## Econ DA NEG

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#### A. Uniqueness United States Hiring On The Rise

DennisCauchonUSA today reporter and Correspondent. 6/27/12 Hiring rebounds for state, local governments. [**http://www.usatoday.com/news/nation/story/2012-06-27/state-local-hiring/55868796/1 Access date- 7/21/12**](http://www.usatoday.com/news/nation/story/2012-06-27/state-local-hiring/55868796/1%20Access%20date-%207/21/12)

In**a**rare**bright sign for the job market, state and local governments are hiring at the fastest pace in four years**.States, cities, counties and school districts hired 828,000 workers in the first four months of the year, **up 20% from a year earlier, and the most since 2008**, according to a USA TODAY analysis of the government's Job Openings and Labor Turnover Survey.**The number of job openings at state and local governments also hit a four-year high**. This lift in government hiring shows how state budget problems have eased in recent months as tax collections have improved. Total revenue is flat because extra federal aid is drying up. But **tax money revenue generally is spent on workers, especially at the local level, while federal aid is often dedicated to outside vendors, such as health care providers in the Medicaid program** and highway contractors**. "We're hiring as many as we can," says Tucson police**recruitment officer Liz Skeenes.**"In the last few years, we haven't hired as many officers as we needed because of financial problems. Now we're going back to full force, and we're happy about that." Tucson**— like other state and local governments — still expects to live with a smaller workforce than the 2008 peak. What's happening:**Governments are filling jobs that had been left vacant to save money**. State and local governments employ 19.6 million, down 3% from the peak**. The recent jump in hiring is an early signal that job growth may be on the way**, at least in government. It takes six months to a year for a boost in hiring to create a bigger workforce. Reason for the lag: Government workers are quitting for new jobs and retiring in greater numbers. Voluntary departures are another sign of an improving job market. When times are tough, workers hang on to their jobs. The "don't-leave" phenomenon — not more hiring — is what caused government payrolls to swell to record numbers during the recession while private employment collapsed. **Private companies are hiring**a little**more, too, up 4% in the first four months of 2012 from a year earlier**. That's a weak rebound when measured against hiring declines every year from 2006 to 2009, including a 20% hiring drop in 2009. The hiring turnaround has been most dramatic, starting last August, in the nation's state and local governments. These 89,500 cities, park districts, sewer systems and other governments are a backbone of working-class America, employing millions of low-profile truck drivers, health care aides and motor vehicle clerks with decent pay, good benefits and exceptional job security

#### B. Link: Health Care Act Hurts Economy by Decreasing Hiring

GRACE MARIE**TURNER** 9/9/**11** Reporter for the Olympian, New York Post, and Wall street Journal The Olympian. The best thing that Congress can do to unleash jobs creation is to repeal the Patient Protection and Affordable Care Act. [http://www.theolympian.com/2011/09/08/1790465/is-the-affordable-care-act-hurting.html Access Date- 7/20/12](http://www.theolympian.com/2011/09/08/1790465/is-the-affordable-care-act-hurting.html%20Access%20Date-%207/20/12)

**The law is discouraging businesses from hiring**. According to a recent U.S. Chamber of Commerce survey, **39 percent of small business owners say the law is either their greatest or second-greatest obstacle to new hiring.** The president of the Federal Reserve Bank of Atlanta, Dennis Lockhart, says that “prominent” **among the obstacles to hiring is the “lack of clarity about the cost implications” of the legislation**. “**We’ve** frequently **heard strong comments**,” Lockhart said, “**to the effect of, ‘My company won’t hire a single additional worker until we know what health insurance costs are going to be.’ ”**

**The law also discourages people from seeking work**. The director of the Congressional Budget Office, Douglas Elmendorf, said earlier this year **the health law will mean 800,000 fewer workers in the American labor force.** He said this is due to provisions in the health law that “will effectively increase marginal tax rates, which will also discourage work.” James Sherk of The Heritage Foundation compared the rate of job growth before and after the health law was enacted in March of 2009. His analysis shows that jobs creation came to a screeching halt in the month after the measure was enacted. In the first 15 months of the Obama administration, there were early signs of an economic recovery with employers hiring workers at an average rate of 67,600 a month. But when the measure was signed into law in late March 2010, the hiring freeze began. In the 15 months after the law passed, the economy added a mere 6,500 jobs each month on average – less than one-tenth the pre-health-care act rate. Other factors are at work, of course.Companies must see an improvement in the business climate before they need to hire more workers. But there are enough other data points to strongly indicate that the uncertainty of health costs because of the act’s mandates is depressing hiring. Starting in 2014, employers will be forced to provide expensive government-approved policies or pay federal fines. Larger companies already are starting to pare back on entry-level jobs, and some are automating to avoid the added cost of employing actual people. McDonald’s restaurants and CVS drug stores, for example, are replacing some human order-takers and cashiers with electronic ordering and check-out systems. This especially hurts entry-level employees who need jobs so they can get the skills to enter the workforce. Is it any surprise that teen unemployment has now hit 25 percent? The jobs they need are evaporating. Another survey by Mercer consultants found that many employers plan to cut part-time employees back to fewer than 30 hours a week so they don’t have to provide them with health insurance. “Small employers think the consequences of (the law) will almost uniformly be negative,” according to a survey by the National Federation of Independent Business’ Research Foundation. It found that small business owners “expect the new law will increase taxes, will increase the federal deficit, will not slow health insurance cost increases, will not ease their administrative burdens, and will not improve public health.” Before the health law passed, former House Speaker Nancy Pelosi promised: “So this bill is not only about the health security of America. It’s about jobs. In its life, it will create 4 million jobs – 400,000 jobs almost immediately.” Clearly, the health law is killing jobs, not creating them, and the best thing that Congress could do to spur jobs creation is to repeal the unpopular health law and lift the heavy cloud of mandates and regulatory burdens threatening employers. Then Congress must offer a fresh approach to health reform that reduces health costs and frees employers to begin hiring again

#### C. Internal Link: Hiring Key To Economy

Jeffry **Bartash**, MarketWatch, Wallstreet Journal Reporter. 3/4/**12** Hiring, key to U.S. recovery. Wall Streert Journal [**http://articles.marketwatch.com/2012-03-04/economy/31120663\_1\_job-growth-jobs-data-jobs-report** Access Date- 7/21/12](http://articles.marketwatch.com/2012-03-04/economy/31120663_1_job-growth-jobs-data-jobs-report%20Access%20Date-%207/21/12)

There’s a growing sense among economists that the U.S. recovery is gaining steam, a view heavily supported by a marked improvement in jobs data. Yet there’s also some lingering doubt about whether the labor market has improved as much as the data suggest.While **hiring has accelerated since the end of last summer**, businesses are still not rushing to add workers. “**What’s driving the payroll growth is fewer firings,”**said Neil Dutta, an economist at Bank of America/Merrill Lynch. “Hiring hasn’t picked up in any major way.” Economists — and Americans looking for work — will get a better idea of whether hiring is truly on the upswing with Friday’s monthly employment report for February. Democrats and Republicans will also pay close attention as they jockey for political advantage ahead of the 2012 election. The jobs report is the highlight of this week’s economic calendar, which also includes the monthly U.S. trade deficit and factory orders. Economists surveyed by MarketWatch forecast**the U.S. added 208,000 jobs in February, with the unemployment rate holding steady at 8.3%.If hiring meets or exceeds the forecast, financial markets may react with good cheer** on Friday when the data is released. It would mark the third straight month of job growth above 200,000 and probably pull the unemployment rate down slightly. “The labor market has definitely gotten stronger,” said Gus Faucher, senior economist at PNC Financial Services. “Everything is looking good for job growth.” Labor market still laboring Even the more optimistic economists, however, are quick to downplay talk of a rapid recovery. Faucher points out the U.S. has about 6 million fewer jobs in the aftermath of the 2007-2009 recession. It will take a long time to gain them back based on the current trajectory of job creation. At 200,000 new jobs a month, for example, the economy can easily absorb the natural increase in labor force of around 125,000 a month. Yet**the U.S. would need to add 250,000 to 300,000 jobs a month to pull the nation’s 8.3% unemployment rate back down to precession levels, and even that would take three to four years.** “I don’t expect that to happen,” Faucher said. Dutta is more pessimistic. While his firm estimates that 215,000 jobs were created in February, Dutta is skeptical the current U.S. growth rate can sustain a faster pace of hiring. Job growth has actually outstripped economic growth lately — a point Federal Reserve Chairman Ben Bernanke made last week — a situation that rarely lasts. Read story about Bernanke’s comments. Dutta also notes that consumer spending has flattened out over the past few months, a potentially big drag**. Consumer spending accounts for as much as 70% of U.S. economic growth.**

#### D. Impact: Bad economy leads to nuclear war

**Mead 09**James Clarke Chace Professor of Foreign Affairs and Humanities at [Bard College](http://en.wikipedia.org/wiki/Bard_College) 2/4/09 “Only Makes you Stronger” [http://www.tnr.com/article/only-makes-you-stronger-0 Access Date- 7/20/12](http://www.tnr.com/article/only-makes-you-stronger-0%20Access%20Date-%207/20/12)

So far, such half-hearted experiments not only have failed to work; they have left the societies that have tried them in a progressively worse position, farther behind the front-runners as time goes by. Argentina has lost ground to Chile; Russian development has fallen farther behind that of the Baltic states and Central Europe. Frequently, the crisis has weakened the power of the merchants, industrialists, financiers, and professionals who want to develop a liberal capitalist society integrated into the world. Crisis can also strengthen the hand of religious extremists, populist radicals, or authoritarian traditionalists who are determined to resist liberal capitalist society for a variety of reasons. Meanwhile, the companies and banks based in these societies are often less established and more vulnerable to the consequences of a financial crisis than more established firms in wealthier societies. As a result**, developing countries and countries where capitalism has relatively recent and shallow roots tend to suffer greater economic and political damage when crisis strikes--as, inevitably, it does. And, consequently, financial crises often reinforce rather than challenge the global distribution of power and wealth. This may be happening yet again**. None of which means that we can just sit back and enjoy the recession. **History may suggest that financial crises actually help capitalist great powers maintain their leads--but it has other, less reassuring messages as well. If financial crises have been a normal part of life during the 300-year rise of the liberal capitalist system under the Anglophone powers, so has war**. **The wars of the League of Augsburg and the Spanish Succession; the Seven Years War; the American Revolution; the Napoleonic Wars; the two World Wars; the cold war: The list of wars is almost as long as the list of financial crises. Bad economic times can breed wars**. **Europe was a pretty peaceful place in 1928, but the Depression poisoned German public opinion and helped bring Adolf Hitler to power. If the current crisis turns into a depression, what rough beasts might start slouching toward Moscow, Karachi, Beijing, or New Delhi to be born? The United States may not, yet, decline, but, if we can't get the world economy back on track, we may still have to fight**. Walter Russell Mead is the Henry A. Kissinger Senior Fellow in U.S. Foreign Policy at the Council on Foreign Relations and the author of God and Gold: Britain, America and the Making of the Modern World. Lauren Gottlieb provided research assistance for this article.