# Economy Updates

### US Econ Low

#### Econ low now—unemployment

Crutsinger 7/30/12 (Martin, Associated Press Economics Writer, “Unemployment Could Stay High As U.S. Economy Slows”, http://www.mbtmag.com/news/2012/07/unemployment-could-stay-high-us-economy-slows)

WASHINGTON (AP) — High unemployment isn't going away — not as long as the economy grows as slowly as it did in the April-June quarter. Weak consumer spending held growth to an annual rate of just 1.5 percent, even less than the 2 percent rate in the first quarter. And few expect the economy to accelerate in the second half of the year as Europe's financial woes and a U.S. budget crisis restrain businesses and consumers. The growth estimate Friday from the government suggested that the U.S. economy could be at risk of stalling three years after the recession ended. Economists generally say even 2 percent annual growth would add only about 90,000 jobs a month. That's too few to keep up with population growth and drive down the unemployment rate, which is stuck at 8.2 percent. The figures came in the Commerce Department's quarterly report on gross domestic product. GDP measures the country's total output of goods and services, from the purchase of a cup of coffee to the sale of fighter jets. "The main takeaway from today's report, the specifics aside, is that the U.S. economy is barely growing," said Dan Greenhaus, chief economic strategist at BTIG LLC. "It's no wonder theunemployment rate cannot move lower." Sal Guatieri, senior economist at BMO Capital Markets, expects the unemployment rate to end this year — and next year — at 8.3 percent. He said he foresees no decline in unemployment because of how tepid he thinks economic growth will remain: 2.2 percent for all of 2012 and 2 percent for 2013. Stocks rose as investors shrugged off the sluggish U.S growth and focused instead on pledges from European leaders to preserve the union of the 17 countries that use the euro. The Dow Jones industrial average closed up more than 187 points. Broader indexes also jumped. The lackluster economy is raising pressure on President Barack Obama in his re-election fight with Mitt Romney, the presumptive Republican presidential nominee. But few think the Fed, the White House or Congress can or will do anything soon that might rejuvenate the economy quickly. Many lawmakers, for example, refuse to increase federal spending in light of historically large budget deficits. No president since Franklin D. Roosevelt, in the depths of the Great Depression, has been re-elected when the unemployment rate exceeded 8 percent. Presidents Jimmy Carter and George H.W. Bush were ousted when unemployment was well below 8 percent. Polls show that management of the economy is the only issue on which those surveyed express more confidence in Romney, with his business background, than Obama. Glenn Hubbard, economic adviser for Romney, said Friday's report largely matched economists' expectations. "But those expectations themselves and the report itself were actually quite disappointing," Hubbard said. "At that pattern, the economy simply will never return to full employment." Alan Krueger, chairman of the White House Council of Economic Advisers, noted that the report showed the economy grew for the 12th straight quarter. Still, Congress could strengthen growth and job creation by adopting Obama's plan to extend expiring tax cuts for all except the wealthiest Americans, Krueger said. Republicans want the tax cuts extended for all Americans. The 1.5 percent growth rate in the second quarter was the weakest since GDP grew at a 1.3 percent rate in the July-September quarter last year. And it shows the recovery is gaining no momentum. After shrinking 3.1 percent in 2009 in the midst of the recession, the economy grew 2.4 percent in 2010. Last year, growth slowed to 1.8 percent — roughly the same meager pace at which the economy expanded in the first half of this year. Even in normal times, such growth rates are subpar. They're especially weak for a recovery that follows a deep recession, when growth is typically much stronger than average. Annual economic growth of 2.5 percent to 3 percent is needed to create enough jobs just to keep up with an expanding workforce. Healthier growth of 4 percent or more is needed to reduce the unemployment rate significantly. The government makes three estimates of GDP for each quarter. Each revision is based on more complete economic data. The sluggish growth rate could make the Federal Reserve more likely to announce some new step after it meets next week. But Paul Dales, senior U.S. economist at Capital Economics, doubts the Fed will act at the July 31-Aug. 1 meeting. Many economists instead think the Fed will launch another round of bond buying at its September policy meeting. The aim would be to drive long-term interest rates lower and encourage more borrowing and spending. In the second quarter, GDP in current dollars rose at an annual rate of $117.6 billion to $15.6 trillion. Growth was weaker mostly because consumer spending slowed to a growth rate of just 1.5 percent. That was down from 2.4 percent in the first quarter. Americans bought fewer autos, computers and other long-lasting manufactured goods. But money spent on services, which represents about two-thirds of spending, rose in the April-June quarter. As they spent less, Americans also saved more. The savings rate reached 4 percent, up from 3.6 percent in the first quarter. The savings rate reached a low of 1.5 percent in 2005, a year when soaring home prices made consumers feel less need to save. The rate climbed to 5.4 percent in 2008 as the financial crisis and recession squeezed Americans. Nigel Gault, chief U.S. economist at IHS Global Insight, said consumer spending will likely remain subdued in the second half of the year. He thinks it will grow at or below a 2 percent annual rate. Gas prices have stopped falling and have even started to rise in recent weeks. And this summer's severe drought is expected to push food prices up toward the end of the year. "There is really no reason to see us pulling out of this malaise any time soon," Gault said. "I am not calling for a recession, but I am calling for weak growth." The U.S. economy has never been so sluggish this long into a recovery. The Great Recession officially ended in June 2009. Until a few weeks ago, many economists had been predicting that growth would accelerate in the final six months of the year. They pointed to gains in manufacturing, home and auto sales and lower gas prices. But threats to the U.S. economy have left consumers too anxious to spend freely. Jobs are tight. Pay isn't keeping up with inflation. Retail sales fell in June for a third straight month. Manufacturing has weakened in most areas of the country. Fear is also growing that the economy will fall off a "fiscal cliff" at year's end. That's when tax increases and deep spending cuts will take effect unless Congress reaches a budget agreement. All that is making companies reluctant to expand and hire much.

#### Econ low—austerity measures—consensus of experts

Huffington Post 7/30/12 (No author cited, “American Enterprise Institute: U.S. Austerity Measures Hurting Broader Economy”, http://www.huffingtonpost.com/2012/07/30/cutting-government-spending\_n\_1719675.html)

Austerity lovers of the world take note: Cutting government spending hurts the economy and it's not just the Paul Krugmans of the world that say so. The American Enterprise Institute, a conservative-leaning think tank, has some data out indicating that cutting government spending may be off-setting private sector growth. That's notable, especially when coming from an organization with the motto "Freedom. Opportunity. Enterprise." Public sector GDP -- a measure of the goods and services produced by the government -- has shrunk for eight consecutive quarters, according to AEI. At the same time, private sector growth has increased for 12 quarters in a row, indicating that America’s slow overall GDP growth may mostly be a result of a drop in government spending. In just the last year, federal spending has fallen more than 3 percent, and the cuts may be countering private-sector growth, the Wall Street Journal reports. The findings show that slashing government spending may not exactly be the best way to boost the economy, even though that’s exactly what lawmakers around the world are considering. That some of the data comes from conservative-leaning AEI adds fuel to the arguments of progressive economists, who argue that painful austerity measures don’t help economies in trouble; they hurt them. The findings also do some to discredit conservative economists like Mitt Romney advisor Glenn Hubbard, who argue that cutting federal spending would boost a lagging economy. Of course, not everyone in Washington fears austerity. Treasury Secretary Timothy Geithner argued earlier this month that the looming “fiscal cliff” -- a combination of tax increases and spending cuts that are set to go into effect at the end of the year -- would not actually do “a lot of damage” to the U.S. economy if Congress didn't take action to stop it. President Obama took heat in June when he told reporters that the private sector is “doing just fine” in an aim to pressure congressional Republicans to help fund struggling state and local governments. Left-leaning economist Paul Krugman said that while Obama “bungled the line,” he was right to note that what’s hurting the recovery are cuts to the public sector. But concerns over cuts to government spending aren't just an American problem. Across the Atlantic in Greece, leaders agreed to a package of spending cuts demanded by its creditors, even as the country struggles with high unemployment.

#### Econ low—GDP

Bartash 7/29/12 (Jeffry, writer for MarketWatch, a Wall Street Journal economics blog, “U.S. job growth, economy stuck in doldrums”, http://articles.marketwatch.com/2012-07-29/economy/32914678\_1\_gdp-report-job-growth-global-growth)

WASHINGTON (MarketWatch) — Slackening U.S. and global growth likely means the nation’s unemployment rate will remain stuck around 8%, reducing the odds of a faster economic recovery kicking in before the end of the year. The lackluster state of the economy was made readily apparent again last week by the preliminary report on second-quarter gross domestic product. Growth slowed to 1.5% from 2.0% in the first quarter and 4.1% in the fourth quarter. That’s about half the rate economists would expect in a healthy recovery several years after a recession ends. Declining growth occurred mainly because consumers pared spending and businesses invested at a slower pace. And with a slew of recent data showing further weakness in the economy, there’s little reason to believe growth will accelerate anytime soon. Most of the data on this week’s jam-packed calendar, including the critical monthly jobs report for July, are expected to confirm that view. Net hiring likely rose by a modest 110,000 last month, according to the latest MarketWatch survey of economists. Other key reports will put a spotlight on consumer spending, auto sales and manufacturing levels. None of them are expected to be especially strong. “There’s nothing you can see that will reignite growth,” said Nigel Gault, chief U.S. economist at IHS Global Insight. “We are in a position of looking for things that can keep the economy going at a modest pace.” What comes first? Once again, the economy faces a chicken-and-egg scenario. The U.S. cannot grow much faster until businesses step up hiring, but companies won’t add workers unless customers boost purchases of their goods and services. The result: a shackled economy unable to break free and expand rapidly.

### Global Econ Low

#### Global econ low—Europe

AP 7/29/12 (Associated Press, “Companies express fear over slowing global economy after profits are hurt by Europe’s woes”, http://www.washingtonpost.com/business/companies-express-fear-over-slowing-global-economy-after-profits-are-hurt-by-europes-woes/2012/07/29/gJQAhcoNIX\_story.html)

NEW YORK — Deteriorating financial conditions in Europe are weighing down companies’ profits. And hope of salvation from other regions — such as China, Brazil and the United States — is starting to dim as those economies weaken. That’s the message from this week’s parade of second-quarter earnings from some of the world’s largest companies. “The new reality is that this world is not in a normal growth mode,” Dow Chemical CEO Andrew N. Liveris said on a conference call Thursday. “And it does not appear that we will see this for at least 12 to 24 months.” One CEO after another told investors and Wall Street analysts that Europe was making them nervous. Royal Caribbean CEO Richard D. Fain said, “The steady drumbeat of negative news emanating out of Europe is certainly having an impact.” The chief executive of German automaker Daimler AG, Dieter Zietsche, referred to “economic clouds in the sky, which are floating especially over Europe.” Europe’s debt crisis has worsened over the past few months. Six of the 17 nations that use the euro currency are in recession. Solutions have proven elusive. Because the global economy is so integrated, what happens in Europe doesn’t stay in Europe. As Europeans buy fewer cars, for instance, profits of American automakers fall. Ford Motor Co. expects to lose more than $1 billion in Europe this year. Europe’s slowdown also hurts factories in China. In turn, those Chinese factories buy less iron ore from Brazil. So, after three years of trying to crawl out from the Great Recession, companies are once again faced with “uncertainty,” ‘’headwinds,” the prospect of “slow growth” and any other corporate buzzword you can think of. For many, their prospects aren’t looking good. But not every company is so glum. Heavy construction equipment manufacturer Caterpillar reported blockbuster earnings Wednesday, driven in part by companies making long-term investments to upgrade their aging machines.

#### Global econ low—globalization

Bloomberg 7/23/12 (Paul Wiseman, “Global economy in worst shape since 2009”, http://www.businessweek.com/ap/2012-07-22/slower-global-growth-reflects-close-economic-links)

WASHINGTON (AP) — Mounting fears about Spain's financial health help illustrate why the global economy is in its worst shape since 2009. Six of the 17 countries that use the euro currency are in recession. The U.S. economy is struggling again. And the economic superstars of the developing world — China, India and Brazil — are in no position to come to the rescue. They're slowing, too. The lengthening shadow over the world's economy illustrates one of the consequences of globalization: There's nowhere to hide. Investors drove up Spain's borrowing rates Monday over concern that the government's debts might force it to seek a bailout. The interest rate on Spain's 10-year bond touched 7.56 percent — the highest since the euro began in 1999. Stocks around the world tumbled in response. Worries about Spain intensified after its central bank said the economy shrank 0.4 percent in the second quarter. The government predicts the economy will keep contracting next year as tax hikes and spending cuts hurt consumers and businesses. Italy has also been swept up by fears that it may need to request aid. Rates on Italy's government bonds jumped Monday, and stock prices sank. Economies around the world have never been so tightly linked — which means that as one region weakens, others do, too. That's why Europe's slowdown is hurting factories in China. And why those Chinese factories are buying less iron ore from Brazil. As a result of this global economic slowdown, the International Monetary Fund has reduced its forecast for world growth this year to 3.5 percent, the slowest since a 0.6 percent drop in 2009. Some economists predict the global economy will grow a full percentage point less. For now, few foresee another global recession. Central banks in China, Britain, Brazil, South Korea and Europe have cut interest rates in the past month to try to jolt growth. European leaders have begun to focus more on promoting growth, not just shrinking debt and cutting budgets. The Chinese government, in particular, is expected to do what it takes to protect its economy from deteriorating too quickly. And despite their slowdowns, China and India are still growing at rates America and Europe can only imagine. But many economists say European policymakers aren't moving fast enough to strengthen European banks and ease borrowing costs for Italy and Spain. They fear the global impact if Europe's economy deteriorates further. Stock prices in the United States and elsewhere are fluctuating almost daily depending on the outlook for a resolution of Europe's debt crisis. Around the world, sales at companies ranging from automakers to technology companies are falling. Advanced Micro Devices, a California-based maker of computer chips used in everything from slot machines to smart cameras, says revenue likely dropped 11 percent in the second quarter because of weaker-than-expected sales in China and Europe. At Jagemann Stamping Co. in Manitowoc, Wis., sales to Europe have dropped more than 10 percent from a year ago. The company makes metal parts for auto companies and other customers. It's still enjoying strong sales in the United States, so it hasn't had to cut workers because of falling business in Germany and the Czech Republic. "What it does is slow our new hiring," says company president Ralph Hardt. One growing concern about the global economy is there's little margin for error: Unemployment is already at recession levels in Europe and the United States. The United States, by far the world's biggest economy, has long pulled the global economy out of slumps. Now it needs help. Three years after the Great Recession officially ended, the American economy can't maintain momentum. For the third straight year, growth has stalled at mid-year after getting off to a promising start.

### Consumer Confidence Low

#### Consumer confidence low

Linebaugh 7/30/12 (Kate, Staff Writer for the Wall Street Journal, “U.S. Profit Streak Hit by Global Weakness”, http://online.wsj.com/article/SB10000872396390444130304577557022094936352.html?mod=googlenews\_wsj#articleTabs%3Darticle)

And with that, one of the few bright spots of the struggling U.S. recovery gets dimmer. Strong earnings had been fueling corporate investment in technology and machinery, if not much hiring. Now, however, the pressure on profit is prompting firms including United Technologies Corp. UTX +0.85% and Dow Chemical DOW -1.15% to cut more costs. Coffee chain Starbucks last week warned that customer traffic in U.S. cafes began slowing in June. The softness continued in July, so the company cut its earnings guidance for the third quarter. Enlarge Image "This is not a Starbucks issue," said Howard Schultz, chief executive. "This is a macro problem of weak consumer confidence." Prices for commodities—oil, copper, aluminum and other building blocks of the global economy—have seen significant declines, which suggest that manufacturing activity is slowing. At the same time, the dollar is strengthening, up 5% against the euro in the second quarter. A stronger dollar hurts U.S. exports by making American products pricier to people buying them in other currencies. It also erodes the value of American firms' overseas revenue once it is converted into dollars. For the third quarter, analysts predict profit and revenue for companies in the S&P 500 will slip into the red, declining by about 0.4% from the year-earlier quarter, Thomson Reuters said. That follows what will likely have been three straight quarters of decelerating profit growth. Growth may resume in the fourth quarter, analysts say, given that last year's fourth-quarter performance wasn't as strong as the third.

### US Econ High

#### Econ growing but vulnerable to shocks

FT 7/29/12 (“Tough to dig US economy out of a hole”, http://www.ft.com/intl/cms/s/0/5fdcf216-d99e-11e1-a18e-00144feab49a.html#axzz228FHfBTz)

What makes the US economy so hard to read is that the fundamentals are improving: banks are better capitalised, it looks like the housing market has hit bottom, and households have shed debt. Yet a range of pressures – a fiscal squeeze in the US, financial turmoil from the eurozone, and an emerging market slowdown – are holding the economy back. All of those pressures have the potential to turn into shocks: a plunge off the US fiscal cliff, a panic in the eurozone, or a sudden stop in emerging economies. The mixture is tough for policy makers. Given the underlying improvement, the natural forecast is that growth should pick up; given the risks, there is an uncomfortably high chance that it will not. If short-term interest rates were above zero then the choice would be easy: cut them and offset some of the risk. But the only tools that remain close at hand are quantitative easing – buying securities in an effort to drive down long-term interest rates – or communicating a forecast that rates will stay low beyond 2014. Those actions are less easily reversed. Put together, this may add up to caution on Wednesday, with perhaps a change in the late 2014 forecast but no more. Waiting would let the Fed see payrolls data for August and September, formally update its economic forecasts, and use Jackson Hole to clarify where it stands. The combination of a volatile economic outlook with cumbersome policy tools also explains why the Fed is so eager to find new ways to influence the economy.

# Oil Updates

#### Natural Gas key to russia’s economy

Burke 3/1/12(Justin Managing Editor , Eurasia News, “ Russia: Putinism and the Russian Economy”, [http://www.eurasianet.org/node/65070 //](http://www.eurasianet.org/node/65070%20/) Veevz)

During his tenure in power, Russia has experienced robust economic growth and benefited from a favorable balance of trade, enabling the Kremlin to amass cash reserves of just over $505 billion, according to Central Bank statistics. But trade-surplus figures provide only a partial picture of the Russian economy, creating an illusion of economic health. **Russian growth is overly dependent on the export of raw materials, especially oil & gas,** but also including minerals, precious metals and timber. During his first go-round as president, Putin spoke repeatedly of a need to transform Russia’s economy. In a May 2006 speech to the Federation Council, for example, he said his administration was already taking “concrete steps to change the structure of our economy, and turn it into an economy of [technological] innovation.” And on May 8, 2008, the day he stepped down from the presidency and returned to the post of prime minister, he announced the government’s “number one priority” was economic diversification via the “development of innovative industries.” If figures compiled by Russia’s Federal Service for State Statistics (FSSS) are to be believed, Putin’s quest to create a knowledge-based, high-tech economy has been a dismal failure. Import-export data for the past 12 years shows that Russia’s role in the global economy remains that of raw materials supplier, and that **the high price of oil & natural gas is** **all that stands in the way of Russia becoming a fiscal train wreck**. When it comes to the state budget, the stability of Russia’s finances is dependent on an increase in the cost of energy. The Kremlin thus stands to benefit economically from increased tension between the West and Iran. Prior to the global financial crisis, Russia could balance its books with an oil price of about $90 per barrel, former Russian Finance Minister Alexei Kudrin said last September. Now, according to the Finance Ministry, the Russian budget needs an oil price of $117 per barrel this year to remain in good shape.

#### Decrease in dependency causes market flooding – kills prices and turns case

IB Times 11 (The International Business Times is an online global business newspaper, comprising of 17 editions, published in 10 languages across 13 countries. It is among the top ten online business newspapers in the world. The publication, sometimes called IBTimes, offers news, analysis and opinion on geo-politics, global economy, markets, large and small cap companies, science and technology, and business life and culture. May 30, 2011 “Why lower Saudi oil prices kill alternative energy” http://www.ibtimes.com/articles/154524/20110530/saudi-arabia-oil.htm )

The biggest obstacle to alternative energy is money. Saudi Prince Al-Waleed bin Talal seems to understand this. In a CNN interview, he admitted Saudi Arabia wants lower oil prices because it doesn’t “want the West to go and find alternatives.” Covers the leading players in the finance industry Sample Alternative energy hasn’t taken off in the US because its development largely depends on the private sector. Currently, it’s simply cheaper to buy oil from countries like Saudi Arabia, so not many private companies bother to develop alternative sources. For example, if Saudi oil average $80 per barrel in the long-term, why bother extracting oil from oil sands and oil shale if doing so cost $85 per barrel? Why turn to electric cars if the whole ordeal – the research, electric cars, and electric grid – cost more than filling up convention cars with imported fossil fuel? On the other hand, if oil skyrockets to $200 per barrel, it would make absolutely sense to develop oil sands, oil shale, and electric cars. Experts generally put the threshold at which alternative energy becomes viable at a long-term sustained price of $80 per barrel. A recent Federal Reserve research, for example, puts the figure for oil sands at $70 per barrel in 2005 terms, which translates to $77.5 in 2010. According to Al-Waleed, Saudi Arabia probably estimates the threshold to be $80 per barrel. The cost of many alternative energy sources is front-loaded. For example, once a solar farm is constructed and the electric grid is built, the cost of harvesting additional electricity becomes extremely cheap. The danger for oil producers like Saudi Arabia is that once a sustained period of high oil prices induces the Western private sector to invest the upfront costs of setting up alternative sources, the price of energy will be lowered permanently. The optimal strategy for Saudi Arabia, therefore, is to avoid a sustained period of high oil prices. For Western countries, the optimal strategy to bite the bullet, pay the upfront cost, and save money in the long-run with cheap alternative energy sources. Western capitalism, however, can be short-sighted and decentralized; if oil prices stay reasonablely low, not enough players in the private sector will have the resolve to eat the enormous upfront costs of developing alternative energy sources.

#### Econ decline causes Russian first strike

PRY 99 (Peter Vincent, Former US Intelligence Operative, War Scare: U.S.-Russia on the Nuclear Brink, netlibrary)

Russian internal troubles—such as a leadership crisis, coup, or civil war—could aggravate Russia’s fears of foreign aggression and lead to a miscalculation of U.S. intentions and to nuclear overreaction. While this may sound like a complicated and improbable chain of events, Russia’s story in the 1990s is one long series of domestic crises that have all too often been the source of nuclear close calls. The war scares of August 1991 and October 1993 arose out of coup attempts. The civil war in Chechnya caused a leadership crisis in Moscow, which contributed to the nuclear false alarm during Norway’s launch of a meteorological rocket in January 1995. Nuclear war arising from Russian domestic crises is a threat the West did not face, or at least faced to a much lesser extent, during the Cold War. The Russian military’s continued fixation on surprise-attack scenarios into the 1990s, combined with Russia’s deepening internal problems, has created a situation in which the United States might find itself the victim of a preemptive strike for no other reason than a war scare born of Russian domestic troubles. At least in nuclear confrontations of the 1950s–1970s—during the Berlin crisis, Cuban missile crisis, and 1973 Middle East war—both sides knew they were on the nuclear brink. There was opportunity to avoid conflict through negotiation or deescalation. The nuclear war scares of the 1980s and 1990s have been one-sided Russian affairs, with the West ignorant that it was in grave peril.

# Elections Updates

### Romney win now

#### **Romney is making gains in polls**

Silver, 07/25 (Nate Silver, chief pollster for New York Times’ 538 election polling center who is regarded as the top-level pollster based on distinct mathematical models, FivethirtyEight: Nate Silver's Political Calculus, “July 25: Romney gains in tracking polls” on July 25, 2012 from <http://fivethirtyeight.blogs.nytimes.com/2012/07/26/july-25-romney-gains-in-tracking-polls/>ak)

I am in the midst of [explaining](http://fivethirtyeight.blogs.nytimes.com/2012/07/24/state-and-national-polls-tell-different-tales-about-state-of-campaign/) how the FiveThirtyEight forecast model evaluates state polls along with national polls in an effort to determine where the overall race stands. I suppose I think that the national polls sometimes receive a bit too much attention.¶ But we, at FiveThirtyEight, are not dogmatic about this. The model does use national polls as well — including the various tracking polls that are released on a daily or weekly basis, and sometimes they can have a discernible influence on the forecast.¶ Mitt Romney has seen some improvement in these tracking polls over the last week. The [Rasmussen Reports tracking poll](http://www.rasmussenreports.com/) had him four points ahead of Barack Obama as of Thursday. Galllup’s [tracking poll](http://www.gallup.com/poll/150743/Obama-Romney.aspx) showed him moving back into a one-point lead after Mr. Obama had held the advantage for most of the past few weeks.¶ Both the Rasmussen Reports and Gallup polls have been [slightly Republican-leaning](http://fivethirtyeight.blogs.nytimes.com/2012/06/22/calculating-house-effects-of-polling-firms/) relative to the consensus of surveys. But that is not true of two polling firms that release weekly tracking polls, [Public Policy Polling](http://dailykos.com/weeklytrends) and [YouGov](http://cdn.yougov.com/cumulus_uploads/document/t94ooj9582/20120721%20econToplines.pdf), and both of those polls showed Mr. Romney gaining as well.

Race is super close but Obama will lose- economy, fundraising,

Bua, 07/30 (Jon-Christopher Bua, US Political Analyst for Sky News, "Obama v Romney: 100 Days To Go To US Poll" on July 30, 2012 from news.sky.com/story/966858/obama-v-romney-100-days-to-go-to-us-poll/ak)

We are now less than 100 Days away from Election Day.¶ Obama and Romney are locked in an exceptionally tight race - a virtual tie.¶ Here is what will make the difference:¶ The Economy¶ President Obama has a little more than three months to show he has made some real progress on the US economy.¶ However, he really has no meaningful tools to do anything to change the numbers at this point.¶ There will be no significant legislation passed in Congress in the next few months - things are simply too political.¶ From now until Election Day on November 6, all attempts at legislation are really just political theatre aimed at the Republican or Democratic base voter.¶ The across-the-board sequestration cuts to all federal spending that were a part of the last Debt Limit increase deal, the expiring Bush Tax Cuts, and all other items that really will affect average Americans’ lives and incomes, will simply have to wait until after the Election.¶ The Federal Reserve could engage in quantitative easing ("QE") which might have an effect on the economy – but there are no guarantees.¶ In the meantime, there are four more chances for good news or bad news.¶ There are four more jobs reports that will be released before Election Day – on August 3, September 7, October 5 and November 2.¶ Money To Spend¶ The Romney Campaign has out-raised the Obama Campaign for the past few months. It seems likely they may be on target to do this again this month.¶ In addition to these money problems, the Republican Super PACs are totally outraising the Democratic Super PACs.¶ The Obama Campaign's "class warfare argument" has offended many of the donors that Obama counted on the last time - and they simply are not giving as much this time.¶ Obama is bundling people who make more than $250,000 with the mega-billionaires - like Warren Buffet and Bill Gates - in the same tax bracket.¶ Obama is also tailoring his message exclusively to the middle class - who frankly are hurting economically and simply don't have the extra money to give to a campaign.¶ The last time around Obama had a much broader and more inclusive message: "There are no red states, there are no blue states, we are all Americans." That message is gone.¶ Wall Street, which gave a lot of money to Obama in 2008, is now giving far more money to Mitt Romney.¶ Wall Street is unhappy with both the regulations passed by the Obama Administration and the message and tone of the campaign.¶ What does more money mean?¶ It means more ads, bigger ground staff in the key battleground states, more trips to each battleground state by the candidates and their surrogates.

### Swing voters key

#### Swing voters especially key to this election

Zapotosky, 07/28 (Matt Zapotosky, Emma Brown, Laura Vozzella, Joshua Hicks and David A. Fahrenthold, all writers for the Washington Post, "As presidential campaign heads into final 100 dats, undecided voters still struggle" on July 28, 2012 from www.washingtonpost.com/politics/as-presidential-campaign-heads-into-final-100-days-undecided-voters-still-struggle/2012/07/28/gJQA5zkwGX\_print.html/ak)

In these next 100 days, President Obama and Republican challenger Mitt Romney and their political allies will spend hundreds of millions of dollars trying to sway uncommitted voters in a few key states. These are the people they’re after.¶ Interviews with dozens of voters in Florida, Missouri, Ohio and Virginia illustrate just how complicated each voter’s decision can be and, sometimes, how very far removed it is from the election strategies being mapped out in campaign conference rooms in Chicago or Boston or Washington.¶ The conversations with voters also show how little the [daily media circus](http://www.washingtonpost.com/politics/campaigns) of gaffes and campaign ads and surrogate attacks actually moves its intended targets. After months of heavy advertising by Romney, many voters knew only that he is Mormon, rich and not Obama.¶ This weekend, the Obama campaign kicks off the last 100 days of campaigning with 4,600 small events around the country, including Olympics-watching parties, house parties and “Barbecues for Barack.”¶ The Romney campaign is taking a different approach. The candidate is in Israel this weekend as part of an overseas tour designed to enhance his image as an international statesman.¶ “I’m not sure that 100 days out is going to feel much different than 105 days out or 95 days out,” said Ed Gillespie, a senior Romney adviser. He said the campaign thinks that less than 10 percent of the electorate should be considered truly “undecided.” Still, Gillespie said, in comparison with the Obama camp, “we’d rather play our hand than theirs.”¶ As it turns out, the fight is for an extraordinarily small slice of the U.S. electorate.¶ In one recent poll, more than two-thirds of voters said they already had all the information they needed to make their choice.¶ So a few undecided people, in just a few places, could swing an entire country. Washington Post reporters visited four counties that could be decisive. All four voted for George W. Bush in 2000 and 2004 and then for Obama in 2008, and each is in a state that will be crucial to the outcome in November.¶ The most recent poll of Ohio from Quinnipiac University is almost a month old and shows Obama leading Romney 48 percent to 37 percent. In Missouri, Romney was ahead 51 to 42 percent in a St. Louis Post-Dispatch Mason Dixon poll published Friday. In Virginia and Florida, the race is much tighter. The latest Quinnipiac poll in Virginia shows Romney and Obama deadlocked at 44 percent each. The latest Mason-Dixon poll in Florida has the candidates running about even, with Obama and Romney at 46 percent and 45 percent, respectively.¶

### AT: voters will break for Romney

#### Empirically false- voters break for the incumbent

Silver, 07/22 (Nate Silver, chief pollster for New York Times’ 538 election polling center who is regarded as the top-level pollster based on distinct mathematical models, FivethirtyEight: Nate Silver's Political Calculus, "Do Presidential Polls Break Toward the Challengers?" on July 22, 2012 from fivethirtyeight.blogs.nytimes.com/page/2/ak)

But one hypothesis you should find less persuasive is the notion that the polls will break toward Mr. Romney just because he is the challenger. It is often asserted that this is the case — that the polls move toward the “out-party” candidate rather than the incumbent. But in my view the empirical evidence — although it is somewhat ambiguous — mostly argues against this idea.¶ For a bit of background on this question, see my [previous work](http://fivethirtyeight.blogs.nytimes.com/2012/07/19/does-romney-have-an-edge-from-likely-voter-polls/) on the [“incumbent rule,”](http://fivethirtyeight.blogs.nytimes.com/2010/10/11/incumbents-polling-below-50-often-win-re-election-despite-conventional-wisdom/) which is the notion espoused above that polls tend to break toward the challenging rather than incumbent candidate. My research into polls of gubernatorial, Senate and House races over the last 15 years or so suggests that this just is not true; in general, the incumbent candidate has been as likely to overperform his polling margin on Election Day as to underperform it.

### Obama win

#### Romney wont win- lack of GOP enthusiasm, uncertainty and vp candidates

Bua, 07/30 (Jon-Christopher Bua, US Political Analyst for Sky News, "Obama v Romney: 100 Days To Go To US Poll" on July 30, 2012 from news.sky.com/story/966858/obama-v-romney-100-days-to-go-to-us-poll/ak)

Which candidate has the enthusiasm and can turn out their voters?¶ Both the candidates themselves and the issues will control this to a large part.¶ Interestingly, neither the Republican base nor the Democratic base is exceptionally excited about their candidates for different reasons.¶ The Republicans are enthusiastic about defeating President Obama, however, they are not terribly excited by Mitt Romney.¶ Romney has yet to win over the far right of his party, many Christian Conservatives - the Mormon issue plays here as well.¶ Additionally, this week's foreign trip with its many missteps may cause some Republican-leaning Independent voters to have second thoughts as to whether Romney is ready for this very demanding job on the international stage.¶ Romney could add some excitement to his ticket with a VP pick. However, all indications are he will not do this with a 'Sarah Palin' choice.¶ All sources are still indicating that he is still likely to pick Rob Portman, Tim Pawlenty, Paul Ryan or Bobby Jindal.¶ Of that group, Jindal might add a little more excitement or a female choice including Kelley Ayotte, Mary Fallin or Nikki Haley could do this as well.

#### Obama is definitely going to win- ahead in 5/6 battleground states

The Hill, 7/30 (Niall Stanage, Hill Policy Anlyst, "Swing States give Obama the edge" on July 30, 2012 from thehill.com/homenews/campaign/240921-battlegrounds-give-obama-election-edge/ak)

President Obama has an overall edge in the 12 decisive battleground states that is measurably greater than his advantage in national polling.¶ The dynamic, which may reflect a combination of lower swing-state unemployment rates and demographic advantages for the president, is causing stirrings of unease among Republicans, even as they emphasize that it is important not to read too much into the state of the race right now.¶ “Obama is concentrating his considerable early resources and messaging in the swing states, and it’s had an impact,” said Mark McKinnon, who served as a media adviser for President George W. Bush’s presidential campaigns.¶ But McKinnon added that Republican candidate Mitt Romney was “raising and saving his money to ensure he won’t be out-punched in the final rounds.”¶ The crucial battleground states number about a dozen: Colorado, Florida, Iowa, Missouri, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Pennsylvania, Virginia and Wisconsin. ¶ Taking the polling averages used by Nate Silver in the New York Times, the president is ahead in 10 of the 12 vital states. If those polls were borne out on Election Day, Obama would coast to victory with 332 electoral college votes. Only 270 votes are needed to win the presidency.¶ Awarding Obama only the states in which he now leads by 3 percentage points or more in the polling averages still sees him safely home. ¶ By that measure, as of last Friday, he would win 8 of the 12 battlegrounds, for a total of 290 electoral votes. ¶ Romney victories in Florida, Missouri, North Carolina and Virginia would leave the Republican marooned on 248 electoral votes.¶ Strategists including Karl Rove have, in recent months, noted that Romney’s path to victory is a challenging one in terms of the electoral map. ¶ Now, Democrats are citing the same argument to justify their guarded confidence.¶ “All the swing states this time are places [Obama] has been able to win in the past,” said David Beattie, a Florida-based Democratic pollster. “Some of them, like Nevada and Colorado, are pretty solidly in his direction. One of the most optimistic things for Obama is that Iowa and Virginia are still regarded as swing states.”¶ Advertising has been a key factor. ¶ Obama has been outspending the Romney campaign by a considerable amount — his TV advertising outlay for June was $32.2 million compared against a total advertising spend of $10.4 million for Romney.¶ But TV ads assailing Romney are unlikely to be the only reason for Obama’s battleground-state advantage. The president gets an assist from some intriguing trends in both economic and demographic data.¶ Based upon the most recent job figures, which covered June, only four of the 12 battleground states have unemployment rates that are above — or, in the case of Colorado, identical to — the national average of 8.2 percent. ¶ The relative lack of pain felt in the job market in some of the other swing states may well be playing in Obama’s favor.¶ Take New Hampshire, for example. Obama’s average polling lead of more than 4 percentage points might seem incongruous in a traditional swing state that is overwhelmingly white and adjacent to Romney’s Massachusetts base. But the fact that joblessness is running at 5.1 percent could be an important part of the explanation.¶ Statistics like that “make for more fertile ground for the president to make his argument,” said Jamal Simmons, a Democratic strategist.¶ Not everyone is convinced by the state-by-state unemployment argument, however.¶ David Yepsen, who covered many presidential elections during a 34-year career with the Des Moines Register, cautioned that economic statistics in general were less important than how people feel about their lives.¶ “I don’t think in Iowa they are feeling particularly good right now,” Yepsen said. “Looking at the unemployment rate is great if you are an economist, but not if you are the man in the street.” (Iowa’s unemployment rate is 5.2 percent.)¶ Even where the job-market pain is at its most intense, however, Obama can benefit from a curious pattern that might be termed “demographic insulation.”¶ The four battleground states with worse-than-average unemployment rates also have higher than average Hispanic or African-American populations — two key pillars of Obama’s support.¶ Nevada, for example, has the highest unemployment rate in the nation, at 11.6 percent. But the share of its population defined as “white, non-Hispanic” by the U.S. Census Bureau is just 53.6 percent, a full 10 percentage points lower than the national average. Hispanics make up 27.1 percent of the overall population in Nevada, and Obama leads in recent polls by an average of 5 percentage points.

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#### Debates key

Bua, 07/30 (Jon-Christopher Bua, US Political Analyst for Sky News, "Obama v Romney: 100 Days To Go To US Poll" on July 30, 2012 from news.sky.com/story/966858/obama-v-romney-100-days-to-go-to-us-poll/ak)

The Debates¶ This time the debates may make a difference. These are truly high stake events for both candidates.¶ As is always the case neither can afford to make any major mistakes.¶ Obama will have created high expectations - he is known as an excellent speaker.¶ Romney has had a lot of practice during the Republican primaries - so don't sell him short.¶ The American voters will be listening very carefully to see what these two candidates plan to do on the issues of Jobs, the Budget, the Deficit, Gas Prices, Syria, Iran.¶ They will also be analysing both of these men on a very personal level to see who they trust and basically who they want to see in their living rooms for the next four years.¶ Events, Events, Events¶ Gas prices¶ Economic problems in Europe¶ Iran, Syria, Israel, China, North Korea, Russia¶ Terrorism at home and abroad¶ Take your pick – the list goes on

### Yes- Wisconsin

#### Romney will win Wisconsin- ensures victory

Moe 7/29 (Alex, reporter for NBC, Ryan: Romney can win Wisconsin, http://firstread.msnbc.msn.com/\_news/2012/07/29/13023436-ryan-romney-can-win-wisconsin?lite)

Campaigning for the GOP nominee in his home state with just 100 days before the presidential election, Congressman Paul Ryan said he is confident Mitt Romney can win here in the Badger State this November. "We haven't gone Republican on top of the ticket since 1984 but we think this time is different. We think it’s different because people in Wisconsin are tired of the direction Washington is going. They don't the president's policies have worked," Ryan told NBC News in an interview Sunday evening. They think, “this is not the uniter. This is not the hope and change. This is a man who is dividing us, who is giving us terrible economic policies, who is growing government, who is growing the debt, and that just doesn't rub right with Wisconsinites."And the Republican National Committee Chairman predicted victory as well: "If we win Wisconsin, I think it is lights out for Barack Obama," Chairman Reince Preibus told reporters in Waukesha.

### No- Virginia

#### Romney loses Virginia- Nader scenario

Hooper 7/29 (Molly, reporter for the Hill, GOP fears ex-lawmaker’s candidacy will help Obama win swing-state Virginia, http://thehill.com/homenews/campaign/240903-gop-fears-ex-lawmakers-candidacy-will-help-obama-win-swing-state-virginia)

A former House Republican lawmaker could siphon votes from Mitt Romney in the battleground state of Virginia and boost President Obama’s chances of winning a second term. Former five-term Rep. Virgil Goode, who represented southwest Virginia’s 5th District, has a strong chance of making it on the state’s general election ballot. That would set up a potential Ralph Nader-like spoiler scenario circa 2000. At that time, then-Vice President Al Gore, the Democratic presidential nominee, lost the state of Florida by fewer than 600 votes to former President George W. Bush. Nader, a liberal third-party candidate, won nearly 100,000 votes in the Sunshine State.A similar scenario could play out in Virginia if Goode’s name appears on the ballot in November, according to a recent poll. According to a Public Policy Polling (PPP) survey of Virginia voters, Goode would win 9 percent of the vote, with Romney winning 35 percent to Obama’s 49 percent, with a margin of error of 3.9 percent.

### Yes- Virginia

#### Romney wins Virginia

Urbanski 7/28 (Steve, reporter for examiner.com, If Romney wins Pennsylvania, he will be the next President, <http://www.examiner.com/article/if-romney-wins-pennsylvania-he-will-be-the-next-president>)

Virginia looks a little better for Romney. Obama's average lead is only 1.2 percent in Virginia, and Romney has lead in a few more polls since the beginning of 2012. Virginia had been a reliable Republican state until Obama won there in 2008. If Obama wins Virginia, it's on to a second term. If Romney wins Virginia, along with Florida and Ohio, he'd still have to win Iowa or Nevada to get over 270 electoral votes.

### Yes- Ohio

#### Romney wins ohio- huge turnout

Rafferty 7/28 (Andrew, reporter for NBC, Ohio's Portman says he feels the pressure to swing his state for Romney, <http://firstread.msnbc.msn.com/_news/2012/07/28/13011878-ohios-portman-says-he-feels-the-pressure-to-swing-his-state-for-romney?lite>)

Even though he is not yet on the Republican presidential ticket, Ohio Sen. Rob Portman already feels the burden of delivering his home state for presumptive nominee Mitt Romney. "I already feel the pressure," Portman said when asked whether he felt he would be responsible for ensuring the Buckeye State is red this November if chosen as Romney's running mate. "I'm chairing the effort here in Ohio and again I'm feeling good about things because there is a just a lot of volunteers who are stepping forward. I haven't seen energy like this in past elections, presidential or otherwise... My focus is going to be Ohio. And I do believe that this year, Ohio could make the difference again."

### No- Ohio

#### Obama wins Ohio

Silver 7/27 (Nate, NYT political analyst, July 27: Ohio Polls Show Trouble for Romney, http://fivethirtyeight.blogs.nytimes.com/2012/07/27/july-27-ohio-polls-show-trouble-for-romney/)

In general, the polls from nonswing states this week, ranging from New Jersey to North Dakota, were mediocre for Mr. Obama. But his numbers held up better in swing states. Nowhere was this more apparent than in Ohio, where there were two new polls out on Friday. One of them, from the firm We Ask America, gave Mr. Obama an eight-point lead there. Another, from Magellan Strategies, put Mr. Obama up by two points. Our model “thinks” the Magellan Strategies poll is a more realistic estimate of the state of play in Ohio. The model now forecasts a three-point victory for Mr. Obama there, which it translates to about a two-in-three chance of his winning the state given the uncertainty in the forecast. Mr. Obama’s projected three-point lead in Ohio is important for the following reason, however: it’s slightly larger than the 2.4-point advantage that the model now gives Mr. Obama in the national popular vote.

#### Obama wins Ohio- even if loses doesn’t cost the election

Urbanski 7/28 (Steve, reporter for examiner.com, If Romney wins Pennsylvania, he will be the next President, <http://www.examiner.com/article/if-romney-wins-pennsylvania-he-will-be-the-next-president>)

Ohio is a big problem for Romney. Although most people think of Michigan as the automobile capital of the United States, the auto industry is very big in Ohio. Many of those Reagan Democrats work in the auto industry or auto industry related businesses in Ohio. Romney made no friends in the Buckeye State when he opposed the auto industry bailout and said "Let Detroit go bankrupt." The polls seem to reflect this. Romney has only lead in 3 out of 22 polls conducted in Ohio since the beginning of 2012, and Obama hold an average lead of 5.0 points in recent polls. If Obama wins Ohio, it's on to a second term. If Romney wins Ohio, he still has some work to do.

### Yes- North Carolina

#### Romney wins North Carolina

Urbanski 7/28 (Steve, reporter for examiner.com, If Romney wins Pennsylvania, he will be the next President, <http://www.examiner.com/article/if-romney-wins-pennsylvania-he-will-be-the-next-president>)

Florida, Ohio, Virginia, Iowa, North Carolina, and Nevada can truly be called swing states. Fortunately, for Romney, all of these states were won by Obama in 2008. Fortunately for Obama, he doesn't have to win all of these states to get re-elected. In these true swing states, it is very likely that Romney will win North Carolina. He has held a pretty consistent lead throughout the past few months in North Carolina, and Obama only won North Carolina in 2008 by about 14,000 votes out of over 4 million cast.

### No- Florida

#### Obama wins Florida- even if loses it doesn’t cost the election

Urbanski 7/28 (Steve, reporter for examiner.com, If Romney wins Pennsylvania, he will be the next President, <http://www.examiner.com/article/if-romney-wins-pennsylvania-he-will-be-the-next-president>)

Florida is not really a total Southern state. Whereas the northern part votes like a Southern state, the southern part votes like New York. The middle of the state (Disney World country) is the truly swing part of Florida. Bush won the middle and the state in 2004, Obama won the middle and the state in 2008. Polls in Florida are very close, with a slight edge to Obama. If Obama wins Florida, it's on to a second term. If Romney wins Florida, he still has some work to do.

### Yes- Florida

#### Slight Romney lead- insert this table into the debate

Silver 7/27 (Nate, NYT political analyst, What the New G.D.P. Figures Mean for the Election, http://fivethirtyeight.blogs.nytimes.com/2012/07/27/what-the-new-g-d-p-figures-mean-for-the-election/)

Florida

|  |  |  |  |
| --- | --- | --- | --- |
| FIVETHIRTYEIGHT PROJECTIONS | DEM | REP | MARGIN |
| Polling average | 46.3 | 44.5 | Obama +1.8 |
| Adjusted polling average | 45.4 | 45.4 | Tie |
| State fundamentals | 43.9 | 47.6 | Romney +3.7 |
| Now-cast | 45.5 | 46.3 | Romney +0.8 |
| **Projected vote share**±6.3 | 49.4 | 49.6 | Romney +0.2 |
| **Chance of winning** | 49% | 51% |  |

# Transportation Funding Now

#### Transportation funding increasing now

Maritime Executive 7/30 - Offers the maritime industry the most up to date news, opinions and analysis (7/30/12, “U.S. Transportation Secretary LaHood Launches Historic Expansion of Infrastructure Finance Fund”, http://www.maritime-executive.com/article/u-s-transportation-secretary-lahood-launches-historic-expansion-of-infrastructure-finance-fund)

U.S. Transportation Secretary Ray LaHood today announced the availability of up to $17 billion in loans for critical infrastructure projects across the country as a result of the recently enacted surface transportation bill. Secretary LaHood encouraged states and cities across the country to submit letters of interest for the TIFIA (Transportation Infrastructure Finance and Innovation Act) program, which provides direct loans, loan guarantees, and standby lines of credit to major infrastructure projects with the potential to create jobs and spur economic development and growth. “Americans have always done big things – not in spite of hard times, but as a means of overcoming them,” said U.S. Transportation Secretary Ray LaHood. “That’s why the Obama Administration is launching the largest infrastructure loan program in our history – these investments will help cities and states create jobs right away building the big transportation projects we need to make sure our economy continues to grow and prosper.” The recently enacted surface transportation bill, known as MAP-21, provided $1.7 billion in capital over two years for the TIFIA credit assistance program, up from $120 million in FY2012, making it the largest transportation infrastructure finance fund in the Department’s history. Each dollar of federal funds can provide approximately $10 in TIFIA credit assistance, meaning $17 billion in loans through TIFIA, which in turn can leverage $20-$30 billion in transportation infrastructure investment. Altogether, the expanded federal loan program could result in up to $50 billion in Federal, state, local and private sector investment for critical transportation projects across the country. A wide range of critical transportation projects are eligible for the funding, including everything from highway and passenger rail projects to public transit and international bridges and tunnels. Because of the flexibility provided by the TIFIA programs, many qualified, large-scale projects that might otherwise be delayed or shelved can move forward quickly, providing an immediate boost to jobs while laying a foundation for continued economic growth.

#### Funding now – transportation bill

Wright 7/30 – Staff Writer for International Construction (Helen, 7/30/12, “US $17 billion for US transport projects”, http://www.khl.com/magazines/international-construction/detail/item77840/US$17-billion-for-US-transport-projects/)

US transportation Secretary Ray LaHood said potential loans of up to US$ 17 billion for infrastructure projects across the country could be approved thanks to the recently enacted Surface Transportation Bill. The Surface Transportation Bill will provide US$ 1.7 billion over two years for the Transportation Infrastructure Finance and Innovation Act (TIFIA) credit assistance programme, up from US$ 120 million for 2012. TIFIA aims to leverage these federal funds by attracting private and other non-federal investment for infrastructure projects. Each dollar of federal funds is said to be able to provide approximately US$ 10 in TIFIA credit assistance, resulting in the total of US$ 17 billion in TIFIA funds for federal loans. Mr LaHood said this US$ 17 billion could in turn leverage between US$ 20 billion and US$ 30 billion in transportation infrastructure investment. Altogether, he said the expanded federal loan programme could result in up to US$ 50 billion in federal, state, local and private sector investment for transportation projects across the country. To date, the TIFIA program has used US$ 9.2 billion in funding to leverage more than US$ 36.4 billion in private and other capital to help build 27 major transportation projects around the country. US states and cities must now submit letters of interest to the TIFIA programme, which will distribute loans to major infrastructure projects. Mr LaHood said this loan programme was the largest in US history. "These investments will help cities and states create jobs right away building the big transportation projects we need to make sure our economy continues to grow and prosper," he added.

# Courts Cap Links

#### The feminist movement ignores the structural causes of patriarchy by focusing on minor reforms. Their movement kills any hope of defeating capitalism because it shatters resistance. Only through a radical break from the neoliberal order can we have any chance of achieving true equality for women.

Smith, Leading Member of the United States International Socialist Organization, 94 (Sharon, “Mistaken Identity—or can identity politics liberate the oppressed?” Spring, <http://www.isj.org.uk/?id=311>)

The ideas behind this manifesto were later developed into a theory of women’s oppression, which was eventually adopted in one form or another by radical and socialist feminists alike: the theory of patriarchy. While different versions of the patriarchy theory emerged in the 1970s, they had one thing in common: they all separated the root cause of women’s oppression from the needs of class society and located it instead with men. Juliet Mitchell summed up the essence of the theory of patriarchy when she argued, ‘We are dealing with two autonomous spheres, the economic mode of capitalism, and the ideological mode of patriarchy.’ Although socialist feminists attempted to integrate class politics with the theory of patriarchy, this proved extremely difficult to do, both in theory and in practice. As socialist feminist Heidi Hartmann said of the ‘marriage of Marxism and feminism’ in 1981, ‘either we need a healthier marriage or we need a divorce.’15 But even before the splits which gave birth to separatist or ‘radical’ feminism, the idea that ‘the personal is political’ was well entrenched. This was another habit acquired from the Maoist style of the New Left, which placed emphasis on personal experience and emulated the Chinese practice of ‘speaking bitterness’.16 Initially consciousness-raising was seen as a way to propel women into action. Thus an early group calling itself ‘Redstockings’, issued a manifesto in July 1969, which declared: Our chief task at the present is to develop female consciousness through sharing experiences and publicly exposing the sexist foundation of all our institutions. Consciousness-raising is not ‘therapy’...but the only method by which we can ensure that our programme for liberation is based on the concrete realities of our lives.17 But rather than channelling women into greater political involvement, consciousness-raising tended to lead women away from activity. The typical consciousness-raising group lasted nine months, and most women left the women’s movement after that. For many of those who stayed, consciousness-raising became an end in itself. And it led to a turn away from politics and an ever greater atmosphere of personalism within the movement. Even Redstockings, quoted above, dissolved itself within less than two years of issuing its ‘manifesto’. In the words of one feminist involved, ‘When you stop looking out, and turn exclusively inward, at some point you begin to feed on each other. If you don’t direct your anger externally—politically—you turn it against yourselves.’18The politics of separatism exacerbated this tendency in organisations of radical feminists. Although set up as ‘non-hierarchical’, the picture was hardly one of mutual support. Instead the atmosphere tended to be intensely moralistic and extremely judgmental towards lifestyle. One woman who participated in a women’s liberation group said afterwards, ‘If [consciousness-raising is] all you do, then the enemy becomes the enemy within. First they attack leaders, then lifestyle, then racism.’ Another described, ‘In the name of anti-elitism, they were trying to pull off the most elite thing possible. The meeting ended with charges and counter-charges and a distinct lack of a feeling of sisterhood.’19 Some women’s liberation groups carried the idea of lifestyle politics to an extreme, by forming living or other collectives based upon strict women-only guidelines. One extreme such living collective was Boston’s ‘Cell 16’, which demanded that every woman living there practise celibacy; only one third of the women could be married; and any woman who had a male child was forced to give him up.20 Within a few years of its founding, the radical wing of the women’s movement in the US had fragmented into inward looking consciousness-raising groups or personalistic living collectives. The slogan, ‘The personal is political,’ had been carried to its logical conclusion: changing one’s lifestyle was what mattered, not changing the world. Radical feminists had rejected the socialist explanation that the source of women’s oppression lies in class society, but replaced it with a theory which could not lead the movement forward. The reason was straightforward. The theory of patriarchy divorced the cause of women’s oppression from class society—a system which oppresses and exploits the vast majority of people for the benefit of a very few. Instead it targeted men—and men’s need to dominate women—as the root of the problem. This left the problem of women’s oppression as one to be fought out at the level of individual relationships. And it excluded men, whatever their social class, from playing a role in fighting for women’s liberation. Moreover, since separatism explains the division between men and women as biologically rooted, this means that the rupture must be permanent. However radical the concept of patriarchy may have sounded in theory, in practice it was a recipe for passivity and divisiveness. Particularly when combined with the high degree of personalism which existed, the logic of separatism promoted fragmentation rather than unity on the basis of oppression. At the same time as it played down the immense differences which exist between women of different classes. The politics of separatism led directly to fragmentation even within radical feminist organisations. Although separatist theory argues that the main division in society is between men and women, it reduces women’s oppression to a problem of personal relationships. If that reasoning is used to understand other forms of oppression, then men are not the only oppressors: whites are oppressors, straight people are oppressors, and so forth. And many women suffer multiple forms of oppression, as victims of national or racial discrimination, or as lesbians. During the 1970s, as activism declined, radical feminist collectives became more and more fragmented and demoralised, and whole organisations became internalised and splintered along these lines. The biggest schism took place between lesbians and straight women. There were other divisions as well, including those over racism and ‘classism’ (used in this context, meaning snobbery) within the movement. But the radical women’s movement never attracted large numbers of working class or black women, or Latinas, for the simple reason that the need to fight alongside men in the fight against racism or in the class struggle made separatist ideas unappealing. The black feminist bell hooks [sic] summed up the reasons in 1984. She argued that separatists ‘did not question whether masses of women shared the same need for community’. And, she continued, because ‘many black women as well as women from other ethnic groups do not feel an absence of community among women in their lives despite exploitation and oppression’, the emphasis on ‘feminism as a way to develop shared identity and community’ doesn’t help them to fight their exploitation and oppression.21 As the radical feminist movement disintegrated over the years, the assumption behind separatism took hold: that only those who suffer a certain type of oppression can fight against it. The concept of a unified revolutionary movement was thus replaced by one in which each oppressed group would form its own ‘autonomous’ movement. This conception, ‘movementism’, was the precursor to identity politics.22

#### Any move against authoritarianism reifies capitalism and guarantees democracy’s failure

Jodi Dean, Prof. of Political Theory @ Hobart and William Smith College, 2005. Zizek Against Democracy. <http://jdeanicite.typepad.com/i_cite/files/zizek_against_democracy_new_version.doc> )

In this article, I take up Slavoj Zizek’s critical interrogation of democracy. I specify and defend Zizek’s position as an alternative left politics, indeed, as that position most attuned to the loss of the political today. Whereas liberal and pragmatic approaches to politics and political theory accept the diminishment of political aspirations as realistic accommodation to the complexities of late capitalist societies as well as preferable to the dangers of totalitarianism accompanying Marxist and revolutionary theories, Zizek’s psychoanalytic philosophy confronts directly the trap involved in acquiescence to a diminished political field, that is to say, to a political field constituted through the exclusion of the economy: within the ideological matrix of liberal democracy, any move against nationalism, fundamentalist, or ethnic violence ends up reinforcing Capital and guaranteeing democracy’s failure. Arguing that formal democracy is irrevocably and necessarily “stained” by a particular content that conditions and limits its universalizability, he challenges his readers to relinquish our attachment to democracy: if we know that the procedures and institutions of constitutional democracies privilege the wealthy and exclude the poor, if we know that efforts toward inclusion remain tied to national boundaries, thereby disenfranchising yet again those impacted by certain national decisions and policies, and if we know that the expansion and intensification of networked communications that was supposed to enhance democratic participation serves primarily to integrate and consolidate communicative capitalism, why do we present our political hopes as aspirations to democracy, rather than something else? Why in the face of democracy’s obvious inability to represent justice in the social field that has emerged in the incompatibility between the globalized economy and welfare states to displace the political, do critical left political and cultural theorists continue to emphasize a set of arrangements that can be filled in, substantialized, by fundamentalisms, nationalisms, populisms, and conservatisms diametrically opposed to progressive visions of social and economic equality? The answer is that democracy is the form our attachment to Capital takes. Faithful to democracy, we eschew the demanding task of politicizing the economy and envisioning a different political order.

#### Their focus on the court is myopic – the court and constitution are infinitely flexible, and always used to further interests of capital. The constitution gives us no “rights,” justice arises only when we organize outside of the law

Zinn, 05 (Howard, “It’s not up to the Court,” The Progressive, November, <http://www.progressive.org/mag_zinn1105>, accessed 7-11-09, GAL)

There is enormous hypocrisy surrounding the pious veneration of the Constitution and "the rule of law." The Constitution, like the Bible, is infinitely flexible and is used to serve the political needs of the moment. When the country was in economic crisis and turmoil in the Thirties and capitalism needed to be saved from the anger of the poor and hungry and unemployed, the Supreme Court was willing to stretch to infinity the constitutional right of Congress to regulate interstate commerce. It decided that the national government, desperate to regulate farm production, could tell a family farmer what to grow on his tiny piece of land. When the Constitution gets in the way of a war, it is ignored. When the Supreme Court was faced, during Vietnam, with a suit by soldiers refusing to go, claiming that there had been no declaration of war by Congress, as the Constitution required, the soldiers could not get four Supreme Court justices to agree to even hear the case. When, during World War I, Congress ignored the First Amendment's right to free speech by passing legislation to prohibit criticism of the war, the imprisonment of dissenters under this law was upheld unanimously by the Supreme Court, which included two presumably liberal and learned justices: Oliver Wendell Holmes and Louis Brandeis. It would be naive to depend on the Supreme Court to defend the rights of poor people, women, people of color, dissenters of all kinds. Those rights only come alive when citizens organize, protest, demonstrate, strike, boycott, rebel, and violate the law in order to uphold justice. The distinction between law and justice is ignored by all those Senators--Democrats and Republicans--who solemnly invoke as their highest concern "the rule of law." The law can be just; it can be unjust. It does not deserve to inherit the ultimate authority of the divine right of the king. The Constitution gave no rights to working people: no right to work less than twelve hours a day, no right to a living wage, no right to safe working conditions. Workers had to organize, go on strike, defy the law, the courts, the police, create a great movement which won the eight-hour day, and caused such commotion that Congress was forced to pass a minimum wage law, and Social Security, and unemployment insurance. The Brown decision on school desegregation did not come from a sudden realization of the Supreme Court that this is what the Fourteenth Amendment called for. After all, it was the same Fourteenth Amendment that had been cited in the Plessy case upholding racial segregation. It was the initiative of brave families in the South--along with the fear by the government, obsessed with the Cold War, that it was losing the hearts and minds of colored people all over the world--that brought a sudden enlightenment to the Court. The Supreme Court in 1883 had interpreted the Fourteenth Amendment so that nongovernmental institutions hotels, restaurants, etc.-could bar black people. But after the sit-ins and arrests of thousands of black people in the South in the early Sixties, the right to public accommodations was quietly given constitutional sanction in 1964 by the Court. It now interpreted the interstate commerce clause, whose wording had not changed since 1787, to mean that places of public accommodation could be regulated by Congressional action and be prohibited from discriminating. Soon this would include barbershops, and I suggest it takes an ingenious interpretation to include barbershops in interstate commerce. The right of a woman to an abortion did not depend on the Supreme Court decision in Roe v. Wade. It was won before that decision, all over the country, by grassroots agitation that forced states to recognize the right. If the American people, who by a great majority favor that right, insist on it, act on it, no Supreme Court decision can take it away. The rights of working people, of women, of black people have not depended on decisions of the courts. Like the other branches of the political system, the courts have recognized these rights only after citizens have engaged in direct action powerful enough to win these rights for themselves. This is not to say that we should ignore the courts or the electoral campaigns. It can be useful to get one person rather than another on the Supreme Court, or in the Presidency, or in Congress. The courts, win or lose, can be used to dramatize issues. On St. Patrick's Day, 2003, on the eve of the invasion of Iraq, four anti-war activists poured their own blood around the vestibule of a military recruiting center near Ithaca, New York, and were arrested. Charged in state court with criminal mischief and trespassing (charges well suited to the American invaders of a certain Mideastern country), the St. Patrick's Four spoke their hearts to the jury. Peter DeMott, a Vietnam veteran, described the brutality of war. Danny Burns explained why invading Iraq would violate the U.N. Charter, a treaty signed by the United States. Clare Grady spoke of her moral obligations as a Christian. Teresa Grady spoke to the jury as a mother, telling them that women and children were the chief victims of war, and that she cared about the children of Iraq. Nine of the twelve jurors voted to acquit them, and the judge declared a hung jury. (When the federal government retried them on felony conspiracy charges, a jury in September acquitted them of those and convicted them on lesser charges.) Still, knowing the nature of the political and judicial system of this country, its inherent bias against the poor, against people of color, against dissidents, we cannot become dependent on the courts, or on our political leadership. Our culture--the media, the educational system--tries to crowd out of our political consciousness everything except who will be elected President and who will be on the Supreme Court, as if these are the most important decisions we make. They are not. They deflect us from the most important job citizens have, which is to bring democracy alive by organizing, protesting, engaging in acts of civil disobedience that shake up the system. That is why Cindy Sheehan's dramatic stand in Crawford, Texas, leading to 1,600 anti-war vigils around the country, involving 100,000 people, is more crucial to the future of American democracy than the mock hearings on Justice Roberts or the ones to come on Judge Alito. That is why the St. Patrick's Four need to be supported and emulated. That is why the GIs refusing to return to Iraq, the families of soldiers calling for withdrawal from the war, are so important. That is why the huge peace march in Washington on September 24 bodes well. Let us not be disconsolate over the increasing control of the court system by the right wing. The courts have never been on the side of justice, only moving a few degrees one way or the other, unless pushed by the people. Those words engraved in the marble of the Supreme Court, "Equal Justice Before the Law," have always been a sham. No Supreme Court, liberal or conservative, will stop the war in Iraq, or redistribute the wealth of this country, or establish free medical care for every human being. Such fundamental change will depend, the experience of the past suggests, on the actions of an aroused citizenry, demanding that the promise of the Declaration of Independence--an equal right to life, liberty, and the pursuit of happiness--be fulfilled.

# Jackson Vanik Updates

## Julie File

### Tax Cuts Thumper

#### **Tax Fights POUND the DA**

Walsh 7/30/12 (Deirdre Walsh, CNN Senior Congressional Producer “Why House tax vote is really about drawing battle lines for the fall”, [http://www.cnn.com/2012/07/27/politics/house-tax-fight/index.html //](http://www.cnn.com/2012/07/27/politics/house-tax-fight/index.html%20//) Veevz)

Republicans and Democrats on Capitol Hill are gearing up for a vote this week on a House Republican bill to extend all the current tax cuts, but the debate is really aimed at the vote that comes less than 100 days from now. The GOP bill is expected to pass narrowly, mostly along party lines. But both political parties are using Congress' big fight over taxes to frame voters' choice in the November election. GOP leaders' message is that anything short of renewing all the current tax rates amounts to a massive tax increase on small businesses and undercuts the economic recovery. Democrats say Republicans are holding tax breaks for the middle class hostage over cuts for less than 2% of American taxpayers. Last week the Senate narrowly passed a bill pushed by Democrats and the White House that extends tax breaks for those families making $250,000 and under, or individuals earning $200,000 or less, but allow the cuts for upper-income Americans to expire at the end of the year. On Thursday, President Barack Obama, fresh off the win in the Senate, joined top Hill Democrats in pressing House Republicans for a vote on that bill, saying they'll be responsible for a tax increase for all Americans. Senate passes Democratic tax plan, rejects GOP version "We need 218 votes in the House of Representatives -- 218 votes in the House of Representatives -- to make sure that 98% of Americans don't see their taxes go up," Obama told reporters after meeting with his Cabinet. To keep up the pressure, top administration officials will fan out around the country to push for the vote, the president said. House Speaker John Boehner, R-Ohio, dismissed the Senate vote and calls from Democrats to pass that bill without delay. He challenged the president to drop his opposition to tax breaks for upper-income levels, saying letting them expire would only mean the weak economy would suffer more job losses. "Mr. President, I'll tell you what -- if you want to show that you stand with American small business owners, the best thing you can do is drop your plan to increase their taxes on January 1. This small business tax hike, according to Ernst & Young, will destroy more than 700,000 jobs," Boehner said Thursday. Bush tax cuts: What you'd pay under rival plans Led by House GOP Whip Kevin McCarthy of California, rank-and-file House Republicans plan to carry that message across the country in the days before this week's House vote. GOP members will meet with small business owners and constituents in more than 25 "Stop the Tax Hike" events across the country. Members of Congress, Republicans challenging Democrats for other congressional seats and aides have already launched their campaign to get the word out on social media, using the "#StopTheTaxHike" hash tag on Twitter. House Democrats are ready for the fight -- and this time they welcome it. Recent debates over tax rates have proven to be politically tricky terrain for congressional Democrats. Some Democratic aides and members admit that previous debates on taxes left them on the defense. Republicans were able to effectively paint the GOP as the party that fights to keep taxes low, while tagging Democrats as champions of tax increases. After suffering major losses at polls in the 2010 election, House Democrats were split on a last-minute deal that President Obama cut with Republicans to extend all the so-called "Bush-era" tax cuts for two years during the lame duck session. Ilinois Republican Rep. Peter Roskam argued Friday that the "only thing that's changed is that the economy has gotten softer not better."

### Cyber Security Thumper

#### He’s Pushing CyberSecurity

Slack 7/20/12 (Donovan, Politico, ‘Obama pushes cyber-security measure’, [http://www.politico.com/politico44/2012/07/obama-pushes-cybersecurity-measure-129549.html //](http://www.politico.com/politico44/2012/07/obama-pushes-cybersecurity-measure-129549.html%20//) Veevz)

President Obama outlined "serious" threats to national security and called on Congress to pass comprehensive cyber-security legislation in an op-ed in the Wall Street Journal on Friday. "So far, no one has managed to seriously damage or disrupt our critical infrastructure networks," he wrote. "But foreign governments, criminal syndicates and lone individuals are probing our financial, energy and public safety systems every day." Obama said that last year, a water plant in Texas was hacked, and more recently, companies that operate natural-gas pipelines. "Computer systems in critical sectors of our economy—including the nuclear and chemical industries—are being increasingly targeted," he said. The president wants Congress to make it easier for the government and private companies to share information about threats and institute cyber-security standards for private enterprises running the nation's critical infrastructure, including nuclear power plants. "For the sake of our national and economic security, I urge the Senate to pass the Cybersecurity Act of 2012 and Congress to send me comprehensive legislation so I can sign it into law," Obama wrote. "It's time to strengthen our defenses against this growing danger."

### Appropriations Thumper

#### Defense Cuts POUND the DA

Herb & Munoz 7/23/12 (Jeremy Herb and Carlo Muñoz, Staff writers – the hill, “OVERNIGHT DEFENSE: Obama ups the ante on defense cuts”, [http://thehill.com/blogs/defcon-hill/budget-appropriations/239585-overnight-defense-obama-ups-the-ante-on-defense-cuts //](http://thehill.com/blogs/defcon-hill/budget-appropriations/239585-overnight-defense-obama-ups-the-ante-on-defense-cuts%20//) Veevz)

The Topline: President Obama weighed in Monday on the growing political fight over the $500 billion cut to defense under sequestration, raising the stakes in a battle that will play out through Election Day. After a week of Republican attacks that Obama and Democrats were threatening to harm the military to win tax increases, Obama accused Republicans of threatening to harm the military by protecting tax increases for the wealthy. Speaking at the Veterans of Foreign Wars convention Monday, Obama said that Republicans were trying to “wriggle out” of a deal they mostly agreed to in the Budget Control Act. “Instead of making tough choices to reduce the deficit, they’d rather protect tax cuts for some of the wealthiest Americans, even if it risks big cuts in our military,” Obama said. Presumptive Republican presidential nominee Mitt Romney, who attacked Obama over sequestration when the president campaigned in Virginia earlier this month, will get a chance to quickly respond to Obama with his own address at the VFW convention Tuesday. Obama’s comments Monday show that both sides are getting increasingly entrenched in their sequestration positions ahead of the election and aren’t likely to budge an inch before November. The statements from both parties over sequestration also show how the fight over military spending has been overtaken by a larger fight about taxes and the deficit, just as it did last year during the summer debt-limit negotiations. Both Democrats and Republicans largely think the sequestration cuts to both defense and domestic spending are a bad idea, but they aren’t making any moves to fix them due to the larger ideological disagreements over taxes. Despite calls from defense-minded lawmakers, those stances don’t appear likely to shift until after the election.

## Will Pass

#### Will pass- top priority

**Reuters 7/19** (Doug Palmer <http://in.reuters.com/article/2012/07/18/usa-russia-trade-idINL2E8II9S320120718> 7/19/12)

The Obama administration welcomed the committee's vote on a combined trade and human rights bill, but it said its main priority was establishing "permanent normal trade relations," or PNTR, by terminating a Cold War-era provision known as the Jackson-Vanik amendment. That measure is at odds with WTO rules requiring members to give equal treatment to exports from all other members on an unconditional basis and is the reason that Congress is under pressure to pass the trade legislation. "We applaud the Senate Finance Committee's action today, and look forward to working with Congress to advance America's interests with regard to Russia's WTO accession as quickly as possible," U.S. Trade Representative Ron Kirk said. The 1974 Jackson-Vanik amendment tied favorable U.S. tariff rates on Russian goods to the rights of Russian Jews to emigrate freely. It is mostly symbolic now because both Democratic and Republican administrations have judged Russia to be in compliance since the 1990s. But it remains on the books. If Congress 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. "Given the slow growth of our economy and continued high unemployment rate, we simply cannot allow that to happen," said Senator Orrin Hatch, the panel's top Republican. Earlier on Wednesday, the upper house of Russia's parliament overwhelmingly passed legislation to implement the commitments Moscow made to join the WTO. Once Russian President Vladimir Putin signs the bill and formally notifies the WTO, Russia will become the newest member in 30 days.

#### Will pass- key to jobs

**Godfrey 7/25** (Mike Godfrey- TaxNews.com writer- <http://www.tax-news.com/news/Washington_Prepares_To_Normalize_Trade_Relations_With_Russia____56462.html> 7/25/12)

Welcoming the Committee's adoption of the Bill, Baucus said the removal of Russia from the Jackson-Vanik amendment, "will enable US businesses to create jobs here at home by capitalizing on Russia's growing market. The legislation supports and creates thousands of US jobs across every sector of the American economy, including manufacturing, agriculture and services, by helping double US exports to Russia within five years." In approving the bill, Baucus said a major step had been made "All this boils down to one thing: jobs. Russia will formally be a member of the WTO next month, so that is Congress’s deadline for passing PNTR. There is no time to waste - America risks being left behind. If Congress misses that deadline, American farmers, ranchers, workers and businesses will lose out to the other 154 members of the WTO that already have PNTR with Russia. American workers will lose the jobs created to China, Canada and Europe when Russia, the world’s seventh largest economy, joins the WTO and opens its market to the world. This is an opportunity to create jobs we can’t pass up.” He underscored that the removal of Russia from the Jackson-Vanik amendment will not provide Russia any market access benefits, lower any US tariffs, or make other changes to its trade laws as a result of Russia’s WTO accession. PNTR simply allows US businesses to take advantage of Russia’s concessions, he noted. These include: additional market access for US service providers; improved intellectual property enforcement; higher quotas for US beef, poultry and pork producers; decreased domestic agriculture subsidies; consistent science-based sanitary and phytosanitary measures; and new dispute settlement tools to enforce WTO rules, Baucus explained.

## Obama Push

#### Obama luvz Jackson Vanik

**Bloomberg 7/26** (Caitlin Webber <http://www.federalnewsradio.com/117/2962842/US-sales-to-Russia-poised-for-boost-under-WTO> 7/26/12)

Timely U.S. recognition of Russia's membership in the **W**orld **T**rade **O**rganization may boost the growth of U.S. exports to Russia about 50 percentage points higher than the rate of export growth to the rest of the world, according to a Bloomberg Government analysis. That's if U.S. exports to Russia during its first three years as a WTO member follow the pattern of U.S. sales to the five largest economies to join the WTO since 2000. Lawmakers who support normal trade relations with Russia say current restrictions imposed by the so-called Jackson-Vanik amendment are a relic of the Cold War. President Barack Obama has urged Congress to repeal the 1975 law, which prohibits the U.S from applying normal, or "most-favored nation," tariff rates on imports from countries that restrict emigration.

## Won’t Pass

#### Won’t pass- law makers reluctant to cooperate with Russia

RT 7/24

(“Ambassador warns US Congress on Magnitsky bill”, Published: 24 July, 2012, 14:41, RT, pg online @ http://rt.com/politics/ambassador-us-magnitsky-bill-938/)

While highlighting progress in Russia-US relations, Russia’s ambassador to the United States warned that passage of the so-called Magnitsky bill could wreck everything.¶ US lawmakers are sending Russia some seriously mixed messages. On the one hand, they seem prepared finally to repeal the Cold War-era Jackson-Vanik amendment. At the same time, however, they look increasingly likely to slap the Magnitsky bill in its place.¶ As Russian Ambassador to the US Sergey Kislyak warned in an op-ed piece, such a move would represent a major blow to bilateral relations.¶ Kislyak criticized the Magnitsky bill as being based “on the distorted story of the death of a person in pretrial detention,” he wrote in The Hill, a daily congressional paper.¶ The bill is named after Sergey Magnitsky, a 37-year-old lawyer for Hermitage Capital in Moscow and a prime suspect in a 2008 tax-evasion investigation. Officials say Magnitsky failed to receive proper medical treatment while in pre-trail detention and died as a result of complications from untreated pancreatitis and a heart condition.¶ Members of Congress, at the risk of appearing to interfere in Russia’s internal affairs, want to punish Russian citizens who are “suspected of involvement” in the lawyer’s death.¶ Deputy Foreign Minister Sergey Ryabkov said adoption of the bill could aggravate ties between Moscow and Washington, part of the so-called "reset" put forward by President Barack Obama.¶ "It appears American lawmakers want to break the positive trend in our relationship with such serious irritants," Ryabkov told Vesti-24 television.¶ The ambassador noted that Russian lawmakers shared information about the case with US lawmakers, yet “few were interested, especially among the main proponents of the bill.” This lack of interest in hearing Russia’s official version of the story, according to Kislyak, is a “disappointing sign of the quality of relations between our two countries 20 years after the end of the Cold War.”¶ “The Magnitsky bill, if approved, will certainly create new irritants,” the Russian ambassador warned. “The authors of the legislation are trying to take upon themselves the burden of ‘punishing’ Russian citizens for things they have no right to judge.”¶ Kislyak, the Russian ambassador to the US since 2008, said that if US lawmakers push through the Magnitsky bill, it will be met with “a strong reaction in Russia.”¶ “No interference in our internal affairs is going to be allowed (imagine someone trying to do the same to the American legal system),” he added.¶ Yet it is not just the threat of the Magnitsky bill that hampers Russia-US relations, noted the Russian diplomat.¶ “The backdrop to these developments is the absence of systemic dialogue between our two legislative branches, which probably would have been a proper means of discussion of all issues of concern,” he noted. Contacts between the representative bodies have been lost, he says, and the upper houses have also begun to lose touch.¶ Kislyak closed his article on an optimistic note, saying “the United States and Russia are two great nations capable of achieving a lot together.” But in order for the bilateral relationship to achieve its full potential “requires a willingness to work with mutual respect and to build partnerships, not irritants.”¶ A willingness to work together, he concluded, will restore a sense of “normality” in relations between Moscow and Washington, something that Ambassador Kislyak lamented “is still in short supply.”

## Yes Magnitsky

#### Magnitsky attached to Jackson Vanik- strong senator support

**Russian International News Agency 7/18** (RIA Novosti <http://en.ria.ru/world/20120718/174667628.html> 7/18/12)

The United States **Congress finance committee has linked a draft bill on repealing the Jackson-Vanik Amendment** and a change in Russia’s status to a free trade nation to the draft **"Magnitsky bill,**” the committee said on Wednesday. A Senate vote on the joint law will take place in the next few hours. "Committee Chairman **Baucus released a modified mark of his bill to establish p**ermanent **n**ormal **t**rade **r**elations **with Russia and remove Russia from the 1974 Jackson-Vanik amendment**," a source in Washington told RIA Novosti. "**The mark includes the Magnitsky Act**, as passed by the Senate Foreign Relations Committee." The text of the joint bill also has “small alterations,” on electronic trade, the source added. The introduction of the combined bill to the committee is a technicality, as Baucus presented his draft bill to the Senate on July 12, and on July 14 a source in the committee administration confirmed to RIA Novosti that it would be this joint bill which would be put to the vote on Wednesday. **Several senators have already expressed strong support for the bill**. The new bill is a response to the demands of a majority of lawmakers for a review of legislation affecting trade and human rights issues, including some laws affecting trade with Russia.

## AT Magnitsky

#### Obama admin doesn’t attach Magnitsky to JV

**Russia Today 7/27** (“‘Obama administration opposes amendments to Magnitsky bill’ – ambassador” <http://rt.com/politics/administration-magnitsky-bill-ambassador-233/> 7/27/12)

The US ambassador to Moscow says that Barack Obama’s administration sees the Sergey Magnitsky Rule of Law Accountability Act **as a redundant measure**, but added that he could not predict whether or not Congress would eventually approve the bill. Ambassador Michael McFaul told the Russian online daily Gazeta.ru that the White House considered the new Magnitsky bill to be redundant as there was already an official list of Russian officials banned from entering the United States because of alleged human rights abuses. The diplomat added that the **US administration had a policy of not connecting the economic issues**, such as Russia's recent WTO entry and the questions of democracy and Human Rights. McFaul also said that President **Obama’s administration had faced criticism over this approach**, but it still believed that this was the right strategy. He added that he personally approved of a visit by a delegation from Russia’s Upper House that tried to lay out counter-arguments in the Magnitsky Bill discussion. The US Ambassador also said that it was not clear whether Congress would eventually pass the Magnitsky bill.

## PC Key

#### PC key

**NBC News 7/26** (“House panel approves bill to upgrade Russia trade ties” <http://www.cnbc.com/id/48342773> 7/26/12)

WASHINGTON (Reuters) - A key congressional committee on Thursday voted overwhelmingly to lift a Cold War-era restriction on trade with Russia, but the top congressional Republican said President Barack **Obama must do more to get the bill passed into law**. The White House and business groups want lawmakers to approve the legislation before leaving next week for a month-long recess so U.S. companies can share in the full benefits of Russia's entry in the World Trade Organization on August 22. But House of Representatives Speaker John Boehner appeared to throw cold water on the idea of final congressional approval next week, despite the bipartisan vote in the Ways and Means Committee in favor of the trade legislation. "**If the president really thinks this is an important issue that we have to deal with, then maybe he ought to be out there making the case for it. I haven't seen that as yet**," Boehner told reporters. The White House has said passage of the measure is its top trade priority. But **the measure faces opposition from labor unions, an important Democratic constituency ahead of the November 6 presidential and congressional elections.**

## THUMPERS

### Generic

#### JV’s not top of the docket – tax cuts, cyber security, debt ceiling, and farm bill thump

[**O'Keefe**](http://www.washingtonpost.com/ed-okeefe/2011/02/02/ABqNUZE_page.html) **7-30** (Ed, “5 things to watch this week in Congress,” <http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html>, YX)

The fate of the U.S. Postal Service is among the issues hanging in the balance for Congress before Election Day. (Justin Sullivan - GETTY IMAGES)There’s one week left before lawmakers flee Washington for a month-long summer recess and a renewed focus on the November elections. With [fewer than 100 days until the general election,](http://www.washingtonpost.com/politics/the-state-of-play-100-days-out/2012/07/28/gJQAF5pwGX_graphic.html%22%20%5Ct%20%22_blank) after this week the House and Senate will have just 13 legislative days left between Labor Day and Election Day. That leaves little time to resolve pressing issues or begin negotiations on topics that will need to be resolved during the lame-duck session or early next year. Here’s a preview of the week to come: 1.) House to vote on [tax cut](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) proposals: House Republicans plan to cap their [summer-long focus on economic issues](http://www.washingtonpost.com/blogs/2chambers/post/house-republicans-summer-schedule-heavy-on-jobs-and-repealing-obamacare/2012/05/28/gJQAXT1LxU_blog.html%22%20%5Ct%20%22_blank) this week by voting to extend the Bush-era tax cuts to all Americans. After months of votes to repeal the 2010 health-care law and regulations enacted by the Obama administration in the last three years, GOP aides said they wanted to end the summer with a focus on tax cuts in order to carry this week’s momentum on to the campaign trail during the August recess. The GOP proposal would extend all tax cuts for another year. It differs significantly from a plan passed last week by the Democratic-controlled Senate that extends the cuts only for households and individuals earning $250,000 or less. Despite those differences, [House Speaker John A. Boehner (R-Ohio)](http://projects.washingtonpost.com/congress/members/B000589%22%20%5Ct%20%22_blank) said he plans to permit a vote on the Democratic plan, which is expected to fail in favor of the GOP bill. Make no mistake: These votes are designed to score political points ahead of the elections and are only a precursor to more serious conversations about tax reform likely [to begin](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) after the elections. 2.) Will the Senate cybersecurity bill pass?: Cybersecurity earns an inordinate amount of attention from lawmakers, but is poorly understood by the general public and rarely explained well by news outlets (But The Washington Post [covers thoroughly cybersecurity unlike any other national news outlet](http://www.washingtonpost.com/world/national-security/cybersecurity-bill-poised-for-senate-consideration/2012/07/24/gJQAZxpU7W_story.html%22%20%5Ct%20%22_blank).) For years, the White House and congressional leaders have fought over whether to require government and the private sector companies to adopt mandatory security standards to protect computer networks that run the nation’s power, water, [banking](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html), transportation and communications. In an effort to finally pass a bill with bipartisan support, Senate sponsors revised the Cybersecurity Act of 2012 by dropping language that requires compliance and instead makes those standards voluntary. But,[as The Post’s Ellen Nakashima has reported](http://www.washingtonpost.com/world/national-security/cybersecurity-bill-poised-for-senate-consideration/2012/07/24/gJQAZxpU7W_story.html%22%20%5Ct%20%22_blank), those concessions have only angered opponents and supporters of reforms. Debate on the bill is expected to [continue](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) this week and final passage is possible before the Senate leaves town, aides said. 3.) Can Congress avoid another government shutdown?: This isn’t a must-pass issue this week, but **House and Senate leaders are beginning to work on the details of a** temporary spending measure **to fund government operations for the new fiscal year that begins Oct. 1**. Two big questions to focus on here: How long will the temporary extension last and at what funding level? A three-month extension would require another debate on the issue in December, during an already jampacked lame-duck session, while a six-month extension would push debate into early next year, possibly with a new president. The question of cost is more critical: Will fiscal conservatives buckle and permit GOP leaders to consent to current spending levels or a $1.047 trillion cap agreed to during last year’s debt limit negotiations? Or will they force Congress to cap appropriations at $1.028 trillion, the sum approved earlier this year by the GOP-controlled House? This is a trickier issue for Republicans, who may not want to be seen as forcing a partial government shutdown one month before the elections, and negotiations are expected to stretch into September. 4.) Will Congress pass a Farm Bill extension?: With more than 20 states suffering from a record-setting drought and consumers expected to bear the financial brunt in the produce aisle, there’s a growing appetite to pass a one-year extension of the current Farm Bill, which sets agricultural policy and provides federal food stamp assistance to needy families. [The Senate passed a Farm Bill last month](http://www.washingtonpost.com/blogs/2chambers/post/senate-reaches-deal-on-farm-bill/2012/06/18/gJQAYAbfmV_blog.html%22%20%5Ct%20%22_blank) that cuts $23 billion in federal spending and ends direct subsidies to farmers — but the House has yet to debate a GOP proposal that would make deeper cuts in food aid. The current farm bill expires Sept. 30, and lawmakers from rural and agriculture-dependent states are likely to come face-to-face with angry voters if Congress doesn’t act before then. So you think they want some kind of resolution? Um, yeah. 5.) And what will Congress do about the U.S. Postal Service? The nation’s mail delivery service is expected to default on a $5.5 billion payment to prefund future retiree health benefits that is due on Wednesday. And next month, USPS is expected to post record-setting losses and default on a similar billions-dollar payment. [The Senate passed a postal reform package in April](http://www.washingtonpost.com/blogs/2chambers/post/senate-approves-changes-to-the-us-postal-service/2012/04/25/gIQADpovgT_blog.html%22%20%5Ct%20%22_blank) and a House committee approved a plan last October, but it has languished ever since. [House Majority Leader Eric Cantor (R-Va.)](http://projects.washingtonpost.com/congress/members/C001046%22%20%5Ct%20%22_blank) [said last week](http://www.carper.senate.gov/public/index.cfm?p=eric-cantor-on-usps-default" \t "_blank) that Republicans have a plan to avoid a Postal Service default, but he — and the GOP lawmakers cosponsoring the plan — have been notably mum on how and when they plan to pass the plan. Fixing the post office is not an easy issue to tackle in an election year, because service cutbacks are likely to upset some voters. But it’s also the kind of issue that Congress could settle and hold up to voters as an example of bipartisan agreement and progress.

### Debt Ceiling

#### Debt ceiling ensures fights

**House 7-17** (Billy, writer for Government Executive, 7-17-12, “Another debt ceiling fight could be brewing,” <http://www.govexec.com/oversight/2012/07/another-debt-ceiling-fight-could-be-brewing/56840/?oref=river>, YX)

House Minority Whip Steny Hoyer on Tuesday said he will urge Republican leaders to allow a vote in the "very near term" on increasing the nation's borrowing authority, signaling what may be yet another fight brewing over the debt ceiling. "Do it now. Stop pretending this is a political position on which there are two reasonable positions," said the Maryland Democrat, while meeting with reporters. "There are not." Hoyer's comments come after Republican Speaker John Boehner has been saying he will insist that any increase in the debt limit must be offset by cuts in spending and tax reforms before the end of the year. But Hoyer said, "I would urge Mr. Boehner not to use this as a leveraging tool."

### Tax Cuts

#### Tax cuts vote next week – ensures fights

**Davidsen 7-28** (Dana, CNN, “[White House and Republicans prep for tax cut debate](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/),” <http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/>, YX)

(CNN) – The White House and congressional Republicans are blaming each other for holding America's economy 'hostage' by refusing to back their respective proposals to extend the politically decisive Bush-era tax cuts. In his weekly address Saturday, [President Barack Obama](http://www.cnn.com/video/#/video/politics/2012/07/28/obama-weekly-address-07-28.whitehouse) urged House Republicans to act on the Democrat-controlled Senate bill passed this week to extend tax cuts for middle [income](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) earners, though Republicans are calling for an extension of all the current tax rates. Pointing to the Senate's passage of the White House-backed proposal, the president called on House Republicans to support the bill. "Now it comes down to this: If 218 Members of the House vote the right way, 98% of American families and 97% of [small business](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) owners will have the certainty of knowing that that their income taxes will not go up next year," said Obama of the plan, which would extend tax breaks for those families making $250,000 and under, or individuals earning $200,000 or less, but allow the cuts for upper-income Americans to expire at the end of the year. The president said that while both sides are in agreement that the proposed tax cuts should be extended for the middle class, the Republicans in Congress are using these cuts as leverage to extend the tax cuts to the wealthiest earners. "You see, Republicans in Congress and their nominee for president believe that the best way to create prosperity in America is to let it trickle down from the top. They believe that if our country spends trillions more on tax cuts for the wealthy, we'll somehow create jobs – even if we have to pay for it by gutting things like education and training and by raising middle-class taxes," said Obama. The president continued: "They're wrong. And I know they're wrong because we already tried it that way for most of the last decade. It didn't work. We're still paying for trillions of dollars in tax cuts that benefited the wealthiest Americans more than anyone else; tax cuts that didn't lead to the middle class jobs or higher wages we were promised and that helped take us from record surpluses to record deficits." GOP leaders are pushing back in their call for a renewal of all Bush-era tax cuts, including cuts for those earning over $250,000. "Mr. President, I'll tell you what - if you want to show that you stand with American small business owners, the best thing you can do is drop your plan to increase their taxes on January 1. This small business tax hike, according to Ernst & Young, will destroy more than 700,000 jobs," House speaker John Boehner [said Thursday](http://politicalticker.blogs.cnn.com/2012/07/27/coming-house-tax-cut-battle-really-about-framing-general-election). [Utah Sen. Orrin Hatch](http://www.cnn.com/video/#/video/world/2012/07/28/gop-weekly-address-07-28.rncvideo) called folly on the Senate's tax proposal, insisting that job creators are also at risk if anything short of all the tax cuts are renewed. "This isn't the time for political games and vilifying job creators. The President and his Washington allies need to stop holding America's economy hostage in order to raise taxes on those trying to lead our economic [recovery](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/)," Hatch said Saturday in the Republican weekly address. In the address, Hatch, a ranking Republican member of the Senate Finance Committee, pushed for his tax plan that he said would simplify the American tax code for next year as well as [continue](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) all the current tax rates. "In just over five months, middle-class families, job creators and seniors will get hit with a massive tax hike unless the president and Congress act. This would mean that taxes would go up on virtually every single taxpaying American," said Hatch, speaking to the looming, end-of-the-year deadline for Congress to act in order for Americans to maintain the tax breaks set in place under the Bush administration. The Republican controlled House will vote on a separate version of the [tax plan](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) next week.

### Military Budget Cuts

#### Obama will use Political Capital over Defense Cuts

The Hill 7/23

(The Hill, OVERNIGHT DEFENSE: Obama ups the ante on defense cuts, 7/23. pg online @thehill.com/blogs/defcon-hill/budget-appropriations/239585-overnight-defense-obama-ups-the-ante-on-defense-cuts//arjun)

The Topline: President Obama weighed in Monday on the growing political fight over the $500 billion cut to defense under sequestration, raising the stakes in a battle that will play out through Election Day. After a week of Republican attacks that Obama and Democrats were threatening to harm the military to win tax increases, Obama accused Republicans of threatening to harm the military by protecting tax increases for the wealthy. Speaking at the Veterans of Foreign Wars convention Monday, Obama said that Republicans were trying to “wriggle out” of a deal they mostly agreed to in the Budget Control Act. “Instead of making tough choices to reduce the deficit, they’d rather protect tax cuts for some of the wealthiest Americans, even if it risks big cuts in our military,” Obama said. Presumptive Republican presidential nominee Mitt Romney, who attacked Obama over sequestration when the president campaigned in Virginia earlier this month, will get a chance to quickly respond to Obama with his own address at the VFW convention Tuesday. Obama’s comments Monday show that both sides are getting increasingly entrenched in their sequestration positions ahead of the election and aren’t likely to budge an inch before November. The statements from both parties over sequestration also show how the fight over military spending has been overtaken by a larger fight about taxes and the deficit, just as it did last year during the summer debt-limit negotiations. Both Democrats and Republicans largely think the sequestration cuts to both defense and domestic spending are a bad idea, but they aren’t making any moves to fix them due to the larger ideological disagreements over taxes. Despite calls from defense-minded lawmakers, those stances don’t appear likely to shift until after the election.

## A2 THUMPERS

### Debt Ceiling

#### GOP won’t obstruct – must preserve election rep

**Pavgi 7-18** (Kedar, writer for Government Executive, 7-18-12, “Republicans not spoiling for a debt ceiling fight,” <http://www.govexec.com/oversight/2012/07/republicans-not-spoiling-shutdown-fight/56855/?oref=skybox>, YX)

Congressional Republicans are [working](http://www.govexec.com/oversight/2012/07/republicans-not-spoiling-shutdown-fight/56855/?oref=skybox) to pass a temporary spending bill to avoid a government shutdown at the end of the fiscal year on Sept. 30, [Politico reports](http://www.politico.com/news/stories/0712/78638.html). In a bid to avert a repeat of the [**debt**](http://www.govexec.com/oversight/2012/07/republicans-not-spoiling-shutdown-fight/56855/?oref=skybox) ceiling debacle last summer, Republican leaders in both chambers of Congress are looking to pass temporary appropriations measures to take the government past the elections in November. In a statement to Politico, Sen. Jim DeMint, R-S.C, emphasized the need for Republican leaders in the House to pass a funding measure to avoid a shutdown just before the elections, which might not play well for the GOP. “Republicans need to make clear that we don’t want anything to do with a government shutdown,” DeMint told Politico. “We are going to fund the government at the Budget Control Act levels, even though I think they’re too high.” The [2011 Budget Control Act](http://www.gpo.gov/fdsys/pkg/PLAW-112publ25/pdf/PLAW-112publ25.pdf) authorized discretionary spending of up to $1.047 trillion, and also threatened deep across-the-board cuts to spur compromise on a long-term debt plan. With no agreement in sight, sequestration is set [to begin](http://www.govexec.com/oversight/2012/07/republicans-not-spoiling-shutdown-fight/56855/?oref=skybox) on Jan. 2, 2013. This, along with the tax cuts set to expire in January, is likely to make for a busy lame duck session following the elections. Some Republicans told Politico that given this heavy load and the possibility the GOP could win the White House, it might be good to save the spending fight for next year. But to pass a stop-gap appropriations measure, House GOP leaders first must address divisions within their own ranks. Some Tea Party representatives are not satisfied with spending at Budget Control Act levels. They prefer the budget plan that Rep. Paul Ryan, R-Wis., drafted, which set discretionary spending $19 billion below the Budget Control Act’s cap. “I think our conference picked the lower [Ryan] number for a reason,” Rep. Kevin Brady, R-Texas, told Politico. Government shutdowns have not worked in Republicans' favor; the shutdown in 1995 and 1996 [helped shape](http://www.cbsnews.com/8301-503544_162-20035440-503544.html)former president Clinton’s reelection campaign. While last year’s near-shutdown resulted in dismal ratings for both parties, Democrats [polled better](http://thecaucus.blogs.nytimes.com/2011/04/06/poll-blame-for-a-government-shutdown-will-get-spread-around/) on the issue than Republicans. “I know that history shows that we don’t win when there’s a shutdown of the government,” Sen. John McCain R-Ariz., told Politico.

#### No debt ceiling fights – talks

**Quinton 5-16** (Sophie, writer for Government Executive, 5-16-12, “Obama 'refuses to allow' debt ceiling fight, meets with Boehner,” <http://www.govexec.com/oversight/2012/05/obama-refuses-allow-debt-ceiling-fight-meets-boehner/55778/>, YX)

President Obama told House Speaker John Boehner and other congressional leaders on Wednesday that he "refuses to allow" a repeat of last year's fight over raising the [**debt**](http://www.govexec.com/oversight/2012/05/obama-refuses-allow-debt-ceiling-fight-meets-boehner/55778/) ceiling, White House press secretary Jay Carney said. "The topic did come up. The speaker raised it, and the president made clear that we're not going to repeat the debt-ceiling debacle of last August," Carney said. "The speaker said, 'Are you saying we should pass a clean debt-ceiling bill?'" Carney said, by way of clarifying Boehner's statement. The president favors a balanced approach to deficit reduction, Carney said--the same priorities he brought into last year's round of negotiations. Obama met for lunch with House and Senate leaders to discuss his "To Do list" of legislative priorities for job creation. During the meeting, the president also brought up the need to prevent the interest rates on [student loans](http://www.govexec.com/oversight/2012/05/obama-refuses-allow-debt-ceiling-fight-meets-boehner/55778/) from doubling this summer, Carney said.

#### Won’t be brought up until next year – sequester and tax cuts

**Quinton 5-16** (Sophie, writer for Government Executive, 5-16-12, “Obama 'refuses to allow' debt ceiling fight, meets with Boehner,” <http://www.govexec.com/oversight/2012/05/obama-refuses-allow-debt-ceiling-fight-meets-boehner/55778/>, YX)

Senate Majority Leader Harry Reid used the meeting on Wednesday to emphasize his view that sequestration will occur if Republicans to do not agree to new tax revenue, a Democratic Senate aide said in a readout of the meeting. “Senator Reid made clear his view that absent a balanced agreement that pairs smart spending cuts with revenue measures asking millionaires to pay their fair share, the debt will be dealt with through the sequester, which will cut another $1.2 trillion in discretionary spending in a fair manner—half from military spending and half from domestic spending,” the aide said. Reid also called Boehner’s assertion that the debt ceiling should not increase without equivalent spending cuts premature, the aide said: “Since no debt-ceiling increase will likely be necessary until after the end of the year, Senator Reid conveyed his view that any discussion of the debt ceiling is premature until after the sequester takes effect or is replaced with a balanced agreement, and after Congress [**deals**](http://www.govexec.com/oversight/2012/05/obama-refuses-allow-debt-ceiling-fight-meets-boehner/55778/) with the expiring Bush tax cuts."

#### Treasury will delay deadline until after elections

**Hollander 2-21** (Catharine, writer for Government Executive, 2-21-12, “Debt limit fight looms, but not until after the election,” <http://www.govexec.com/oversight/2012/02/debt-limit-fight-looms-until-after-election/41248/>, YX)

The U.S. economy is finally gaining strength. Unless the recovery derails, the country is unlikely to see another bitter showdown over raising the [**debt**](http://www.govexec.com/oversight/2012/02/debt-limit-fight-looms-until-after-election/41248/) limit before the Nov. 6 election. The fight will surely be nasty, but just how nasty depends on how the election turns out. Treasury Secretary Timothy Geithner said last week the U.S. debt ceiling, now $16.4 trillion, will probably be reached by the end of 2012. “I think even with agreement and prospect on the [payroll](http://www.govexec.com/oversight/2012/02/debt-limit-fight-looms-until-after-election/41248/) tax, we still do not expect [to hit] the debt limit until quite late in the year, significantly after the end of the fiscal year, but before the end of the calendar year,” Geithner told the Senate Budget Committee. The fiscal year ends on Sept. 30. Whether the debt limit is reached before the presidential election (a third of Senate seats and all House seats will also be at stake and control of one or both could change, setting up a particularly nasty fight along party lines) depends on how well the economy performs. But even if the recovery slows down, or simply doesn't speed up, and the limit is reached before the election, the Treasury Department can—and likely will—use "extraordinary measures" to push back the drop-dead deadline for raising it. Republican Sen. Rob Portman of Ohio, a former director of the Office of Management and Budget, predicts the debt ceiling will be hit in mid-October unless the administration reins in spending or the Treasury Department uses those measures. “Without a change in the debt trajectory, the debt ceiling will be eclipsed by October 15, 2012, unless the Department of Treasury again uses emergency protocols to shift that date past Election Day 2012,” Portman said in a [statement last week](http://www.portman.senate.gov/public/index.cfm/press-releases?ID=01f733b4-1390-433a-ae50-c1a8716d6813). A stronger economy is good news for the debt limit; the more the economy grows, the less likely the limit is to be reached early on. Though optimistic about the recovery's course, analysts at Capital Economics were cautious last week. “The U.S. economy has already been at this point twice before since the recession began, in early 2010 and then early 2011, only for growth to fall back sharply,” they wrote. Economic forecasters tick off now-familiar election-year headwinds: the European sovereign debt crisis, oil prices, and the threat of another [natural disaster](http://www.govexec.com/oversight/2012/02/debt-limit-fight-looms-until-after-election/41248/) disrupting global supply chains. Even without those problems, it would take a huge unexpected surge to get the economy going to the point where the debt-ceiling forecast would change meaningfully. “As far as growth is concerned, I just don’t see the potential for the economy to grow [enough] … to have a really material impact on when the ceiling is hit,” said Jeffrey Greenberg, an economist at Nomura Securities International. “I think the debates will come up again soon and it probably would be at an uncomfortable time for politicians.” How uncomfortable will be determined by the election's outcome and how long Treasury pushes the deadline back. A debt-limit fight between a GOP White House and a Republican-controlled Congress could lead to larger disagreements over government spending and whether the country should default rather than raise the debt ceiling. Another nasty—and quite possible—scenario would be split party control over the White House and Congress. A lame-duck fight would be deja vu. To buy time, or move the deadline past the election or even into next year, the Treasury Department can suspend the sales of certain state and local Treasury securities, as well as the reinvestment of the Government Securities Investment Fund and the Exchange Stabilization Fund, and redeem existing investments of the Civil Service Retirement and Disability Fund while suspending new ones. But Treasury can’t push off the deadline indefinitely. The debt limit was set to be reached in May, but Treasury made it until Aug. 2 last year. With a similar three-month delay in hand, it would take a serious economic blow for the debt fight to happen before Election Day. After, though, expect a fresh round of brinkmanship.

### Tax Cuts

#### Compromise solves tax cuts

**Hunter 7-26** (Kathleen, “Congress Should Avoid Government Budget Fight, Reid Says,” <http://www.businessweek.com/news/2012-07-26/congress-should-avoid-government-budget-fight-reid-says>)

Tax Cuts The House will vote next week on legislation that would extend the expiring tax cuts for all income levels for one year, and on a measure that would set up a process for overhauling the tax code in 2013. Boehner said today the House will also vote on a Democratic tax-cut proposal. “I don’t know that there’s a consensus among House Republicans to extend them for a year,” Walsh said, adding that he and other Republican lawmakers are “pretty tired” of yearlong extensions of tax policy. The tax provisions are part of the $607 billion so-called fiscal cliff of automatic spending cuts and tax increases scheduled to take effect in January 2013. If Congress doesn’t act, the combination of those fiscal changes would probably push the U.S. economy into a recession, according to the Congressional Budget Office. Walsh said he would be “surprised” if lawmakers don’t strike a deal to avert the automatic cuts.

### Gun Policy

#### **Obama won’t use PC on Gun Safety**

Huffington Post 7/24

(Huffington Post, Jennifer Bendery, "On Gun Control, Carolyn McCarthy Says Obama Should Use Executive Authority," 7/24 pg online @ www.huffingtonpost.com/2012/07/24/gun-control-carolyn-mccarthy-obama-executive-authority\_n\_1699641.html?utm\_hp\_ref=elections-2012//arjun)

The issue of gun control is at a virtual standstill in Congress, and the White House has signaled that Obama won't use his bully pulpit to push for gun safety legislation anytime soon. But McCarthy said she suspects the president may have his eye on a different route to reining in gun laws.

### Generic

#### JV’s not top of the docket – tax cuts, cyber security, debt ceiling, and farm bill thump

[**O'Keefe**](http://www.washingtonpost.com/ed-okeefe/2011/02/02/ABqNUZE_page.html) **7-30** (Ed, “5 things to watch this week in Congress,” <http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html>, YX)

The fate of the U.S. Postal Service is among the issues hanging in the balance for Congress before Election Day. (Justin Sullivan - GETTY IMAGES)There’s one week left before lawmakers flee Washington for a month-long summer recess and a renewed focus on the November elections. With [fewer than 100 days until the general election,](http://www.washingtonpost.com/politics/the-state-of-play-100-days-out/2012/07/28/gJQAF5pwGX_graphic.html%22%20%5Ct%20%22_blank) after this week the House and Senate will have just 13 legislative days left between Labor Day and Election Day. That leaves little time to resolve pressing issues or begin negotiations on topics that will need to be resolved during the lame-duck session or early next year. Here’s a preview of the week to come: 1.) House to vote on [tax cut](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) proposals: House Republicans plan to cap their [summer-long focus on economic issues](http://www.washingtonpost.com/blogs/2chambers/post/house-republicans-summer-schedule-heavy-on-jobs-and-repealing-obamacare/2012/05/28/gJQAXT1LxU_blog.html%22%20%5Ct%20%22_blank) this week by voting to extend the Bush-era tax cuts to all Americans. After months of votes to repeal the 2010 health-care law and regulations enacted by the Obama administration in the last three years, GOP aides said they wanted to end the summer with a focus on tax cuts in order to carry this week’s momentum on to the campaign trail during the August recess. The GOP proposal would extend all tax cuts for another year. It differs significantly from a plan passed last week by the Democratic-controlled Senate that extends the cuts only for households and individuals earning $250,000 or less. Despite those differences, [House Speaker John A. Boehner (R-Ohio)](http://projects.washingtonpost.com/congress/members/B000589%22%20%5Ct%20%22_blank) said he plans to permit a vote on the Democratic plan, which is expected to fail in favor of the GOP bill. Make no mistake: These votes are designed to score political points ahead of the elections and are only a precursor to more serious conversations about tax reform likely [to begin](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) after the elections. 2.) Will the Senate cybersecurity bill pass?: Cybersecurity earns an inordinate amount of attention from lawmakers, but is poorly understood by the general public and rarely explained well by news outlets (But The Washington Post [covers thoroughly cybersecurity unlike any other national news outlet](http://www.washingtonpost.com/world/national-security/cybersecurity-bill-poised-for-senate-consideration/2012/07/24/gJQAZxpU7W_story.html%22%20%5Ct%20%22_blank).) For years, the White House and congressional leaders have fought over whether to require government and the private sector companies to adopt mandatory security standards to protect computer networks that run the nation’s power, water, [banking](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html), transportation and communications. In an effort to finally pass a bill with bipartisan support, Senate sponsors revised the Cybersecurity Act of 2012 by dropping language that requires compliance and instead makes those standards voluntary. But,[as The Post’s Ellen Nakashima has reported](http://www.washingtonpost.com/world/national-security/cybersecurity-bill-poised-for-senate-consideration/2012/07/24/gJQAZxpU7W_story.html%22%20%5Ct%20%22_blank), those concessions have only angered opponents and supporters of reforms. Debate on the bill is expected to [continue](http://www.washingtonpost.com/blogs/2chambers/post/5-things-to-watch-this-week-in-congress/2012/07/29/gJQAlPunIX_blog.html) this week and final passage is possible before the Senate leaves town, aides said. 3.) Can Congress avoid another government shutdown?: This isn’t a must-pass issue this week, but **House and Senate leaders are beginning to work on the details of a** temporary spending measure **to fund government operations for the new fiscal year that begins Oct. 1**. Two big questions to focus on here: How long will the temporary extension last and at what funding level? A three-month extension would require another debate on the issue in December, during an already jampacked lame-duck session, while a six-month extension would push debate into early next year, possibly with a new president. The question of cost is more critical: Will fiscal conservatives buckle and permit GOP leaders to consent to current spending levels or a $1.047 trillion cap agreed to during last year’s debt limit negotiations? Or will they force Congress to cap appropriations at $1.028 trillion, the sum approved earlier this year by the GOP-controlled House? This is a trickier issue for Republicans, who may not want to be seen as forcing a partial government shutdown one month before the elections, and negotiations are expected to stretch into September. 4.) Will Congress pass a Farm Bill extension?: With more than 20 states suffering from a record-setting drought and consumers expected to bear the financial brunt in the produce aisle, there’s a growing appetite to pass a one-year extension of the current Farm Bill, which sets agricultural policy and provides federal food stamp assistance to needy families. [The Senate passed a Farm Bill last month](http://www.washingtonpost.com/blogs/2chambers/post/senate-reaches-deal-on-farm-bill/2012/06/18/gJQAYAbfmV_blog.html%22%20%5Ct%20%22_blank) that cuts $23 billion in federal spending and ends direct subsidies to farmers — but the House has yet to debate a GOP proposal that would make deeper cuts in food aid. The current farm bill expires Sept. 30, and lawmakers from rural and agriculture-dependent states are likely to come face-to-face with angry voters if Congress doesn’t act before then. So you think they want some kind of resolution? Um, yeah. 5.) And what will Congress do about the U.S. Postal Service? The nation’s mail delivery service is expected to default on a $5.5 billion payment to prefund future retiree health benefits that is due on Wednesday. And next month, USPS is expected to post record-setting losses and default on a similar billions-dollar payment. [The Senate passed a postal reform package in April](http://www.washingtonpost.com/blogs/2chambers/post/senate-approves-changes-to-the-us-postal-service/2012/04/25/gIQADpovgT_blog.html%22%20%5Ct%20%22_blank) and a House committee approved a plan last October, but it has languished ever since. [House Majority Leader Eric Cantor (R-Va.)](http://projects.washingtonpost.com/congress/members/C001046%22%20%5Ct%20%22_blank) [said last week](http://www.carper.senate.gov/public/index.cfm?p=eric-cantor-on-usps-default" \t "_blank) that Republicans have a plan to avoid a Postal Service default, but he — and the GOP lawmakers cosponsoring the plan — have been notably mum on how and when they plan to pass the plan. Fixing the post office is not an easy issue to tackle in an election year, because service cutbacks are likely to upset some voters. But it’s also the kind of issue that Congress could settle and hold up to voters as an example of bipartisan agreement and progress.

### Debt Ceiling

#### Debt ceiling ensures fights

**House 7-17** (Billy, writer for Government Executive, 7-17-12, “Another debt ceiling fight could be brewing,” <http://www.govexec.com/oversight/2012/07/another-debt-ceiling-fight-could-be-brewing/56840/?oref=river>, YX)

House Minority Whip Steny Hoyer on Tuesday said he will urge Republican leaders to allow a vote in the "very near term" on increasing the nation's borrowing authority, signaling what may be yet another fight brewing over the debt ceiling. "Do it now. Stop pretending this is a political position on which there are two reasonable positions," said the Maryland Democrat, while meeting with reporters. "There are not." Hoyer's comments come after Republican Speaker John Boehner has been saying he will insist that any increase in the debt limit must be offset by cuts in spending and tax reforms before the end of the year. But Hoyer said, "I would urge Mr. Boehner not to use this as a leveraging tool."

### Tax Cuts

#### Tax cuts vote next week – ensures fights

**Davidsen 7-28** (Dana, CNN, “[White House and Republicans prep for tax cut debate](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/),” <http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/>, YX)

(CNN) – The White House and congressional Republicans are blaming each other for holding America's economy 'hostage' by refusing to back their respective proposals to extend the politically decisive Bush-era tax cuts. In his weekly address Saturday, [President Barack Obama](http://www.cnn.com/video/#/video/politics/2012/07/28/obama-weekly-address-07-28.whitehouse) urged House Republicans to act on the Democrat-controlled Senate bill passed this week to extend tax cuts for middle [income](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) earners, though Republicans are calling for an extension of all the current tax rates. Pointing to the Senate's passage of the White House-backed proposal, the president called on House Republicans to support the bill. "Now it comes down to this: If 218 Members of the House vote the right way, 98% of American families and 97% of [small business](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) owners will have the certainty of knowing that that their income taxes will not go up next year," said Obama of the plan, which would extend tax breaks for those families making $250,000 and under, or individuals earning $200,000 or less, but allow the cuts for upper-income Americans to expire at the end of the year. The president said that while both sides are in agreement that the proposed tax cuts should be extended for the middle class, the Republicans in Congress are using these cuts as leverage to extend the tax cuts to the wealthiest earners. "You see, Republicans in Congress and their nominee for president believe that the best way to create prosperity in America is to let it trickle down from the top. They believe that if our country spends trillions more on tax cuts for the wealthy, we'll somehow create jobs – even if we have to pay for it by gutting things like education and training and by raising middle-class taxes," said Obama. The president continued: "They're wrong. And I know they're wrong because we already tried it that way for most of the last decade. It didn't work. We're still paying for trillions of dollars in tax cuts that benefited the wealthiest Americans more than anyone else; tax cuts that didn't lead to the middle class jobs or higher wages we were promised and that helped take us from record surpluses to record deficits." GOP leaders are pushing back in their call for a renewal of all Bush-era tax cuts, including cuts for those earning over $250,000. "Mr. President, I'll tell you what - if you want to show that you stand with American small business owners, the best thing you can do is drop your plan to increase their taxes on January 1. This small business tax hike, according to Ernst & Young, will destroy more than 700,000 jobs," House speaker John Boehner [said Thursday](http://politicalticker.blogs.cnn.com/2012/07/27/coming-house-tax-cut-battle-really-about-framing-general-election). [Utah Sen. Orrin Hatch](http://www.cnn.com/video/#/video/world/2012/07/28/gop-weekly-address-07-28.rncvideo) called folly on the Senate's tax proposal, insisting that job creators are also at risk if anything short of all the tax cuts are renewed. "This isn't the time for political games and vilifying job creators. The President and his Washington allies need to stop holding America's economy hostage in order to raise taxes on those trying to lead our economic [recovery](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/)," Hatch said Saturday in the Republican weekly address. In the address, Hatch, a ranking Republican member of the Senate Finance Committee, pushed for his tax plan that he said would simplify the American tax code for next year as well as [continue](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) all the current tax rates. "In just over five months, middle-class families, job creators and seniors will get hit with a massive tax hike unless the president and Congress act. This would mean that taxes would go up on virtually every single taxpaying American," said Hatch, speaking to the looming, end-of-the-year deadline for Congress to act in order for Americans to maintain the tax breaks set in place under the Bush administration. The Republican controlled House will vote on a separate version of the [tax plan](http://politicalticker.blogs.cnn.com/2012/07/28/white-house-and-republicans-prep-for-tax-cut-debate/) next week.

### Military Budget Cuts

#### Obama will use Political Capital over Defense Cuts

The Hill 7/23

(The Hill, OVERNIGHT DEFENSE: Obama ups the ante on defense cuts, 7/23. pg online @thehill.com/blogs/defcon-hill/budget-appropriations/239585-overnight-defense-obama-ups-the-ante-on-defense-cuts//arjun)

The Topline: President Obama weighed in Monday on the growing political fight over the $500 billion cut to defense under sequestration, raising the stakes in a battle that will play out through Election Day. After a week of Republican attacks that Obama and Democrats were threatening to harm the military to win tax increases, Obama accused Republicans of threatening to harm the military by protecting tax increases for the wealthy. Speaking at the Veterans of Foreign Wars convention Monday, Obama said that Republicans were trying to “wriggle out” of a deal they mostly agreed to in the Budget Control Act. “Instead of making tough choices to reduce the deficit, they’d rather protect tax cuts for some of the wealthiest Americans, even if it risks big cuts in our military,” Obama said. Presumptive Republican presidential nominee Mitt Romney, who attacked Obama over sequestration when the president campaigned in Virginia earlier this month, will get a chance to quickly respond to Obama with his own address at the VFW convention Tuesday. Obama’s comments Monday show that both sides are getting increasingly entrenched in their sequestration positions ahead of the election and aren’t likely to budge an inch before November. The statements from both parties over sequestration also show how the fight over military spending has been overtaken by a larger fight about taxes and the deficit, just as it did last year during the summer debt-limit negotiations. Both Democrats and Republicans largely think the sequestration cuts to both defense and domestic spending are a bad idea, but they aren’t making any moves to fix them due to the larger ideological disagreements over taxes. Despite calls from defense-minded lawmakers, those stances don’t appear likely to shift until after the election.

# Relations Updates

## Iran Strikes

### Romney = Israeli Iran Strike

#### Romney would give Israel the OK to strike Iran

Hunt 7 – 29 – 12 (Kasie, reporter for the Huffington Post, “Mitt Romney: United States Has 'Solemn Duty' To Block Nuclear Iran”, <http://www.huffingtonpost.com/2012/07/29/mitt-romney-iran-strike-israel_n_1715574.html?1343560796&ncid=edlinkusaolp00000008> ck)

JERUSALEM — Standing on Israeli soil, U.S. presidential candidate Mitt Romney on Sunday declared Jerusalem to be the capital of the Jewish state and said the United States has "a solemn duty and a moral imperative" to block Iran from achieving nuclear weapons capability. "Make no mistake, the ayatollahs in Iran are testing our moral defenses. They want to know who will object and who will look the other way," he said. "We will not look away nor will our country ever look away from our passion and commitment to Israel." The presidential election hovered over the speech. The Old City formed a made-for-television backdrop behind Romney, while some of his campaign donors listened in the audience. Romney's declaration that Jerusalem is Israel's capital was matter-of-fact and in keeping with claims made by Israeli governments for decades, even though the United States, like other nations, maintains its embassy in Tel Aviv. He did not say if he would order the embassy moved if he wins the White House, but strongly suggested so in a CNN interview. "My understanding is the policy of our nation has been a desire to move our embassy ultimately to the capital (Jerusalem)," he said, adding, "I would only want to do so and to select the timing in accordance with the government of Israel." His remarks on the subject during his speech drew a standing ovation from his audience, which included Sheldon Adelson, the American businessman who has said he will donate millions to help elect Romney to the White House. Romney's embrace of Israel was on display throughout the day when he met with Prime Minister Benyamin Netanyahu and other leaders. He also visited the Western Wall, Judaism's holiest site, where he was mobbed by worshippers. In addition, Romney met with Palestinian Prime Minister Salam Fayyad. In his remarks, Romney steered clear of overt criticism of President Barack Obama, even though he said the threat of a nuclear-armed Iran "has only become worse" in the past five years. In an unspoken rebuttal to Obama and other critics, Romney said, "It is sometimes said that those who are the most committed to stopping the Iranian regime from security nuclear weapons are reckless and provocative and inviting war. "The opposite is true. We are the true peacemakers," he said. The former Massachusetts governor also stepped back from a comment a senior aide made a short while before the speech. "We recognize Israel's right to defend itself," he told the audience. Earlier, the aide, Dan Senor, previewed the speech for reporters, saying that "**if Israel has to take action** on its own, in order **to stop Iran** from developing the capability, **the governor would respect that decision**."

### Obama/Israel Won’t Strike

Obama administration is making efforts to **prevent** Israeli attack

Ronin 7 – 15 – 12 (Gil, Arutz Sheva News, “Obama Advisor Visited Israel 'to Stop Iran Attack'”, <http://www.israelnationalnews.com/News/News.aspx/157873#.UBbelrTBTzw> ck)

President Barack Obama's National Security Advisor Tom Donilon visited Israel secretly over the weekend in what one Israeli newspaper says was an attempt to convince Israel not to attack Iran's nuclear facilities. He met with Prime Minister Binyamin Netanyahu, Defense Minister Ehud Barak and National Security Advisor Gen. Yaakov Amidror. "National Security Advisor Tom Donilon visited Israel from July 14-15 for consultations with Prime Minister Netanyahu, Defense Minister Barak, and National Security Advisor Gen. Amidror," the White House said in an official statement Sunday. "In these meetings, the National Security Advisor reaffirmed the United States' unwavering commitment to Israel's security. His visit was the latest in a series of ongoing U.S. consultations with Israeli officials on a range of regional security issues." Maariv-NRG says Donilon's visit reflects heightened U.S. concern that Israel intends to attack Iran sometime during the summer or early autumn. That concern has been heightened by the recent failure of talks between western powers and Iran. The news site estimated that the visit was intended to convince Israel not to launch an attack anytime soon.

### Obama/Israel Will Strike

#### An Iran strike is coming – military statements and cooperation prove

Reuters 7 – 29 – 12 (“Obama aide tells Israel of Iran attack plan –paper”, <http://www.reuters.com/article/2012/07/29/israel-iran-us-idUSL6E8IT0FO20120729> ck)

(Reuters) - President Barack Obama's national security adviser has briefed Israel's Prime Minister Benjamin Netanyahu on a U.S. contingency plan to attack Iran should diplomacy fail to curb its nuclear programme, an Israeli newspaper reported on Sunday. The Haaretz newspaper said that the U.S. adviser - Thomas Donilon - had described the plan in talks with Netanyahu earlier this month. A senior Netanyahu aide, Harel Locker, refused to comment on the report when asked about it in an interview with an Israeli radio station. Another Israeli official reached by telephone, said "we do not comment on closed-door diplomatic meetings". Haaretz said the secret briefing was the most significant effort by high-level U.S. officials who had visited Israel in the past month, including Secretary of State Hillary Clinton, to try to dissuade Israel from launching its own military strike on Iran. The report coincided with a visit to Israel by Obama's main rival in his reelection bid this November, Republican candidate Mitt Romney, who is due to meet Netanyahu on Sunday. Quoting a senior U.S. official it said spoke on condition of anonymity, Haaretz said Donilon had told Netanyahu the Pentagon was planning for a possible decision to attack Iran's nuclear sites, and had shown him some of the plans. In their talks, the same official said Donilon had also detailed the U.S. military's ability to penetrate nuclear facilities buried deep underground, and had said that such contingency plans were being drawn up in case of a possible deadlock in diplomacy with Iran. The failure of talks between Iran and six world powers to secure a breakthrough in curbing what the West fears is a drive to develop nuclear weapons has raised international concerns that Israel, widely assumed to be the Middle East's only nuclear-armed state, may opt for a go-it-alone military strike. Israel has warned the West it thinks it is only a matter of time before Iran's nuclear programme achieves a "zone of immunity" in which bombs will not be able to effectively strike uranium enrichment facilities buried deep underground.

## Japan Relations

### Japan Relations High

#### Alliance strong – recent meetings prove strategic cooperation

Xinhua News 7 – 26 – 12 (“Top Obama aide stresses U.S.-Japan alliance”, <http://english.sina.com/world/2012/0726/490104.html> ck)

WASHINGTON, July 26 (Xinhua) -- U.S. President Barack Obama's top security advisor Thomas Donilon on Thursday stressed the " strategic importance" of the U.S.-Japan alliance in his meetings with senior Japanese officials. In his one-day visit to Japan, which the White House described as "positive and productive," Donilon met with Prime Minister Yoshiko Noda and other senior Japanese officials **to discuss bilateral cooperation** in a range of fields. "In his meetings, Mr. **Donilon underscored the strategic importance of the U.S.-Japan alliance and the mutual benefit of continued coordination and consultation on political, economic and security issues**," National Security Council spokesman Tommy Vietor said in a statement. In particular, Donilon stressed the value of ongoing cooperation on the issues of the denuclearization on the Korean Peninsula, Iran and regional security in Asia. He also discussed the development of regional institutions like the East Asia Summit and welcomed Japan's interest in joining the Trans-Pacific Partnership, a key element of the Obama administration's efforts to increase exports to the vibrant economies of the Asia-Pacific region. In his meeting with Japanese Foreign Minister Koichiro Gemba, Donilon expressed appreciation for Japan's support for Afghanistan and its successful hosting of the Tokyo Donors Conference earlier this month, the statement said.

#### Japan will cling to US alliance – nationalism and china rise

Global Times 7 – 27 – 12 (News, “Cold politics could drive Sino-Japanese relations to freezing point”, <http://english.peopledaily.com.cn/90883/7889853.html> ck)

Japan has undergone a rise of new nationalism in recent years, especially after the Democratic Party of Japan's (DPJ) Noda Yoshihiko was elected as prime minister in 2011. Both Noda and former Japanese foreign minister Seiji Maehara of the DPJ are seen by some as leading representatives of this movement. This adjustment of national strategy came against the backdrop of Japan's long economic downturn and is aimed at enhancing Japan's international influence. The core issue in the strategy is to seek a clear identity for Japan amid the regional sway of China and the US and find an appropriate way to meet the rise of China. Japan wants to grab the opportunity of the US strategic pivot toward Asia and reap profits from Washington's adjustment of its policy toward China. For a long time in Japan's postwar history, the new nationalism was not widely accepted. But Japan's long economic woes, which were massively aggravated by the 2011 huge earthquake, have accelerated reactionary politics in Japan. Meanwhile, Japan's economic downturn was accompanied by China's rapid growth. In 1991, China's GDP was a tenth of that of Japan. In less than 20 years, China surpassed Japan as the world's second largest economy. Former DPJ powerbroker Ozawa Ichiro holds the view that Japan should establish a kind of "equilateral triangle" relationship with China and the US while sticking to the Washington-Tokyo alliance. But since the Naoto Kan administration, Maehara and his faction have been dominating formation of Japan's foreign policy. A major strategy of the new nationalists is to further consolidate the US-Japan alliance. The US has announced that it will deploy 60 percent of its navy fleet in Asia by 2020, but at the same time it will slash its military budget in the future. This creates conditions for **deepening the alliances** between Washington and Tokyo.

### Japan Relations Low

#### Relations strained – New military hardware is spurring public opposition

The Economist 7 – 26 – 12 (“Hard landing”, <http://www.economist.com/blogs/banyan/2012/07/japan-america-military-alliance> ck)

AMERICAN military hardware used to slip into Japan quietly and unannounced, as part of one of the world’s most solid—and least questioned—military alliances. But the arrival of the Osprey tilt-rotor aircraft this week could hardly have been more conspicuous. Live helicopter TV shots showed an American freighter carrying the first 12 aircraft as it entered Japanese waters on Monday. Footage of the ship docking in Iwakuni, in Yamaguchi prefecture, dogged by dinghy-borne protesters, topped the evening news, along with terse comments from local politicians demanding that the aircraft be sent back. On the face of it, the cargo hardly seems worth all the attention. The American-built Osprey is notable mainly because it takes off like a helicopter and flies like a turboprop plane. It will replace an ageing fleet of CH-46 Sea Knights, a half-century-old helicopter widely seen as obsolete. Unfortunately, however, the Osprey also has a reputation for falling out of the sky. A string of accidents has caused a total of 36 fatalities. A training crash in Florida last month injured five; another in Morocco in April killed two American marines. Okinawa, the Osprey’s eventual destination, has taken note. Local people in Japan’s southernmost prefecture dub it the “widow-maker”. Signs dotted across Okinawa’s main island, which still plays the reluctant host to 75% of America’s military facilities in Japan, demand that the deployment be stopped. That seems unlikely. Earlier this month, the prime minister, Yoshihiko Noda, admitted that Japan has “no choice” but to accept the Osprey. “The deployment itself is a plan by the U.S. government and Tokyo does not play a part in Washington’s decisions,” said Mr Noda, in a statement that was widely ridiculed in Okinawa. Mr Noda is backed by the country’s largest newspaper, the Yomiuri, which calls the deployment “indispensible”, against “China’s military aggrandisement” and threats from North Korea. The government has attempted to douse the controversy by demanding publicly that the American army “reconfirm” the aircraft’s safety—to that end officials from both sides are meeting on July 26th in Tokyo. Unluckily for Mr Noda, the Osprey is flying straight into the sorest point of the American-Japanese alliance. In October, the aircraft is scheduled to begin full operations at the Futenma air base, which occupies 25% of crowded Ginowan city in Okinawa. Locals have long demanded its closure, but a plan to build Futenma’s replacement off the fishing village of Henoko is stalled, perhaps permanently. “We think it is discrimination against Okinawa to send this aircraft here,” said Henoko resident Takako Shinohara. Like many Okinawans, she recalls a 1994 incident in which an American military helicopter crashed into a local university campus. “We cannot understand why the Japanese government allows this, but we are determined to fight it.” That opposition, 1,000 miles from Tokyo, is likely to worry the government less than would rumblings of protest closer to the capital. Local governors were shocked to learn in June that the Osprey’s flight path will take it across Japan’s main islands. Mr Noda, already under fire for a controversial tax hike and restarting two nuclear reactors, will again convey Washington’s reassurances to the governors this week that the Osprey is safe. Meanwhile, he will surely be silently praying that there isn’t another crash.

## Russia Relations

### Russia Relations High

#### Russian relations strong – media representations of a failed reset are false – WTO admission proves

APA 7 – 30 – 12 (quoting Prime Minister Medvedev, “Everything’s OK’ in U.S.-Russian Relations – Medvedev”, <http://en.apa.az/news.php?id=176372> ck)

Baku-APA. Russian Prime Minister Dmitry Medvedev has dismissed allegations that the U.S.- Russian relations have deteriorated as of late over a range of issues, including Washington’s plans to build missile defense systems near Russian borders, APA reports quoting Ria Novosti. “I believe that the past few years in the history of U.S.-Russian relations have been the most productive,” Medvedev said in an interview with the Times newspaper in London, where he attended the opening ceremony of the Olympic Games on July 27. The Times published the interview on Monday. “I don’t think that we have entered any ‘new’ period, that Russia has taken a harsher stance toward the United States (as the media sometimes put it), that our priorities have changed and that the ‘reset’ has winded down without any results. This is absolutely wrong,” he said. He hailed U.S. President Barack Obama for helping Russia enter the World Trade Organization (WTO) after some 18 years of complicated negotiations. “I will always be grateful to Barack Obama for taking an honest position,” Medvedev said. “Once, I remember, we were sitting in a car, talking without an interpreter, and he said: ‘You know, I will help you enter the WTO.’ And he did this. Such things cannot be forgotten. This means he keeps his word,” the Russian prime minister said. Russia officially joined the WTO on July 21, becoming the 154th member of the global trade club when President Vladimir Putin signed the relevant bill into law.

### Russia Relations Low

#### Magnitsky consideration is straining relations

Lally 7 – 17 – 12 (Kathy, reporter for the Washington Post, “U.S., Russia try to reset and retrench relations, but Magnitsky bill threatens process”, <http://www.washingtonpost.com/world/europe/us-russia-try-to-reset-and-retrench-relations-but-magnitsky-bill-threatens-process/2012/07/17/gJQAqIlLrW_story.html> ck)

MOSCOW — The visit of a multimillionaire Russian senator to the United States last week was difficult, upbeat and contradictory — the very image of the reset-retrench relationship between the two countries. Vitaly Malkin was in Washington to confront Congress over the Magnitsky bill, which would put Russians connected with human rights abuses on a blacklist, denying them U.S. visas and freezing their assets. The bill has infuriated Russian officials, and they speak about it often and with vehemence. “We really don’t want the U.S. Congress to adopt this bill, which has the potential to deteriorate U.S.-Russia relations for years, or even for decades, to come,” Malkin said at a news conference last Wednesday.

#### Jackson Vanik is a thorn in the side of US-Russia relations

Novosti 7 – 26 – 12 (Ria, reporter for Russia beyond the headlines, “U.S. Budget Committee Approves Jackson-Vanik Repeal”, <http://rbth.ru/articles/2012/07/26/us_budget_committee_approves_jackson-vanik_repeal_16745.html> ck)

The Jackson-Vanik Amendment, passed in 1974, barred favorable trade relations with the Soviet Union because it would not let Jewish citizens freely emigrate. **The restrictions imposed by Jackson-Vanik** are often waived, but remain in place and **are a thorn in the side of Russia-U.S. trade relations**. Jackson-Vanik repeal is combined with the so-called Magnitsky Bill - a measure aiming to punish Russian officials involved in the death of a tax lawyer Sergei Magnitsky.

### WTO = Decision On JV Now Key

#### Russia’s WTO admission makes JV repeal now key

Joseph 2012 (Dresen, Director of the Kennan Institute, “Jackson-Vanik after Russia’s Accession to the WTO”, <http://www.wilsoncenter.org/publication/jackson-vanik-after-russia%E2%80%99s-accession-to-the-wto> ck)

Once Russia’s parliament ratifies its accession to the WTO, the United States will be forced to make a decision on Jackson-Vanik’s application to Russia. Unless the United States extends Permanent Normal Trade Relations (PNTR) to Russia, and thereby remove Russia from the terms of Jackson-Vanik, we will not enjoy the benefits of Russia’s obligations under the very WTO provisions that were in large part fought for by U.S. negotiators, according to Randi Levinas, Executive Vice President, U.S.-Russia Business Council. U.S. companies will then be at a competitive disadvantage with all other WTO members in the Russian market.