## HSR Aff

**Non-Unique-Obama campaign strategy is emphasizing stimulus and economic populism-has abandoned budget cutting strategy for appealing to moderates**

**CNN,** 4-4-**12,** “Obama Attacks GOP Budget Proposal”, http://www.cnn.com/2012/04/03/politics/obama-republicans/index.html

In a speech to a media luncheon, Obama described the measure -- prepared by House Budget Committee Chairman Paul Ryan, R-Wisconsin, and passed by the House -- as a "Trojan Horse" that is disguised as a deficit reduction plan but actually imposes a "radical vision."

"It is thinly-veiled Social Darwinism," Obama said. "It is antithetical to our entire history as a land of opportunity and upward mobility for everyone who's willing to work for it -- a place where prosperity doesn't trickle down from the top, but grows outward from the heart of the middle class."

He added that "by gutting the very things we need to grow an economy that's built to last -- education and training; research and development; infrastructure -- it's a prescription for decline."

The remarks signaled Obama's full engagement in his re-election campaign for the November vote as Romney has seized an apparently solid grip on the Republican nomination.Description: http://i.cdn.turner.com/cnn/.e/img/3.0/mosaic/bttn_close.gif



For the first time this year, Obama mentioned the former Massachusetts governor by name in a speech, noting Romney's support for the Ryan budget plan.

"One of my potential opponents, Gov. Romney, has said that he hoped a similar version of this plan from last year would be introduced on day one of his presidency," Obama said. "He said that he's very supportive of this new budget and he even called it marvelous, which is a word you don't often hear when it comes to describing a budget."

Ryan and other Republican leaders immediately criticized the Obama speech as a politically motivated appeal to populism, rather than a serious approach to budget deficits. "History will not be kind to a president who, when it came time to confront our generation's defining challenge, chose to duck and run," Ryan said in a statement. "The president refuses to take responsibility for the economy and refuses to offer a credible plan to address the most predictable economic crisis in our history. Instead, he has chosen tired and cynical political attacks as he focuses on his own re-election. According to Ryan, “Obama used his speech to "distort the truth and divide Americans in order to distract from his failed record."

Obama, however, blamed a polarized political climate for an inability to make progress on such key issues as deficit reduction and entitlement reform, arguing that Republicans have shifted to the right and dropped support for moderate proposals acceptable to Democrats. "The problem right now is not the technical means to solve it. The problem is our politics, and that's part of what this election and what this debate will need to be about," Obama said in response to a question at the end. "Are we, as a country, willing to get back to commonsense, balanced, fair solutions that encourage our long-term economic growth and stabilize our budget?"

Obama has increasingly portrayed the upcoming election as a choice between maintaining his policies and vision for continued economic recovery and investment in future growth versus what he calls failed Republican policies of the past based on deep spending cuts and lower taxes intended to benefit the corporate class.

## AT: Dedev

#### Their environment arguments are WRONG- more growth makes us more environmentally aware and more likely to care for our environment **Centre for Economic Policy Research no date**, “Economic Growth Sustainable Development”, Center for Economic Policy Research,

**, http://www.cepr.org/pubs/bulletin/meets/2246.htm**

There is no necessary conflict between economic growth and environmental protection, Ian Goldin told a London lunchtime meeting in a joint presentation with Partha Dasgupta (University of Cambridge) on 7 June. Indeed, exactly the opposite is true, he claimed: sustained economic growth is the key to improved environmental management. Goldin is Senior Economist at the European Bank for Reconstruction and Development and formerly Senior Economist at the World Bank and Principal Economist at the OECD. His presentation drew on The Economics of Sustainable Development, a volume he co-edited with Alan Winters (World Bank and CEPR), a joint project of the OECD Development Centre and CEPR, and published by Cambridge University Press. The relationship between economic growth and indicators of air and water quality indicates that growth does not always contribute to environmental degradation. The connection is highly dependent on income levels: there seems to be a U-shaped relationship between income and environmental quality for most pollutants. Quality deteriorates in the early stages of growth but at higher levels of per capita income, it improves. The turning point varies according to the pollutant. For example, the levels of suspended solids and toxic metals in air and water increase rapidly as incomes approach middle income levels but then decrease. The link between income and pollution arises because the composition of output changes with growth in favour of newer, cleaner technologies. The political dimension is equally important: citizens in richer countries are more effective in articulating their demands for a cleaner environment. Democratization may assist countries in getting over the pollution hump: greater participation contributes to limiting local pollutants with a direct and immediate effect on health. By contrast, even the richest countries are only now acknowledging slower and more indirect threats, such as carbon dioxide emissions.

#### Growth reduces poverty- prefer the largest studies

Michael Roemer and Mary Kay Grugerty 1997, researchers at Harvard Insitute for International Development, Harvard, “DOES ECONOMIC GROWTH REDUCE POVERTY?”, http://pdf.usaid.gov/pdf\_docs/PNACA656.pdf

Even early studies 4 found that increases in poverty and economic growth were a very exceptional combination. A 1979 study of 12 growth periods in various countries found no increase in poverty and the real per capita income of the poorest 20% rose in every period of growth. A more recent study by Fields (1989) indicates that of 18 countries with data on poverty over time, in only one case was economic growth not accompanied by a fall in poverty. Moreover, Fields found that more rapid economic growth tends to bring greater declines in poverty. While this preliminary evidence was encouraging, more conclusive results were precluded by the lack of data. In 1996, however, a new database was compiled by Klaus Deininger and Lyn Squire at the World Bank. This database contains the most comprehensive data that exist on income distribution across countries. The data cover 58 countries, beginning in 1960, and for each country give the distribution of income by quintile. In compiling the database, every effort was made to ensure that only reasonably high quality data based on comprehensive household surveys were included. Of the 58 countries included in the database, 26 are developing countries. The database makes it possible for the first time to test propositions about the Kuznets curve and the relationship between growth and poverty over time. We used the Deininger-Squire data set to identify 61 intervals, covering 26 developing countries,5 for which growth in national average and quintile incomes could be identified. We used relatively restrictive criteria in defining our sample: intervals should be at least 5 years in length, but as long as a decade if possible, and based on consistently defined household surveys. Our aim in this study was to measure the growth of average income for both the poorest 20% and the poorest 40% of the population, then to compare these to the growth of GDP per capita. For example, to calculate the growth in income for the poorest 20% of the population we took the share of income held by the poorest 20% and used the level of GDP for each year to calculate the dollar amount of income held by the poor.6 The GDP figures were taken from the Summers and Heston Penn World Tables, which calculates a cross-nationally comparable GDP, adjusted for differences in purchasing power in different countries.7 The data and the calculations used to derive them are given in Appendix A. From these calculations, we regressed the growth of income for the poorest two groups against the growth of GDP per capita for the entire population. The results are summarized in Table 4 and in Figures 3 and 4 below. Larger versions of these figures are given in Appendix B.The regressions reported in Table 4 show that an increase in the rate of per capita GDP growth translates into a one-for-one increase in average income of the poorest 40%. GDP growth of 10% per year is associated with income growth of 10% for the poorest 40% of the population. For the poorest 20% the elasticity of response is 0.921; GDP growth of 10% is associated with income growth of 9.21%. These regressions indicate that on average the poor do benefit from economic growth.

## HSR Stimulus Neg

#### Case can’t solve stimulus-Obama will pay for transportation infrastructure investment with cuts in other spending-not deficit spending-and Obama budget will increase taxes to reduce the deficit rather than pursue stimulus

**Morgan Housel, finance and economics columnist for Motley Fool, 2-14-12 “Just the Facts: Everything you need to know about the Obama budget”, http://www.fool.com/investing/general/2012/02/14/just-the-facts-everything-you-need-to-know-about-o.aspx**

**“**The budget also has dozens of specific proposals. A few notable ones:

* Obama proposes replacing the [alternative minimum tax](http://wiki.fool.com/Can_I_Deduct_Investment_Losses_With_the_Alternative_Minimum_Tax_Amount%3F?utm_source=Fool&utm_medium=links&utm_campaign=alternative%20minimum%20tax&source=ihlsitlnk0000001) with a new tax called the "Buffett rule," named after Warren Buffett. Under the Buffett Rule, no one making more than $1 million a year will pay less than 30% in federal [income tax](http://wiki.fool.com/Income_tax?utm_source=Fool&utm_medium=links&utm_campaign=income%20tax&source=ihlsitlnk0000001). The rule is designed on the grounds that "no household making over $1 million annually should pay a smaller share of its income in taxes than middle-class families pay," the plan writes. But very few households currently pay over 30% of their income as [federal taxes](http://wiki.fool.com/Advantages_%26_Disadvantages_of_the_Balanced_Budget_Amendment?utm_source=Fool&utm_medium=links&utm_campaign=federal%20taxes&source=ihlsitlnk0000001), and those that do are not exactly middle class. [According](http://www.fool.com/investing/general/2012/01/27/buffett-romney-and-taxes.aspx) to the Tax Policy Center, about 99% of tax filers have tax rates below 30%.
* As mentioned, Obama's proposal would let the 2001/2003 tax cuts expire on households making more than $250,000, reverting back to tax rates of the late 1990s. "This would reduce the deficit by $968 billion over 10 years," the proposal says. [Dividends](http://wiki.fool.com/Types_of_Stock_Ownership?utm_source=Fool&utm_medium=links&utm_campaign=Dividends&source=ihlsitlnk0000001) would also be taxed as ordinary income for those making over $250,000 a year, and [capital gains](http://wiki.fool.com/Disposal_of_Capital_Assets_Under_GAAP?utm_source=Fool&utm_medium=links&utm_campaign=capital%20gains&source=ihlsitlnk0000001) would be taxed at 20%, both up from a current maximum of 15%.
* [Hedge fund](http://wiki.fool.com/Hedge_fund?utm_source=Fool&utm_medium=links&utm_campaign=Hedge%20fund&source=ihlsitlnk0000001) managers and [private equity](http://wiki.fool.com/Private_equity?utm_source=Fool&utm_medium=links&utm_campaign=private%20equity&source=ihlsitlnk0000001) managers would lose the "carried-interest" loophole that lets them count labor income as a [capital gain](http://wiki.fool.com/Capital_gain?utm_source=Fool&utm_medium=links&utm_campaign=capital%20gain&source=ihlsitlnk0000001), currently capping their [income tax](http://wiki.fool.com/How_to_Calculate_Taxes_on_a_Cash_Windfall?utm_source=Fool&utm_medium=links&utm_campaign=income%20tax&source=ihlsitlnk0000001) at 15%. Ending this loophole is [supported](http://www.fool.com/investing/general/2012/01/27/buffett-romney-and-taxes.aspx) by pretty much everyone except those who benefit from it.
* The U.S. Patent and Trademark Office would be allowed to keep its fee [collections](http://wiki.fool.com/Can_Accounts_Receivable_Be_Done_at_the_End_of_the_Year%3F?utm_source=Fool&utm_medium=links&utm_campaign=collections&source=ihlsitlnk0000001) rather than turning over a portion to Congress. It could then use this money to overhaul the patent system, which is badly in need of repair, holding back by its own [count](http://www.fool.com/investing/general/2011/04/29/forget-what-youve-been-told-who-really-creates-job.aspx) "millions" of potential jobs.
* A massive, $476 billion transportation package would take place over six years -- 80% more than was spent on transportation in the last six years. One of the program's goals is to "provide 80 percent of Americans with convenient access to a passenger rail system, featuring high-speed service, within 25 years." The plan would be paid for using "savings from ending the war in Iraq and winding down operations in Afghanistan”.

## HSR Spending / Elections Links

#### Link-HSR will cost a trillion dollars

Chris Edwards and Tad DeHaven, budget experts at the Cato Institute, 6-17-2010

To government planners, intercity high-speed rail is even sexier than urban rail systems. The DOT is currently dishing out $8 billion for high-speed rail projects across the country, as authorized in the 2009 stimulus bill. Most people think that the French and Japanese fast trains are cool, but they don’t realize that the price tag is enormous. For us to build a nationwide system of bullet-style trains would cost up to $1 trillion.

The truth about high-speed trains is that even in densely-populated Japan and Europe, they are money losers, while carrying few passengers compared to cars, airlines and buses. The fantasy of high-speed rail in America should be killed before it becomes a huge financial drain on our already broke government.

**Obama election solves the case-Obama will build High Speed Rail in a second term-**

**Robert Cruickshank,** Chairman of [Californians for High Speed Rail](http://www.ca4hsr.org), 8-2-**11,** “Debt Ceiling Deal Confirms No New Federal HSR Funds Likely In This Congress”, <http://www.cahsrblog.com/2011/08/debt-ceiling-deal-confirms-no-new-federal-hsr-funds-likely-in-this-congress/>

High speed rail will have a difficult time in Congress under these conditions. Unfortunately, so too will pretty much everything else that makes a modern society function, from police and fire to public schools, road maintenance, health care, school lunch programs, and so on. HSR is getting caught up in the extremely destructive budget politics currently holding sway in Washington DC.

Republicans likely overplayed their hand on this, with [polls indicating](http://politicalticker.blogs.cnn.com/2011/08/02/cnn-poll-three-quarters-believe-politicians-acting-like-spoiled-children/) voters are reserving their harshest judgments for Republicans, even as they’re deeply unhappy overall with the situation in DC. Nancy Pelosi is in excellent shape to reclaim her Speaker’s gavel in January 2013. And if Democrats hold the US Senate and Barack Obama holds the White House – neither of which are certain – then HSR’s future is suddenly a lot brighter, as one would expect that radical and reckless austerity would no longer be on the table.

## AT: Export-Import Bank CP

#### Not sufficient --- infrastructure bank is necessary

Snyder, 11 --- Streetsblog's Capitol Hill editor (10/7/2011, Tanya, “Does the Elusive Infrastructure Bank Already Exist?” <http://dc.streetsblog.org/2011/10/07/does-the-infrastructure-bank-of-our-dreams-already-exist/>,)

Rep. Rosa Delauro (D-CT) has been the primary Congressional champion of an infrastructure bank for the past 17 years. At an event yesterday sponsored by PPI, Delauro admitted that **while the Ex-Im Bank was an interesting model, “Yes, I am wedded to an infrastructure bank.”**

Sen. Mark Warner, an original cosponsor of the Kerry-Hutchison BUILD Act, gave a similarly cautious welcome to the Ex-Im Bank proposal. “I’ve not given that enough thought, but I think it’s something that ought to be examined,” he said yesterday. He did say that he and his cohorts have always thought of the Ex-Im Bank as a far closer model for the infrastructure bank than Fannie and Freddie.

Delauro also said simply expanding TIFIA or strengthening state infrastructure banks wouldn’t “meet the aims” of a national infrastructure bank. And she “applauded” the Kerry-Hutchison proposal but said hers would issue bonds and be capitalized at $20 billion, not $10 billion. “Without the enhanced finance capacity we may not be able to get to a scale that we need to properly address the jobs crisis that we face in this country and meet a bank’s potential to be able reduce our infrastructure investment deficit and enhance our global competitiveness,” Delauro said. “It’s good, it’s great, but it’s not where we could go with this concept.”

Whatever form it takes, Delauro insisted that the U.S. must not go on as “one of the only leading nations without a national plan for public-private partnerships for infrastructure projects or a national infrastructure bank to finance large scale projects and to leverage private capital.”

#### **Infrastructure bank is key – perm**

Schweitzer, Alderman, and Bayh 11 (Howard Schweitzer senior vice president and general counsel of the Export-Import Bank of the United States from 2005 to 2008, Mark L. Alderman, member of the Obama-Biden presidential transition team, principal in Cozen O’Connor Public Strategies, Evan Bayh, former US senator, senior advisor to Apollo Global Management, “We already have the infrastructure bank we need”, http://www.washingtonpost.com/opinions/we-already-have-the-infrastructure-bank-we-need/2011/09/27/gIQA59TI8K\_story.html\_)

If the federal government is to play a role in addressing the country’s serious infrastructure needs, policymakers should decide whether they want to make a difference now. They can broaden the Export-Import Bank mission and put the bank to work in prudently but aggressively financing domestic infrastructure projects while Congress and the administration consider whether to create a new federal agency, or they can allow our infrastructure to further deteriorate while that debate takes place. The president should ask Congress simply to resolve to encourage Ex-Im to act now. This green light is all that’s needed to begin rebuilding America and creating jobs.