## Aff politics--- KORUS bad

### KORUS hurts US-South Korea relations

The Hill 8-3 - Chun Jung-bae, National Assembly of the Republic of Korea, 08/03/11, “U.S.-Korea trade deal is bad for both countries,” http://thehill.com/blogs/congress-blog/foreign-policy/175169-us-korea-trade-deal-is-bad-for-both-countries

There is some rosy fantasy that the pending U.S.-Korea Free Trade Agreement will create tens of thousands of well-paying jobs in both countries and strengthen and expand the U.S. relationship with Korea. This is a fabrication of multinational corporations that have no allegiance to either country. As a member of the Korean National Assembly, I would like to set the record straight: In reality, the deal is lose-lose.

Contrary to the PR campaign by the Korean Embassy, it is simply not true that most Koreans wholeheartedly welcome the trade deal. The Democratic Party of Korea and a multitude of civic groups in Korea have fought to stop it. And the majority of the Korean people are gravely concerned.

There have been massive demonstrations against this trade agreement in Korea. Koreans share the sentiment shown in polling of the American people: opposition to more damaging trade deals. And this is before any of the actual fallout from this particular agreement’s financial deregulation and foreign investor tribunals has occurred. Rather than improving our countries’ relations, this deal is highly likely to have a detrimental effect on how people in the two countries consider the other.

If you read the Korean press, you would know that many in Korea view this trade deal as humiliating and unfair. First of all, in order to finalize this bad deal in the latter part of 2010, negotiators from both countries took advantage of the time when military tensions between South and North Koreas had reached a new all-time peak since the Korean War. People in Korea wonder: Is this trade pact the price that Korea pays for its defense?

Second, the deal’s “investor-state” enforcement mechanism empowers foreign investors to skirt domestic courts and seek cash compensation from both countries’ taxpayers for regulatory costs before foreign tribunals. This will undermine national sovereignty and important public policies in both countries. And the mechanism is unnecessary for nations that have well-established judicial systems. Koreans ask: Why should this be imposed on us when the U.S.-Australia Free Trade Agreement, another deal between advanced nations, did not include such an offensive dismissal of the domestic legal system? Reckless lawsuits filed by multinational corporations operating in either country will only harm the Korea-U.S. relationship.

### Passing KORUS risks economic collapse

The Hill 8-3 - Chun Jung-bae, National Assembly of the Republic of Korea, 08/03/11, “U.S.-Korea trade deal is bad for both countries,” http://thehill.com/blogs/congress-blog/foreign-policy/175169-us-korea-trade-deal-is-bad-for-both-countries

Moreover, this trade deal will have a negative impact on the middle-class in the U.S. and Korea. This is a lose-lose deal that will destroy jobs in both countries. How can that be? The deal is expected to increase the overall U.S. trade deficit, which would lead to net job loss in the U.S. But it is the deal’s low domestic content requirement that would encourage both U.S. and Korean corporations to offshore jobs to low-wage countries.

Under the agreement, up to 65 percent of the content of many products, including cars, can come from countries other than the U.S. and Korea – but the resulting products would still be considered “American” or “Korean” and receive duty-free treatment. This explains why the Korean auto workers union opposes the deal. While more “Korean” cars are projected to be sold into the U.S. under the deal, up to 65 percent of the value of inputs to those cars could come from other countries, such as China, displacing Korean workers in the supply chain.

This trade deal could also contribute to another economic crisis. The provisions in the agreement that deal with banks and securities were concluded prior to the global crisis. They reflect the past era of reckless deregulation, limiting many regulatory policies both of our countries seek to employ as we reregulate. For instance, the pact forbids both countries from banning risky financial products and services. As a result, Korean regulators would be bound not to limit entry of derivatives, such as the now-infamous “collateralized debt obligations” and “credit default swaps,” that caused the crisis and increase the chances of future crises. This issue cuts deep in Korea, where the millions who suffered horrible economic hardships after the 1997 Asian financial crisis were still recovering when the latest crisis hit.

It is important to remember that this trade deal is based on the NAFTA-model, which has caused massive job loss in the U.S. manufacturing sector. Now, at the behest of multinational corporations, it seems that many U.S. lawmakers want to make the same mistake again – and export that mistake to Korea.

It is my sincere hope that a fair trade agreement can be negotiated between our countries in the future that would benefit both of our economies and thus help advance the strong alliance between Korea and the U.S. The deal that the U.S. Congress is expected to consider in the coming weeks is not such an agreement.

## SPS econ uniqueness

### Continued reliance on oil prevents the US economy from recovery- another price spike could cause a collapse

Whipple 8-3 – Tom Whipple, contributor for the Falls Church News-Press, August 3, 2011, “The Peak Oil Crisis: Parsing the GDP,” http://www.fcnp.com/commentary/national/9803-the-peak-oil-crisis-parsing-the-gdp.html

The U.S. burns about 19 million barrels or 800 million gallons of oil in the form of gasoline, diesel, jet fuel, propane, fuel oil, etc. each day. About half of this is in the form of gasoline that goes into our 250 million cars and light trucks. Twenty years ago we were paying about $1.20 a gallon for our gasoline and somewhat less for other grades of fuel. Ten years ago this price of gasoline still averaged only $1.44 a gallon. Then things started happening. In 2004 gasoline prices climbed to an average of $1.98. Four years later the average for 2008 was $3.31 with a brief high in June and July well above $4 a gallon followed by a collapse that took the average price of a gallon all the way down to $1.83 by January of 2009. Few in the mainstream media are looking at high gas prices as one of the primary factors restraining economic growth. The collapse in prices was short lived for by the end of 2009 we were back up to $2.67 with the average for the year coming in at $2.40 - nearly a dollar a gallon less than the average for 2008. If we burn 800 million gallons of oil a day, then a dollar increase or decrease in the price amounts to about $800 million more or less money going to fill our gas tanks. Multiply this by 365 and you can see that about $300 billion per year in consumer spending power is either taken away by the gas pump or can be used for other expenditures. Now consumption of fuel does drop as prices go up. U.S. oil consumption actually peaked back in August of 2005 at 671 million barrels for the month. When gasoline was at an all-time high in the summer of 2008, and selling for nearly double the 2005 price, and the economy was contracting rapidly, consumption fell to 597 million barrels during August -- the peak of the driving season. This was about an 11 percent drop from three years earlier. The important point is that between the $1.44 a gallon gasoline of 2002 and the $4.20 a gallon gasoline of July 2008, the cost of filling our collective fuel tanks, rose by some $2.2 billion a day. With half of this money leaving the country to pay for oil imports, it is not difficult to figure out why the economy has not been doing too well of late. Conversely, when gasoline fell from $4.20 a gallon in July to $1.84 in December of 2008, $1.8 billion a day reappeared in our collective pockets and the economy started to revive. The situation we are facing today is similar to that of 2008, yet is different in that the price spike of 2008 was of relatively short duration. At the end of February 2008 gasoline was averaging $3.18 and 19 weeks later in early July it was at $4.16, a dollar increase. The fall from the peak was even more spectacular, for in 12 weeks gasoline prices had declined by one dollar and six weeks later another dollar. This drop put money back into consumers' pockets at the rate of $600 billion a year - nearly the same amount as the federal stimulus provided and a lot quicker. This year's gasoline price run-up started in early December 2010 with gasoline at $3.01 a gallon. Twenty five weeks later in early May prices peaked the requisite dollar higher at $4.01. It is now 12 weeks since the May 2011 peak. Prices have fallen about 25 cents a gallon and at the minute do not seem to be showing signs of falling much further. London's Brent crude, which is now the real benchmark for world oil prices, rose from $80 a barrel last summer to $125 in May and has been trading above $115 ever since. The massive increase in money coming out of consumers' pockets to pay for fuels is still going on. It is sucking the life out of our economy and yet few notice.

### Reliance on oil will collapse the economy before 2035

Pretorius 7-21, Lise Pretorius, contributor for Financial Mail, July 21, 2011, “Preparing for post-peak,” http://www.fm.co.za/Article.aspx?id=148929

Though sector strikes were the reason this time, future oil price shocks, supply disruptions and shrinking economies could be the outcome of a continuing global dependence on oil, says the Association for the Study of Peak Oil SA (Aspo ). “The world is addicted to oil,” says Aspo chairman Jeremy Wakeford. Oil accounts for 34% of total global energy and 95% of transportation fuel. The concern about a situation where there is not enough oil to go around is known as the peak oil debate, which asks when production will peak and start to decline. What’s in store for economies if they continue to hinge growth on this finite resource? “Peak oil is not about running out of oil, it’s about no longer being able to extract it at an increasing flow rate,” says SA National Energy Association director Chris Cooper . “We need to understand that physical constraints and thermodynamics are ultimately going to dictate what happens to our economy.” Those who are not concerned about a diminishing oil supply say oil discoveries and production can continue to rise with global demand. The latest BP statistical review shows that oil production has increased 3% over the past year and should increase by 2,2% in 2011, indicating that oil production has not yet peaked . BP’s data, however, extends beyond conventional crude supply to the heavier oils and Canadian tar sands. “If we’re looking at conventional oil, then we probably have peaked,” says Chris Bredenhann, PwC energy industry leader for Southern Africa. Wakeford says production of conventional oil drilled from wells in liquid form reached its plateau in 2005 (with increases and decreases within a 5% band). He says the decline in production should begin in about three years. But the International Energy Agency (IEA), in its “2010 World Energy Outlook”, states that production of what is termed unconventional oil — oil from tar sands or made from gas, for instance — will continue to rise and start to play an increasingly important role. According to the outlook, there are two probable scenarios. In the first, total production peaks in 2020, but not because of supply constraints. In this scenario, governments will have implemented rigorous policies designed to stop global warming from rising above 2% (which is improbable). Demand for oil therefore drops as the world shifts to alternative, low-carbon technologies and increases efficiency. And all is well. In the more probable scenario, however, economists see production reaching a wavering plateau in 2020, but not actually peaking until 2035. Demand continues to rise and short-term price volatility is the order of the day. The agency also makes it clear that if governments do little more than what is being done, “the economic burden of oil use will grow, vulnerability to supply disruptions will increase and the global environment will suffer serious damage” .

## A2 no peak oil

### Unconventional fuels are too expensive and take too much energy to extract, only renewables solve

Pretorius 7-21, Lise Pretorius, contributor for Financial Mail, July 21, 2011, “Preparing for post-peak,” http://www.fm.co.za/Article.aspx?id=148929

Though unconventional sources of oil are several times larger than conventional ones, they are also much more expensive to extract. As the world uses up all the “easy to get” oils, like light crude, it becomes more and more expensive to extract a barrel of oil. Not only that, but it takes more energy (oil) to extract a barrel of oil (see graph). “As resource quality declines, we are now using more energy to produce the same amount of available energy,” says Cooper. “If more and more of your GDP is being used to get energy, what happens to the rest of the economy?” If an increasing amount of energy is being used to extract energy, then less energy is available to drive the remainder of the economy. So though critics of the peak oil scenarios argue that market forces will prevail and higher oil processing will allow production to increase, “constraints on investment mean that higher prices lead to only modest increases in production”, says the IEA. The concept of diminishing energy returns from every unit of GDP invested must surely ring alarm bells for those who believe in infinite economic growth based on resource extraction. The scenario s that pan out will depend on the efficacy of solutions. According to Bredenhann, SA’s solutions lie in hydrocarbons (gas) and renewable energy, and efficiency.

## Econ impact

### Continued economic recession will cause great power wars between the US, Russia, and China

Slavo 11- Mac Slavo, contributor for Morning Liberty, June 20, 2011, “Gerald Celente: “Collapse: It’s Coming! Are You Ready?’” http://www.morningliberty.com/2011/06/20/economic-collapse-2-step-gerald-celente-war-and-civil-unrest/

We’ve been saying it for over two years, and we maintain our position today – this is a depression. No amount of government machination is going to fix the fundamental problems within the financial, economic, monetary and political systems of our country. Nature will force balance one way or the other. And nature, as we have come to learn in recent months, can be very brutal.

Make no mistake. We are in as serious a time today as any in the last century. While we may not be directly engaged in a World War, it is not that far off. Analysts often speak of the engagements in the middle east as four separate wars (Iraq, Afghanistan, Libya, and now Yemen). We may be engaged in conflict across four different borders, but there is only one war – and it will soon expand. It’s only a matter of time before China and Russia get involved. Look at the middle east and you’ll clearly see this is a battle for resources and regional dominance. Chinese state owned companies have had to withdraw 30,000 employees from the Libyan oil fields. Ownership, it seems, has now been granted to the “rebels.” Similar activities, though hidden from the view of the masses, are occuring all over the world. How long before the Chinese, the Russians and others take a real stand – a military stand?

Even if we were to avoid global war, which is doubtful in the long-term, the fact that the super majority of the world’s population is broke and going hungry means that rioting, revolution and bloody civil wars cannot be avoided. If you still believe that the powers that be, those politicians who are in bed with the very financiers and military industrial complex that is robbing us blind and pushing us towards war, have your interests at heart, then you need to have your head examined. It’s time to be blunt. You either get it, or you don’t. The United States of America, as well as the world, will be unrecognizable as it exists today within the next decade."

We offer the same advice that Mr. Celente has offered: it has to be treated as if you are preparing for battle; expect the unexpected and prepare for the worst, which in these perilous times could be a declaration of economic martial law. Banks may close, currencies may be devalued and deposit withdrawals may be imposed. Remember Gerald Celente’s basic survival strategy, “GC’s Three G’s: Guns, Gold and a Getaway plan.” We’re in the middle of an unprecedented global crisis. Make preparations or suffer the consequences."