds that Americans by 58-34 percent expect him ultimately to defeat Romney and win a second term. That’s Obama’s best on this gauge to date (previously measured against “the Republican nominee”), a sharp difference from last October, when, with economic discontent at a higher pitch, 55 percent thought Obama would lose. Today, even among Romney’s supporters, a quarter think Obama will win. With a 47-47 percent Obama-Romney contest among registered voters, the overall results point to a sharply defined race: On one hand Obama, the more personally popular candidate, with a larger and more energized partisan base, yet weak performance scores; on the other Romney, his opportunities to capitalize on Obama’s vulnerabilities complicated by his difficulties in capturing the public’s imagination. Helpful to Obama, given the economy, is the fact that in deciding their vote, Americans by 51-33 percent are focused more on what he’d do in his second term as president than on what he’s done in his first. Among registered voters who are more concerned about what Obama’s done so far, Romney leads by 18 points, 55-37 percent. Among those more focused on what he’d do if elected to a second term, by contrast, Obama leads by 59-36 percent, a 23-point margin. It marks why he’s trying to point ahead (“Forward” is the campaign slogan); Romney, back.

#### Obama will win, polls prove.

Babington 07/07/12 (Charles Babington, political journalist for *The Associated Press,* “Republicans Hope Lumbering Economy Dooms Obama Bid For Second Term,” http://www.huffingtonpost.com/2012/07/07/obama-economy\_n\_1656067.html?utm\_hp\_ref=elections-2012)

WASHINGTON -- History repeats itself, until it doesn't. That musty saw is worth remembering as pundits speculate on whether the lumbering economy will doom the re-election hopes of President Barack Obama, who has shown a knack for beating odds and breaking barriers. Clearly, some important trends are working against him. The latest evidence came Friday in a lackluster jobs report that said the nation's unemployment rate was stuck at 8.2 percent. Franklin D. Roosevelt was the last president to win re-election with so much joblessness. Voters ousted Presidents Jimmy Carter and George H.W. Bush when the jobless rate was well under 8 percent. It's not as if Obama can divert public attention from the economy, which has dominated the election from the start. His signature domestic achievement, the 2010 health care overhaul, is a mixed political blessing, uniting Republicans against him. Voters show little interest in how his administration wound down the Iraq war and killed Osama bin Laden. Yet Obama runs even with, or slightly ahead of, Republican rival Mitt Romney in poll after poll. Campaign strategists debate the reasons. They might include Obama's personal likability, gaps in Romney's strategy or Americans' grudging acceptance of a new normal in which millions of jobs are gone for good and no single person is responsible. If high unemployment "was a killer, he'd already be dead," said Republican pollster and consultant Mike McKenna. "The survey data tells you he's not dead." There's a problem with applying historical precedents and conventional wisdom to Obama. He sometimes defies them. Before the 2008 campaign took shape, how many people thought the United States would elect a black president? Or that a man four years removed from the Illinois Legislature would outmaneuver Bill and Hillary Clinton's political machine? Besides, no senator had been elected president in more than four decades. Obama's political resilience has left Republicans quarreling over how best to combat him. Romney largely has followed a play-it-safe approach. It suggests he and his aides think the president is on a slow but steady decline and there's no need to take big gambles. The job report might bolster that view. Economists say a dramatic turnaround before Election Day is highly unlikely. But some Republican activists are anxious and say Romney is running an overly cautious campaign that doesn't spell out his differences with Obama in crisp, inspiring terms. The Wall Street Journal's editorial page, an important forum for conservative thought, just blasted Romney's campaign for "squandering an historic opportunity" and said the campaign looked "confused" and "politically dumb." McKenna agrees that Romney must be more daring and aggressive. A strategy of holding the ball, he said, "never wins basketball games that you're behind in." Campaign consultants also differ about how much Obama might be helped if job creation accelerates in the next few months. Some strategists believe voters cement their views of the economy several months before Election Day. If true, it could bode badly for Obama. In 2010, jobs suddenly rebounded in October. In 2011, another sharp rise began in September, only to drop significantly seven months later. If that pattern repeats itself this fall, then Obama might enjoy a last-minute bump before the Nov. 6 election, assuming enough voters remain persuadable. Temple University political scientist Christopher Wlezien said research finds that voters' feelings about the economy "come into focus over time," chiefly during a campaign's last six months or seven months. He said Obama doubtlessly would like to swap this year's first quarter, in which an average of 225,000 jobs were added each month, with the recently ended second quarter, which saw only 75,000 new monthly jobs on average. "It's not good news, but it's not devastating news," Wlezien said of the slowdown. "Voters seem to have taken into account what Obama inherited," he said, referring to a monthly job-loss rate of about 800,000 in the months just before and after Obama took office. Come November, the barrier-breaking president may prove mortal indeed. He might fall victim to voters' fears and anger over an economy that has left millions jobless and many others underemployed. But if there's a new normal in a brutal global economy, might there be a new normal in U.S. politics that has yet to be examined and understood? Blogs, Twitter and cable outlets spew out political tidbits and barbs at a dizzying pace. Minority voters play bigger roles, especially in pivotal states such as Nevada and Florida. Public opinion shifts dramatically on issues such as gay rights. Obama turned the political world on its ear four years ago. Republicans hope Romney, a more conventional candidate, will prove that precedents and conventional wisdom still hold and that voters won't reward an incumbent when unemployment stays high, month after month.

#### OBAMA WINNING NOW

Levy, 7/8/12 Pema. "New Poll Shows Obamaâs Ads Having Greater Influence In Battleground States." TPM. N.p., 8 July 2012. Web. 10 July 2012. <http://2012.talkingpointsmemo.com/2012/07/new-poll-shows-obamas-ads-having-greater-influence-in-battleground-states.php>.

In the new poll of voters in 12 battleground states — where the dozens of campaign ads are running — one out of 12 voters said that they had changed their minds about the candidates. Among that small number of voters, a whopping 76 percent now support President Obama while just 16 percent now prefer Romney. Overall, the race is all but tied in the swing states, with Obama leading Romney 47 percent to 45 percent. “We gave them new information,” Obama campaign manager Jim Messina told USA Today, explaining why Obama’s ads are proving more effective. Obama’s ads have been more effective at securing the Democratic base than winning over independents or Republican converts; 13 percent of Democrats, nine percent of independents and just three percent of Republicans said ads changed their mind. “It is expected to find that more voters say their views have changed about Mitt Romney; they simply don’t know him all that well,” Romney pollster Neil Newhouse told USA Today in response to the survey’s findings. “On the other hand, there are few voters who are going to say their views have changed about President Obama. They know him pretty damned well.” Media trackers calculate that battleground states saw $15 million worth of advertising in the last week alone, according to USA Today, which cited a prediction of $100 million in ad spending for the coming month. Though only a small number of respondents admitted that the ads affected them, experts tell USA Today that the actual number is probably higher. Some voters don’t want to admit they have been swayed by advertising while others may not realize that their opinions are being shaped by the ads. The poll, conducted June 22-29, surveyed 1,200 registered voters in the 12 battleground states of Colorado, Florida, Iowa, Michigan, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, Virginia and Wisconsin and has a margin of error of +/- 4 percent.

#### **Obama has an overwhelming lead over Romney and is expected to win the election.**

[**LoGiurato**](http://www.businessinsider.com/author/brett-logiurato)**,** **Brett, July 8th,** 2012, writer for Business Insider, Here's Proof That Obama Is Walloping Over Mitt Romney In The Ad Wars, Business Insider<http://www.businessinsider.com/obama-romney-campaign-ad-money-swing-states-2012-7#ixzz20Ei81KPr>

President Barack Obama is clinging to a two-point lead over [Mitt Romney](http://www.businessinsider.com/blackboard/mitt-romney) [in a USA Today/Gallup survey of 12 swing states](http://www.usatoday.com/news/politics/story/2012-07-08/swing-states-poll/56097052/1), and much of that can be attributed to the president's [success](http://www.businessinsider.com/obama-romney-campaign-ad-money-swing-states-2012-7) in the campaign television ad wars thus far. The key number in the poll: Of voters that have changed their minds about supporting a candidate, 76 percent have done so to support Obama, compared with just 16 percent for Romney. About one in 10 swing-state voters said they have changed their minds after seeing campaign ads. Obama leads Romney 47 percent to 45 percent among voters in the battleground states. The USA Today/Gallup poll combined the results of the 12 states and does not offer a clear picture into specific states. The 12 states: Colorado, Florida, Iowa, Michigan, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, Virginia and Wisconsin. these numbers give more credence to the Obama campaign's insistence that its ads hammering Romney's career in private [equity](http://www.businessinsider.com/obama-romney-campaign-ad-money-swing-states-2012-7) at [Bain Capital](http://www.businessinsider.com/blackboard/bain-capital) are working. In the past few weeks, [the Obama campaign has launched another blitz](http://www.businessinsider.com/barack-obama-mitt-romney-bain-capital-private-equity-outsourcing-offshoring-2012-6), these ones focusing on Bain's record with shipping jobs overseas.:

#### Obama gaining momentums in the polls increasing a lead on Romney

July 04, 2012, White House correspondent for the Chicago Tribune, Los Angeles Times, Michael A. Memoli and Christi Parsons, Obama tactic may be paying off, Los Angeles Times, <http://articles.latimes.com/2012/jul/04/nation/la-na-obama-holiday-20120704>, [7/10/12]

WASHINGTON — After a month in which some prominent Democrats op- enly questioned President Obama's campaign strategy, the mood at the White House has risen, with strategists believing their efforts to define Mitt Romney as a corporate outsourcing specialist are proving a success with swing voters. The shift can be seen in several recent polls that have shown Obama ahead in key states and moving upward nationally. In Gallup's daily tracking poll, for example, Obama has taken a 48%-44% lead over Romney, the first significant lead that either candidate has held since late April in Gallup's survey. The upward movement for the president, which has now been sustained for six days, began before the Supreme Court's decision upholding most of his signature healthcare law, so it does not reflect a reaction to that ruling. Democratic strategists credit their attacks on Romney's record at Bain Capital -- the same record that Romney touts as proof of his ability to fix what's wrong with the economy. The shift comes as Obama prepares to set off on his first multi-day campaign swing this year, a two-day bus tour of Pennsylvania and Ohio beginning Thursday, complete with ice cream socials and events being billed as a "celebration of the American worker." Tougher times may be around the corner. Friday will bring the monthly jobs report, which could reflect continued weakness in the U.S. economy. The downturns in Europe and China have begun to affect American manufacturers, according to economic indicators released Monday. In addition, Romney and his allies continue to outpace Obama and the Democrats on fundraising. But Obama's team thinks his message about Romney is getting through to voters, and they plan to step up the intensity. Though Obama himself is expected to keep things genial on this tour, the television spots and surrogates in battleground states will be pushing the message that Romney was an outsourcing "pioneer." A new television advertisement argues that Romney's policies threaten the middle class. Obama fought to "save the auto industry," the ad asserts, and is fighting now to end tax breaks for companies that shift jobs overseas. The ad is airing in nine swing states, including Ohio, the nation's second-biggest producer of motor vehicles. The Obama strategy seemed to find support in the latest stream of polling data. A new CNN/Opinion Research poll showed Obama improving his numbers during the last month among key groups the campaign has targeted -- by as much as 5 percentage points among women and 7 percentage points among minorities, for example. He gained 3 percentage points among lower-income voters and independents, respectively. Overall, that poll showed Obama with a 49%-46% lead over the presumptive GOP nominee. Polling in the states Obama will visit this week also favored the Democrat. Quinnipiac University data released last week had the president leading by 9 percentage points in Ohio and 6 percentage points in Pennsylvania. An NBC News/Wall Street Journal poll found that voters in battleground states -- the ones most exposed to campaign ads -- viewed Romney's business experience more negatively than voters nationwide or even voters in states that typically voted Democratic. "Everybody knows what they think about Barack Obama. But Mitt Romney is still hazy in voters' minds," said Peter A. Brown, who supervises the Quinnipiac survey. "The president has benefited from the fact that he was much more prevalent on television. You cannot underestimate that." It's an advantage that may not last through November, Brown noted. The Romney team predicts it won't. An email Tuesday from the campaign to supporters and journalists was pithy, containing simply a collection of headlines that spelled bad news for U.S. wages and manufacturing. A primary cause of the troubles, Romney aides say, is the healthcare law that survived Supreme Court review last week. "Instead of helping jump-start our economy," spokeswoman Andrea Saul said, "President Obama stifled job creation with his job-killing healthcare bill."

#### Obama winning- bashing Bain Capital causing him to take the lead

ABD News, 7/3/12, “Obama Leads Romney as Bain Attacks Stick” <http://abcnews.go.com/blogs/politics/2012/07/obama-leads-romney-as-bain-attacks-stick/> Accessed: 7/10/12

President Obama has stifled Mitt Romney’s gain in the polls, presumably by saturating the media with unflattering tales of Bain Capital from years ago rather than unflattering tales of the economy right now. Gallup reported Monday that Obama leads Romney 48 percent to 43 percent across the country. Romney jockeyed with Obama throughout most of June, at several points leading but within the margin of error. Obama has pulled away from Romney in recent days; his five-point lead is the biggest since April, according to Gallup. The good news for the Obama campaign comes as Democrats circulate a flurry of stories about the success of attack ads paid for by the president’s super PAC that are aimed at Bain, the private-equity firm Romney founded. Those ads feature salt-of-the-earth working class specimens who lost their jobs at companies bought by Bain; they also accuse Romney of sending jobs overseas in the Obama campaign’s effort to make the “outsourcer-in-chief” label stick.

## Aff – Elections Answers

### No link - Labor Day

#### Nothing matters to the election until Labor Day – NO link

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In fact, a good case can be made that the economy is out of Obama's hands -- that the European debt crisis and the slowdown in China will have far more impact on the U.S. economy over the next four months than anything Obama could come up with, even if he had the votes. Yet he has to show he understands the depth and breadth of this crisis, and is prepared to do large and bold things to turn the economy around in his second term if and when he does have the votes in Congress. So far, his proposals are policy miniatures relative to the size of the problem. But the real political test comes after Labor Day. Before Labor Day, Americans aren't really focused on the upcoming election. After Labor Day, they focus like a laser. If the economy is moving in the right direction then -- if unemployment is dropping and jobs are increasing -- Obama has a good chance of being reelected. If the present doldrums continue -- or worse -- he won't be.