# Jackson Vanik

## Will Pass

### 1NC Will Pass

**Jackson Vanik repeal will pass – Baucus introduction and Obama is pushing**

**Byers and Talmadge 7/5** 2012, \*Bonnie––International trade economist @ King and Spalding, MA in IR @ John Hopkins, \*\*William–Counsel in the Government Advocacy and Public Policy Practice Group @ King and Spalding, J.D., “Congress reconsiders stance on trade with Russia”, Lexology, http://www.lexology.com/library/detail.aspx?g=de93196f-c0e4-40aa-809f-7708454a0da6, DOA 7/11/12, RI

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**.

### 2NC Uniqueness

**Jackson-Vanik repeal will pass---Republican Push and Russian WTO entry---creates jobs and boosts competiveness**

**Palmer 7/13** 2012, \*Doug––Journalist @ Reuters, “First-term House Republicans urge action on Russia trade”, Reuters, http://www.reuters.com/article/2012/07/13/us-usa-trade-russia-idUSBRE86C15Q20120713?feedType=RSS&feedName=everything&virtualBrandChannel=11563, DOA 7/13/12, RI

(Reuters) - U.S. business groups, armed with a letter of support from 73 first-term Republicans in the House of Representatives, said on Friday they were redoubling efforts to win approval of a controversial Russian trade bill in coming weeks.

**"We are pressing very hard to encourage a resolution by the August recess**," said Randi Levinas, executive vice president of the U.S.-Russia Business Council, arguing U.S. jobs were at stake if the bill is not approved.

"This is not a slam dunk and it's not something that's very easily done. But we are pushing extremely hard to invite the parties to come together and have the discussions that are necessary so we don't face a **competitive disadvantage"** in the Russian market, said Levinas, who also leads a coalition of about 150 business organizations pushing for the bill.

The groups bolstered their case for action on the legislation with a letter signed by 73 Republicans elected in 2010, in many cases running against the policies of Democratic President Barack Obama.

"Mr. President, it is our understanding that you support the effort to extend (permanent normal trade relations) to Russia. ... We stand ready to work with you to achieve this goal and invite you to work with us, shoulder to shoulder, **at all levels in order to swiftly move the necessary legislation through both houses of Congress**," the freshmen lawmakers said.

The push to pass the legislation comes at a low point in U.S.-Russia relations, with many U.S. lawmakers angry over Moscow's support for the government of Syrian President Bashar al-Assad and questioning Russia's commitment to democracy, human rights and fair trade.

Congress is under pressure to lift a Cold War human rights provision known as the Jackson-Vanik amendment and approve "permanent normal trade relations," or PNTR, because of Russia's expected entry into the World Trade Organization in August.

If it does not act, Russia could deny U.S. firms some of the market-opening concessions it made to join the WTO, putting those companies at a disadvantage to foreign competitors in one of the **world's 10-largest economies**.

**Jackson-Vanik repeal will pass---Bipartisan Support, August Recess, and Obama push is key---Also critical to balancing relations**

**Palmer 7/13** 2012, \*Doug––Journalist @ Reuters, “First-term House Republicans urge action on Russia trade”, Reuters, http://www.reuters.com/article/2012/07/13/us-usa-trade-russia-idUSBRE86C15Q20120713?feedType=RSS&feedName=everything&virtualBrandChannel=11563, DOA 7/13/12, RI

'WE NEED TO ACT SOON'

The Finance Committee in the Democratic-led Senate announced plans to vote on Wednesday on the PNTR bill, including new measures to address human rights concerns in Russia.

"Increasing our exports to Russia will help create new jobs and **give America's economy the shot in the arm it needs**," Senate Finance Committee Chairman Max Baucus said in a statement. "Russia is joining the WTO no matter what Congress does ... so **we need to act soon**."

Senator Orrin Hatch, the top Republican on the Finance panel, said he had worked with Baucus to toughen the PNTR bill by adding a number of reporting requirements to ensure Russia abides by its WTO commitments.

One of the provisions holds Russia's feet to the fire by requiring the U.S. Trade Representative's Office to report within six months on what it is doing to ensure Moscow honors its obligations and then to file an annual report thereafter.

"America's relationship with Russia is complex, demanding both carrots and sticks to ensure Russia is a reliable international partner. With **this legislation, we have achieved that critical balance**," Hatch said.

In the Republican-led House, Ways and Means Chairman Dave Camp has said he prefers a "clean" bill free of human rights provisions while **calling on Obama to work harder** to round up bipartisan support for PNTR.

Unlike Baucus, Camp has not scheduled committee action on the legislation, lacking a Democratic co-sponsor for his preferred approach to the bill.

Levinas acknowledged that passing PNTR required "a number of pieces to fall into place before the August recess. But there's still conceivably time to get this done," she said.

**Jackson-Vanik Repeal Will Pass---Bipartisan support and Senate introduction**

**Wasson 7/13** 2012, \*Erik––Writer @ Hill, “Senate Finance announces Russia trade markup”, The Hill, http://thehill.com/blogs/on-the-money/1005?layout=default, DOA 7/14/12, RI

The Senate Finance Committee, as expected, on Friday announced that it will be marking up a controversial Russia trade bill next Wedndesday and released the text of a compromise draft bill.

The bill will extend permanent normal trade relations to Russia and unless it is enacted before August, U.S. exports to Russia could suffer.

Russia is on track to join the World Trade Organization next month, and the United States is obligated to offer unconditional trade relations to all WTO members.

Currently, trade relations are conditioned on Russia allowing Jews to emigrate under a law from the 1980s that is routinely waived. Business groups are lobbying heavily for the PNTR bill.

To win the support of committee Republicans, Chairman Max Baucus (D-Mont.) included numerous reporting requirements in the draft bill under which the administration must increase its monitoring of Russia's trade practices and legal system.

“I appreciate Chairman Baucus’ leadership and for agreeing to further strengthen this legislation. **Together,** we’ve produced a consensus bill," Ranking Member Sen. Orrin Hatch (R-Utah) said.

**Jackson Vanik repeal will pass---Russia WTO entry**

**Wasson 7/9** 2012, \*Erik––Writer for The Hill, “Senate Finance plans Russia trade markup”, The Hill, http://thehill.com/blogs/global-affairs/Russia, DOA 7/11/12, RI

The Senate Finance Committee is looking to hold a highly anticipated markup of Russia trade and human rights measures next week, sources said Monday.

The committee will consider legislation extending permanent normal trade relations to Russia and a separate bill aimed at punishing those accused of killing Russian whistleblower Sergei Magnitsky.

The Magnitsky bill would allow members of Congress to request that the executive branch apply financial and visa sanctions on individuals. The State Department would have to justify not applying the sanctions.

The Magnitsky bill was reported out of Senate Foreign Relations last month even though Chairman John Kerry (D-Mass.) said he had concerns about the scope of the bill. As written it can be applied to human rights abuses outside Russia. Business groups plan to lobby Kerry this week with a list of proposed changes.

Finance Chairman Max Baucus (D-Mont.) has agreed to move the Magnitsky bill and PNTR together through his committee.

Russia's legislative Duma plans to vote on joining the World Trade Organization on Tuesday. Approval would set in motion a process ending in Russia joining the WTO in August. Once in the organization, Russia will be able to discriminate against U.S. exports unless the U.S. approves a PNTR bill.

**Jackson Vanik repeal Will pass---WTO entry, Obama Push, August Recess, Russian delegation and it creates economic growth and solves competiveness**

**Pecquet 7/7** 2012, \*Julian––Writer for The Hill, “Time running out for Russia trade bill”, The Hill, http://thehill.com/blogs/global-affairs/russia/236523-time-running-out-for-russia-trade-bill, DOA 7/11/12, RI

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.

“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.

U.S. trade relations with Russia are governed by the Jackson-Vanik amendment, a Cold War-era statute that permits the United States to slap trade restrictions on Russia. Although U.S. administrations have waived the restrictions every year since the collapse of the Soviet Union in the early 1990s, keeping it on the books violates WTO terms, meaning U.S. firms would not benefit from the preferential access to the Russian market that will be extended to other WTO members.

**Russia intends to drive home that point by sending a high-ranking parliamentary delegation to Washington** right after the vote to make the case for permanent normal trade relations on Capitol Hill and to the media.

**Jackson-Vanik Repeal will pass---bipartisan support and Russia WTO entry---solves competiveness and trade**

**Lawless and Ferrier 7/13** 2012, “Hatch Statement on Finance Committee Markup of Russia PNTR Legislation”, The United States Senate Committee on Finance, http://www.finance.senate.gov/newsroom/ranking/release/?id=95bbe078-18ba-4369-86de-c7dfdb297338, DOA 7/14/12, RI

The Senate Finance Committee will meet on Wednesday, July 18 at 9:30 a.m. to markup bipartisan legislation to remove Russia from the Jackson-Vanik Amendment and grant Russia Permanent Normal Trade Relations (PNTR). Under Jackson-Vanik specified countries, like Russia, are denied trade relations with the United States unless the country fulfilled certain freedom-of-emigration requirements, or received a Presidential wavier. On December 16, 2011 Russia was invited to join the WTO. The Russian parliament must approve the conditions for accession by July 23, 2012, to complete the accession process. Russia would formally become a member 30 days later. In order for U.S. job creators, workers, farmers and ranchers to fully benefit from Russia’s accession to the WTO, including use of WTO dispute settlement mechanisms, the U.S. Congress must remove Russia from the Jackson-Vanik amendment and grant Permanent Normal Trade Relations to Russia.

Hatch worked with Chairman Baucus to strengthen the bill by including provisions that:

Open new markets for U.S. exporters by ensuring they enjoy the full benefits of Russia joining the World Trade Organization (WTO) by authorizing the President to determine that Title IV of the Trade Act of 1974 should no longer apply to the Russian Federation and to extend National Trade Relations treatment to Russian products by proclamation.

Provide new tools to help protect U.S. farmers and innovators by requiring the United States Trade Representative (USTR) to report to Congress annually on Russia’s implementation of its WTO sanitary and phyto-sanitary (SPS) obligations and WTO intellectual property rights obligations.

Press the Administration to achieve additional market access for U.S. businesses and holds Russia accountable by requiring USTR to report annually on Russia’s progress in joining the WTO’s Information and Technology Agreement and WTO Agreement on Government Procurement.

**Jackson Vanik repeal will pass---Bipartisan support**

**Needham 7/10** 2012, \*Vicki––Reporter for The Hill, “Top US trade official urges congressional action on Russia”, The Hill, http://thehill.com/blogs/on-the-money/1005-trade/236987-top-us-trade-official-urges-congressional-action-on-russia, DOA 7/11/12, RI

"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.

#### Jackson Vanik will pass- Bipart support

**Wingfield, 7/10**, Brian writer for Bloomberg business week (First-Term Republicans Ready to Support Obama on Russia Trade, Bloomberg business week, 7/10/12, http://www.businessweek.com/news/2012-07-10/first-term-republicans-ready-to-support-obama-on-russia-trade)//ACK

First-term Republican U.S. representatives led by Billy Long are willing to back President Barack Obama’s effort to establish normal trade ties with Russia, setting aside differences over health care and taxes. “We stand ready to achieve this goal” on Russia, according to the draft of a letter Long, a Missouri Republican, said he plans to send Obama this week. Republicans “invite you to work with us, shoulder to shoulder, at all levels in order to swiftly move the legislation.” Long has signatures from at least 59 Republicans elected in 2010, when the party took control of the House, he said yesterday in a phone interview. U.S. businesses including Caterpillar Inc. (CAT) (CAT), Boeing Co. (BA) (BA) and General Electric Co. (GE) (GE) are urging lawmakers to repeal a Cold War- era trade restriction so that they won’t be at a disadvantage to their overseas competitors when Russia joins the World Trade Organization as soon as next month. The nation’s lower house of parliament today voted in favor of Russia’s membership in the Geneva-based trade forum. The upper chamber is scheduled to vote July 18.

**Jackson Vanik will pass- Bipart support**

**Moscow Times, 7/11,** (Some Republicans Support Obama on Russia, Moscow Times, 7/11/12, http://www.themoscowtimes.com/business/article/some-republicans-support-obama-on-russia/461998.html)//ACK

First-term Republican U.S. representatives led by Billy Long are willing to back President Barack Obama's effort to establish normal trade ties with Russia, setting aside differences over health care and taxes. "We stand ready to achieve this goal" on Russia, states the draft of a letter Long, a Missouri Republican, said he plans to send Obama this week. Republicans "invite you to work with us, shoulder to shoulder, at all levels in order to swiftly move the legislation." Long has signatures from at least 59 Republicans elected in 2010, when the party took control of the House, he said in a phone interview. U.S. businesses including Caterpillar, Boeing and General Electric are urging lawmakers to repeal Cold War- era trade restriction so they won't be at a disadvantage against overseas competitors when Russia joins the World Trade Organization.

## Won’t Pass

### 2AC Won’t Pass

**Repeal won’t pass---No house interest and will not be put up for vote until after elections**

**Palmer 7/12** 2012 \*Doug––Reporter @ Reuters, “U.S. House vote on Russia trade bill in doubt”, Reuters, http://www.reuters.com/article/2012/07/12/us-usa-russia-trade-idUSBRE86B1I120120712?feedType=RSS&feedName=everything&virtualBrandChannel=11563, DOA 7/13/12, RI

(Reuters) - The U.S. Congress appears increasingly unlikely to approve a controversial bill to upgrade U.S. trade relations with Russia before the November elections, despite a push by the White House and U.S. business groups for votes this month.

"I think practically speaking no one expects Congress to deal with (permanent normal trade relations) before the lame-duck" session after the elections, said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics, referring to the period between the November 6 congressional elections and the start of the new Congress in January, 2013.

"I think there's a background fear that this will become a political football if the House moves forward," Hufbauer said.

Congress is under pressure to lift a Cold War human rights provision known as the Jackson-Vanik amendment and approve "permanent normal trade relations," or PNTR, because of Russia's expected entry into the World Trade Organization in August.

### 1AR Won’t Pass

**Republicans prevent repeal from passing**

**Palmer 7/12** 2012 \*Doug––Reporter @ Reuters, “U.S. House vote on Russia trade bill in doubt”, Reuters, http://www.reuters.com/article/2012/07/12/us-usa-russia-trade-idUSBRE86B1I120120712?feedType=RSS&feedName=everything&virtualBrandChannel=11563, DOA 7/13/12, RI

But Representative Dave Camp, the Republican chairman of the House of Representatives Ways and Means Committee, has not introduced PNTR legislation and House Republican leaders have not made passing the bill a clear priority.

Also unclear is whether Republican presidential hopeful Mitt Romney supports approval of PNTR. His campaign did not respond to emails asking about his position. In contrast, the White House has made approval of the legislation a top trade priority.

An industry source said Romney assured a group of corporate CEOs last month that he supported the legislation. However, earlier this year he called Russia the "number one geopolitical foe" of the United States, making it awkward for him to lead a charge on PNTR.

## Magnitsky

### 2AC Magnistky

**Magnitsky will pass and tanks relations**

**Palmer 7/12** 2012 \*Doug––Reporter @ Reuters, “U.S. House vote on Russia trade bill in doubt”, Reuters, http://www.reuters.com/article/2012/07/12/us-usa-russia-trade-idUSBRE86B1I120120712?feedType=RSS&feedName=everything&virtualBrandChannel=11563, DOA 7/13/12, RI

That has led to the "Magnitsky bill" already passed by committees in both the House and Senate. The bill is named after Sergei Magnitsky, an anti-corruption Russian lawyer who died in 2009 after a year in Russian jails.

The House version would deny visas and freeze the assets of Russians linked to Magnitsky's death, as well as those of other human rights abusers in Russia. The Senate version would extend the sanctions to human rights abusers anywhere in the world.

Russian officials have warned the legislation would further inflame relations. But many **U.S. lawmakers are undeterred**.

Senate Finance Committee Chairman Max Baucus, a Democrat, has promised to incorporate the Magnitsky legislation into PNTR, which his committee could vote on as early as next week.

But some question whether.

### 1AR Magnitsky

**Magnitsky will pass---Russian delegation failed**

**Solash 7/14** 2012, \*Richard––“U.S. Congressmen Unmoved By Russian Visit To Protest Magnitsky Bill”, http://www.rferl.org/content/us-congressmen-unmoved-by-russian-visit-to-protest-magnitsky-bill/24645229.html, DOA 7/14/12, RI

WASHINGTON -- U.S. congressmen appear to be unmoved following the visit of a Russian delegation to Washington this week aimed at protesting pending U.S. sanctions over the death of Russian lawyer Sergei Magnitsky.

Describing the Russian initiative as **"too late,"** the congressmen told RFE/RL that they expected the legislation to be signed into law. The move would deny visas to dozens of Russian officials implicated in Magnitsky's death and also freeze their assets.

Senator Roger Wicker (Republican-Mississippi) is a member of the U.S. Helsinki Commission, where the Magnitsky legislation was first initiated.

"The reports about this tragedy are not isolated," he said. "There have been two independent reports inside Russia that indicated this was a violation of Mr. Magnitsky's rights and an abusive process.

"So it's going to be very difficult, I think, for one packet of information provided by a group of Russian [lawmakers] to overcome the huge body of information."

Wicker was one of several U.S. lawmakers who met with Aleksei Chernyshev, Vitaly Malkin, Aleksandr Savenkov, and Valery Shnyakin -- all members of Russia's upper house of parliament, the Federation Council.

The delegation was in the U.S. capital to present the findings of a "preliminary parliamentary investigation" into the case of the deceased lawyer.

**Magnitsky will be linked to pass Jackson vanik**

**Needham, 6/12,** Vicki senior writer for the hill (Baucus to pair Russian trade bill with Magnitsky human rights measure, the Hill, 6/12/12, http://thehill.com/blogs/on-the-money/1005-trade/232229-baucus-intends-to-link-human-rights-bill-to-russia-trade-)//ACK

The chairman of the Senate Finance Committee is linking support for increased trade with Russia to a human rights bill that could punish Russian officials. Senate Finance Committee Chairman Max Baucus (D-Mont.) on Tuesday announced in a letter he backs a plan to pair legislation granting normal trade relations with Russia with the so-called Magnitsky legislation that would freeze assets and deny U.S. visas to Russian officials linked to human rights abuses. The bill is named for Sergei Magnitsky, a Russian lawyer who died while in police custody. Russia is strongly opposed to the Magnitsky bill and has warned its passage would cool relations with the U.S. and could lead to retaliation. Multinational companies have also expressed alarm at the Magnitsky bill, fearing it could result in sanctions on their businesses. But Sen. Ben Cardin (D-Md.) and other supporters of the bill argue the U.S. must take a tougher stand against human rights abuses in Russia. They hope to force the issue by paring the bill with legislation granting Russia permanent normal trade relations (PNTR), a requirement for the U.S. with Russia's entry to the World Trade Organization. If the U.S. does not grant Russia the improved trade status, Russia could impose higher tariffs on U.S. products. Baucus's letter to Sens. John McCain (R-Ariz.), Ben Cardin (D-Md.), Roger Wicker (R-Miss.) and Joe Lieberman (I-Conn.) said he backs their position that passage of permanent normal trade relations for Russia is contingent upon passage of the Magnitsky bill. The letter said he supports the position and will "ensure that these two important pieces of legislation can be linked together, reported out of the committee and voted on by the full Senate as soon as possible this year, probably by the August recess." "I appreciate Sen. Baucus’s written commitment that he will work for Senate passage of both of these pieces of legislation as soon as possible this year," McCain said. "As we take steps to liberalize U.S. trade with Russia, as we should, we must also maintain our longstanding support for human rights and the fight against corruption in Russia.” Other Republicans were less enthusiastic. Sen. Orrin Hatch (R-Utah), the ranking member of the finance panel, and seven other Republicans said they are concerned the Magnitsky bill is being watered down. They told Baucus they want to see a slew of other trade and foreign policy issues with Russia addressed before the PNTR vote. Businesses, meanwhile, are concerned about a provision in the draft of the Magnitsky bill that would target "agents" of human rights abuses. Some fear the language could apply to vendors supplying companies that are implicated in rights violations. A business source opposing the Magnitsky bill said that the Baucus announcement brought at least one bit of good news. "Although we continue to have reservations to the text of the Magnitsky bill, moving it together with PNTR will ease the concern of some companies that the Congress might pass Magnitsky and not PNTR, which would leave us with the worst of all worlds — unilateral sanctions and no trade benefits," the lobbyist said. The source noted that the version of the bill that passed out of House Foreign Affairs last week did limit the scope of violations to Russia, rather than punishing human rights abuses worldwide. "On the details of the bill, we felt that limiting it to Russia, as the House did, was a big improvement. On the Senate side, we expect what will ultimately be offered will be the product of ongoing discussions between Sens. Cardin, Baucus and Kerry and the Administration," the source said. Meanwhile, Baucus, along with Sens. John Thune (R-S.D.), ranking member of the Subcommittee on International Trade, Senate Foreign Relations Committee Chairman John Kerry (D-Mass.) and Armed Services Committee ranking member McCain unveiled legislation Tuesday that would nix the Jackson-Vanik measure. Jackson-Vanik is a 37-year-old provision designed to put pressure on Communist nations for human-rights abuses and emigration policies. Since the end of the Cold War, it has been used as leverage in trade talks to win concessions from Russia and other former Soviet bloc states. Russia is expected to vote to join the World Trade Organization (WTO) on July 4, giving Congress until the August recess to act or face losing the benefits of normalized trade relations, such as lower tariffs and enforcement of trade rules. Linking the two bills could complicate passage before Russia is granted full rights in early August unless the House and Senate can move identical human rights language or quickly come to resolution in a conference, an issue Baucus raised in the letter. Before Baucus’s announcement, the head of the Business Roundtable said he was optimistic that Congress will pass legislation before the August recess. “The parties will work together ... and coalesce to a late July vote,” John Engler, Business Roundtable president, told reporters. New survey results released by BRT Tuesday show that 70 percent of those polled favor Congressional action to allow U.S. businesses to sell more to Russia, while only 21 percent oppose.

**Magnitsky key to repeal Jackson Vanik**

**Needham, 6/18,** Vicki senior writer for the hill (Obama presses for improved trade ties with Russia, The Hill, 6/18/12, http://thehill.com/blogs/on-the-money/1005-trade/233311-obama-presses-for-improved-trade-ties-with-russia)//ACK

President Obama urged Congress on Monday to repeal a human-rights provision that will open up trade for U.S. businesses to Russia. Obama met Monday with Russian President Vladimir Putin and emphasized the need to improve and expand trade ties between the two nations at the Group of 20 summit in Los Cabos, Mexico. "In particular, we discussed the need to expand trade and commercial ties between the United States and Russia, which are still far below where they should be," Obama said during a press conference following the meeting. "And I emphasized my priority of having Congress repeal Jackson-Vanik, provide permanent trade relations status to Russia so that American businesses can take advantage of the extraordinary opportunities now that Russia is a member of the WTO," he said. Russia has scheduled a July 4 vote on its World Trade Organization membership, meaning Congress will have 30 days to repeal the nearly 40-year-old Jackson-Vanik provision that will pave the way for permanent normal trade relations (PNTR). Neither leader mentioned in their remarks, a human rights bill under consideration by Congress that could be tied to PNTR legislation. Jackson-Vanik was designed to put pressure on communist nations for human-rights abuses and emigration policies. Since the end of the Cold War, it has been used as leverage in trade talks to win concessions from Russia and other former Soviet bloc states. There is a growing push from House and Senate lawmakers to attach new human-rights legislation to the repeal. Senate Finance Committee Chairman Max Baucus (D-Mont.) said last week that he backs a plan to pair legislation granting normal trade relations with Russia with the so-called Magnitsky legislation that would freeze assets and deny U.S. visas to Russian officials linked to human-rights abuses. The bill is named for Sergei Magnitsky, a Russian lawyer who died while in police custody. Russia is strongly opposed to the Magnitsky bill and has warned its passage would cool relations with the United States and could lead to retaliation. National Foreign Trade Council President Bill Reinsch sent a letter on Friday to all members of the Senate Foreign Relations Committee, which will vote on the Magnitsky bill on Tuesday, urging panel members to oppose the legislation, saying the bill should be limited in scope to measures already taken by the Obama administration to deny visas to those involved with his death. But even pairing the legislation might not be enough for some lawmakers. Sen. Orrin Hatch (R-Utah), the ranking member of the Finance panel, and seven other Republicans said last week that they are concerned the Magnitsky bill is being watered down. They told Baucus they want to see a slew of other trade and foreign policy issues with Russia addressed before the PNTR vote. Business groups including the Business Roundtable and U.S. Chamber of Commerce argue that not moving forward granting normal trade relations will hurt only U.S. businesses and won't change anything for Russia, which, with the vote, is agreeing to accept a long list of specific terms to join the 153-member WTO. Sen. Rob Portman (R-Ohio) told The Hill last week that he helped craft many of provisions while he served as U.S. Trade Representative from May 2005 to May 2006 and, while he supports human-rights legislation, doesn't want it to derail normal trade ties.

**Magnitsky prevents relations from solving Syria and Iran**

**WAGNER, 7/5**, DANIEL senior writer for Huffington Post (How Not to Achieve Foreign Policy Objectives With Russia, Huffington Post, 7/5/12, http://www.huffingtonpost.com/daniel-wagner/foreign-policy-objectives-russia\_b\_1651673.html)//ACK

This should bode well for Russia, and for President Putin, at a time of heightened criticism from the West, particularly on the question of whether Russia can live up to the rule of law and widely accepted norms for human rights -- now framed as essential "pillars" of the WTO framework. Russia's accession to the WTO should be an area of focus for western policy makers, as it has indeed elicited a very favorable legislative response and is evidence of Mr. Putin's intention to steer the Russian juggernaut of an economy in a western direction. 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-à-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. 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.

**Jackson Vanik won’t pass without magnitsky**

**Rogin, 6/12**, Josh senior writer for the cable foreign policy news (Magnitsky Act will be linked with Russian trade bill in Senate, The cable, 6/12/12, http://thecable.foreignpolicy.com/posts/2012/06/12/magnitsky\_act\_will\_be\_linked\_with\_russian\_trade\_bill\_in\_senate)//ACK

The bill to grant Russia Permanent Normal Trade Relations (PNTR) was introduced in the Senate Tuesday and the head of the Senate Finance Committee promised he will combine it with a bill to sanction Russian human rights violators. Sen. Max Baucus (D-MT), who is the main sponsor of the PNTR bill and who will shepherd the legislation through his Finance Committee and then on the floor, has agreed to link it to the Magnitsky bill and pledged to pass them both this year. In doing so, Baucus secured the support of Sen. John McCain (R-AZ) for the PNTR bill, which includes a repeal of the 1974 Jackson-Vanik law that was set in place to punish the Soviet Union for refuses to let Jews emigrate. "It is clear the Magnitsky Act has overwhelming support in the Senate and growing support in the House," Baucus wrote in a letter today to McCain, Sen. Ben Cardin (D-MD), Sen. Joe Lieberman (I-CT), and Sen. Roger Wicker (R-MS). "It is equally clear that many of our colleagues are rallying around the position you have advanced -- that the repeal of Jackson-Vanik for Russia must be accompanied by passage of the Magnitsky Act. I am fully committed to ensuring that the Senate can act on both items this year." After receiving that letter, McCain joined with Baucus, International Trade Subcommittee Ranking Member John Thune (R-SD), and Foreign Relations Committee Chairman John Kerry (D-MA) in unveiling the PNTR legislation, which they said allows U.S. business to take full advantage of the Russian market when Russia officially joins the WTO later this summer. "This is an opportunity to double our exports to Russia and create thousands of jobs across every sector of the U.S. economy, all at no cost to the U.S. whatsoever. We give up nothing as part of this process -- not one single tariff reduction -- so it's truly a one-sided benefit for the U.S.," Baucus said in a press release. "Jackson-Vanik served its purpose during the Cold War, but it's a relic of another era that now stands in the way of our farmers, ranchers and businesses pursuing opportunities to grow and create jobs... The clock is ticking for us to move, so we need to act now." "As I and others have made clear, the extension of Permanent Normal Trade Relations status and the repeal of the Jackson-Vanik amendment for Russia must be accompanied by passage of the Magnitsky Act," McCain said in the release. "I appreciate Senator Baucus's written commitment that he will work for Senate passage of both of these pieces of legislation as soon as possible this year. As we take steps to liberalize U.S. trade with Russia, as we should, we must also maintain our long-standing support for human rights and the fight against corruption in Russia." The Obama administration has opposed the Magnitsky Act in public while working quietly with Cardin to make changes to the bill just in case its passage can't be avoided. The latest draft version of the bill, circulated by Cardin and obtained by The Cable, seeks to make it more difficult to add names to the list of human rights violators that the bill creates and adds ways for the administration to waive penalties against those violators. By gaining McCain's support, Baucus has removed a major obstacle to the passage of PNTR for Russia. But now, with McCain on board, Baucus's PNTR bill is linked to the Magnitsky Act in such a way that if the administration opposes or seeks to water down the Magnitsky bill without McCain's agreement, both pieces of legislation could be in jeopardy. The House Foreign Affairs Committee approved its own version, the Sergei Magnitsky Rule of Law Accountability Act of 2012, last week. The legislation is named for the anti-corruption lawyer who died in a Russian prison, after allegedly being tortured, two years ago. But committee chairwoman Ileana Ros-Lehtinen (R-FL) doesn't support joining Magnitsky with the bill to grant PNTR status to Russia. "Ros-Lehtinen considers PNTR separate from Magnistky and the issue of Russian human rights, and is opposed to linking Magnitsky to any effort to repeal Jackson-Vanik," her spokesperson Brad Goehner said.

**Magnitsky will tank relations and lead to other retaliatory actions by Russi**

**Olga, 6/15,** Denisova writer for the Voice of Russia(Moscow: Replacement of Jackson-Vanick with Magnitsky bill 'unacceptable', Voice of Russia, 6/15/12, http://english.ruvr.ru/2012\_06\_15/78258857/)//ACK

The so-called Magnitsky List bill, which is currently being debated in the US, is an example of what can be described as unacceptable use of the law. On Friday, Russia's Deputy Foreign Minister Sergei Ryabkov said that Moscow would introduce a number of tough retaliatory measures if Washington passes this bill. At the same time, he expressed confidence that the proposed law would never see the light of day. Moscow has described as ‘unacceptable' attempts to replace the Jackson-Vanik amendment with the Magnitsky List bill. Ryabkov said that if this happens, Russia will have to retaliate, something that he believes would damage relations between the two countries. Moscow intends to play down Washington’s claims related to the observance of human rights in Russia, Ryabkov stressed. "Extraterritorial decisions by US courts and the US legislation is a fundamental and important problem which undermines the fundamentals of international law, Ryabkov says. This, he adds, gives rise to a whole range of problems pertaining to various sanctions, attempts to arrest property and abduct Russian nationals, something that Ryabkov warns will not be tolerated. In this connection, we will downplay Washington’s human rights claims," he concludes. The Magnitsky List bill seeks to impose visa bans and asset freezes on an array of Russian officials involved in the death of Hermitage Capital lawyer Sergei Magnitsky who died in a pre-trial detention center in Russia in 2009. If the bill is adopted, the US will in effect replace an economic sanction with a political one, a move that will prompt Russia to retaliate, says Moscow-based political analyst Alexei Makarkin. "Some steps can of course be taken in this respect, but trying to introduce economic sanctions would be a hard nut to crack, Makarkin says. Russia is currently finalizing procedures for joining the World Trade Organization, which is why introducing economic sanctions would be a tricky task because this could have international implications. In this vein, Makarkin adds, it is only natural that Americans are looking to replace the Jackson-Vanik amendment with the Magnitsky List bill." Of course, US Senators and Congressmen have no deposits in Russian banks and they are unlikely to buy property on Russia's Black Sea coast. But Russia’s retaliatory measures would be almost certain to tarnish these politicians’ images, commentators say, adding that Moscow is still keeping mum on their identities. Ryabkov, on his part, said that he hopes for the best. "We do hope that it won't come to that, and that the Jackson-Vanik amendment will not be replaced by the Magnitsky List bill. However, if this outrageous move takes place, Moscow’s reaction will be extremely tough," Ryabkov warns. The US Senate Committee on Foreign Relations is due to vote on the Magnitsky List bill on June 19.

**Jackson Vanik won’t pass even with Obama’s push- lame duck**

**Palmer, 7/12**, Doug senior writer for rueters (U.S. House vote on Russia trade bill in doubt, Reuters, 7/12/12, http://www.reuters.com/article/2012/07/12/us-usa-russia-trade-idUSBRE86B1I120120712)//ACK

(Reuters) - The U.S. Congress appears increasingly unlikely to approve a controversial bill to upgrade U.S. trade relations with Russia before the November elections, despite a push by the White House and U.S. business groups for votes this month. "I think practically speaking no one expects Congress to deal with (permanent normal trade relations) before the lame-duck" session after the elections, said Gary Hufbauer, a senior fellow at the Peterson Institute for International Economics, referring to the period between the November 6 congressional elections and the start of the new Congress in January, 2013. "I think there's a background fear that this will become a political football if the House moves forward," Hufbauer said. Congress is under pressure to lift a Cold War human rights provision known as the Jackson-Vanik amendment and approve "permanent normal trade relations," or PNTR, because of Russia's expected entry into the World Trade Organization in August. If it does not act, Russia could deny U.S. firms some of the market-opening concessions it made to join the WTO, putting those companies at a disadvantage to foreign competitors in one of the world's 10-largest economies. However, the push to pass the legislation comes at a low point in U.S.-Russia relations, with many U.S. lawmakers angry over Moscow's support for the government of Syrian President Bashar al-Assad and questioning Russia's commitment to democracy and human rights. "Members are rightly concerned over recent developments in Russia, as well as Russia's policies with respect to Syria and Iran. This makes it incumbent upon the President to show leadership and for these issues to be addressed in a bipartisan fashion, enabling PNTR to move forward," a House Republican aide said.

# Obama good

## Uniqueness

### 1NC Will Win

#### Obama barely winning the election- econ key to relection

**Malone, 7/11**, Jim reporter voice of America (Latest Polls Show Tight US Election, voice of America, 7/11/12, http://www.voanews.com/content/romney-to-speak-at-naacp-convention/1382518.html)//ACK

The latest set of U.S. public opinion polls shows a very close race for president this year between the incumbent Democrat, President Barack Obama, and his presumptive Republican challenger, former Massachusetts governor Mitt Romney. A new Quinnipiac University poll gives President Obama a narrow lead over Mitt Romney, 46 to 43 percent. This comes on the heels of a Washington Post-ABC News poll that has the race dead even at 47 percent each.Romney received a decidedly mixed reception in a speech Wednesday to one of the country’s leading African-American civil rights organizations, the National Association for the Advancement of Colored People, the NAACP. Romney told the audience in Houston that he was a better choice than President Obama to turn around the economy and reduce unemployment among African-Americans, which stands at 14.4 percent, well above the national average of 8.2 percent. But Romney got booed when he vowed to work toward repeal of the president’s signature health care law if he wins in November. ​​“And so to do that I am going to eliminate every non-essential expensive program I can find and that includes ‘Obamacare’, and I’m going to work to reform and save," said Romney. Romney was occasionally jeered and much of his speech was met with silence. But he did spark applause when he repeated his opposition to same sex marriage, something many African-American voters oppose as well. “As president, I will promote strong families and I will defend traditional marriage," he said. With less than four months to go until Election Day, both candidates are stepping up their campaign activities, especially in the dozen or so states expected to tip the balance one way or the other in November. President Obama told Iowa voters this week that Republicans complain about his record but offer little in the way of specific plans to tackle joblessness, economic growth and the deficit. ​​“It sure as heck is not a plan to grow our economy," he said. "It is not a plan to revive our middle class. They don’t have that plan. I’ve got that plan, Iowa!” The latest Quinnipiac poll gives the president a slight edge despite the fact that a majority of those surveyed disapprove of Obama’s handling of the economy. “In this case the president has a small lead, 46 percent to 43 percent," said Peter Brown, who is with the Quinnipiac Polling Institute. "That is slightly outside the margin of error [for the poll] and obviously the president would rather be ahead than behind, but this is a very close election.” Brown says the president benefits from a huge gap between married and unmarried voters. Those who are married tend to support Mitt Romney, while single voters, especially single women, are much more likely to support the president by a wide margin. Brown also says that the efforts of the Obama campaign to spend millions of dollars in television ads attacking Mitt Romney in key battleground states may be paying some dividends. “Americans, no matter who they are for, have a pretty well-fixed feeling about the president," he said. "They either like him or they don’t like him. With Romney it is less clear and what is going on now is there is a race to define Mitt Romney to the American voter and the campaign that does the best job defining Mitt Romney is going to win.” Brown says the domestic economy remains the central issue in this year’s campaign and that voters in the latest poll are nearly evenly split as to which candidate would do a better job of reviving it.

### 2NC will Win

**Obama winning the election- Latino vote**

**Landsberg, 7/18,** Mitchell senior writer for LA Times (Obama's lead over Romney among Latinos widening, LA Times, 7/18/12, http://www.latimes.com/news/politics/la-pn-obamas-lead-over-romney-among-latinos-widening-20120718,0,6965896.story)//ACK

President Obama's advantage among Latino voters is getting larger, a new poll suggests, even as Mitt Romney's campaign released what it said was its ninth ad in Spanish. The poll by Latino Decisions, released Wednesday, showed support for Obama rising to 70% of registered Latino voters, compared with 22% for Romney. If that margin held until the election, it could play a significant role in battleground states with sizable Latino populations, such as Florida, Nevada and Colorado. Romney isn't ceding the Latino vote, though. He has used Florida Sen. Marco Rubio as a surrogate, and has not discouraged speculation that Rubio could be a vice presidential pick. And his latest Spanish-language ad features his son, Craig, who learned fluent Spanish as a missionary, and makes mention of something Romney rarely speaks about: the fact that his father, George Romney, was born in Mexico. “I would like to tell you how my father, Mitt Romney, thinks," Craig Romney says in the ad. "He values very much that we are a nation of immigrants. My grandfather George was born in Mexico. For our family the greatness of the United States is how we respect and help each other, regardless of where we come from. As President, my father will work on a permanent solution to the immigration system, working with leaders of both parties.” Romney has not released specifics of his immigration plan, but has promised a more sweeping alternative to Obama's decision, announced last month, to grant legal status to undocumented immigrants who came to this country as children and who meet certain criteria, such as completing high school or serving in the U.S. military. The Latino Decisions poll, commissioned by the liberal Center for American Progress Action Fund and America's Voice, showed Obama's Latino support rising 4 percentage points since that decision was announced. The polling firm said it interviewed 504 Latino registered voters in both Spanish and English between July 7-16. The poll has a margin of error of plus or minus 4 percentage points.

**Obama will win the elections barely beating Romney**

**Sheridan, 7/19**, Greg Foreign Editor From: The Australian (Obama's political judo will deliver a knockout, The Australian, 7/19/12, http://www.theaustralian.com.au/news/opinion/obamas-political-judo-will-deliver-a-knockout/story-e6frg76f-1226429418931)//ACK

HERE'S the dope. Barack Obama will be re-elected president in November, beating the Republican challenger, Mitt Romney. But it will be a tight race. My guess is the margin will be quite slim. Obama will win in the way George W. Bush beat John Kerry in 2004, and for many of the same reasons. I am in America at the 20th anniversary meeting of the Australian American Leadership Dialogue.. It is a great time to be in Washington, because this is a very live election. Romney still has an excellent chance of winning. Indeed, all the preconditions for an Obama defeat are there. But I rate Obama's chances as about 55 to 60 per cent, and Romney's at 40 to 45 per cent. Here is why Obama is vulnerable. The American economy is still in a state of semi-distress. The recovery is slow and uneven. Official unemployment is 8.2 per cent; the real figure somewhat higher. The growth outlook is anaemic. If Europe implodes, and the US economy tanks, Obama would be all but wiped out because Americans, like Australians, tend to vote on the hip pocket nerve; what they call people voting their pocket book. So Obama's economic narrative is bad. Obama can blame international factors, or the Republicans in congress, but ultimately people hold the President responsible. People are disappointed with Obama at almost every level. Romney is raising more money than Obama. That's a huge sign of an enthusiasm gap. At the last election Obama, mobilising the internet, young people and celebrities, raised more money than any other presidential candidate in US history. Four years later, he is being outperformed in this area by a conservative, middle-aged, white, dark-suited Mormon of distinctly limited charisma. Obama remains ahead in the key demographics he won last time -- blacks, Hispanics and young people. And, with the exception of young people, he is ahead by roughly similar margins to last time. But there is a tremendous falling off of enthusiasm among those groups, so they are much less likely to vote. Meanwhile, working-class whites, rural folks and high-income earners are angry with Obama's performance. Obamacare is a serious net negative. Obama's people thought it would be a big positive once it was enacted, a little like Julia Gillard's view of the carbon tax. But its critics make two powerful points. It is unaffordable and it does not address the root causes of the wild over-expenditure and underperformance of the American health system. Obama and his team also grossly exaggerated what he could deliver -- stopping the rise of the oceans, cooling the planet, changing the culture of Washington. Obama, sensibly, has abandoned his cap-and-trade scheme yet Washington has hardly ever been more rancorous or partisan. This may or may not be Obama's fault, but it is a performance way short of the promise. Obamacare hurt the President in another way. He put all his energy into that instead of into reforming the American economy. The results of the stimulus program are extremely uncertain, as they are in in every jurisdiction that went down that path and combined it with excessive debt. Finally, Obama's pitch for economic reform comes across as business bashing. But Americans know that businesses create jobs. So why do I think he will still win? Notwithstanding everything listed above, Obama is still well liked. He is not loved as Ronald Reagan was, but he is not despised as Richard Nixon was, nor held in broad public contempt as was Jimmy Carter. And presidential elections are a referendum on the incumbent. The anti-Obama factor is there, but it is not strong enough to guarantee his loss. Enter Romney. Obama, in a brilliant if ruthless political judo trick, has taken what should have been Romney's greatest strength -- his business experience -- and made it into his greatest weakness. This is what reminds me so much of 2004. In that election Kerry wanted to make a great deal of his heroic war service in Vietnam, in contrast to Bush, who had had a brief stint, part-time, in the National Guard but never served in uniform overseas. Instead, the Bush team used Kerry's political opposition to the war, and his unwillingness to disclose some elements of his war service, to build a cloud of troubling doubt about Kerry's fitness to command. Kerry gave an excruciating military salute at the Democratic nominating convention, showing he thought this was a key to his political persona, and the whole of America laughed, or felt embarrassed. Thus, although the preconditions for Bush's defeat were in place, he eked out a narrow but clear victory. This is what I expect Obama to do to Romney. For unknowable reasons, Romney is unwilling to release more than two years of his tax returns. Similarly, it seems unclear when Romney left the firm he founded, Bain. There is nothing to suggest any wrongdoing by Romney, who was clearly successful as a businessman, governor, and, in the Salt Lake City Olympics, an administrator. Yet Romney looks now not only like a plutocrat, which Americans generally don't mind, but a shifty and deceitful one. This may be unfair but it has turned his key strength into a weakness and makes it harder for him to make his key pitch, that he would be better at running the economy. The polls at the moment are effectively showing a dead heat, with Obama ahead in key swing states. This could change. Generally the headline poll is very reliable in the US. It is extremely rare for a candidate to win the popular vote but lose the election by failing to gain a majority in the electoral college. Bush did in 2000 but it's rare. In the electoral college for electing the president there is a small gerrymander towards small states, which tend to be rural and favour Republicans. But it is very small. If either candidate wins 52-48, or even 51-49, it is all but certain that he will win the presidency. But if the margin is 50.2 to 49.8 the electoral college numbers in the swing states become very important -- the mid-west, and the rocky mountain states will be the real battleground.

## Swing States

### Virginia

**Obama wins the election if he wins Virginia**

**ARENDS, 7/16**, BRETT writer for smart money (For Investors, an Election Day Toss-Up, smart money, 7/16/12, http://www.smartmoney.com/invest/strategies/for-investors-an-election-day-tossup-1342488731120/?link=SM\_hp\_ls4e)//ACK

Arends: The presidential election is much closer than the polls suggest, according to one famed pollster. Investors have a financial interest in the presidential election. Barack Obama and Mitt Romney offer different visions on taxes, domestic spending, and the Pentagon. The president has already said he wants to let the Bush-era tax cuts expire on incomes above about $250,000 a year. That would mean higher taxes on stock dividends and long-term capital gains for the highest-earning investors. Mitt Romney wants to extend the Bush tax cuts above $250,000 as well. He also wants to slash taxes further and to ramp up defense spending - while spending less domestically than the president. If this would lead to higher deficits, and hence to a Keynesian reflation of the economy, then it would be better for stocks than for bonds. So who's going to win? Last week I sat down for lunch with David Paleologos, pollster at Suffolk University in Boston. Paleologos may be the best pollster working in America today. He famously called the 2008 New Hampshire primary for Hillary Clinton, when everyone else said Obama would win, and he was the first to predict Republican Scott Brown's January, 2010 upset win in the Massachusetts senate race. Paleologos is not skewed to either side. His take now? You should take these national polls, showing Barack Obama winning by six or seven points, with big fistfuls of salt. The November election could come down to the wire, Paleologos says. And Obama is much more vulnerable in the handful of swing states than most national commentators think. "I think Romney's going to win Ohio and Florida," he says. Yes, polls show Obama ahead in both states, but most commentators don't understand the numbers, he adds/ In each case Obama's stuck at around 47%. And that's bad, bad news for an incumbent, because undecideds tend to break for the challenger. "If you're getting under 50% as an incumbent, you're vulnerable," says Paleologos. At 47% or below the numbers are grim. On the other hand, he sees Obama winning Wisconsin and Pennsylvania, where he's at around 50% in recent polls. Paleologos thinks the race will come down to six states: Colorado, Iowa, Michigan, Virginia, Nevada and New Hampshire. They're all too close to call. In each one, Obama's on around 48% to 49% - vulnerable, he says, but just on the cusp. The big prize this year may be Virginia. "The whole presidential election might come down to four counties in northern Virginia," says Paleologos."If Obama can win 100,000 votes in northern Virginia, that could tip Virginia, and Virginia could tip the whole thing." The debate is raging about Romney's choice for vice-president. Paleologos thinks Romney's best bet would be to pick a Hispanic or a woman, to give the ticket the biggest boost. That could mean Florida senator Marco Rubio, New Mexico governor Susana Martinez, or even New Hampshire senator Kelly Ayotte.

## Impact Scenarios

### Laundry List

#### Election of Romney will result in economic collapse, unnecessary wars, and ensure nothing is done to solve global warming

Mogulescu, 7/13/12 – Entertainment attorney, writer and political activist (Miles, “Progressive Critics of President Obama Must Go All Out to Defeat Romney” http://www.huffingtonpost.com/miles-mogulescu/progressive-critics-of-pr\_b\_1671367.html)//dm

That said, I consider the possible election of Mitt Romney (and the likely election of reactionary Republican majorities in the Senate and the House if he prevails) to be the greatest threat to the nation since the Great Depression and perhaps since the Civil War.

Such a victory for a Republicans -- the most virulently reactionary American political party in historical memory -- would likely result in British/European-style austerity that would plunge a country already experiencing an unnecessarily slow recovery from the deepest recession since the 1930's into a full-blown depression. It would likely lead to tax cuts for the wealthy that would only increase the economic inequality between the top 1% (and top 0.01%) and the 99% that has been widening since the election of Ronald Reagan in 1980. It would likely lead to the unraveling of the economic reforms of the Progressive era, the New Deal, and the Great Society including Medicare and Social Security, which have done so much to turn America into the first largely middle class society in history. It would unravel even the relatively mild regulation of Too Big To Fail Banks of the Obama administration and make another financial crisis more likely. It would restore the neocons to leadership of American foreign policy which could lead to further unnecessary wars. It would lead to the appointment of up to three new Supreme Court Justices in the mold of Scalia/Alito/Thomas who would block progressive reforms for a generation to come. And it would unravel environmental regulation and guarantee that nothing is done to mitigate Global Climate Change which threatens the very fabric of human civilization.

### Iran Strikes

**Obama’s key to solve Iran Strikes – softer approach**

Hurst, 4/18/12 (Stephen, “Romney's foreign policy may mean hardball is back” <http://www.breitbart.com/Big-Peace/2012/04/18/Romneys-foreign-policy-may-mean-hardball-is-back>)//dm

Even so, Romney will campaign, Williamson said, as the man who can return the United States to a country that ensures "peace through strength rather than just managing the gradual decline of our military strength." Romney is particularly harsh on Obama's handling of Iran and concerns it may be building a nuclear weapon. The president is clearly trying to head off a threatened Israeli attack on Iranian nuclear installations. While Obama has not ruled out a U.S. attack, he has not been as directly threatening as Romney, who positions himself much closer to Israel and hardline Prime Minister Benjamin Netanyahu. In one Republican debate, Romney said: "If we re-elect Barack Obama, Iran will have a nuclear weapon. And if we elect Mitt Romney, if you elect me as the next president, they will not have a nuclear weapon."

#### Strikes destroy the economy and cause oil shocks

**Poor, 10** - Staffer for the Business and Media Institute (Jeff, “Dr. Doom Roubini to Synagogue Audience: Israeli Air Strike on Iran Would Lead to Another Global Recession” Business and Media Institute, 5/14/10, lexis)//dm

With European economies on the brink and other emerging markets slowing down, is there any possible way things could get worse? As if the public needed any more evidence we’re living in perilous times, Dr. Nouriel Roubini, professor of economics at New York University's Stern School of Business and co-author of “Crisis Economics: A Crash Course in the Future of Finance,” warned that there is one single event that could push the global economy down even further. Roubini, who was the economist that predicted the current economic crisis, spoke to an audience at the Sixth & I Synagogue in Washington, D.C. on May 13. He said that, should Israel or the United States initiate an attack on Iran, as it is attempting to procure nuclear weapons, the price of oil would skyrocket. “And you know, on the issue of if there is a strike on Iran, the point I was making in the article was, if that were to occur, oil prices would double literally overnight and we would have another global recession.” Roubini cited other historical events that impacted a fragile global economy. “Oil spiked sharply in ’73 after the Yom Kippur War,” Roubini explained. “It doubled in ’79 after the Iranian Revolution, it spiked again in 1990 after the Iraqi invasion of Kuwait.” He also explained the 2006 Israeli invasion of Lebanon was a spark for the current global financial crisis, a point he had made earlier for Forbes back on April 22. He advised policy makers to keep this in mind when it comes to dealing with the rogue power. “So if an air strike were to occur, and I’m not making a statement whether Israel and/or the United States would be right – so I’m just pointing out that if that were to occur, the financial consequences would be a spike in the price of oil and that would lead to another global recession. So when it comes to some pros and cons that should be something we keep in mind.”

#### Broad statistical models prove – unmanaged economic declines lead to global conflict

Royal 10 – Jedediah Royal, Director of Cooperative Threat Reduction at the U.S. Department of Defense, (Economic Integration, Economic Signaling and the Problem of Economic Crises, Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, p. 213-215)

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow.

First, on the systemic level, Pollins (2008) advances Modclski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon. 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner, 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown.

Second, on a dyadic level, Copeland's (1996. 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult  to replace items such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4

Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write:

The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002. p. 89)

Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg. Hess. & Weerapana. 2004). which has the capacity to spill across borders and lead to external tensions.

Furthermore, crises generally reduce the popularity of a sitting government. 'Diversionary theory' suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1990, DeRouen (1995). and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force.

In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels.' This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter.

Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such, the view presented here should be considered ancillary to those views.

### Bonds

#### Romney’s economic budget would slow down the economy

Miller, 6/5/12 – reporter and writer for Bloomberg from Washington (Rich “Nobel Winner Stiglitz Sees More Recession Odds in Romney” http://www.bloomberg.com/news/2012-06-04/nobel-winner-stiglitz-sees-more-recession-odds-in-romney.html)//dm

Nobel Prize-winning economist [Joseph Stiglitz](http://topics.bloomberg.com/joseph-stiglitz/) said the election of [Mitt Romney](http://topics.bloomberg.com/mitt-romney/) as president in November would “significantly” raise the odds of a recession because it would herald a shift to a much [tighter budget](http://www.bloomberg.com/quote/FDEBTY%3AIND).

History shows that the adoption of fiscal austerity when an economy is weak can have disastrous consequences, as happened in the U.S. in 1929 on the eve of the Great Depression, Stiglitz told Bloomberg editors and reporters in [New York](http://topics.bloomberg.com/new-york/) yesterday. Republican candidate Romney risks making that same sort of mistake by backing a plan to slash the [budget deficit](http://topics.bloomberg.com/budget-deficit/), he said.

“The Romney plan is going to slow down the economy, worsen the [jobs deficit](http://www.bloomberg.com/quote/USURTOT%3AIND) and significantly increase the likelihood of a recession,” said Stiglitz, who served as chairman of President [Bill Clinton](http://topics.bloomberg.com/bill-clinton/)’s [Council of Economic Advisers](http://topics.bloomberg.com/council-of-economic-advisers/) from 1995 to 1997.

In contrast, President [Barack Obama](http://topics.bloomberg.com/barack-obama/) “recognizes the need to stimulate the economy,” Stiglitz said.

He listed two other “very big differences” between the Democratic and Republican presidential candidates: Obama sees inequality as a “significant problem” for the country and is committed to raising taxes on the rich to help address it. Romney does not, according to Stiglitz, author of a new book entitled, “The Price of Inequality: How Today’s Divided Society Endangers Our Future.”

Misguided Austerity

The Columbia University professor argued that European nations are also misguided in pursuing fiscal austerity as a way to resolve the region’s sovereign debt crisis and said there was a “very high probability” that more than one country will drop out of the 17-nation euro zone.

In the longer run, the New York-based professor sees a “rump” of countries led by [Germany](http://topics.bloomberg.com/germany/) and possibly [France](http://topics.bloomberg.com/france/) retaining the euro as their common currency.

“It probably means that the euro is going to go up” eventually because of the strength of the economies that will remain in the currency compact, he added.

The euro rose for a second day versus the dollar after falling to its lowest level in almost two years last week. The euro rose 0.5 percent to $1.2499 at 5 p.m. New York time yesterday. It fell to as low as $1.2288 on June 1, the weakest level since July 1, 2010.

Federal Reserve

Stiglitz said that there is little that [Federal Reserve](http://topics.bloomberg.com/federal-reserve/) Chairman [Ben S. Bernanke](http://topics.bloomberg.com/ben-s.-bernanke/) can do to help the slow-growing [U.S. economy](http://topics.bloomberg.com/u.s.-economy/) through [monetary](http://www.bloomberg.com/quote/FDTR%3AIND) policy. Instead, the Fed chief should focus on efforts to get banks to provide more credit to the economy.

“Providing more liquidity doesn’t force them to lend,” he said.

The U.S. central bank has cut its federal funds rate target to zero to a quarter percentage point and more than tripled the size of its balance sheet since the start of September 2008 in an effort to promote a rapid recovery of the economy from the worst recession since the Great Depression. Gross domestic product grew at an annual pace of 1.9 percent in the first quarter, after expanding 3 percent in the final three months of 2011.

Stiglitz said the Fed should use its regulatory powers to limit the ability of banks to make profits through trading of derivatives and other means so as to encourage them to “focus on lending,” including to small and medium-sized businesses.

“You want them to have to go back to the boring business of lending,” the economics professor said.

Dodd-Frank

He criticized the Dodd-Frank financial services legislation that Obama signed into law in 2010.

The legislation, named after former Connecticut Senator [Chris Dodd](http://topics.bloomberg.com/chris-dodd/) and Massachusetts Congressman Barney Frank, does not correct the problem of too-big-to-fail banks that the government feels compelled to rescue, according to Stiglitz.

“We need to do more to reduce excessive risk-taking” by the banks, Stiglitz said, adding that was highlighted by the $2 billion trading loss reported last month by JPMorgan Chase & Co.

#### Obama’s economic policies have given the bond market investor confidence

Kruger, 7/2/12 – reporter for Bloomberg in New York (Daniel “Bond Market Backs Obama With Record Demand for New Debt” http://www.bloomberg.com/news/2012-07-02/bond-market-backs-obama-with-record-demand-for-new-debt.html)//dm

Investors are plowing cash into new U.S. Treasuries at a record pace, making economic growth rather than budget austerity a key issue as President [Barack Obama](http://topics.bloomberg.com/barack-obama/) and [Mitt Romney](http://topics.bloomberg.com/mitt-romney/) face off in November’s presidential election.

Bidders offered $3.16 for each dollar of the $1.075 trillion of notes and bonds [auctioned](http://www.bloomberg.com/quote/USN10YBC%3AIND) by the Treasury Department this year as yields reached all-time lows, above the previous high of $3.04 in all of 2011, according to data compiled by Bloomberg. The so-called bid-to-cover ratio was 2.26 from 1998 to 2001 when the nation ran budget surpluses.

Even as Romney and fellow Republicans assail Obama for presiding over the increase of U.S. publicly-owned [debt](http://www.bloomberg.com/quote/DEBPMARK%3AIND) to $10.5 trillion from $5.75 trillion in 2009 amid the worst financial crisis since the Great Depression, the [bond market](http://topics.bloomberg.com/bond-market/) is showing growing investor confidence in the safety of dollar assets.

“The perceived stability of the U.S. financial system, where you have an active and aggressive [Federal Reserve](http://topics.bloomberg.com/federal-reserve/), and a broad $15 trillion-plus economy means the U.S. is going to continue to be regarded as a deep, liquid, strong area to invest in,” Rick Rieder, chief investment officer of fundamental fixed income at New York-based Blackrock Inc., which manages $3.68 trillion, said in a June 29 telephone interview. “Rates are going to stay low for a long time.”

#### Investors have confidence in the status quo bond markets

Wall Street Steward, 7/12/12 – posted in LPL financial and the writer is a financial advisor with Family Trust Investment Services (“2012 Mid-year outlook” http://wallstreetsteward.com/2012-mid-year-outlook-2/)//dm

In our 2012 Outlook, we stated that the party that emerges in control following the November 2012 elections will forge the decisions that will represent one of the biggest shifts in federal budget policy since World War II. In the second half of the year, these elections will likely become an increasingly potent driver of the overall markets and determine whether our expectations for the year come to fruition.

Currently, our outlook over the second half of 2012 for the economy, the stock market, and the bond market are on track based on our 2012 Outlook. However, financial markets will react in anticipation of potential election impacts and influence stock and bond market performance. In the stock market, we continue to focus on sectors that derive more of their growth from more rapidly growing emerging markets and business spending. In the bond market, we continue to focus on higher yielding sectors that may outperform in a low-yield environment resulting from political uncertainty, sluggish economic growth, and ongoing risks from Europe.

What do the elections hold for investors? To answer this question, we analyze what we believe are the most relevant issues in the second half of 2012 and 2013. We can think of these issues as campaign stops in our journey across the current political landscape.

#### Slow growth leads to global wars

Khalilzad 11 – PhD, Former Professor of Political Science @ Columbia, Former ambassador to Iraq and Afghanistan

Zalmay Khalilzad was the United States ambassador to Afghanistan, Iraq, and the United Nations during the presidency of George W. Bush and the director of policy planning at the Defense Department from 1990 to 1992. "The Economy and National Security" Feb 8 www.nationalreview.com/blogs/print/259024

Today, economic and fiscal trends pose the most severe long-term threat to the United States’ position as global leader. While the United States suffers from fiscal imbalances and low economic growth, the economies of rival powers are developing rapidly. The continuation of these two trends could lead to a shift from American primacy toward a multi-polar global system, leading in turn to increased geopolitical rivalry and even war among the great powers. The current recession is the result of a deep financial crisis, not a mere fluctuation in the business cycle. Recovery is likely to be protracted. The crisis was preceded by the buildup over two decades of enormous amounts of debt throughout the U.S. economy — ultimately totaling almost 350 percent of GDP — and the development of credit-fueled asset bubbles, particularly in the housing sector. When the bubbles burst, huge amounts of wealth were destroyed, and unemployment rose to over 10 percent. The decline of tax revenues and massive countercyclical spending put the U.S. government on an unsustainable fiscal path. Publicly held national debt rose from 38 to over 60 percent of GDP in three years. Without faster economic growth and actions to reduce deficits, publicly held national debt is projected to reach dangerous proportions. If interest rates were to rise significantly, annual interest payments — which already are larger than the defense budget — would crowd out other spending or require substantial tax increases that would undercut economic growth. Even worse, if unanticipated events trigger what economists call a “sudden stop” in credit markets for U.S. debt, the United States would be unable to roll over its outstanding obligations, precipitating a sovereign-debt crisis that would almost certainly compel a radical retrenchment of the United States internationally. Such scenarios would reshape the international order. It was the economic devastation of Britain and France during World War II, as well as the rise of other powers, that led both countries to relinquish their empires. In the late 1960s, British leaders concluded that they lacked the economic capacity to maintain a presence “east of Suez.” Soviet economic weakness, which crystallized under Gorbachev, contributed to their decisions to withdraw from Afghanistan, abandon Communist regimes in Eastern Europe, and allow the Soviet Union to fragment. If the U.S. debt problem goes critical, the United States would be compelled to retrench, reducing its military spending and shedding international commitments. We face this domestic challenge while other major powers are experiencing rapid economic growth. Even though countries such as China, India, and Brazil have profound political, social, demographic, and economic problems, their economies are growing faster than ours, and this could alter the global distribution of power. These trends could in the long term produce a multi-polar world. If U.S. policymakers fail to act and other powers continue to grow, it is not a question of whether but when a new international order will emerge. The closing of the gap between the United States and its rivals could intensify geopolitical competition among major powers, increase incentives for local powers to play major powers against one another, and undercut our will to preclude or respond to international crises because of the higher risk of escalation. The stakes are high. In modern history, the longest period of peace among the great powers has been the era of U.S. leadership. By contrast, multi-polar systems have been unstable, with their competitive dynamics resulting in frequent crises and major wars among the great powers. Failures of multi-polar international systems produced both world wars. American retrenchment could have devastating consequences. Without an American security blanket, regional powers could rearm in an attempt to balance against emerging threats. Under this scenario, there would be a heightened possibility of arms races, miscalculation, or other crises spiraling into all-out conflict. Alternatively, in seeking to accommodate the stronger powers, weaker powers may shift their geopolitical posture away from the United States. Either way, hostile states would be emboldened to make aggressive moves in their regions.

### Dollar Value

#### Romney will cause the dollar value to collapse

Matthews, 7/18/12 – (Dylan, “Will Mitt Romney devalue the Dollar” http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/18/will-mitt-romney-devalue-the-dollar/)//dm

There are a lot of interesting tidbits in this morning’s op-ed by Glenn Hubbard, a Columbia economics professor and one of Mitt Romney’s top advisers. James Pethoukis [highlights](http://www.aei-ideas.org/2012/07/yes-romney-probably-really-does-believe-in-growth-through-austerity/) Hubbard’s endorsement of literature suggesting, against the view of most macroeconomists, that austerity is stimulative in the short-run. But what I found more interesting is the mechanism that Hubbard identifies as the cause of austerity’s allegedly stimulative effect. Here’s Hubbard:

This outcome reflects lower future tax rates and the boost from lower interest rates to investment and net exports.

And here’s the Hoover Institution [paper](http://www.stanford.edu/~johntayl/CoganTaylorWielandWolters_120614.pdf) (pdf) by John Cogan, John Taylor, Volker Wieland and Maik Wolters that he cites:

Second, the expectation of reduced government spending in the future lowers interest rates, which stimulates demand today offsetting the decline in government spending in the short run.
And third, the lower interest rate reduces the exchange rate thereby increasing net exports which also offset the decline in government spending. More generally, the gradual and credible decline in government spending allows the private sector to adjust smoothly to the decline in spending without negative disruptions.

So the main mechanism by which this stimulus would happen is that interest rates on U.S. debt and the value of the dollar would fall. The interest rate decline would reduce the cost of loans in general, as many are pegged to the interest rate on debt, and the lower value of the dollar would make exporting cheaper, stimulating growth in that area.

First, it’s worth noting that the interest rates on U.S. debt already are extremely low. As Ezra [noted](http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/12/the-world-desperately-wants-to-loan-us-money/) the other day, once you account for inflation, they’re actually negative. For them to get lower, investors would have to be willing to pay the U.S. even more money for the privilege of buying their bonds. It is hard to see how austerity would accomplish this. It could perhaps hurt growth by enough that scared investors want to pay more to park their money in U.S. bonds, but in that case the overall effect isn’t stimulative at all.

The Congressional Research Service, for one, is [skeptical](http://www.fas.org/sgp/crs/misc/RL34582.pdf) that fiscal consolidation has much of an effect either way on interest rates:

In the current state of the U.S. economy, with a sizable amount of economic slack and weaker than normal private demand for credit market funds, current government borrowing does not appear to have elevated market interest rates, and, therefore, does not appear likely to exert upward pressure on the exchange rate.

In other words: borrowing isn’t raising interest rates, so cutting the deficit won’t lower them.

Second, it’s worth emphasizing that one of Romney’s top advisers is promoting economic stimulus through a lower dollar. That could be good idea, as cheap dollars are [generally helpful in economic slumps](http://www.washingtonpost.com/blogs/ezra-klein/post/against-the-strong-dollar-and-the-weak-dollar/2011/05/09/AF6Tyi5G_blog.html), but it’s an [interesting position](http://www.washingtonpost.com/blogs/ezra-klein/post/are-rick-perrys-fed-views-extreme-for-a-republican/2011/08/17/gIQAvLWoLJ_blog.html?wprss=ezra-klein) for a Republican candidate to embrace. Paul Ryan has declared, “There is nothing more insidious that a country can do to its citizens than debase its currency,” while Tim Pawlenty has said “When you devalue the dollar, you are devaluing the net value of this country.” This sort of rhetoric could make it difficult for Romney to follow this path if elected.

#### Collapse of the dollar biggest internal link to heg

McCoy, 12/6/10 - History Prof at Wisconsin-Madison (Alfred, “The Decline and Fall of the American Empire Four Scenarios for the End of the American Century by 2025” <http://www.commondreams.org/view/2010/12/06-1>)//dm

Today, three main threats exist to America’s dominant position in the global economy: loss of economic clout thanks to a shrinking share of world trade, the decline of American technological innovation, and the end of the dollar's privileged status as the global reserve currency. By 2008, the United States had already fallen to number three in global merchandise exports, with just 11% of them compared to 12% for China and 16% for the European Union. There is no reason to believe that this trend will reverse itself. Similarly, American leadership in technological innovation is on the wane. In 2008, the U.S. was still number two behind Japan in worldwide patent applications with 232,000, but China was closing fast at 195,000, thanks to a blistering 400% increase since 2000. A harbinger of further decline: in 2009 the U.S. hit rock bottom in ranking among the 40 nations surveyed by the Information Technology & Innovation Foundation when it came to “change” in “global innovation-based competitiveness” during the previous decade. Adding substance to these statistics, in October China's Defense Ministry unveiled the world's fastest supercomputer, the Tianhe-1A, so powerful, said one U.S. expert, that it “blows away the existing No. 1 machine” in America. Add to this clear evidence that the U.S. education system, that source of future scientists and innovators, has been falling behind its competitors. After leading the world for decades in 25- to 34-year-olds with university degrees, the country sank to 12th place in 2010. The World Economic Forum ranked the United States at a mediocre 52nd among 139 nations in the quality of its university math and science instruction in 2010. Nearly half of all graduate students in the sciences in the U.S. are now foreigners, most of whom will be heading home, not staying here as once would have happened. By 2025, in other words, the United States is likely to face a critical shortage of talented scientists. Such negative trends are encouraging increasingly sharp criticism of the dollar's role as the world’s reserve currency. “Other countries are no longer willing to buy into the idea that the U.S. knows best on economic policy,” observed Kenneth S. Rogoff, a former chief economist at the International Monetary Fund. In mid-2009, with the world's central banks holding an astronomical $4 trillion in U.S. Treasury notes, Russian president Dimitri Medvedev insisted that it was time to end “the artificially maintained unipolar system” based on “one formerly strong reserve currency.” Simultaneously, China's central bank governor suggested that the future might lie with a global reserve currency “disconnected from individual nations” (that is, the U.S. dollar). Take these as signposts of a world to come, and of a possible attempt, as economist Michael Hudson has argued, “to hasten the bankruptcy of the U.S. financial-military world order.” Economic Decline: Scenario 2020 After years of swelling deficits fed by incessant warfare in distant lands, in 2020, as long expected, the U.S. dollar finally loses its special status as the world's reserve currency. Suddenly, the cost of imports soars. Unable to pay for swelling deficits by selling now-devalued Treasury notes abroad, Washington is finally forced to slash its bloated military budget. Under pressure at home and abroad, Washington slowly pulls U.S. forces back from hundreds of overseas bases to a continental perimeter. By now, however, it is far too late. Faced with a fading superpower incapable of paying the bills, China, India, Iran, Russia, and other powers, great and regional, provocatively challenge U.S. dominion over the oceans, space, and cyberspace. Meanwhile, amid soaring prices, ever-rising unemployment, and a continuing decline in real wages, domestic divisions widen into violent clashes and divisive debates, often over remarkably irrelevant issues. Riding a political tide of disillusionment and despair, a far-right patriot captures the presidency with thundering rhetoric, demanding respect for American authority and threatening military retaliation or economic reprisal. The world pays next to no attention as the American Century ends in silence.

## Aff ANswers

### --Iran Strikes

#### Obama will first strike because of PERCEPTION that a first strike is popular is his numbers go down

Akram, 1/11/12 - former Pakistan ambassador to the UN (Munir, “The road to another war,” [http://www.dawn.com/2012/01/11/the-road-to-another-war.html)//dm](http://www.dawn.com/2012/01/11/the-road-to-another-war.html%29/dm)

A second concern is the rising rhetoric in the US presidential campaign. Apart from Ron Paul, the leading Republican contenders have advocated military action against Iran. Such rhetoric could escalate once the Republican nominee faces off against Obama. If the president`s opinion polls are dismal closer to election day, a `bold` strike against Iran may be seen as a popular, if dangerous, gambit to win the election. A US military, frustrated by a decade of quagmire, and less vulnerable now to Iranian retaliation after withdrawal from Iraq, could well concur with an aerial war against Iran The results and consequences of such major aerial attacks cannot be fully anticipated, but they are unlikely to be palatable to any of the protagonists. Aerial strikes will not fully eliminate Iran`s numerous nuclear facilities. At best, Iran`s programme would be delayed by a few years. Human and physical destruction in Iran would be considerable since many facilities are close to population centres and US-Israeli strikes would need to also eliminate Iran`s retaliatory conventional capabilities. Even with a diminished capability, Iran would retaliate, including through asymmetric attacks especially against regional rivals. Tehran would most likely openly declare its decision to acquire nuclear weapons. Iranians would unite behind a hard-line leadership against the West and its friends. Most immediately,the price of oil would spike to unprecedented levels, even if other producers expand production. Are these likely catastrophic consequences sufficient to convince leaders on both sides to step back from the road to war? Is a deal, based on the 2002 Iranian offer, still possible? That should be the aim of all right-thinking policymakers.

### --Bonds

#### No internal link to bond markets – only small economic differences prove

Santoli, 7/14/12 – a columnist for Barron’s which is America’s premier financial magazine (Michael “Less than meets the ear” http://online.barrons.com/article/SB50001424053111903431804577508921053002152.html)//dm

Every now and again, it's useful to air one's most crowd-bucking, fight-picking position, if only to redirect the dominant conversation down a more interesting, and possibly even enlightening, path.

So here goes: For the economy and financial markets, the stakes in the coming presidential election are vastly lower than nearly everyone is making them out to be.

Every four years, both major U.S. parties and the political media feed the idea that Election Day is a crucial pivot point for the direction of the country and its economic fortunes. This time around, the overheated pre-game pep rallies and advance coverage of the rivalry might make this contention seem more convincing, given the frightening government debt totals, fragile world economy and fiscal decisions that will, by law, immediately greet the next administration and Congress.

Yet for essentially the same reasons, the stakes on Nov. 6 aren't all that high. For either a Romney presidency or a second Obama term, the fiscal math is the same. The debate isn't about whether long-term structural budget action is necessary, but of what sort and how fast. The divide over taxation, in the grand historical scheme of things, is about either a partial, incremental return to tax rates that prevailed not all that long ago, or a continuation of rates that have been in place the past few years. Not exactly make-or-break stuff.

Meanwhile, while few choose to say it, the debt-collector wolf isn't yet at the door. Total interest on Treasury debt, as a proportion of U.S. economic output, is substantially lower than it was in the early 1990s, when Ross Perot ran a one-issue campaign on deficit reduction. Obviously, any comfort derived from this fact is cold and temporary, given that any lasting rise in interest rates would bloat the interest burden painfully. For now,

however, it's the reality.

Investors and the investment industry are braced for what potentially higher tax rates on capital gains and dividends might do to risk appetites. Yet investors' appetite for risk has been shrunk by bear markets and scary macroeconomic risks, under a relatively benign taxation scenario. And what has been just about the most popular investment choice by individuals in recent years? Corporate bonds, which are also just about the least tax-efficient.

This is not some version of the old "pox on both houses" or "all politicians are the same" mantras. It's merely an observation that the economic cycle and central-bank policies have a far greater ability to determine market outcomes than does the Electoral College.

Let's be straight about the strongest relationships between presidential elections and stock-market performance. First, for reasons probably involving quadrennial bipartisan pandering, election years have tended to be better than average for stocks, with strength concentrated in the years' second half. This even incorporates 2008, a nasty annum that proved historical tendencies are only that, and not guarantees. The most pronounced pattern is that the market has done best when the incumbent is re-elected, and worst in years when he's ousted.

So, the economic circumstances under which incumbents win (an improving economy, largely) are also hospitable for equity performance before and after the election. A notable exception was 1948, when Truman's victory was a true, unwelcome surprise to Wall Street. Yet 1936, when Roosevelt was re-elected four years after a financial crash amid high unemployment and sharp class-based economic arguments, was not. Note, too, that presidents' second terms tend to be less about ideological and legislative aggression than about legacy-grooming.

So it's no surprise that the S&P 500 has neatly tracked the "political futures market" for Obama's re-election chances. Some Wall Streeters have framed this year as a potential win-win, meaning that if the economy is OK enough for Obama to prevail, it's good for stocks, and if Romney wins, Wall Street's general preference for a Republican will fuel some buying enthusiasm. Maybe, but wise investors know that win-win scenarios can turn into lose-lose realities.

This isn't to suggest that the markets will sit quietly, ignoring the campaign's to-and-fro and putting off worrying about the year-end "fiscal cliff," or that individual sectors won't be big winners or losers, pending the election outcome.

It's just that this election is a tug-of-war over a narrower span of economic-policy turf than the typical headline reader is being led to believe, and events in Brussels or Beijing could turn out to be quite a bit more decisive for the fate of what remains a resilient U.S. stock market than who's living at 1600 Pennsylvania Ave. on Jan. 21.

# Obama Bad

## Uniqueness

### 1NC Won’t Pass

## Impact Scenarios

### --Navy

#### Navy Budget cuts coming now – that hurts readiness

**Eaglen, 12 -** is a resident fellow at AEI, (Mackenzie “Obama's Shift-to-Asia Budget Is a Hollow Shell Game”

http://defense.aol.com/2012/03/15/crafty-pentagon-budget-showcases-marquis-programs-while-masking/)

Pentagon plans now retire seven cruisers and two dock landing ships at the same time as the Navy is revising downward its 30-year shipbuilding plan. Military leaders have been quick to point to the ten ships planned for construction over the next fiscal year. The problem is that this figure, as it appeared in the FY 2012 budget, was supposed to be thirteen, not 10. In fact, in the 2012 budget, the Navy requested 57 ships from 2013-2017. The new 2013 budget cuts this to 41 ships. It's hard to see how these dramatic cuts in fleet size fit into the administration's pivot to Asia. Naval research and development do not fare much better. While the Navy is to be commended on a getting some research initiatives right -- such as breaking out a new account for Future Naval Capabilities focusing on advanced research and prototypes, increasing funding for the Littoral Combat Ship, and increasing funding for the Marine Corps' Assault Vehicles -- many of the Navy's RDT&E decisions do not appropriately resource the rhetorical emphasis on the Pacific. The budget slices the Power Projection Applied Research account by nearly 15%, affecting programs like precision strike and directed energy weapons. Similarly, Force Protection Applied Research dropped by 27%, cutting innovation in anti-submarine warfare and hull assurance. A 28% cut in Electromagnetic Systems Applied Research affects initiatives such as electronic attack, surface-based anti-cruise and ballistic missile defenses, and the Surface Warfare Improvement Program, or SEWIP, which uses electronic warfare to disarm incoming missiles. Other R&D cuts impact separate initiatives on anti-submarine warfare, undersea weapons, cyber security, electronic warfare, sensing, SATCOM vulnerabilities, missile defense countermeasures, S and X-band radar integration, and radar defenses against electronic attack. These programs form important parts of the Navy's next-generation arsenal, especially when it comes to the Pentagon's evolving AirSea Battle concept. They are exactly the type of programs the Pentagon should be protecting if it is serious about emphasizing the unique challenges of the Asia-Pacific. The fact that R&D money declined for these particular Navy programs is a disturbing sign for the overall coherence of the administration's budget. While the Navy received a $4 billion increase in O&M funding from 2012, it could not come soon enough. The Navy has been stretched past the breaking point in terms of operational readiness, with nearly one quarter of its ships failing their annual inspection in 2011 and cracks in the aluminum superstructure of every cruiser in the Navy's inventory. The naval readiness crisis was so bad in 2011 that Vice Admiral Kevin McCoy told the House Armed Services Committee that, "we're not good to go." Increased O&M funding for the Navy helps, but more needs to be done in order to [fix the fleet](http://blog.american.com/2012/02/u-s-navy-readiness-continues-its-decline-amidst-the-pivot-to-asia/). It certainly does not help that the Navy is forced to pay nearly $900 million to retire ships early while the fleet size is already too small. Various defense officials and military chiefs have testified recently that the services are sacrificing size of the force for either readiness or quality. Given the rapidly rising levels of risk associated with the latest defense budget cuts, it is likely both readiness and quality will decline despite the Chiefs' best efforts.

#### Romney is key to ramp up defense spending

Arends, 7/16/12 - is an American financial journalist. He writes a column for the Wall Street Journal's website (Brett, “For Investors, an Election Day Toss-Up” http://www.smartmoney.com/invest/strategies/for-investors-an-election-day-tossup-1342488731120/?link=SM\_hp\_ls4e)//dm

Investors have a financial interest in the presidential election.

Barack Obama and Mitt Romney offer different visions on taxes, domestic spending, and the Pentagon.

The president has already said he wants to let the Bush-era tax cuts expire on incomes above about $250,000 a year. That would mean higher taxes on stock dividends and long-term capital gains for the highest-earning investors.

Mitt Romney wants to extend the Bush tax cuts above $250,000 as well. He also wants to slash taxes further and to ramp up defense spending - while spending less domestically than the president. If this would lead to higher deficits, and hence to a Keynesian reflation of the economy, then it would be better for stocks than for bonds

#### Naval strength solves Middle East war

**Vego, 8** — professor of operations at the Naval War College, former commanding officer in the former Yugoslav Navy and former West German merchant marine (Milan N., “On Naval Power”, Joint Forces Quarterly, July 2008, http://www.ndu.edu/press/lib/pdf/jfq-50/JFQ-50.pdf, Deech)

Naval forces can be employed in support of foreign policy, military (theater) strategy, and peace operations. Navies are an ideal tool for providing support of foreign policy. Their main advantages are flexibility, mobility, and political symbolism. Naval forces have diverse capabilities that can be quickly tailored to the situation at hand. They are also largely self-sufficient and do not require extensive land support. Naval forces can be employed in support of the country’s diplomatic initiatives in peacetime and time of crisis, or for naval diplomacy— actions aimed to create a favorable general and military image abroad, establish one’s rights in areas of interest, reassure allies and other friendly countries, influence the behavior of other governments, threaten seaborne interdiction, and, finally, threaten the use of lethal force. Deployment of naval forces during times of tension or crisis to back up diplomacy and thereby pose an unstated but clear threat is an example of naval diplomacy, which can also help in coalition-building. Navies are generally much more effective than armies or air forces in terms of their international acceptability and capacity to make the desired impact. They can be used symbolically to send a message to a specific government. When a stronger message is required, naval diplomacy can take the form of employment of carefully tailored forces with a credible offensive capability, signaling that a much more capable force will follow, or it can give encouragement to a friendly country by providing reinforcement. The threat of the use of limited offensive action or coercion might be designed to deter a possible aggressor or to compel him to comply with a diplomatic demarche or resolution. Naval forces can be used in conflict prevention, coercive diplomacy, and peace operations. Conflict prevention includes diverse military activities conducted either unilaterally or collectively under Chapter VI of the UN Charter and aimed at either preventing escalation of disputes into armed conflict or facilitating resolution of armed violence. These actions range from diplomatic initiatives to preventive deployment of naval forces. The main purpose of the forward presence of U.S. naval forces in the western Pacific, Arabian Sea, Persian (Arabian) Gulf, and Mediterranean is to prevent the outbreak of large-scale hostilities that might affect the national interests of the United States and its allies or friends. Naval forces deployed in forward areas should be of sufficient size and combat power to defeat opposing forces quickly and decisively.

#### And, goes global and nuclear

Gold, 07 [Thomas J., Masters in Strategic Intelligence, Joint Military Intelligence College, Nuclear Conflict in the Middle East: An Analysis of Future Events, p. 53-55]

If the political, ethnic, and military policies, and future nuclear weapons development in the Middle East continue in their present directions, Iran or Iraq will eventually initiate a nuclear conflict, probably in the 2005-2015 time frame. Major focal events such as total arms control (resulting in a regional NWFZ), individual acceptance of the NPT, or changes in Middle East leadership will ultimately determine which future happens. FUTURE INDICATORS A constant watch is needed to assess the actions, intentions, and progress of the Middle East countries with their nuclear programs. As well as the status of each country’s nuclear program, its military capability and intentions must also be monitored to determine which future direction is most likely and if the first use of nuclear weapons is likely. ‘Future Indicators” verify the progress of each country toward the most likely “Alternate Future”. Future No. 23 (most likely,): Israel, Iran, and Iraq have developed nuclear weapons. Israel and Iran have kept their weapons as a deterrent. Iraq is the first to use nuclear weapons, probably for aggression. Depending on which Middle East country is attacked by Iraq, either Israel or Iran will retaliate with a secondary nuclear strike. Actions by the U.S., Russia, or other countries will have little effect in deterring this retaliation. This future scenario also carries the risk of *escalation* into a regional or *global nuclear conflict* if the *major nuclear powers* become involved. This scenario can only take place if Iran chooses to retain its nuclear weapons for deterrence rather than be aggressive. Note that Iran has developed weapons approximately three years earlier than Iraq. Israel must also be complacent about Iraq’s program and not destroy the Iraqi reactors as it did in 1981. Transposition to Future No. 20: Iran becomes democratic and does not develop nuclear weapons. However, without the appearance of having a potential nuclear capability, Iran will surely become the most probable target of Iraq’s attack. Transposition to Future No. 14: Israel or one of the major nuclear powers takes a major action which deters Iraq from nuclear aggression. This scenario would result in a very unstable situation when all three countries have nuclear weapons. The potential would then exist for a regional dispute to escalate into nuclear conflict. Transposition to Future No. I: Prior to any conflict, all Middle East countries have agreed to a NWFZ, abandoned their nuclear development programs, and destroyed all nuclear weapons and related materials. Indicators for Future Scenario No. 23: A tier the development and assembly of a nuclear device, Iraq may test the weapon within Iraqi territory to verify its design, or politically move Iraq into being a nuclear power: this action would be a major step toward regional hegemony. After testing this weapon, Iraq may also begin a buildup of its nuclear capability for future deterrence or aggression. Future No. 17 (second most likely): Israel and Iran have developed nuclear weapons. Iraq program is not complete, and Israel has kept its weapons as a deterrent. Iran is the first to use nuclear weapons, probably for aggression. As the status of the Iraqi program is uncertain, the most probable target for an Iranian first strike using nuclear weapons is Israel. A nuclear retaliation by Israel would be *certain*. The potential now exists for the involvement of the major nuclear powers, the U.S. siding with Israel, and Russia siding with Iran. *Escalation* to regional or *global nuclear war is now a possibility*.

### --Defense Jobs

#### Romney winning is key to the defense budget – that’s key to jobs

Culhane, 7/17/12 – White House correspondent for Al Jazeera before that she worked at MSNBC as a White House correspondent where she traveled both domestically and internationally with President Bush (Patty, “Mitt Romney's Military-deficit Complex” http://www.huffingtonpost.com/patty-culhane/romney-military-spending\_b\_1677346.html)//dm

On Tuesday, I [listened](http://www.c-spanvideo.org/program/306984-1) as Mitt Romney talked about increasing military spending for ships, planes and 100,000 additional troops. It's a typical Republican line, but it seems to me that it sets him up for hard questions, that is, if his aides ever allow him to be asked one. How can he promise to balance the budget and increase military spending? The only logical explanation would mean drastically cutting every social program. That doesn't sound like a popular position going into an election. I'm beginning to suspect it's a purposeful plan to plant the thought into the collective conscience of the electorate because it could matter later.

Sequestration

Here is why that could win him the presidency. It's all about sequestration. I know... but stay with me. It is a rather clunky sounding word that doesn't say much, but what it means could have a huge impact. In a sign of how dysfunctional Washington had become, last July the president and the Republicans in Congress couldn't figure out how to cut the deficit during that whole debt ceiling debate. The final plan, lay out budget cuts that would be so bad for the economy, so unpopular with voters and campaign donors that politicians would be forced to come up with an alternative. They didn't, so now the federal government, under current law, HAS to cut about $100b in spending starting January 2, 2013.

You might be thinking, polls show that people like the idea of cutting the deficit so what's the problem? It's simple, Americans don't yet know what austerity feels like, but they might find out four days before the election. [Fifty percent](http://www.bloomberg.com/news/2012-07-02/defense-cuts-of-500-billion-vex-officials-as-budget-ax-nears.html) of the cuts will come out of the politically untouchable five-sided building otherwise known as the Pentagon. There are defense contractors telling Congress if they don't get rid of the cuts, by law, they'll have to warn every single employee, contractor and supplier that they could be fired. That would happen 60 days the cuts would be put in place, yes that is November 2nd.

'Absurdity'

Just think about that for a second. I've seen one [study](http://www.uschamber.com/sites/default/files/issues/defense/files/defensetrade.pdf) that put the number of workers connected to the defense industry at about 3.5 million people. What would you do if you got that notice on November 2nd that you could be losing your job? Would you stand in the cold November rain for hours if you had to, in order to fire every single elected official that you believe might cost you your job? I'm betting a lot of people would do exactly that. In an election that is expected to be decided by a few thousand votes in a handful of states, that without question could make the difference.

Fifty billion dollars is, of course, not the entire budget for the Department of Defense, not even close. Why then would the defense industry notify every person who works on every program? The proposed cuts wouldn't cost everyone their jobs -- far from it. The bosses at the Department of Defense have decided not to say what programs could be impacted. In fact, they insist they aren't even beginning to think about it. The Pentagon spokesman told reporters the other day that the agency known for planning for every just in case scenario, isn't really looking at what it will cut in January, just a few months from now. If that seems beyond understanding, he tried to explain: "We typically don't plan against absurdities, and that's what we're talking about here. It is an absurdity." It also means that by not getting specific, the military industrial complex can continue to put fear into every single elected member of Congress. It is the case that the military industrial complex reaches into every Congressional District in this country.
Running debate

It's a running debate if the Congress has the will or ability to come up with an alternative plan before November, because that would likely mean doing something as unpopular as raising taxes right when voters are deciding if they should keep you around. I have to wonder if anyone thought ahead when they came up with this plan. If anyone asked themselves, we look tough on the deficit for a bit, but then we'll have to decide to either raise taxes or lose jobs right before the election. It just doesn't seem like any politician would call that a good plan.

I asked a congressman with a very heavy military presence in his district, what layoff notices would mean for the election. He very simply answered: it depends on who they blame. Will the instant focus be on House Republicans who insisted on the deficit reduction? Will they blame the president who helped make the deal? Four days in a news cycle isn't a lot of time to explain something so complicated, or cement the idea of fault. For his part, Mitt Romney has four months left to continue to tell everyone that he wouldn't do either, raise taxes or cut the military. Regardless of the fact that seems to defy basic arithmetic, he might just have the time to make that stick.

#### <insert jobs impact>

### --Missile Defense

#### Romney is key to defense spending – That’s key to missile defense

Rubin, 7/15/12 – covers a range of domestic and foreign policy issues and provides insight into the conservative movement and the Republican Party (Jennifer, “Obama on defense about defense spending” http://www.washingtonpost.com/blogs/right-turn/post/obama-on-defense-about-defense-spending/2012/07/14/gJQAMNaekW\_blog.html)//dm

On the occasion of Barack Obama’s visit to Virginia this weekend, Mitt Romney penned an open letter, criticizing the president’s indifference to massive cuts in national security spending. He reminded Obama that voters at “Langley AFB, the storied Marine Base at Quantico, tens of thousands of veterans from the Battle of Guadalcanal to the Battle of Fallujah, and countless other proud military units, factories, and bases” will be hard hit by the cuts:

Your insistence on slashing our military to pay the tab for your irresponsible spending could see over 200,000 troops forced from service. It will shut the doors on factories and shipyards that support our warfighters, take a heavy toll on the guard and reserves, and potentially shutter Virginia military bases. It will shrink our Navy below a level that is already not adequate for protecting our national security. Mr. President, our troops, military families, and veterans want to know why defense is the only part of the federal budget you are willing to cut. They deserve better.

Under your administration, the backlog for wounded warriors receiving their disability has nearly doubled, and unemployment among young returning veterans is in double digits. The effect of forcing 200,000 additional service members out of uniform and into a faltering economy, sending them from the front lines to the unemployment lines, will overwhelm overburdened state offices like the Virginia Department of Veterans Services. It will impose suffering and hardship on so many military families.

Every service member, veteran, and military family member in Virginia and the nation will be touched by your defense cuts. So will Virginia’s businesses and industry, large and small alike. From 2001-2010, over 14,000 Virginia businesses provided goods and services for our national defense. Unfortunately, the huge economic impact of these looming cuts is not the end of it.

Your own Secretary of Defense has said that they will be “devastating” to our national security, the same as “shooting ourselves in the head.” But when Congress presented you a way out of this mess, a mess of your own making, you threatened to veto their bill. And the reason you gave, Mr. President, is that you would not stop devastating cuts to our national security unless Congress agreed to raise our taxes.

Romney vowed to “use my authority as Commander-in-Chief to protect the troops, not veto efforts to protect them. I will never allow our national security to be held hostage to extract political concessions.”

This fall military contractors in Virginia and elsewhere will be sending out thousands of notices (as required by federal law) warning of impending layoffs attributable to the huge cuts. That’s another political debacle in the making for Obama.

But, of course, it’s the national security implications that are the most serious. A Romney campaign adviser authorized to speak on background only would not give a specific figure for defense spending in a Romney administration, saying only that the first priority would be to save the military from Obama’s defense cuts, which could result in discharge of 200,000 troops.

Romney, however, does not seem intent on completely sparing the Pentagon. The adviser told me that cuts instituted on Defense Secretary Robert Gates’s watch “were focused on identifying waste, fraud, and inefficiency in the Defense Department and refocusing it on the guys outside the wire with a rifle in their hands.” Romney recognizes the need to clean up or do away with wasteful programs. The objection, however, is that “when the generals presented Secretary Gates billions in savings, Jack Lew from the White House — who famously said ‘this is not the time for austerity’ — reached into the Pentagon’s pockets, grabbed the savings, and used it to pay for Obama’s incredible expansion of federal government with money that should have gone to the troops. So if you’re a beltway bureaucrat, it’s not the time for austerity. But if you wear the uniform, pay up.”

In sum, Romney would favor reforms designed to maximize the value of the taxpayer dollar, but won’t use a defense-cuts-by-arbitrary-numbers approach. And in some cases — missile defense, for example — Romney is determined to undo Obama’s efforts to scuttle programs directly affecting Americans’ safety. (Obama, the adviser recalls, never liked missile defense from the start and slashed the program.) He vows that getting missile defense back on track will be a top priority.

Given the state of the Obama economy, it is natural for the Romney team to point to the economic implications of the defense cuts. But the first responsibility of the president and the federal government is national defense. If the sequestration goes through, Obama will have failed in his most critical obligation. By dangling those cuts in front of the military, military families, and allies and foes alike, he speaks volumes about his willingness to sacrifice defense on the altar of the liberal welfare state.

#### Missile Defense solves against ballistic missiles

Spring, 06/29/2009 - is a Research Fellow in National Security Policy, The Kathryn and Shelby Cullom Davis Institute for International Studies, (Baker “Obama Missile Defense Plan Puts America at Risk,” The Heritage Foundation, http://www.heritage.org/research/nationalsecurity/bg2292.cfm)//dm

Unfortunately,the limits in the overall defense budget adopted by Congress make restoring funding to the missile defense program difficult. Nevertheless, Congress should seek both near- and long-term approaches to funding the missile defense program. Congress should also explore options for strengthening missile defense by better using the resources that are available under an admittedly inadequate defense budget**.** Further, Congress and the American people need to be reminded that while the United States has made progress in positioning missile defense systems in the field in recent years, the U.S. remains highly vulnerable to this threat. This is no time for the U.S. to slow the pace of developing and deploying effective defenses against ballistic missiles. Indeed, the Obama Administration and Congress need to accelerate the effort by focusing on developing and deploying the systems that offer the greatest capability. A detailed proposal for proceeding with the most effective systems was issued by the Independent Working Group on missile defense earlier this year.[[5]](http://www.heritage.org/research/nationalsecurity/bg2292.cfm%22%20%5Cl%20%22_ftn5%22%20%5Co%20%22)The proposal specifically refers to space-based and sea-based defenses as the most effective components of the layered missile defense system design advocated by the Bush Administration. While the sea-based systems have continued to make progress in recent years, the effort to develop and deploy space-based interceptors has continued to languish. In accordance with the recommendations of the Independent Working Group, Congress should take the following steps: Attempt to restore funding to the overall missile defense program to build additional interceptors in Alaska, California, and Europe for countering long-range missiles.

#### Deterrence is not enough – only NMD can solve against growing threats

Bureau of International Information Programs, 04/04/2006 - US Department of State ["International Cooperation on Missile Defense Capabilities Growing," <http://www.globalsecurity.org/space/library/news/2006/space-060404-usia01.htm>)//dm

The rationale for Missile Defense cooperation arises naturally from the dramatically changing international security environment.  Today, roughly two dozen countries, including some of the world’s least responsible states, possess ballistic missiles and many are attempting to obtain missiles of longer range.  Many of these states also have nuclear, biological, and chemical weapons programs.  The contemporary and emerging missile threat from hostile states is fundamentally different from Cold War era threats, and consequently necessitates a different approach to deterrence and additional tools for defending ourselves.   The strategic logic used in deterring the Soviet Union may not be applicable to deterring these post-Cold War threats, and thus the United States cannot stay solely dependent upon our capability to deter.  Potentially, WMD and ballistic means for their delivery could allow such hostile states to pursue their objectives through force, coercion, and intimidation.  Missile defenses are not a replacement for an offensive capability: they constitute an additional and critical dimension of contemporary deterrence; but if deterrence fails, missile defenses function as an insurance policy to defend the United States against ballistic missiles launched against us.  Missile defenses will also help to assure allies and friends about the credibility and [reliability](http://www.globalsecurity.org/space/library/news/2006/space-060404-usia01.htm) of America's commitments, and to dissuade countries from pursuing either the indigenous development, or foreign acquisition, of ballistic missile technologies or full-up ballistic missiles, by undermining their military utility.  If Allies and friends were vulnerable to a hostile state's threatened use of WMD delivered by ballistic missiles, Allies and friends might not join coalitions.  It is critically important to U.S. foreign policy to assure allies and friends that ballistic missile threats will not deter the U.S. from fulfilling its security commitments, nor allow aggressors the means to undermine the cohesiveness and political stability of a coalition or alliance.  History teaches us that, despite our best efforts, there will be military surprises, failures in diplomacy, intelligence, and deterrence.  Missile defenses help provide protection against such possible failures.  As permitted by the ABM Treaty, the U.S. gave notice in December 2001 of its intention to legally withdraw from that Treaty in order to begin developing and deploying capabilities to protect the population and territory of our fifty states.  The Treaty terminated on June 13, 2002.  As a result, the U.S. was criticized heavily by some in the international community, including by some allies and friends.  Gradually, quite a number of our allies and friends have recognized the threat that, for example, North Korea and Iran pose to international peace and security and are modifying their positions, bringing them closer in line to ours, notwithstanding their earlier criticism.

### --Bonds

#### **Romney will exploit the unemployment rate and that hurts Obama’s re-election chances – that boosts stock markets**

Arora, 6/20/12 – an engineer and nuclear physicist by background, have founded two Inc. 500 fastest growing companies, have been involved in over 50 entrepreneurial ventures, am the developer of Theory ZYX of Successful Change Management (Nigam “Bernanke Torpedoes Obama Reelection With Bleak Outlook, No QE3” http://www.forbes.com/sites/greatspeculations/2012/06/20/bernanke-torpedoes-obama-reelection-with-bleak-outlook-no-qe3/)//dm

These revised projections are going to act like a torpedo on Obama reelection campaign. Romney is likely to seize upon the higher unemployment rate projections by the Fed and use these projections for his contention that under Obama economy is getting worse.

Obama will not have much of a defense other than challenging the Fed by claiming that the projections by the Fed are wrong.  Such a strategy is fraught with risk given that the Fed is still held in high esteem compared to other governmental institutions by a large segment of the population.

From an investment perspective, there are cross currents.  Some will start buying stocks on the assumption that the probability of Romney election has increased.  The other cross current in the stock market arises from the differential between the positioning of the majority of market participants before the Fed decision and the Fed decision.

### --Stocks

#### Romney is key to ramp up stocks

Arends, 7/16/12 - is an American financial journalist. He writes a column for the Wall Street Journal's website (Brett, “For Investors, an Election Day Toss-Up” http://www.smartmoney.com/invest/strategies/for-investors-an-election-day-tossup-1342488731120/?link=SM\_hp\_ls4e)//dm

Investors have a financial interest in the presidential election.

Barack Obama and Mitt Romney offer different visions on taxes, domestic spending, and the Pentagon.

The president has already said he wants to let the Bush-era tax cuts expire on incomes above about $250,000 a year. That would mean higher taxes on stock dividends and long-term capital gains for the highest-earning investors.

Mitt Romney wants to extend the Bush tax cuts above $250,000 as well. He also wants to slash taxes further and to ramp up defense spending - while spending less domestically than the president. If this would lead to higher deficits, and hence to a Keynesian reflation of the economy, then it would be better for stocks than for bonds

### --Middle East

#### Romney is more likely to cause peace in the Middle East – Obama is more likely to take military action

Golberg, 7/16/12 – is a Bloomberg View columnist, A national correspondent for the Atlantic, He is a winner of the National Magazine Award for reporting, A former Washington correspondent and Middle East correspondent for the New Yorker, Goldberg began his career at the Washington Post. (Jeffrey, “Is Obama or Romney better for Middle East peace” http://www.bloomberg.com/news/2012-07-16/is-obama-or-romney-better-for-middle-east-peace-.html)//dm

Taking Risks

Why? The Palestinians go into negotiations with the European Union, the [Arab League](http://topics.bloomberg.com/arab-league/), the UN and most of the world’s news media on their side. The Israelis have only the U.S. If Israeli leaders think the American president is a fair-weather friend, they won’t take risks for peace. They’ll hunker down and wait until he departs the scene.

“The lesson for an American president is that if you really want to achieve progress you have to have a partner in the government of Israel,” said Robert Satloff, the executive director of the Washington Institute for Near East Policy. “You can’t create a partner through threats. Remember that it is the government of Israel that is going to be the one giving up tangible assets.”

I wish Netanyahu would take unilateral steps now to reverse some of the damaging aspects of the Israeli occupation of the West Bank. But he certainly won’t take these steps if he’s unsure of Obama’s support. If Netanyahu remains prime minister for an extended period, Romney has a better chance of resuscitating peace talks than Obama.

The depth of the friendship between Netanyahu and Romney has been exaggerated, but it’s fair to say that Netanyahu thinks Romney won’t sell him out if negotiations fail, so Netanyahu is more likely to bargain with Romney at his side. And negotiations have a greater chance if the Palestinians think the U.S. president won’t axiomatically take their side when they make demands for Israeli concessions. Abbas offered nothing in the way of serious concessions in 2009 in part because he thought Obama would do the hard work of squeezing Israel.

All this isn’t to say that negotiations would be fruitful if Romney wins the presidency. The Palestinians are weak and divided; the Arab world, increasingly Islamist in orientation, is going to be less interested in peace with Israel and more interested in confrontation; and the Israelis themselves seem less interested in compromise than ever. But there is almost no chance of progress if Obama wins re-election.

On the other hand, Netanyahu’s primary concern today is the state of the Iranian nuclear program. And, as I’ll argue in my next column, Obama is more likely to take military action against Iran than Romney is. If Obama loses, Netanyahu might wind up missing him quite a bit. Stay tuned.

#### Middle East war causes extinction

Gold, 07 [Thomas J., Masters in Strategic Intelligence, Joint Military Intelligence College, Nuclear Conflict in the Middle East: An Analysis of Future Events, p. 53-55]

If the political, ethnic, and military policies, and future nuclear weapons development in the Middle East continue in their present directions, Iran or Iraq will eventually initiate a nuclear conflict, probably in the 2005-2015 time frame. Major focal events such as total arms control (resulting in a regional NWFZ), individual acceptance of the NPT, or changes in Middle East leadership will ultimately determine which future happens. FUTURE INDICATORS A constant watch is needed to assess the actions, intentions, and progress of the Middle East countries with their nuclear programs. As well as the status of each country’s nuclear program, its military capability and intentions must also be monitored to determine which future direction is most likely and if the first use of nuclear weapons is likely. ‘Future Indicators” verify the progress of each country toward the most likely “Alternate Future”. Future No. 23 (most likely,): Israel, Iran, and Iraq have developed nuclear weapons. Israel and Iran have kept their weapons as a deterrent. Iraq is the first to use nuclear weapons, probably for aggression. Depending on which Middle East country is attacked by Iraq, either Israel or Iran will retaliate with a secondary nuclear strike. Actions by the U.S., Russia, or other countries will have little effect in deterring this retaliation. This future scenario also carries the risk of *escalation* into a regional or *global nuclear conflict* if the *major nuclear powers* become involved. This scenario can only take place if Iran chooses to retain its nuclear weapons for deterrence rather than be aggressive. Note that Iran has developed weapons approximately three years earlier than Iraq. Israel must also be complacent about Iraq’s program and not destroy the Iraqi reactors as it did in 1981. Transposition to Future No. 20: Iran becomes democratic and does not develop nuclear weapons. However, without the appearance of having a potential nuclear capability, Iran will surely become the most probable target of Iraq’s attack. Transposition to Future No. 14: Israel or one of the major nuclear powers takes a major action which deters Iraq from nuclear aggression. This scenario would result in a very unstable situation when all three countries have nuclear weapons. The potential would then exist for a regional dispute to escalate into nuclear conflict. Transposition to Future No. I: Prior to any conflict, all Middle East countries have agreed to a NWFZ, abandoned their nuclear development programs, and destroyed all nuclear weapons and related materials. Indicators for Future Scenario No. 23: A tier the development and assembly of a nuclear device, Iraq may test the weapon within Iraqi territory to verify its design, or politically move Iraq into being a nuclear power: this action would be a major step toward regional hegemony. After testing this weapon, Iraq may also begin a buildup of its nuclear capability for future deterrence or aggression. Future No. 17 (second most likely): Israel and Iran have developed nuclear weapons. Iraq program is not complete, and Israel has kept its weapons as a deterrent. Iran is the first to use nuclear weapons, probably for aggression. As the status of the Iraqi program is uncertain, the most probable target for an Iranian first strike using nuclear weapons is Israel. A nuclear retaliation by Israel would be *certain*. The potential now exists for the involvement of the major nuclear powers, the U.S. siding with Israel, and Russia siding with Iran. *Escalation* to regional or *global nuclear war is now a possibility*.

### --Syria

#### If Obama is re-elected he will intervene and cause war in Syria

Foster, 7/16/12 – (Peter, “US refuses to help Syrian rebels until after election” http://www.telegraph.co.uk/news/worldnews/northamerica/usa/9404452/US-refuses-to-help-Syrian-rebels-until-after-election.html)//dm

Despite mounting fury from the Syrian rebels, who are seeking assistance for their efforts to overthrow the Syrian president Bashar al-Assad, the White House has refused all requests for heavy weapons and intelligence support.

Syrian lobby groups in Washington, who only a few weeks ago were expressing hope that the Obama administration might give a green light to the supply of anti-tank and anti-aircraft missiles, said they had now been forced to “take a reality pill” by the US government.

The Telegraph understands that the Syrian Support Group (SSG), the political wing of the Free Syrian Army (FSA), recently presented American officials with a document requesting 1,000 RPG-29 anti-tank missiles, 500 SAM-7 rockets, 750 23mm machine guns as well as body armour and secure satellite phones. They also asked for $6m to pay rebel fighters as they battle the regime. All their requests were rejected.

“Basically the message is very clear; nothing is going to happen until after the election, in fact nothing will happen until after inauguration [Jan 2013]. And that is the same message coming from everyone, including the Turks and the Qataris,” said a Washington lobbyist for the group.

The Obama administration has also made clear to its allies that it will not intervene, a message that was carried to London last week by Tom Donilon, the White House National Security Adviser, who made a low-profile stop en route to Israel.

#### Syria will use chemical weapons if they are attacked from someone else – civil war means they wont use them

Hubbard, 7/23/12 – Associated press writer (Ben, “Syria says will use chemical weapons if attacked” http://www.google.com/hostednews/ap/article/ALeqM5gkS1tHEgxQ0IAp\_czycZzZuKi-wA?docId=8ab271625c11447580188bb11e4a5475)//dm

BEIRUT (AP) — The Syrian regime threatened Monday to use its chemical and biological weapons in case of a foreign attack, in its first ever acknowledgement that it possesses weapons of mass destruction.

Foreign Ministry spokesman Jihad Makdissi stressed, however, that Damascus would not use its unconventional arms against its own citizens. The announcement comes as Syria faces international isolation, a tenacious rebellion that has left at least 19,000 people dead and threats by Israel to attack to prevent such weapons from falling into rebel hands.

Syria's decision to reveal the long suspected existence of its chemical weapons suggests a desperate regime deeply shaken by an increasingly bold revolt that has scored a string of successes in the past week, including a stunning bomb attack that killed four high-level security officials, the capture of several border crossings and sustained offensives on the regime strongholds of Damascus and Aleppo.

"No chemical or biological weapons will ever be used, and I repeat, will never be used, during the crisis in Syria no matter what the developments inside Syria," Makdissi said in news conference broadcast on Syrian state TV. "All of these types of weapons are in storage and under security and the direct supervision of the Syrian armed forces and will never be used unless Syria is exposed to external aggression."

While the statement Makdissi read out promised not to use the weapons against the Syrian people, he later noted that Damascus is not facing an internal enemy in the rebellion, which the regime has described as being funded from abroad and driven by foreign extremists.

He added that there was a foreign political and media campaign "that seeks to justify and prepare international public opinion for military intervention under the false pretense of weapons of mass destruction."

Syria is believed to have nerve agents as well as mustard gas, Scud missiles capable of delivering these lethal chemicals and a variety of advanced conventional arms, including anti-tank rockets and late-model portable anti-aircraft missiles.

Israel has said it fears that chaos following Assad's fall could allow the Jewish state's enemies to access Syria's chemical weapons, and has not ruled out military intervention to prevent this from happening.

A senior U.S. intelligence official said Friday the Syrians have moved chemical weapons material from the country's north, where the fighting was fiercest, apparently to both secure it, and to consolidate it, which U.S. officials considered a responsible step.

But there has also been a disturbing rise in activity at the installations, so the U.S. intelligence community is intensifying its monitoring efforts to track the weapons and try to figure out whether the Syrians are trying to use them, the official said on condition of anonymity to discuss the still-evolving investigation.

#### Bioterrorism causes extinction

Ochs 02 (Richard, "BIOLOGICAL WEAPONS MUST BE ABOLISHED IMMEDIATELY", June 9, 2002, http://www.freefromterror.net/ other\_articles/abolish.html)

Of all the weapons of mass destruction, the genetically engineered¶ biological weapons, many without a known cure or vaccine, are an¶ extreme danger to the continued survival of life on earth. Any perceived¶ military value or deterrence pales in comparison to the great risk these¶ weapons pose just sitting in vials in laboratories.While a "nuclear¶ winter," resulting from a massive exchange of nuclear weapons, could¶ also kill off most of life on earth and severely compromise the health of¶ future generations, they are easier to control. Biological weapons, on¶ the other hand, can get out of control very easily, as the recent anthrax¶ attacks has demonstrated. There is no way to guarantee the security of¶ these doomsday weapons because very tiny amounts can be stolen or¶ accidentally released and then grow or be grown to horrendous¶ proportions. The Black Death of the Middle Ages would be small in¶ comparison to the potential damage bioweapons could cause. Abolition¶ of chemical weapons is less of a priority because, while they can also¶ kill millions of people outright, their persistence in the environment¶ would be less than nuclear or biological agents or more localized.¶ Hence, chemical weapons would have a lesser effect on future¶ generations of innocent people and the natural environment. Like the¶ Holocaust, once a localized chemical extermination is over, it is over.¶ With nuclear and biological weapons, the killing will probably never¶ end. Radioactive elements last tens of thousands of years and will¶ keep causing cancers virtually forever .Potentially worse than that, bio-¶ engineered agents by the hundreds with no known cure could wreck¶ even greater calamity on the human race than could persistent¶ radiation. AIDS and ebola viruses are just a small example of recently¶ emerging plagues with no known cure or vaccine. Can we imagine¶ hundreds of such plagues? HUMAN EXTINCTION IS NOW¶ POSSIBLE. Ironically, the Bush administration has just changed the¶ U.S. nuclear doctrine to allow nuclear retaliation against threats upon¶ allies by conventional weapons. The past doctrine allowed such use¶ only as a last resort when our nation's survival was at stake. Will the¶ new policy also allow easier use of US bioweapons? How slippery is¶ this slope? Against this tendency can be posed a rational alternative¶ policy. To preclude possibilities of human extinction, "patriotism" needs¶ to be redefined to make humanity's survival primary and absolute. Even¶ if we lose our cherished freedom, our sovereignty, our government or¶ our Constitution, where there is life, there is hope. What good is¶ anything else if humanity is extinguished? This concept should be¶ promoted to the center of national debate. For example, for sake of¶ argument, suppose the ancient Israelites developed defensive¶ bioweapons of mass destruction when they were enslaved by Egypt.¶ Then suppose these weapons were released by design or accident and¶ wiped everybody out? As bad as slavery is, extinction is worse. Our¶ generation, our century, our epoch needs to take the long view. We¶ truly hold in our hands the precious gift of all future life. Empires may¶ come and go, but who are the honored custodians of life on earth?¶ Temporal politicians? Corporate competitors? Strategic brinksmen?¶ Military gamers? Inflated egos dripping with testosterone? How can any¶ sane person believe that national sovereignty is more important than¶ survival of the species? Now that extinction is possible, our slogan¶ should be "Where there is life, there is hope." No government, no¶ economic system, no national pride, no religion, no political system can¶ be placed above human survival. The egos of leaders must not blind¶ us. The adrenaline and vengeance of a fight must not blind us. The¶ game is over. If patriotism would extinguish humanity, then patriotism is¶ the highest of all crimes.

### --Iran Strikes

#### Obama is willing to go to war with Iran to increase his chances of getting re-elected

Wright, 6/14/12 – is senior writer for The Atlantic(Robert, “Obama’s drift towards war with Iran” http://www.theatlantic.com/international/archive/2012/06/obamas-drift-toward-war-with-iran/258433/)//dm

The most undercovered story in Washington is how President Obama, under the influence of election-year politics, is letting America drift toward war with Iran. This story is the unseen but ominous backdrop to next week's Moscow round of negotiations with Iran over its nuclear program.

The basic story line, pretty well known inside the beltway, is simple: There are things Obama could do to greatly increase the chances of a negotiated solution to the Iranian nuclear problem, but he seems to have decided that doing them would bring political blowback that would reduce his chances of re-election.

The good news is that Obama's calculation may be wrong. The blowback he fears--largely from Bibi Netanyahu, AIPAC, and other "pro-Israel" voices--is probably less forbidding than he assumes. And the political upside of successful statesmanship may be greater than he realizes.

But suppose Obama's right about the politics. It's still a little scandalous that he's imperiling peace and America's security in order to increase his chances of re-election by 1.5 percent, or whatever the imagined number is. And it's even more scandalous how unscandalous this is, how people throughout the Washington establishment--in government, in NGOs, in journalism--are so inured to the corruption of policy by politics that almost nobody bothers to complain about it even when it could lead to war.

The administration's nervousness about deviating from the perceived wishes of the "pro-Israel" community has been evident throughout these negotiations. Before the most recent round of talks--in Baghdad last month--Vice President Biden and other administration officials met with 70 Jewish leaders assembled by the Conference of Presidents of Major American Jewish Organizations. According to [reporting by](http://www.jta.org/news/article/2012/05/22/3096241/white-house-reassures-jews-as-it-readies-baghdad-offer-to-iran) Ron Kampeas of the Jewish Telegraphic Agency, administration officials "emphasized that they will be steadfast in upholding one key Israeli demand: That sanctions not be sacrificed to the negotiating process."

#### Obama would be more inclined to use military force in Iran before the election

Wright, 6/14/12 – is senior writer for The Atlantic(Robert, “Obama’s drift towards war with Iran” http://www.theatlantic.com/international/archive/2012/06/obamas-drift-toward-war-with-iran/258433/)//dm

Everyone who's paying attention knows this. Indeed, that Iran could eventually enjoy the right to enrich uranium, so long as tight monitoring was in place, is "the position of the international community, along with the United States," Hillary Clinton [said last year](http://www.gpo.gov/fdsys/pkg/CHRG-112hhrg64869/pdf/CHRG-112hhrg64869.pdf) in congressional testimony.

Yet in the current political climate, the administration can't seem to bring itself to reaffirm this position--a position already taken by its Secretary of State while testifying before Congress! And this matters even in the short term, because Iran, before suspending its 20 percent enrichment, would like some reassurance that in the long run it can hope for a deal that guarantees its right to do low-level enrichment.

There are two ways the administration's current negotiating position--virtual paralysis induced by fear of political blowback--could lead to war.

First, an autumn military strike by Israel could draw the U.S. into war with Iran. I'm generally skeptical of stories about how Israel is going to bomb Iran any moment now. But the chances of an Israeli strike aren't zero, and the time when they'd be furthest from zero is before the presidential election; Netanyahu knows that a pre-election Obama would be more inclined than a post-election Obama to provide uncomplaining and robust military support in the wake of an Israeli strike.

But there's one thing that would make it hard for Netanyahu to stage an October surprise: substantial progress in negotiations with Iran. If Iran has just surrendered the uranium that is closest to weapons grade, and has quit making more of it, and the international community is hailing this progress toward a peaceful and comprehensive solution of the Iran problem, it becomes very hard for Netanyahu to ruin everyone's day with a war.

So make no mistake about it: If Obama fails to nail down a deal on 20 percent enrichment--which he could probably do at the upcoming Moscow talks if he gave negotiators the green light--he will be increasing the chances of war.

#### Strikes destroy the economy and cause oil shocks

Poor, 10 - Staffer for the Business and Media Institute (Jeff, “Dr. Doom Roubini to Synagogue Audience: Israeli Air Strike on Iran Would Lead to Another Global Recession” Business and Media Institute, 5/14/10, lexis)//dm

With European economies on the brink and other emerging markets slowing down, is there any possible way things could get worse? As if the public needed any more evidence we’re living in perilous times, Dr. Nouriel Roubini, professor of economics at New York University's Stern School of Business and co-author of “Crisis Economics: A Crash Course in the Future of Finance,” warned that there is one single event that could push the global economy down even further. Roubini, who was the economist that predicted the current economic crisis, spoke to an audience at the Sixth & I Synagogue in Washington, D.C. on May 13. He said that, should Israel or the United States initiate an attack on Iran, as it is attempting to procure nuclear weapons, the price of oil would skyrocket. “And you know, on the issue of if there is a strike on Iran, the point I was making in the article was, if that were to occur, oil prices would double literally overnight and we would have another global recession.” Roubini cited other historical events that impacted a fragile global economy. “Oil spiked sharply in ’73 after the Yom Kippur War,” Roubini explained. “It doubled in ’79 after the Iranian Revolution, it spiked again in 1990 after the Iraqi invasion of Kuwait.” He also explained the 2006 Israeli invasion of Lebanon was a spark for the current global financial crisis, a point he had made earlier for Forbes back on April 22. He advised policy makers to keep this in mind when it comes to dealing with the rogue power. “So if an air strike were to occur, and I’m not making a statement whether Israel and/or the United States would be right – so I’m just pointing out that if that were to occur, the financial consequences would be a spike in the price of oil and that would lead to another global recession. So when it comes to some pros and cons that should be something we keep in mind.”

#### Broad statistical models prove – unmanaged economic declines lead to global conflict

Royal 10 – Jedediah Royal, Director of Cooperative Threat Reduction at the U.S. Department of Defense, (Economic Integration, Economic Signaling and the Problem of Economic Crises, Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, p. 213-215)

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow.

First, on the systemic level, Pollins (2008) advances Modclski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon. 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner, 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown.

Second, on a dyadic level, Copeland's (1996. 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult  to replace items such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4

Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write:

The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002. p. 89)

Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg. Hess. & Weerapana. 2004). which has the capacity to spill across borders and lead to external tensions.

Furthermore, crises generally reduce the popularity of a sitting government. 'Diversionary theory' suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1990, DeRouen (1995). and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force.

In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels.' This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

This observation is not contradictory to other perspectives that link economic interdependence with a decrease in the likelihood of external conflict, such as those mentioned in the first paragraph of this chapter.

Those studies tend to focus on dyadic interdependence instead of global interdependence and do not specifically consider the occurrence of and conditions created by economic crises. As such, the view presented here should be considered ancillary to those views.

## Aff Answers

### --Bonds/Econ

#### Romney will cause the dollar value to collapse

Matthews, 7/18/12 – (Dylan, “Will Mitt Romney devalue the Dollar” http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/18/will-mitt-romney-devalue-the-dollar/)//dm

There are a lot of interesting tidbits in this morning’s op-ed by Glenn Hubbard, a Columbia economics professor and one of Mitt Romney’s top advisers. James Pethoukis [highlights](http://www.aei-ideas.org/2012/07/yes-romney-probably-really-does-believe-in-growth-through-austerity/) Hubbard’s endorsement of literature suggesting, against the view of most macroeconomists, that austerity is stimulative in the short-run. But what I found more interesting is the mechanism that Hubbard identifies as the cause of austerity’s allegedly stimulative effect. Here’s Hubbard:

This outcome reflects lower future tax rates and the boost from lower interest rates to investment and net exports.

And here’s the Hoover Institution [paper](http://www.stanford.edu/~johntayl/CoganTaylorWielandWolters_120614.pdf) (pdf) by John Cogan, John Taylor, Volker Wieland and Maik Wolters that he cites:

Second, the expectation of reduced government spending in the future lowers interest rates, which stimulates demand today offsetting the decline in government spending in the short run.
And third, the lower interest rate reduces the exchange rate thereby increasing net exports which also offset the decline in government spending. More generally, the gradual and credible decline in government spending allows the private sector to adjust smoothly to the decline in spending without negative disruptions.

So the main mechanism by which this stimulus would happen is that interest rates on U.S. debt and the value of the dollar would fall. The interest rate decline would reduce the cost of loans in general, as many are pegged to the interest rate on debt, and the lower value of the dollar would make exporting cheaper, stimulating growth in that area.

First, it’s worth noting that the interest rates on U.S. debt already are extremely low. As Ezra [noted](http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/12/the-world-desperately-wants-to-loan-us-money/) the other day, once you account for inflation, they’re actually negative. For them to get lower, investors would have to be willing to pay the U.S. even more money for the privilege of buying their bonds. It is hard to see how austerity would accomplish this. It could perhaps hurt growth by enough that scared investors want to pay more to park their money in U.S. bonds, but in that case the overall effect isn’t stimulative at all.

The Congressional Research Service, for one, is [skeptical](http://www.fas.org/sgp/crs/misc/RL34582.pdf) that fiscal consolidation has much of an effect either way on interest rates:

In the current state of the U.S. economy, with a sizable amount of economic slack and weaker than normal private demand for credit market funds, current government borrowing does not appear to have elevated market interest rates, and, therefore, does not appear likely to exert upward pressure on the exchange rate.

In other words: borrowing isn’t raising interest rates, so cutting the deficit won’t lower them.

Second, it’s worth emphasizing that one of Romney’s top advisers is promoting economic stimulus through a lower dollar. That could be good idea, as cheap dollars are [generally helpful in economic slumps](http://www.washingtonpost.com/blogs/ezra-klein/post/against-the-strong-dollar-and-the-weak-dollar/2011/05/09/AF6Tyi5G_blog.html), but it’s an [interesting position](http://www.washingtonpost.com/blogs/ezra-klein/post/are-rick-perrys-fed-views-extreme-for-a-republican/2011/08/17/gIQAvLWoLJ_blog.html?wprss=ezra-klein) for a Republican candidate to embrace. Paul Ryan has declared, “There is nothing more insidious that a country can do to its citizens than debase its currency,” while Tim Pawlenty has said “When you devalue the dollar, you are devaluing the net value of this country.” This sort of rhetoric could make it difficult for Romney to follow this path if elected.

#### Collapse of the dollar biggest internal link to heg

McCoy, 12/6/10 - History Prof at Wisconsin-Madison (Alfred, “The Decline and Fall of the American Empire Four Scenarios for the End of the American Century by 2025” <http://www.commondreams.org/view/2010/12/06-1>)//dm

Today, three main threats exist to America’s dominant position in the global economy: loss of economic clout thanks to a shrinking share of world trade, the decline of American technological innovation, and the end of the dollar's privileged status as the global reserve currency. By 2008, the United States had already fallen to number three in global merchandise exports, with just 11% of them compared to 12% for China and 16% for the European Union. There is no reason to believe that this trend will reverse itself. Similarly, American leadership in technological innovation is on the wane. In 2008, the U.S. was still number two behind Japan in worldwide patent applications with 232,000, but China was closing fast at 195,000, thanks to a blistering 400% increase since 2000. A harbinger of further decline: in 2009 the U.S. hit rock bottom in ranking among the 40 nations surveyed by the Information Technology & Innovation Foundation when it came to “change” in “global innovation-based competitiveness” during the previous decade. Adding substance to these statistics, in October China's Defense Ministry unveiled the world's fastest supercomputer, the Tianhe-1A, so powerful, said one U.S. expert, that it “blows away the existing No. 1 machine” in America. Add to this clear evidence that the U.S. education system, that source of future scientists and innovators, has been falling behind its competitors. After leading the world for decades in 25- to 34-year-olds with university degrees, the country sank to 12th place in 2010. The World Economic Forum ranked the United States at a mediocre 52nd among 139 nations in the quality of its university math and science instruction in 2010. Nearly half of all graduate students in the sciences in the U.S. are now foreigners, most of whom will be heading home, not staying here as once would have happened. By 2025, in other words, the United States is likely to face a critical shortage of talented scientists. Such negative trends are encouraging increasingly sharp criticism of the dollar's role as the world’s reserve currency. “Other countries are no longer willing to buy into the idea that the U.S. knows best on economic policy,” observed Kenneth S. Rogoff, a former chief economist at the International Monetary Fund. In mid-2009, with the world's central banks holding an astronomical $4 trillion in U.S. Treasury notes, Russian president Dimitri Medvedev insisted that it was time to end “the artificially maintained unipolar system” based on “one formerly strong reserve currency.” Simultaneously, China's central bank governor suggested that the future might lie with a global reserve currency “disconnected from individual nations” (that is, the U.S. dollar). Take these as signposts of a world to come, and of a possible attempt, as economist Michael Hudson has argued, “to hasten the bankruptcy of the U.S. financial-military world order.” Economic Decline: Scenario 2020 After years of swelling deficits fed by incessant warfare in distant lands, in 2020, as long expected, the U.S. dollar finally loses its special status as the world's reserve currency. Suddenly, the cost of imports soars. Unable to pay for swelling deficits by selling now-devalued Treasury notes abroad, Washington is finally forced to slash its bloated military budget. Under pressure at home and abroad, Washington slowly pulls U.S. forces back from hundreds of overseas bases to a continental perimeter. By now, however, it is far too late. Faced with a fading superpower incapable of paying the bills, China, India, Iran, Russia, and other powers, great and regional, provocatively challenge U.S. dominion over the oceans, space, and cyberspace. Meanwhile, amid soaring prices, ever-rising unemployment, and a continuing decline in real wages, domestic divisions widen into violent clashes and divisive debates, often over remarkably irrelevant issues. Riding a political tide of disillusionment and despair, a far-right patriot captures the presidency with thundering rhetoric, demanding respect for American authority and threatening military retaliation or economic reprisal. The world pays next to no attention as the American Century ends in silence.

### --Syria

#### Inaction in Syria would be immoral – Obama would be irrational not to help the rebels

Stanley, 7/19/12 – is a historian of the United States and a writer for the telegraph (Tim, “Syria could turn out to be Obama's Tehran hostage crisis” http://blogs.telegraph.co.uk/news/timstanley/100171742/syria-could-turn-out-to-be-obamas-tehran-hostage-crisis/)//dm

Fast forward to 2012 and Syria is also shaping up to be the ultimate test of Obama’s leadership. So far, his foreign policy has balanced liberal idealism with realism. The result has been a confusing mix of hopeful rhetoric, cruel use of drone strikes and confusion among both allies and enemies. He let Mubarak fall from power and bombed Gaddafi out of office, but he’s held off attacking Iran and allowed Syria to reach its parlous state. Just as Carter was trapped between defending a brutal ally and elevating an equally terrible opposition, so it must be conceded that Obama’s choices in Syria have been limited. Nevertheless, his rejection of either the War on Terror or strict non-intervention leaves him in a tricky spot during a humanitarian crisis. The middle-of-the-road approach won’t cut it. He ought to do something and he could. But he mustn’t and he won’t. Or will he? And if he does, won’t that contradict everything he has said before?

The Obama/Clinton approach towards Syria has been to decry both the humanitarian crisis and Russian/Chinese involvement. Hillary Clinton went so far as to call Putin’s meddling “[no longer tolerable](http://www.standard.co.uk/news/world/cut-assad-loose-hilary-clinton-tells-russia-and-china-7920365.html).” If that is the case, [what has America done about it](http://www.nationalreview.com/corner/309916/america-watches-syria-crumbles-elliott-abrams)? It has allowed global opposition to the Assad regime to die the death of a thousand committee votes in the United Nations, while the President has actually ruled out unilateral military action. He could have acted sooner: the success of military aid to the rebels suggests that the regime might have been brought to heel. But, unless Obama does a U-turn, it’s possible that the bloodshed will drag on and on. Maybe until election day … just like the 1980 hostage crisis.

If that happens, the moral fibre of the American people will surely be tested. How much violence overseas will they endure watching before demanding action? And what message will inaction send about the willingness of the administration to deal with Iran? If the civil war continues and Russia fails to come over to the light side, voters will not only feel wretched but maybe even unsafe. Is it possible that the Obama Doctrine was not a rational, surgically applied use of force but rather a confused attempt to continue the Bush Doctrine without the equivalent cost in blood and treasure? If so, his moderation maybe exposed as Carter 's muddle. Watch him evolve from superhero to zero before your very eyes.

### --Defense Spending

The public wants cuts in defense spending

Khimm, 7/16/12 – a reporter and Previously a staff member at the New Republic, she has also contributed to the Economist, Newsweek, Slate, Foreign Policy, the Wall Street Journal Asia, the Christian Science Monitor, and Los Angeles Times. (Suzy, “Voters want to cut defense spending — even when it benefits their districts” http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/07/16/voters-really-want-to-cut-defense-spending-even-when-it-benefits-their-districts/)//dm

Ordinary Americans are far more eager to cut defense spending than their representatives in Washington. As I noted a few weeks ago, a [survey](http://www.washingtonpost.com/blogs/ezra-klein/post/americans-want-to-slash-defense-spending-but-washington-isnt-listening/2012/05/10/gIQAyAzQGU_blog.html) by the Stimson Center shows they want a 18 percent cut, or a $103.5 billion reduction, compared to President Obama’s proposal to cut defense by just 0.7 percent in 2013 and Romney’s plan to increase defense spending by 17 percent in 2013. The Stimson Center has dug deeper into its numbers and finds that the appetite among the public for defense cuts might even be stronger than politicos in Washington believe.

The center finds that voters in districts with the most defense spending in the country “were no less willing” to cut such spending than those in districts with low defense spending. Three-fourths of voters in the top 10 percent of districts for defense spending want cuts, and they actually favor more cuts than average of voters in the survey, according to the survey, which was jointly conducted by the Stimson Center, the Center for Public Integrity, and the Program for Public Consultation. “The idea that Americans would want to keep total defense spending up so as to preserve local jobs is not supported by the data,” Steven Kull, director of the Program for Public Consultation, said in a statement.

There was, however, a partisan divide: Voters in blue districts wanted bigger defense cuts than those in red districts:

Stimson notes that the biggest partisan discrepancy was in missile defense (blue districts wanted to cut it by 21 percent, red states by 9 percent). There was one area that red districts were slightly more eager to cut, however: They proposed cutting health-care benefits for military families and retirees by $7.4 billion on average, while blue districts wanted to cut them by $6.6 billion. But both types of voters wanted far bigger reductions than either candidate is proposing.