# 1NC v Kansas HW

### Off

#### Financial incentives excludes tax & regulatory/procurement incentives

**UNCTAD, 4** - UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (“INCENTIVES”)

http://unctad.org/en/docs/iteiit20035\_en.pdf

There is no uniform definition of what constitutes an “investment incentive”. (Box I.1. contains a list of commonly used incentives.) The only major international instrument that contains a partial definition is the SCM Agreement (see below). Governments use three main categories of investment incentives to attract FDI and to benefit more from it:

· financial incentives, such as outright grants and loans at concessionary rates;

· fiscal incentives such as tax holidays and reduced tax rates;

· other incentives, including subsidized infrastructure or services, market preferences and regulatory concessions, including exemptions from labour or environmental standards.

Incentives can be used for attracting new FDI to a particular host country (locational incentives) 1 or for making foreign affiliates in a country undertake functions regarded as desirable such as training, local sourcing, research and development or exporting (behavioural incentives). Most incentives do not discriminate between domestic and foreign investors, but they sometimes target one of the two. In some countries, such as Ireland, the entire incentive scheme was geared to FDI for a long period. 2 Incentives may also favour small firms over large, or vice versa. They are offered by national, regional and local governments (UNCTAD, 2003a, p. 123).

Among the broad range of possible incentives, financial and fiscal incentives are the ones most frequently employed. Developing countries often prefer fiscal instruments, such as tax holidays, concessionary tax rates, accelerated depreciation allowances, duty drawbacks and exemptions, whereas developed countries mainly use financial incentives, including cash grants (exceeding sometimes 50% of the investment costs) and interest-free or subsidized loans. This may be seen as reflecting differences in wealth, as developed countries can afford to use up-front subsidies for inward investment whereas developing countries can, at best, afford to ease the tax burden ex post.

#### Government procurement is a market privilege not a financial incentive

Box I.1. Types of incentives

Financial incentives¶ · Investment grants: “direct subsidies” to cover (part of) capital,¶ production or marketing costs in relation to an investment project.¶ · Subsidized credits and credit guarantees: subsidized loans/ loan¶ guarantees/ guaranteed export credits.¶ · Government insurance at preferential rates/ publicly funded¶ venture capital participating in investments involving high¶ commercial risks. Government insurance at preferential rates,¶ usually available to cover certain types of risks such as exchangerate¶ volatility, currency devaluation, or non-commercial risks such¶ as expropriation and political turmoil (often provided through an¶ international agency).¶ Fiscal incentives¶ · Profit-based: reduction of the standard corporate income tax rate/¶ profit tax rate/ tax holiday.¶ · Capital-investment-based: accelerated depreciation/ investment¶ and reinvestment allowance.¶ · Labour-based: reduction in social security contribution/ deductions¶ from taxable earnings based on the number of employees or on¶ other labour related expenditure.¶ · Sales-based: corporate income tax reductions based on total sales.¶ · Import-based: duty exemptions on capital goods, equipment or raw¶ materials, parts and inputs related to the production process; tax¶ credits for duties paid on imported materials or supplies.¶ · Export-based: export tax exemptions; duty drawback; preferential¶ tax treatment of income from exports, income-tax reduction for¶ special foreign-exchange-earning activities or for manufactured¶ exports; tax credits on domestic sales in return for export¶ performance; income-tax credits on net local content of exports;¶ deduction of overseas expenditures and capital allowance for¶ export industries.¶ · Based on other particular expenses: corporate income tax¶ deduction based on, for example, expenditures relating to¶ marketing and promotional activities.¶ Value-added-based: corporate income tax reductions or credits¶ based on the net local content of outputs; granting income-tax¶ credits based on net value earned.¶ · Reduction of taxes for expatriates.¶ Other incentives¶ Regulatory incentives¶ · Lowering of environmental, health, safety or labour standards.¶ · Temporary or permanent exemption from compliance with¶ applicable standards.¶ · Stabilization clauses guaranteeing that existing regulations will not¶ be amended to the detriment of investors.¶ Subsidized services¶ · Subsidized dedicated infrastructure: electricity, water,¶ telecommunication, transportation/ designated infrastructure at less¶ than commercial price.¶ · Subsidized services, including assistance in identifying sources of¶ finance, implementing and managing projects, carrying out preinvestment¶ studies, information on markets, availability of raw¶ materials and supply of infrastructure, advice on production processes¶ and marketing techniques, assistance with training and retraining,¶ technical facilities for developing know-how or improving quality¶ control.¶ Market privileges¶ · Preferential government contracts.¶ · Closing the market to further entry or the granting of monopoly¶ rights; protection from import competition.¶ Foreign exchange privileges¶ · Special treatment with respect to foreign exchange, including special¶ exchange rates, special foreign debt-to-equity conversion rates,¶ elimination of exchange risks on foreign loans, concessions of foreign¶ exchange credits for export earnings, and special concessions on the¶ repatriation of earnings and capital.¶ Source: UNCTAD, based on UNCTAD, 1996a, 1996b and WTO,

1998.

#### Voting Issue

**Predictable limits** – **the restriction stem is over-broad – narrow incentive stem to offset – 3x6=18 energy/mech combos on that stem – including “fiscal” and “other” categories adds over 12 mechanisms each, or 3x24=72 more energy/mech combos from the incentive stem – seven times larger means less research depth on each and more reliance on generics – this also justifies precision of inclusion & exclusion.**

**Uniqueness shields** **undermine argumentative depth – government buying is more common in the SQ than grant or credit mechanisms. The CP option is better for normal means options since it frames a mechanism around solvency not uniqueness.**

## OFF

#### Global silver supplies are jeopardized – not enough supply to meet increased demand

Jeb Handwerger, Gold Stock Trades Editor Jeb Handwerger is a highly sought-after stock analyst syndicated internationally and known throughout the financial industry for his accurate and timely analysis of the equities markets, particularly the metals and mining sector, “Watch Out For A Supply Shortfall In Silver,” Seeking Alpha, August 20, 2012, <http://seekingalpha.com/article/816271-watch-out-for-a-supply-shortfall-in-silver>, accessed 9-16-2012.

On the supply side, silver production comes mainly from Peru and Mexico where gold (GDX) and silver (SIL) miners are facing significant challenges including violence. Newmont (NEM) is having to deal with violent protests in Peru which reminds us of what Fortuna Silver (FSM) had to deal with in Mexico. Right now, Pan American Silver (PAAS) is suspending investment in its flagship Navidad Project due to the rising resource nationalism in Argentina. Pan American paid $500 million for the asset in 2009. This project may be the richest undeveloped silver deposit in the world.¶ Similarly, Bolivia and Evo Morales is considering nationalizing South American Silver's (SOHAF) large undeveloped silver project amidst violent indigenous protests. The company describes it as "one of the world's largest undeveloped silver deposits." The company is planning to invest over $50 million into the project. At the same time the Bolivian peasants have violently kidnapped five workers from the project.¶ Such turmoil in Peru, Mexico, Argentina and Bolivia may add to the world's already existing shortage of silver. This supply crunch is combined with rising political uncertainty in Egypt, Syria and Iran and economic malaise in the EU and the United States which is causing investment demand for silver to rise exponentially. All signs are pointing to a possible global inflation which could propel silver prices higher. We have record deficits in the U.S. where many citizens are looking to protect their savings from a potential devaluation to pay down record debts. With the recent Obamacare Supreme Court Ruling entitl

ement, spending will soar.¶ Former Federal Reserve Chairman, Alan Greenspan, noted in 2010 that "Only politically toxic cuts or rationing of medical care, a marked rise in the eligible age for health and retirement benefits…or significant inflation… can close the deficit." Remember, in response to Keynesian pump-priming, inflation threatens to make silver increasingly attractive as a safe haven. There is always the presence of increased industrial demand for the poor man's gold. Silver is increasingly being used in high tech applications from batteries to solar panels.¶ Last month the silver ETFs added 293 metric tons of this valuable metal to their holdings, which represents their highest inflows since September 2011. The bears claim that silver's proximity to the $26 line is a negative signal and are pushing below their 50 and 200 day moving averages on the way to $18.¶ Recall that silver is volatile and moves up or down more than other commodities such as gold. On the other hand, if QE3 is implemented, it will encourage monetary easing internationally and thus will boost silver prices.

#### Solar increases diminish the global silver supply – silver’s market size is too small to recover fast enough

Gold Seek, “Silver Surges 21% in January - Silver Demand Is “Diminishing A Supply Surplus,” January 31, 2012, <http://news.goldseek.com/GoldSeek/1328018484.php>, accessed 9-18-2012.

There continues to be no coverage of silver in the non specialist financial media and little coverage of silver in the specialist financial media. However, both the Financial Times and Bloomberg cover silver today which might be a harbinger of short term weakness.¶ The majority of articles on silver are bearish and most bank analysts remain bearish on silver again in 2012 – as they have been in recent years. Prices will average $37.50/ounce in Q4, according to a survey of 13 analysts by Bloomberg.¶ The lack of coverage of silver and consequent “animal spirits” in the silver market is of course bullish from a contrarian perspective.¶ Analysts look set to get the silver market wrong again as recent rocketing industrial demand for silver, from solar panels to batteries to medical applications and growing investor demand for coins, and small & large bars is “diminishing a supply surplus” according to Nicholas Larkin of Bloomberg. This has led to silver’s best January gains in 30 years with silver up over 20% from below $28/oz to nearly $34/oz.¶ Barclay's estimates that manufacturers will need a 2.5% increase of the metric tons used last year and investment demand continues to grow due to risks posed by both inflation and systemic risks.¶ Silver like gold – cannot go bankrupt and will always have a value.¶ Silver supply shortages are something we and other analysts who are bullish on silver have been warning of for some time. This is because the silver market is small versus the gold market and tiny versus equity, bond, currency and derivative markets. This is why we believe silver should rise to well over its nominal recent and 1980 high of $50/oz in the coming months.

#### Silver is key to hegemony and our ability to win conflicts

Charles Savoie, private researcher/historian who has invested a considerable amount of time and effort in compiling a vast body of research which he has titled “The Silver Stealers”, “War & Silver,” Silver Investor, “War & Silver,” November 2004, <http://www.silver-investor.com/charlessavoie/cs_nov04.htm>, accessed 9-18-2012.

Let's take a look at the need for silver as a vital resource material necessary to warfare. We won't be able to examine any detailed weapons breakdown of specific items by exact silver content from one defense contractor to another on a current basis, because that information isn't readily available. I can tell you that as of January 2, 1980---nearly a quarter century past---some 84,000 military parts (aircraft, submarines, etc.) contained precious metal, mostly silver (Wall Street Journal, January 2, 1980, page 10). American Superconductor and Intermagnetics General won't openly discuss how much silver they will need for superconducting cables. That's probably an understanding with the COMEX shorts---anything to suppress projected silver demand statistics! As you probably know, America has been without a silver stockpile for strategic defense applications for several years. We aren't swimming in silver as we were going into World War II. One of the implications could be a limitation on our ability to wage war overseas; and also spell inadequacy as to our ability to defend our shores. Silver is the most versatile metal there is, and a strategic shortage will hurt us more so than shortages of other strategic metals such as tantalum, platinum, chromium, vanadium and cobalt. America cannot produce enough silver to meet our internal needs, that hasn't happened in most of a century; therefore, silver imports are vital. Over 153 years ago, Merchants Magazine & Commercial Review (March 1851), page 280 spoke of--- "…the numerous uses to which we apply silver, beyond the uses to which we apply gold."

## OFF

**Text: The fifty states and all relevant United States territories should should procure vehicle integrated solar on federal vehicle purchases in the United States.**

#### States solve solar

Ross 2008 (JP Ross, Program Director at the Vote Solar Initiative, where he focuses on creating markets for distributed solar photovoltaics, and Bracken Hendricks is a Senior Fellow with the Center for American Progress, January 2008, “Developing state solar photovoltaic markets: Riding the Wave to Clean Energy Independence,” Center for American Progress, http://www.americanprogress.org/wp-content/uploads/issues/2008/01/pdf/solar\_report.pdf)

States that provide financial incentives for investing in solar power and eliminate regulatory barriers for doing so are realizing the benefits of increasing consum- ers’ access to clean, renewable distributed generation that provides energy when and where it is needed most. This forward-thinking state leadership in solar energy policy and investment is causing a boom in new solar markets and driving investment and innovation in a technology that will increase our energy independence while strength- ening the economy, reducing pollution, and diminishing the threat of global warming.¶ While no single policy or program is sufficient in isolation, the trailblazing policies of California, New Jersey, and Colorado highlighted in this report together create the con- ditions for a robust, self-sufficient solar market and can serve as models for other states to follow.¶ Timely state and federal leadership will be necessary to achieve a full-scale transition to clean energy. Since most energy policy is determined at the state level, state leadership is essential to establish the market conditions for solar energy to thrive. In addition state solar successes will inform federal policy, moving the nation to develop a bold and integrated strategy to transition to a domestic, robust, and secure energy system based on clean, abundant energy like solar power.

## Off

**It’ll be close but Obama will win**

Patricia **Donovan**, UB Reporter**, 9-20**-2012 <http://www.buffalo.edu/ubreporter/2012_09_20/campbell_election_forecasts>

A UB political scientist internationally recognized for **highly accurate election prediction models** says President Obama is likely to receive 51.3 percent of votes cast in the November election.¶ James E. Campbell, UB Distinguished Professor in the Department of Political Science, notes that while the forecast does not predict the electoral vote winner, it is quite rare for a candidate to win a plurality of the vote and not a plurality of electoral votes. Of course, the 2000 Bush-Gore presidential race proved that it is possible.¶ “I estimate that there is a 67 percent chance that President Obama’s vote will be over 50 percent,” he says, “so the forecast is for a close race tilted to Obama.¶ “The prediction is not so definite that a Romney win is impossible,” he says, “but an Obama win is **more likely.”**

#### No Popular

Martin Flunk May 7, 2012 (background in economics and currency strategy at Credit Suisse, and worked as a commodities trader and an equity analyst, before becoming a journalist “Solar Power Has Been Totally Eclipsed By Gas” http://seekingalpha.com/article/565191-solar-power-has-been-totally-eclipsed-by-gas)

The failure of Obama's green energy revolution has been well publicized given the controversy surrounding the bankruptcy of solar panel manufacturer Solyndra, and the Federal money it received - to protect a big Obama donor - even when it was known the company would fail. Public investment in clean energy appears to have been "nothing but a way to shovel lucre to politically influential producers."

#### The plan upsets Obama’s balancing act on energy, reduces environmentalist turnout critical to reelection

Schnur, 4-9

Dan Schnur, director of the Jesse M. Unruh Institute of Politics at the University of Southern California; he served as the national communications director of Senator John McCain’s presidential campaign in 2000, “The President, Gas Prices and the Pipeline,” <http://campaignstops.blogs.nytimes.com/2012/04/09/the-president-gas-prices-and-the-keystone-pipeline/>

Like every president seeking re-election, Barack Obama walks the fine line every day between the discordant goals of motivating his party’s strongest loyalists and reaching out to swing voters for their support. A few weeks ago, that pathway took him to a tiny town in Oklahoma, where, caught between the anti-drilling demands of the environmental community and the thirst for more affordable gasoline from unions, business owners and drivers, the president announced his support for building half of an oil pipeline.¶ The economic impact of rising energy prices in itself is considerable, but the psychological toll on voters is just as significant, as tens of millions of motorists are reminded by large signs on almost every street corner of the financial pain of filling their gas tanks. Obama and his political lieutenants are acutely aware that this growing frustration has the potential to complicate an election year that otherwise seems to be shifting in the incumbent’s favor.¶ As a result, Obama has been hitting the energy issue hard in recent weeks, at least as hard as a candidate can hit when forced to navigate between two almost mutually exclusive political priorities. The result is a president who talks forcefully of the benefits of wind and solar power while also boasting about the amount of oil the nation produces under his leadership.¶ There are times when this gets slightly uncomfortable. Obama recently called for increased exploration along the Atlantic Coast but stopped short of calling for expanded drilling in that region. This is the energy policy equivalent of admitting to an experiment with marijuana but not inhaling.**¶** Where the issue becomes more tangible and therefore trickier for Obama is when the multiple choices become binary. The debate over the proposed XL Keystone Pipeline that would transport Canadian oil through the nation’s heartland to the Gulf of Mexico crystallizes the choices involved and forces a shades-of-gray conversation into starker hues of black and white.¶ Obama recognizes that the devoted environmentalists who represent a critical portion of the Democratic party base need some motivation to turn out for him in the fall. But he also understands that centrist voters who support him on a range of other domestic and foreign policy matters could be lured away by a Republican opponent who either promises relief at the gas pump or who can lay blame at the White House doorstep for those higher prices. Even more complicated is the role of organized labor, which has poured immense amounts of support into Obama’s re-election but also prioritizes the job-creation potential of the pipeline.¶ The result of these competing political and policy pressures brought Obama to Ripley, Okla., where he tried to satisfy the needs of these various audiences without alienating any of them. First, the president endorsed the southern portion of the Keystone project in order to relieve the glut of domestically drilled oil that is now unable to make it to refineries near the Gulf of Mexico in a timely manner. This had the effect of irritating his environmental allies but failed to mollify the project’s advocates, who pointed out that the review process that the president called for was already underway.¶ He then reiterated the administration’s antipathy toward the northern section of the pipeline, which would allow Canadian-drilled oil to be transported into this country. This provided some comfort to drilling opponents, but infuriated both the pro-oil forces and the Canadian government. The most likely outcome is that Canada will still build a pipeline, but rather one that goes westward to the Pacific Ocean north of the United States border and then ships Canadian oil to China instead of into this country.

#### Romney will label china a currency manipulator – not a bluff

Palmer, 12

Doug, Trade Journalist @ Reuters, 3/12, http://www.reuters.com/article/2012/03/28/us-usa-romney-china-idUSBRE82Q0ZS20120328

Romney would squeeze China on currency manipulation-adviser¶ Republican presidential candidate Mitt Romney is looking at ways to increase pressure on China over what he sees as currency manipulation and unfair subsidy practices, a Romney campaign adviser said on Tuesday.¶ "I think he wants to maximize the pressure," Grant Aldonas, a former undersecretary of commerce for international trade, said at a symposium on the future of U.S. manufacturing. Aldonas served at the Commerce Department under Republican President George W. Bush.¶ Romney, the front-runner in the Republican race to challenge President Barack Obama for the White House in November, has promised if elected he would quickly label China a currency manipulator, something the Obama administration has six times declined to do.¶ That would set the stage, under Romney's plan, for the United States to impose countervailing duties on Chinese goods to offset the advantage of what many consider to be China's undervalued currency.¶ Last year, the Democratic-controlled Senate passed legislation to do essentially the same thing.¶ However, the measure has stalled in the Republican-controlled House of Representatives, where leaders say they fear it could start a trade war, and the Obama administration has not pushed for a House vote on the currency bill.¶ The U.S. Treasury Department on April 15 faces a semi-annual deadline to declare whether any country is manipulating its currency for an unfair trade advantage. The department, under both Democratic and Republican administrations, has not cited any country since 1994, when China was last named.¶ Asked if Romney was serious about declaring China a currency manipulator, Aldonas answered: "He is."

#### Currency Manipulator label wrecks relations – spills over and guts coop on other key issues

Lardy, 10 (Nicholas, Peterson Institute International Economics, 4/1, http://www.piie.com/publications/interviews/pp20100401lardy.pdf)

Nicholas R. Lardy suggests the Obama administration may avoid labeling China a currency “manipulator” to keep ¶ cooperation going on other issues. ¶ Edited transcript, recorded April 1, 2010. © Peterson Institute for International Economics.¶ Steve Weisman: It’s the beginning of April and a new chapter with US-China relations. This is Steve ¶ Weisman at the Peterson Institute for International Economics with Nicholas Lardy, ¶ senior fellow at the Institute, to talk about the events of the next couple weeks and the ¶ weather surrounding US-China relations. Thanks Nick.¶ Nicholas Lardy: Thank you, Steve.¶ Steve Weisman: April fifteenth is the supposed deadline by which time the Treasury Department and ¶ the Obama administration must decide on whether to label China a manipulator of its ¶ currency. What do you think will happen?¶ Nicholas Lardy: I think it’s extremely unlikely that they will label China a manipulator this time around. ¶ There are just too many issues in play, too many risks and outcomes in other domains ¶ that would be adversely affected.¶ Steve Weisman: What other domains?¶ Nicholas Lardy: Three come immediately to mind. One is the Chinese efforts to bring North Korea back ¶ to the six-party talks, the talks that have been suspended now for several months. Second ¶ is the willingness of China to support tougher sanctions on Iran. They have supported ¶ sanctions in the past; it’s fairly clear they have not been very effective. The administration ¶ would like to get tougher UN sanctions and they need Chinese support to do that, and ¶ there’s some indication the Chinese are willing to move on that front. Thirdly is the ¶ participation of the Chinese president in the nuclear talks, which begin in Washington just ¶ a few days before April fifteenth. Up until today, the Chinese were being very coy, saying ¶ they had not yet made a decision about whether or not their president would actually ¶ participate or whether they would send some lower level diplomat to represent them.

#### US-China Relations solve extinction

Wenzhong, 04 (Zhou Wenzhong, PRC Ministry of Foreign Affairs. 2-7-04. “Vigorously Pushing Forward the Constructive and Cooperative Relationship Between China and the United States,” <http://china-japan21.org/eng/zxxx/t64286.htm>)

China's development needs a peaceful international environment, particularly in its periphery. We will continue to play a constructive role in global and regional affairs and sincerely look forward to amicable coexistence and friendly cooperation with all other countries, the United States included. We will continue to push for good-neighborliness, friendship and partnership and dedicate ourselves to peace, stability and prosperity in the region. Thus China's development will also mean stronger prospect of peace in the Asia-Pacific region and the world at large. China and the US should, and can, work together for peace, stability and prosperity in the region. Given the highly complementary nature of the two economies, China's reform, opening up and rising economic size have opened broad horizon for sustained China-US trade and economic cooperation. By deepening our commercial partnership, which has already delivered tangible benefits to the two peoples, we can do still more and also make greater contribution to global economic stability and prosperity. Terrorism, cross-boundary crime, proliferation of advanced weapons, and spread of deadly diseases pose a common threat to mankind. China and the US have extensive shared stake and common responsibility for meeting these challenges, maintaining world peace and security and addressing other major issues bearing on human survival and development. China is ready to keep up its coordination and cooperation in these areas with the US and the rest of the international community.

### Off

#### Text: The Department of Defense should no longer procure its semiconductors from foreign semiconductor producers. The United States Federal Government should incentivize business cluster formation by creating an eligibility criterion to receive matched grants and prizes based on the merits of the cluster.

#### The counterplan effectively boosts existing clusters and creates market incentives for clusters.

**Porter**, Harvard Business School professor, revised in 20**09**

Michael, “Clusters and Economic Policy: Aligning Public Policy with the New Economics of Competition” http://www.isc.hbs.edu/pdf/Clusters\_and\_Economic\_Policy\_White\_Paper.pdf, p.8-9, initially published in 2007, accessed 11-14-10]

#### A Federal program to enable and incentivize cluster-based collaboration could be the following:¶ Certify Designated Clusters. Cluster groups could voluntarily seek qualification as “Designated Clusters” based on a number of criteria:¶ - The presence of a minimum concentration of firms and economic activity in a relevant economic region. The region could cut across county, municipal or state boundaries.¶ - Participation in the group of a broad representation of cluster participants including end product producers, service providers, component suppliers, logistical vendors, distributors, etc. No single type of firm should dominate.¶ - Participation in the cluster group of a minimum number of associated institutions such as community colleges, universities, training providers, and others¶ - Participation of relevant levels of government (at minimum the state and involved cities) who are willing to improve regulatory structures and government programs based on input from the cluster¶ - The existence of a formal cluster convening organization which is inclusive of most cluster participants.9 This organization could be newly formed.¶ Cluster groups could self form in any field and region. Any such group, including multiple groups in the same cluster but located in different geographic regions, could apply for certification as Designated Clusters. Quantitative criteria for minimum cluster size and other metrics that are needed to qualify for Designated Cluster status could be set using data from the Cluster Mapping Project, taking into account the size of the region. However, qualification rules should also allow for clusters not meeting the quantitative criteria to apply based on special circumstances. New clusters can form which are not yet reflected in economic statistics, and the North American Industrial Clarification System, with which data is collected, is imperfect and does not capture relevant industry boundaries in some cases. Cluster Planning Grants. Designated Clusters would qualify to compete for Federal matching funding for planning, market data collection, competitive assessment, and other approved collective planning activities. Cluster planning grants, which could cover one or two years, would require matching funds by cluster group participants. Matching funds would be raised using an equitable process that did not unduly exclude participants. Cluster Planning Grants would be awarded based on a competitive process based on the merits of the Designated Cluster proposal, the active participation of the appropriate constituencies, and the group’s commitment and track record in implementation. The Department of Commerce, or another designated agency, would conduct the selection process. States could partner with the Federal government to supplement the pool of funds available for cluster planning grants. Cluster-Based Program Awards. There are a wide variety of existing Federal programs awarding money for training (Department of Labor), economic development projects (EDA), and numerous other areas. A Designated Cluster could be given preference in competing for matching grants in existing programs, or in a new program designed to encourage other kinds of collective pre-competitive investment. Examples of areas for such investment could include green technology grants, environmental remediation grants, cluster infrastructure grants, standards setting and certification entities, export marketing initiatives, and others. Cluster group participants would be required to raise matching funding for such projects privately, with rules to ensure reasonable access to the project by smaller companies as well as non-business institutions. The outputs of cluster activities would be open to all cluster group members. ¶

#### Clusters solve all their econ internal links- boost productivity, skills, innovation, and efficiency.

**Martin**, Mayer, Center for economic policy research, and Mayneris, Universite catholique de Louvain, 10-8-**10**

[Philippe, Thierry, and Mayer, “Public support to clusters A firm level study of French Local productive systems” http://perso.uclouvain.be/florian.mayneris/rsue.pdf, p.3, accessed 11-14-10]

A typical defense of cluster policies is that clusters bring economic gains and should therefore receive public support. Porter's definition of a cluster - "a geographically proximate group of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities" ■ is not very far from what economists call an agglomeration. The idea that clusters bring economic gains because firms perform better when located near other firms in the same sector is hardly new. In the late nineteenth century, Alfred Marshall identified several benefits of clusters or industrial districts. The different sources of agglomeration externalities, were first analyzed by Marshall and later rediscovered by Kenneth Arrow and Paul Romer. Those are 1) input externalities that save on transportation costs and make inputs purchases more efficient; 2) Labour market externalities that foster the creation of pools of specialized workers, who acquire cluster-specific skills valuable to the firms; 3) Knowledge externalities through which industrial clusters facilitate the exchange of information and knowledge.¶

# Warming

#### Green house gas emissions are key to staving off the next ice-age – decrease in emissions causes run-away cooling.

Andrew A. Lacis et. al, 10-15-2010, M.A. in Astronomy, PhD in climate and astrophysics University of Iowa, joint Institute for Laboratory Astrophysics of the National Bureau of Standards and the University of Colorado, Boulder, Asst, Climate and Radiation Studies at NASA Science and Exploration Directorate, Gavin A. Schmidt is a climatologist and climate modeler at the NASA Goddard Institute for Space Studies (GISS), helped develop the GISS ocean and coupled GCMs to improve the representation of the present day climate, American Geophysical Union was awarded its inaugural Climate Communications Prize, PhD at University College London, David H. Rind, NASA Goddard Institute for Space Studies, Ph.D., Columbia University, and Reto A. Ruedy, Science Magazine, "Atmospheric CO2: Principal Control Knob Governing Earth's Temperature,” Science Direct

If the global atmospheric temperatures were to fall to as low as TS = TE, the Clausius-Clapeyron relation would imply that the sustainable amount of atmospheric water vapor would become less than 10% of the current atmospheric value. This would result in (radiative) forcing reduced by ~30 W/m2, causing much of the remaining water vapor to precipitate, thus enhancing the snow/ice albedo to further diminish the absorbed solar radiation. Such a condition would inevitably lead to runaway glaciation, producing an ice ball Earth. Claims that removing all CO2 from the atmosphere “would lead to a 1°C decrease in global warming” (7), or “by 3.53°C when 40% cloud cover is assumed” (8) are still being heard. A clear demonstration is needed to show that water vapor and clouds do indeed behave as fast feedback processes and that their atmospheric distributions are regulated by the sustained radiative forcing due to the noncondensing GHGs. To this end, we performed a simple climate experiment with the GISS 2° × 2.5° AR5 version of ModelE, using the Q-flux ocean with a mixed-layer depth of 250 m, zeroing out all the noncondensing GHGs and aerosols. The results, summarized in Fig. 2, show unequivocally that the radiative forcing by noncondensing GHGs is essential to sustain the atmospheric temperatures that are needed for significant levels of water vapor and cloud feedback. Without this noncondensable GHG forcing, the physics of this model send the climate of Earth plunging rapidly and irrevocably to an icebound state, though perhaps not to total ocean freezeover. Time evolution of global surface temperature, TOA net flux, column water vapor, planetary albedo, sea ice cover, and cloud cover, after the zeroing out of the noncondensing GHGs. The model used in the experiment is the GISS 2°× 2.5° AR5 version of ModelE, with the Q-flux ocean and a mixed-layer depth of 250 m. Model initial conditions are for a preindustrial atmosphere. Surface temperature and TOA net flux use the lefthand scale. The scope of the climate impact becomes apparent in just 10 years. During the first year alone, global mean surface temperature falls by 4.6°C. After 50 years, the global temperature stands at –21°C, a decrease of 34.8°C. Atmospheric water vapor is at ~10% of the control climate value (22.6 to 2.2 mm). Global cloud cover increases from its 58% control value to more than 75%, and the global sea ice fraction goes from 4.6% to 46.7%, causing the planetary albedo of Earth to also increase from ~29% to 41.8%. This has the effect of reducing the absorbed solar energy to further exacerbate the global cooling. After 50 years, a third of the ocean surface still remains ice-free, even though the global surface temperature is colder than –21°C. At tropical latitudes, incident solar radiation is sufficient to keep the ocean from freezing. Although this thermal oasis within an otherwise icebound Earth appears to be stable, further calculations with an interactive ocean would be needed to verify the potential for long-term stability. The surface temperatures in Fig. 3 are only marginally warmer than 1°C within the remaining low-latitude heat island. From the foregoing, it is clear that CO2 is the key atmospheric gas that exerts principal control over the strength of the terrestrial greenhouse effect. Water vapor and clouds are fast-acting feedback effects, and as such are controlled by the radiative forcings supplied by the noncondensing GHGs. There is telling evidence that atmospheric CO2 also governs the temperature of Earth on geological time scales, suggesting the related question of what the geological processes that control atmospheric CO2 are. The geological evidence of glaciation at tropical latitudes from 650 to 750 million years ago supports the snowball Earth hypothesis (9), and by inference, that escape from the snowball Earth condition is also achievable.

#### Ice age causes extinction - outweighs warming.

Phil Chapman, 4-23-2008, geophysicist and astronautical engineer, degree in Physics and Mathematics from Sydney University, a master of science degree in Aeronautics and Astronautics from the Massachusetts Institute of Technology (MIT), The Australian, “Sorry to ruin the fun, but an ice age cometh,” <http://www.theaustralian.com.au/news/sorry-to-ruin-the-fun-but-an-ice-age-cometh/story-e6frg73o-1111116134873>

What is scary about the picture is that there is only one tiny sunspot. Disconcerting as it may be to true believers in global warming, the average temperature on Earth has remained steady or slowly declined during the past decade, despite the continued increase in the atmospheric concentration of carbon dioxide, and now the global temperature is falling precipitously. All four agencies that track Earth's temperature (the Hadley Climate Research Unit in Britain, the NASA Goddard Institute for Space Studies in New York, the Christy group at the University of Alabama, and Remote Sensing Systems Inc in California) report that it cooled by about 0.7C in 2007. This is the fastest temperature change in the instrumental record and it puts us back where we were in 1930. If the temperature does not soon recover, we will have to conclude that global warming is over. There is also plenty of anecdotal evidence that 2007 was exceptionally cold. It snowed in Baghdad for the first time in centuries, the winter in China was simply terrible and the extent of Antarctic sea ice in the austral winter was the greatest on record since James Cook discovered the place in 1770. It is generally not possible to draw conclusions about climatic trends from events in a single year, so I would normally dismiss this cold snap as transient, pending what happens in the next few years. This is where SOHO comes in. The sunspot number follows a cycle of somewhat variable length, averaging 11 years. The most recent minimum was in March last year. The new cycle, No.24, was supposed to start soon after that, with a gradual build-up in sunspot numbers. It didn't happen. The first sunspot appeared in January this year and lasted only two days. A tiny spot appeared last Monday but vanished within 24 hours. Another little spot appeared this Monday. Pray that there will be many more, and soon. The reason this matters is that there is a close correlation between variations in the sunspot cycle and Earth's climate. The previous time a cycle was delayed like this was in the Dalton Minimum, an especially cold period that lasted several decades from 1790. Northern winters became ferocious: in particular, the rout of Napoleon's Grand Army during the retreat from Moscow in 1812 was at least partly due to the lack of sunspots. That the rapid temperature decline in 2007 coincided with the failure of cycle No.24 to begin on schedule is not proof of a causal connection but it is cause for concern. It is time to put aside the global warming dogma, at least to begin contingency planning about what to do if we are moving into another little ice age, similar to the one that lasted from 1100 to 1850. There is no doubt that the next little ice age would be much worse than the previous one and much more harmful than anything warming may do. There are many more people now and we have become dependent on a few temperate agricultural areas, especially in the US and Canada. Global warming would increase agricultural output, but global cooling will decrease it. Millions will starve if we do nothing to prepare for it (such as planning changes in agriculture to compensate), and millions more will die from cold-related diseases. There is also another possibility, remote but much more serious. The Greenland and Antarctic ice cores and other evidence show that for the past several million years, severe glaciation has almost always afflicted our planet. The bleak truth is that, under normal conditions, most of North America and Europe are buried under about 1.5km of ice. This bitterly frigid climate is interrupted occasionally by brief warm interglacials, typically lasting less than 10,000 years. The interglacial we have enjoyed throughout recorded human history, called the Holocene, began 11,000 years ago, so the ice is overdue. We also know that glaciation can occur quickly: the required decline in global temperature is about 12C and it can happen in 20 years. The next descent into an ice age is inevitable but may not happen for another 1000 years. On the other hand, it must be noted that the cooling in 2007 was even faster than in typical glacial transitions. If it continued for 20 years, the temperature would be 14C cooler in 2027. By then, most of the advanced nations would have ceased to exist, vanishing under the ice, and the rest of the world would be faced with a catastrophe beyond imagining. Australia may escape total annihilation but would surely be overrun by millions of refugees. Once the glaciation starts, it will last 1000 centuries, an incomprehensible stretch of time. If the ice age is coming, there is a small chance that we could prevent or at least delay the transition, if we are prepared to take action soon enough and on a large enough scale. For example: We could gather all the bulldozers in the world and use them to dirty the snow in Canada and Siberia in the hope of reducing the reflectance so as to absorb more warmth from the sun. We also may be able to release enormous floods of methane (a potent greenhouse gas) from the hydrates under the Arctic permafrost and on the continental shelves, perhaps using nuclear weapons to destabilise the deposits. We cannot really know, but my guess is that the odds are at least 50-50 that we will see significant cooling rather than warming in coming decades. The probability that we are witnessing the onset of a real ice age is much less, perhaps one in 500, but not totally negligible. All those urging action to curb global warming need to take off the blinkers and give some thought to what we should do if we are facing global cooling instead. It will be difficult for people to face the truth when their reputations, careers, government grants or hopes for social change depend on global warming, but the fate of civilization may be at stake. In the famous words of Oliver Cromwell, "I beseech you, in the bowels of Christ, think it possible you may be mistaken."

#### No impact to biodiversity –

Donald Dodds (President of North Pacific Research, an environmental think tank) 2007 “THE MYTH OF BIODIVERSITY” Online

Biodiversity is a corner stone of the environmental movement. But there is no proof that biodiversity is important to the environment. Something without basis in scientific fact is called a Myth. Lets examine biodiversity through out the history of the earth. The earth has been a around for about 4 billion years. Life did not develop until about 500 million years later. Thus for the first 500 million years bio diversity was zero. The planet somehow survived this lack of biodiversity. For the next 3 billion years, the only life on the planet was microbial and not diverse. Thus, the first unexplainable fact is that the earth existed for 3.5 billion years, 87.5% of its existence, without biodiversity. Somewhere around 500 million years ago life began to diversify and multiple celled species appeared. Because these species were partially composed of sold material they left better geologic records, and the number of species and genera could be cataloged and counted. The number of genera on the planet is a indication of the biodiversity of the planet. Figure 1 is a plot of the number of genera on the planet over the last 550 million years. The little black line outside of the left edge of the graph is 10 million years. Notice the left end of this graph. Biodiversity has never been higher than it is today. Notice next that at least ten times biodiversity fell rapidly; none of these extreme reductions in biodiversity were caused by humans. Around 250 million years ago the number of genera was reduce 85 percent from about 1200 to around 200, by any definition a significant reduction in biodiversity. Now notice that after this extinction a steep and rapid rise of biodiversity. In fact, if you look closely at the curve, you will find that every mass-extinction was followed by a massive increase in biodiversity. Why was that? Do you suppose it had anything to do with the number environmental niches available for exploitation? If you do, you are right. Extinctions are necessary for creation. Each time a mass extinction occurs the world is filled with new and better-adapted species. That is the way evolution works, its called survival of the fittest. Those species that could not adapted to the changing world conditions simply disappeared and better species evolved. How efficient is that? Those that could adapt to change continued to thrive. For example, the cockroach and the shark have been around well over 300 million years. There is a pair to draw to, two successful species that any creator would be proud to produce. To date these creatures have successful survived six extinctions, without the aid of humans or the EPA. Now notice that only once in the last 500 million years did life ever exceed 1500 genera, and that was in the middle of the Cretaceous Period around 100 million years ago, when the dinosaurs exploded on the planet. Obviously, biodiversity has a bad side. The direct result of this explosion in biodiversity was the extinction of the dinosaurs that followed 45 million years later at the KT boundary. It is interesting to note, that at the end of the extinction the number of genera had returned to the 1500 level almost exactly. Presently biodiversity is at an all time high and has again far exceeded the 1500 genera level. Are we over due for another extinction? A closer look at the KT extinction 65 million years ago reveals at least three things. First the 1500 genera that remained had passed the test of environmental compatibility and remained on the planet. This was not an accident. Second, these extinctions freed niches for occupation by better-adapted species. The remaining genera now faced an environment with hundreds of thousands of vacant niches. Third, it only took about 15 million years to refill all of those niches and completely replaced the dinosaurs, with new and better species. In this context, a better species is by definition one that is more successful in dealing with a changing environment. Many of those genera that survived the KT extinction were early mammals, a more sophisticated class of life that had developed new and better ways of facing the environment. These genera were now free to expand and diversify without the presences of the life dominating dinosaurs. Thus, as a direct result of this mass extinction humans are around to discuss the consequences of change. If the EPA had prevented the dinosaur extinction, neither the human race, nor the EPA would have existed. The unfortunate truth is that the all-powerful human species does not yet have the intelligence or the knowledge to regulate evolution. It is even questionable that they have the skills to prevent their own extinction. Change is a vital part of the environment. A successful species is one that can adapt to the changing environment, and the most successful species is one that can do that for the longest duration. This brings us back to the cockroach and the shark. This of course dethrones egotistical homosapien-sapiens as god’s finest creation, and raises the cockroach to that exalted position. A fact that is difficult for the vain to accept. If humans are to replace the cockroach, we need to use our most important adaptation (our brain) to prevent our own extinction. Humans like the Kola bear have become over specialized, we require a complex energy consuming social system to exist. If one thing is constant in the universe, it is change. The planet has change significantly over the last 4 billion years and it will continue to change over the next 4 billion years. The current human scheme for survival, stopping change, is a not only wrong, but futile because stopping change is impossible. Geologic history has repeatedly shown that species that become overspecialized are ripe for extinction. A classic example of overspecialization is the Kola bears, which can only eat the leaves from a single eucalyptus tree. But because they are soft and furry, look like a teddy bear and have big brown eyes, humans are artificially keeping them alive. Humans do not have the stomach or the brain for controlling evolution. Evolution is a simple process or it wouldn’t function. Evolution works because it follows the simple law: what works—works, what doesn’t work—goes away. There is no legislation, no regulations, no arbitration, no lawyers, scientists or politicians. Mother Nature has no preference, no prejudices, no emotions and no ulterior motives. Humans have all of those traits. Humans are working against nature when they try to prevent extinctions and freeze biodiversity. Examine the curve in figure one, at no time since the origin of life has biodiversity been constant. If this principal has worked for 550 million years on this planet, and science is supposed to find truth in nature, by what twisted reasoning can fixing biodiversity be considered science? Let alone good for the environment. Environmentalists are now killing species that they arbitrarily term invasive, which are in reality simply better adapted to the current environment. Consider the Barred Owl, a superior species is being killed in the name of biodiversity because the Barred Owl is trying to replace a less environmentally adapted species the Spotted Owl. This is more harmful to the ecosystem because it impedes the normal flow of evolution based on the idea that biodiversity must remain constant. Human scientists have decided to take evolution out of the hands of Mother Nature and give it to the EPA. Now there is a good example of brilliance. We all know what is wrong with lawyers and politicians, but scientists are supposed to be trustworthy. Unfortunately, they are all to often, only people who think they know more than anybody else. Abraham Lincoln said, “Those who know not, and know not that the know not, are fools shun them.” Civilization has fallen into the hands of fools. What is suggested by geologic history is that the world has more biodiversity than it ever had and that it maybe overdue for another major extinction. Unfortunately, today many scientists have too narrow a view. They are highly specialized. They have no time for geologic history. This appears to be a problem of inadequate education not ignorance. What is abundantly clear is that artificially enforcing rigid biodiversity works against the laws of nature, and will cause irreparable damage to the evolution of life on this planet and maybe beyond. The world and the human species may be better served if we stop trying to prevent change, and begin trying to understand change and positioning the human species to that it survives the inevitable change of evolution. If history is to be believed, the planet has 3 times more biodiversity than it had 65 million years ago. Trying to sustain that level is futile and may be dangerous. The next major extinction, change in biodiversity, is as inevitable as climate change. We cannot stop either from occurring, but we can position the human species to survive those changes.

# Econ

#### Econ resilient

Fareed Zakaria (editor of Newsweek International) December 2009 “The Secrets of Stability,” http://www.newsweek.com/id/226425/page/2]

One year ago, the world seemed as if it might be coming apart. The global financial system, which had fueled a great expansion of capitalism and trade across the world, was crumbling. All the certainties of the age of globalization—about the virtues of free markets, trade, and technology—were being called into question. Faith in the American model had collapsed. The financial industry had crumbled. Once-roaring emerging markets like China, India, and Brazil were sinking. Worldwide trade was shrinking to a degree not seen since the 1930s. Pundits whose bearishness had been vindicated predicted we were doomed to a long, painful bust, with cascading failures in sector after sector, country after country. In a widely cited essay that appeared in The Atlantic n this May, Simon Johnson, former chief economist of the International Monetary Fund, wrote: "The conventional wisdom among the elite is still that the current slump 'cannot be as bad as the Great Depression.' This view is wrong. What we face now could, in fact, be worse than the Great Depression." Others predicted that these economic shocks would lead to political instability and violence in the worst-hit countries. At his confirmation hearing in February, the new U.S. director of national intelligence, Adm. Dennis Blair, cautioned the Senate that "the financial crisis and global recession are likely to produce a wave of economic crises in emerging-market nations over the next year." Hillary Clinton endorsed this grim view. And she was hardly alone. Foreign Policy ran a cover story predicting serious unrest in several emerging markets. Of one thing everyone was sure: nothing would ever be the same again. Not the financial industry, not capitalism, not globalization. One year later, how much has the world really changed? Well, Wall Street is home to two fewer investment banks (three, if you count Merrill Lynch). Some regional banks have gone bust. There was some turmoil in Moldova and (entirely unrelated to the financial crisis) in Iran. Severe problems remain, like high unemployment in the West, and we face new problems caused by responses to the crisis—soaring debt and fears of inflation. But overall, things look nothing like they did in the 1930s. The predictions of economic and political collapse have not materialized at all. A key measure of fear and fragility is the ability of poor and unstable countries to borrow money on the debt markets. So consider this: the sovereign bonds of tottering Pakistan have returned 168 percent so far this year. All this doesn't add up to a recovery yet, but it does reflect a return to some level of normalcy. And that rebound has been so rapid that even the shrewdest observers remain puzzled. "The question I have at the back of my head is 'Is that it?' " says Charles Kaye, the co-head of Warburg Pincus. "We had this huge crisis, and now we're back to business as usual?"This revival did not happen because markets managed to stabilize themselves on their own. Rather, governments, having learned the lessons of the Great Depression, were determined not to repeat the same mistakes once this crisis hit. By massively expanding state support for the economy—through central banks and national treasuries—they buffered the worst of the damage. (Whether they made new mistakes in the process remains to be seen.) The extensive social safety nets that have been established across the industrialized world also cushioned the pain felt by many. Times are still tough, but things are nowhere near as bad as in the 1930s, when governments played a tiny role in national economies. It's true that the massive state interventions of the past year may be fueling some new bubbles: the cheap cash and government guarantees provided to banks, companies, and consumers have fueled some irrational exuberance in stock and bond markets. Yet these rallies also demonstrate the return of confidence, and confidence is a very powerful economic force. When John Maynard Keynes described his own prescriptions for economic growth, he believed government action could provide only a temporary fix until the real motor of the economy started cranking again—the animal spirits of investors, consumers, and companies seeking risk and profit. Beyond all this, though, I believe there's a fundamental reason why we have not faced global collapse in the last year. It is the same reason that we weathered the stock-market crash of 1987, the recession of 1992, the Asian crisis of 1997, the Russian default of 1998, and the tech-bubble collapse of 2000. The current global economic system is inherently more resilient than we think. The world today is characterized by three major forces for stability, each reinforcing the other and each historical in nature.

#### Threshold is far past 2008-10 levels on which your authors base their analyses—must demonstrate presence of numerous crucial factors

-high prevalence of exotic foreign holdings, credit default swapping, affiliate lending, investor fire-selling

Rose and Spiegel 8 (CROSS-COUNTRY CAUSES AND CONSEQUENCES OF THE 2008 CRISIS: INTERNATIONAL LINKAGES AND AMERICAN; Andrew K. Rose, prof econ analysis University of California, Mark M. Spiegel, vice president international research, FRB San Francisco; Pacific Economic Review, p. 340-363, ebsco)

Exposure to contagion through this ﬁnancial channel might have been exacerbated in the 2008 crisis because of the prevalence of holdings of exotic ﬁnancial instruments; these were particularly vulnerable to capital losses in the wake of a general downturn. For instance, when the market price of United States asset backed securities fell, European banks holding that paper, as well as related conduits and structured investment vehicles, experienced losses. These losses then spread to the asset-backed commercial paper market, as the institutions holding these money-losing instruments then turned to that market for funds, initiating a decline in liquidity in that market as well (see Davis, 2008). Coudert and Gex (2008) argue that credit default swap market activity is also prone to contagion, noting that that market had seen a large rise in correlations of asset prices since August 2007. This induces investors to respond to bad news about an individual asset or market with more concern about counterparty risk of related and seemingly unrelated assets. In a similar vein, Gros and Micossi (2008) note that many European banks found themselves exposed to foreign countries as a result of the activities of their afﬁliates in those countries. Although their balance sheets were formally separate, these banks centralized their asset and liability management, ensuring that subsidiary ﬁnancial difﬁculties would ﬁnd their way to home country lending policies. Vulnerability to adverse external shocks might be exacerbated due to poor balance sheet positions. For example, Davis (2008) argues that leveraged investors increase the risk of market contagion, as they might be forced to sell in illiquid situations, feeding a ‘ﬁre-sale’ dynamic that forces prices down further and results in the need for even more selling. Adrian and Shin (2008) argue that mark-to-market practices exacerbate the severity of the impact of changes in prices and perceived risks on market liquidity. As measures of direct ﬁnancial exposure, Forbes and Chinn (2004) use the ratios of total bank lending and foreign direct investment to a given country as shares of GDP. Ehrmann and Fratzscher (2009) use bilateral stocks of assets and liabilities for foreign direct investment, portfolio investment, debt and loans, again expressed as shares of GDP.

#### Common creditors key to transmit shocks—our decoupling and diversification warrants as well as historical examples prove these are scarce and the U.S. is not one

Rose and Spiegel 8 (CROSS-COUNTRY CAUSES AND CONSEQUENCES OF THE 2008 CRISIS: INTERNATIONAL LINKAGES AND AMERICAN EXPOSURE; Andrew K. Rose, prof econ analysis University of California, Mark M. Spiegel, vice president international research, FRB San Francisco; Pacific Economic Review, p. 340-363, ebsco)

A number of studies (e.g. Davis, 2008) argue that the international interbank market might be a source of contagion and the global transmission of shocks. These markets typically lack collateral, and moral hazard is often introduced through implicit government guarantees of liquidity. This leads banks to conduct business in this market under conditions of low liquidity and poor information. As such, when credit disruptions affect particular banks, other banks often respond by rationing extensions of credit (rather than stiffening borrowing terms). The market can then seize up, with the result that international extensions of credit cease, as in the Asian Financial crisis of 1997. In that crisis, weakly-capitalized Japanese banks immediately cancelled credit lines of as much as 10% of GDP (Reisen, 2008). The notion that linkages might exist through mutual dependence on foreign creditors is not new. Kaminsky and Reinhart (2000) divide borrowing countries into one set that predominantly borrows from Japanese banks and another that predominantly borrows from US banks. They ﬁnd that once a number of countries in a given cohort exhibit crisis characteristics, the unconditional probability that an unaffected country in that cohort will also fall into crisis increases dramatically. Caramazza et al. (2000) also examine exposure to a common creditor, measured as: (i) the share of a country’s borrowing from the country that lent most to the ground zero country, (ii) the importance of the borrower for that creditor country, and (iii) the product of these two measures. They conﬁrm that exposure to a common creditor is a signiﬁcant source of contagion. Van Rijckeghem and Weder (2001) develop an indicator of competition for funds, which measures the overall similarity between the borrowing patterns of the country in question and the ground zero country, using a methodology analogous to the measure of the intensity of trade competition with the ground zero country used in the literature cited above. Similarly, Peek and Rosengren (1997) examine the case of the Japanese banking crisis, and ﬁnd that disruptions to banking ‘parents’ had an adverse impact on their lending through subsidiaries in the United States. They conclude that there may well be a role for contagion for ﬁnancial linkages over and above that identiﬁed for trade linkages and, indeed, that some of the contagion previously identiﬁed as attributable to trade linkages might actually stem from ﬁnancial linkages, as the two are highly correlated in the data. However, in practice it has proven difﬁcult to empirically disentangle contagion due to trade linkages from that attributable to ﬁnancial linkages, as countries that are closely linked in one dimension tend to also be linked in the other (e.g. Kaminsky and Reinhart, 2000). In addition, it should be noted that not all potential crises actually metastasize into serious international ﬁnancial crises. As discussed by Kaminsky et al. (2003), there have been a number of potentially major ﬁnancial crises (such as the 1999 Brazilian devaluation and the 2001 Argentine default) that did not have dramatic international implications in practice. They note that one common distinction between cases where domestic ﬁnancial crises did and did not lead to international spillovers was whether or not there were other borrowers exposed to a common leveraged creditor. These common leveraged creditors helped to foster contagion, as difﬁculties experienced in one borrowing country led to deteriorated bank balance sheet positions. In that sense, they reconcile the absence of contagion with a ‘fundamental’; namely, the lack of a common creditor to spread the shock internationally.

#### No deep crises—new reforms/checks

Claessens et al 2010 (Cross-country experiences and policy implications from the global ﬁnancial crisis Stijn Claessens, Giovanni Dell’Ariccia, Deniz Igan and Luc Laeven IMF, University of Amsterdam, and CEPR; IMF and CEPR; IMF; IMF, CentER, Tilburg University, and CEPR. Economic Policy Volume 25, Issue 62, Article first published online: 1 APR 2010. http://goo.gl/RewqQ)

The crisis has exposed ﬂaws in many policy frameworks. In particular, it has shown the limits of traditional macroeconomic policy measures in dealing with deep recessions associated with ﬁnancial meltdowns. It has highlighted the shortcomings associated with the lack of clear mechanism for the resolution of ﬁnancial institutions operating across borders. These ﬂaws have reignited some old debates on whether macroeconomic policy should deal with asset price booms and has highlighted that national and international ﬁnancial architectures had fallen behind rapidly integrating ﬁnancial systems. We stress upfront that many elements of the macroeconomic and regulatory frameworks remain valid. Surely stable inﬂation and sustainable public accounts remain important goals. And while improvements in micro-prudential regulations are needed to reduce ﬁnancial markets’ procyclicality, rules calling for well-capitalized and transparent banks adhering to sound corporate governance and accounting standards remain valid. At the international level, the answer is certainly not a repeal of ﬁnancial integration, but rather a call for greater coordination across regulators and clearer rules for cross-border resolution. Yet, the crisis has shown that dangerous vulnerabilities can brew under a seemingly calm macroeconomic surface with low inﬂation and stable output gap. In that context, progress has to be made on how to assess vulnerabilities in asset and credit markets and incorporate them into macroeconomic and regulatory policies. The evidence in this and other papers suggest that greater monitoring of housing and credit markets may be a good start. Progress also has to be made with respect to the international ﬁnancial architecture. Regulators have been discussing the importance of information sharing and coordinated responses to ﬁnancial markets stress in the context of cross-border supervision issues. Hence, the broad reform agenda for the future that we touch upon in this section focuses on these two dimensions. Finally, an important caveat: while there are lessons for macroeconomic policy and ﬁnancial regulations, there remain many areas of unknowns where further policy research would be useful. These include areas such as competition policy for a stable ﬁnancial system, approaches to consumer protection in ﬁnancial services, and how to address the political economy pressures regarding ﬁnancial deregulation, ﬁnancial openness, and ﬁnancial crises.

#### No deep recession—new macro regulations

Claessens et al 2010 (Cross-country experiences and policy implications from the global ﬁnancial crisis Stijn Claessens, Giovanni Dell’Ariccia, Deniz Igan and Luc Laeven IMF, University of Amsterdam, and CEPR; IMF and CEPR; IMF; IMF, CentER, Tilburg University, and CEPR. Economic Policy Volume 25, Issue 62, Article first published online: 1 APR 2010. http://goo.gl/RewqQ)

A first, although not completely new lesson on the macroeconomic front is that asset price booms and excessive credit growth can lead to severe macroeconomic vulnerabilities. This concern has reopened the debate on whether monetary policy should react to asset price booms and increases in leverage.6 However, this may be the wrong way of approaching the problem. The monetary policy rate is at best a blunt instrument to deal with asset price bubbles and credit booms.7 First, a higher policy rate is unlikely to be able to discourage speculative behaviour and even if it were effective, it would likely have large macroeconomic costs (through deviations from the desired inflation and output gap). Other, more targeted, regulatory instruments could be used. Higher capital ratios can reduce leverage and excessive credit growth; lower limits on loan-to-value ratios can dampen house price appreciation; and higher margin requirements can help limit stock price increases. While these tools can be to some extent circumvented, they are likely to have lower macro costs than outright changes in the monetary policy rate. These instruments can also complement monetary policy to the extent that low interest rates lead to excessive leverage or to excessive risk taking.8

#### International regulatory coordination stabilizes risk, prevents spillover

Claessens et al 2010 (Cross-country experiences and policy implications from the global ﬁnancial crisis Stijn Claessens, Giovanni Dell’Ariccia, Deniz Igan and Luc Laeven IMF, University of Amsterdam, and CEPR; IMF and CEPR; IMF; IMF, CentER, Tilburg University, and CEPR. Economic Policy Volume 25, Issue 62, Article first published online: 1 APR 2010. http://goo.gl/RewqQ)

Financial liberalization has led to ﬁnancial deepening and increasingly globally integrated ﬁnancial systems. While the beneﬁts of such liberalization for long-run growth are evident (see IMF, 2008a), our results raise questions about the dangers of rapid liberalization for ﬁnancial stability and the ability for the ﬁnancial system to absorb negative ﬁnancial shocks in the short run. Indeed, several of the countries that experienced fast credit growth and sharp increases in asset prices did so in the context of accelerated ﬁnancial liberalization. Financial liberalization combined with the existence of underpriced deposit insurance and implicit government guarantees might have generated incentives for ﬁnancial actors to take excessive risks. And ﬁnancial innovation, such as asset securitization, may have greatly enhanced the ability of ﬁnancial actors to do so. Given that ﬁnancial markets will not internalize all the cost of such risk taking behaviour, the government might need to intervene to curtail such risk taking behaviour. Traditionally, such regulations have come mainly in the form of capital requirements and activity restrictions. What the crisis has made evident is that the current regulatory and supervisory apparatus does not adequately incorporate the notion of systemic risk. Going forward, the ﬁnancial system should be regulated such that the build-up of systemic risk is mitigated. The crisis has also made clear the enormous costs of not identifying the build-up of risks early enough. This requires a macro-prudential approach combined with enhanced market discipline. Private market discipline failed in many respects, while public surveillance identiﬁed risks at a broad level but did not drill down deep enough to expose the full extent of vulnerabilities or draw speciﬁc policy conclusions. Improving regulations and supervisory structures at a national level is, however, not sufﬁcient given the increasing importance of cross-border activities and globally integrated ﬁnancial systems. Many international ﬁnancial architecture changes are needed to monitor and manage the build-up of global systemic risk. 10 A more effective approach to detect impending dangers to the world economy will require close cooperation among international agencies to bring together the scatter of macroﬁnancial information and expertise, and identify key risks and vulnerabilities. An improvement in the assessment of risks also means strengthening macro-ﬁnancial analysis and early warning systems. Most important will be to ﬁnd better ways to convince country authorities to take actions to deal with vulnerabilities, particularly during good times. Better cross-border crisis management arrangements are also sorely needed. As clearly demonstrated by the failures of Lehman Brothers, some Icelandic banks, and other cross-border banks, countries cannot deal with large, complex, globally active ﬁnancial institutions on their own, as these institutions affect many markets and countries. Closer cooperation and greater coordination among regulators and supervisors can help to adequately address market disruptions as they arise and forestall policy measures that have adverse spillovers. Improvements are also needed in the area of cross-border banking resolution (Claessens, 2010). Importantly, improved crisis management will require better international liquidity provision, to both ﬁnancial institutions and countries, to prevent spillovers from becoming solvency issues. Finally, but importantly, the crisis has made clear that a greater coordination between macroeconomic and regulatory policy is needed. Prudential regulation should not only acquire a more macro, system-wide, dimension, but regulatory policy should be set in combination with macroeconomic policy such that the goal of ﬁnancial stability does not conﬂict with the macroeconomic goals of economic growth, price stability and full employment.

## Solvency

#### Bottom Line: Limited amount of energy usable

Benjamin Zycher January 17, 2012 (senior fellow at the Pacific Research Institute, the President of Benjamin Zycher Economics Associates, and an adjunct Professor of Economics and Business at the Martin V. Smith School of Business and Economics, “Wind and solar power, part I: uncooperative reality” American Enterprise Institute

http://www.aei.org/outlook/energy-and-the-environment/alternative-energy/wind-and-solar-power-part-i-uncooperative-reality/)

Unconcentrated Energy Content The energy content of wind flows and sunlight, which varies depending upon air speed and sunlight intensity, is far less concentrated than that of the energy contained in fossil or nuclear fuels.3 To compensate for this unconcentrated nature of renewable energy sources, the facility operator or power utility must invest large amounts in land and materials to make renewable generation technically practical for generating nontrivial amounts of electricity. A wind farm would require 500 windmills of 2 megawatts (MW) each to provide a theoretical generation capacity of 1,000 MW. Because the wind turbines must be spaced apart to avoid wake effects (wind interference among the turbines), a 1,000 MW wind farm would require on the order of 48,000–64,000 acres (or 75–100 square miles) of land. With an assumed capacity factor for a typical wind farm of 35 percent, reliable wind capacity of 1,000 MW would require an amount of land (perhaps at different locations) on the order of three times that rough estimate.4 In contrast, a 1,000 MW gas-fired plant requires about ten to fifteen acres; conventional coal, natural gas, and nuclear plants have capacity factors of 85–90 percent. "The combination of substantial policy support and meager market competitiveness suggests the presence of important impediments to the growth of renewable power." --Benjamin Zycher The same general problem afflicts solar power. The energy content of sunlight, crudely, is about 150–400 watts per square meter depending on location, of which about 20–30 percent is convertible to electricity depending on the particular technology. Accordingly, even in theory, a square meter of solar energy–receiving capacity is enough to power roughly one 100-watt light bulb, putting aside such issues as sunlight intensity. This problem of land requirements for solar thermal facilities is of sufficient importance that most analyses assume a maximum generation capacity of 50–100 MW, which, conservatively, would require approximately 1,250 acres, or two square miles. In short, transformation of the unconcentrated energy content of wind and sunlight into a form usable for modern applications requires massive capital investment in land and wind turbines and solar-receiving equipment. This means that energy from renewable sources, relative to that from conventional forms, by its very nature is limited and expensive.

#### Intermittency-Germany

Can Solar Power Lead to Blackouts?¶ By [EBEN HARRELL](http://science.time.com/author/ebs02/) | November 8, 2010¶ Read more: <http://science.time.com/2010/11/08/can-solar-power-lead-to-blackouts/#ixzz26fXje6hN>

In recent years, Germany has led the world in the adoption of solar power. Now the country’s national energy agency is concerned that Germans’ love of sun beams may paradoxically leave them in the dark.¶ In an interview with [Berliner Zeitung](http://www.berlinonline.de/berliner-zeitung/wirtschaft/detail_dpa_26846126.php) on Oct. 17, Stephan Köhler, head of Germany’s energy agency DENA said harnessing the sun’s energy could overload the country’s electricity grid. Solar power, like wind power, is intermittent; it spikes on clear days around noon when the sun is high in the sky. But in Germany, demand for electricity is low around mid-day and high in the evenings (when people wake up, or come home from work, and turn on electrical appliances). That discrepancy, Köhler warns, could trigger blackouts.¶ ([Click here to read TIME’s report on the problems of solar oversupply](http://www.time.com/time/specials/packages/article/0,28804,1954176_1954175_1954171,00.html))¶ That hasn’t been a problem thus far because surges in solar power are accommodated by switching off conventional power station generators. But Köhler warns that if solar continues to be built at its current rate, eventually it will exceed demand and overwhelm the system.¶ Germany’s booming solar industry is the result of government subsidies that have encouraged German citizens and businesses to install panels and sell surplus electricity to the grid. In 2008, for instance, Germany installed about 2,500 megawatts out of the world’s 5,158. According to the [New Scientist](http://www.newscientist.com/article/mg20827842.800-solar-power-could-crash-germanys-grid.html?full=true&print=true), “uptake has been so rapid that solar capacity could reach 30 gigawatts, equal to the country’s weekend power consumption, by the end of next year.”¶ “We need to cap installation of new panels,” a spokesperson for DENA told New Scientist. The German Solar Industry Federation has refuted this statement, saying that solar panels relieve pressure on the country’s aging electricity grid because the power they produce is used close to the source. It concedes, however, that Germany’s grid needs to be strengthened in some rural areas.¶

#### **Obama swing state strategy is paying off, even in a tight race.**

Klien 10/3 [2012 ELECTION](http://swampland.time.com/category/2012-election/)¶ Obama’s Swing State Success Explained¶ By [JOE KLEIN](http://swampland.time.com/author/jklein1271/) | [@JoeKleinTIME](http://www.twitter.com/JoeKleinTIME" \t "_blank) | October 3, 2012 | [218](http://swampland.time.com/2012/10/03/obamas-swing-state-success-explained/#disqus_thread)¶ Read more: <http://swampland.time.com/2012/10/03/obamas-swing-state-success-explained/#ixzz28pKbZAro>

Ron Brownstein may be the best in the business at reading polls, and [here](http://www.nationaljournal.com/thenextamerica/politics/analysis-why-obama-leads-in-swing-states-20121001) he explains a conundrum that has puzzled a fair number of political observers: why the President seems to be doing so much better in swing states than among the general population. The answer is pretty simple: because most of the spending and targeting and stumping is taking place in swing states, and the Obama campaign is simply doing a better job of it than Romney has. Specifically, Obama has targeted white working-class women–the so-called “waitress moms”–who are particularly sensitive to Romney’s 47% gaffe; and he’s running ads on the daytime programs that they watch–like Judge Judy and Doctor Phil.¶ Today’s polls have the race tightening in several states, and that’s bound to happen between now and November 6; Obama’s margins in places like Ohio, Virginia and Florida have been stupendous, historic–and probably unsustainable. But he walks into the debate tonight with the upper hand in large part because he has been running the more subtle and sophisticated campaign¶ Read more:

## Conditionality Good

### Offense

Checks aff flex – they can read add ons, link turns – condigtionality lets us adapt with our remaining rebuttal.

Double consistency – we should be able to test if their 2ac answers on one position create argumentative tension elsewhere – this increases depth of analysis and strategic analysis skills.

Checks theory voters – the alternative is that CP objections become voting issues.

Plan focus – disads to CP don’t justify a plan worse than the SQ, which is always a logical option.

Infinite prep time to get their plan right – we have to write it on the fly and adapt to their clarifications.

### Defense

All args are conditional – we can kick T or disads and they kick advantages

Neg will offset by holding back the CP until the 2NC, after the net benefits are answered – that’s worse for aff strategy.

2AC skew impact turn – its our job, and their to figure out a coherent 2ac position.

### Dispo checks nothing – it’s incoherent due to multiple defs, overly ties aff strategic options, lets affs win even if the plan is a bad idea, and perms on net benefit CP’s don’t disprove competition per se so it’s incoherent.

### 2NC Solar

#### Solar investors are looking for state support- Rough economy

Sarzynski 2009 (Andrea Sarzynski, George Washington Institute of Public Policy, May 2009, “STATE POLICY EXPERIMENTATION WITH FINANCIAL INCENTIVES FOR SOLAR ENERGY,” http://www.gwu.edu/~gwipp/GWIPP\_Incentive\_Inventory.pdf)

On the other hand, today’s tight fiscal environment makes the availability of state financial incentives all the more important to potential consumers and producers of solar technology. Investors may face difficulty securing private financing and may look to states to fill in the gaps through whatever mechanisms they have available, whether financing, tax, or cash incentives.

#### Only states solve- Federal support insufficient

Ross 2008 (JP Ross, Program Director at the Vote Solar Initiative, where he focuses on creating markets for distributed solar photovoltaics, and Bracken Hendricks is a Senior Fellow with the Center for American Progress, January 2008, “Developing state solar photovoltaic markets: Riding the Wave to Clean Energy Independence,” Center for American Progress, http://www.americanprogress.org/wp-content/uploads/issues/2008/01/pdf/solar\_report.pdf)

The federal government has shown support for solar energy in recent years with the passage of the Energy Policy Act of 2005, which provides tax credits for investors in solar power systems. The Securing Energy Independence Act of 2007 (HR.550/S.590) would extend the tax credits through the end of 2016, a necessary step for a rapid tran- sition to solar energy.

Yet federal action is not enough. Energy policy is largely determined at the state level through state and local laws and utility regulation. States must therefore take the lead to ensure that incentives are properly structured to keeps costs declining while regulatory processes become more easily navigable by businesses and consumers. Solar photovolta- ics must rival power from the utility grid in both cost and accessibility in order to make solar power appealing to consumers.

### 2NC Perm Do Both

#### Federal leadership crowds out the CP

Adler 2006 (Jonathan H. Adler, legal commentator and law professor at the Case Western Reserve University School of Law, May 2006, “WHEN IS TWO A CROWD? The Impact of Federal Action on State Environmental Regulation,” Case Research Paper Series in Legal Studies, online)

Federal policies that directly influence state regulatory decisions are only half of the picture. Just as federal action may encourage or discour- age state regulatory action directly, federal action may indirectly, or even incidentally, encourage or discourage state regulatory action. Federal policies will facilitate greater state regulation where such actions reduce the costs of state implementation, such as by subsidizing necessary research, or where federal policies increase the demand for given regulatory poli- cies at the state level so as to alter or “set” state policy agendas. Federal policies will discourage state regulatory action where they “signal” that state regulatory action is excessive or unnecessary, or where they reduce the marginal benefits of adopting state regulatory programs—benefits either to the general welfare, those interest groups demanding state regu- latory activity, or to the policy-makers responsible for adopting the rele- vant policies.98 Such crowding out is most likely to occur where federal regulations serve as a substitute for state regulations, though there may be other factors that have a similar effect. Adding in these indirect inouences— facilitation, agenda setting, signaling, and crowding out—produces a more complete matrix of the ways in which federal policies inouence state regula- tory choices (see Figure 1b below).

### 2NC Politics Net Benefit

#### CP doesn’t cost capital even if it is controversial/unpopular/noticed because Obama doesn’t have to push for passage in Congress

#### States avoid Congressional backlash

Clemmitt 2010 (Marcia Clemmitt, CQ Researcher staff writer, April 30, 2010, “Does Congress Need a Makeover?,” Volume 20, Number 17, pg 385-408)

Some political scientists suggest that, since the country is highly polarized and gridlock prone at the national level, the United States would do well to make much more policy at the state level instead.¶ “If we’re going to have such a yawning chasm in the coun- try” between left and right, then “the federal government ought to devolve [legislating on more issues] down to the states,” says Ivan Kenneally an assistant professor of political science at New York’s Rochester Institute of Technology. “It’s very hard to pass things when the country is deeply divided,” but “the states tend to be self-selecting in who lives there,” which could make policy development on contentious issues like health care much easier, he says.

#### States bypass partisan gridlock

Goins 2012 (Pam Goins, January/February 2012, “States Develop Solutions in Era of ‘Do-Nothing’ Congress,” Capitol Ideas, a publication of the Council of State Governments, http://www.csg.org/pubs/capitolideas/jan\_feb\_2012\_regionPDFs/CIJanFeb2012SOUTH.pdf)

As Congress remains gridlocked over just about every issue that comes before its members, states are addressing the inaction with innovation. Congressional inaction has forced states to address problems in transportation and education, as well as take a leading role in the immigration debate. Congress has failed to re- authorize the Elementary and secondary Education act, also known as No Child Left Behind, and the surface transportation law, known as saFETEa-LU. Federal lawmakers also are dragging their heels on overhauling immigration, but the U.s. Department of Justice is taking legal action against states that address the issue.

### 2NC warming good – ice age ext.

Heading towards a global cooling trend in the status quo – models show GHG forcing is necessary to prevent the ending of the interglacial period – diminished solar radiation means this will be the worse ice-age yet – causing collapse of Earth’s agriculture and extinction – that’s Lacis and Chapman.

#### Anthropogenic GHG emissions key to prevent an ice age.

Chronis Tzedakis et. al, 1-9-2012, Professor of Physical Geography at University College London, James Channell, Professor in the Department of Geological Sciences at the University of Florida, David Hodell, Professor at the Department of Earth Sciences at the Universit of Cambridge, Luke Skinner, Department of Earth Science and the Bjerknes Centre for Climate Research, UNI Research, Nature Geoscience, “Determining the natural length of the current interglacial,” <http://www.nature.com.proxy.lib.umich.edu/ngeo/journal/v5/n2/pdf/ngeo1358.pdf>

No glacial inception is projected to occur at the current atmospheric CO2 concentrations of 390 ppmv (ref. 1). Indeed, model experiments suggest that in the current orbital conﬁguration—which is characterized by a weak minimum in summer insolation—glacial inception would require CO2 concentrations below preindustrial levels of 280 ppmv (refs 2–4). However, the precise CO2 threshold 4–6 as well as the timing of the hypothetical next glaciation 7 remain unclear. Past interglacials can be used to draw analogies with the present, provided their duration is known. Here we propose that the minimum age of a glacial inception is constrained by the onset of bipolar-seesaw climate variability, which requires ice-sheets large enough to produce iceberg discharges that disrupt the ocean circulation. We identify the bipolar seesaw in ice-core and North Atlantic marine records by the appearance of a distinct phasing of interhemispheric climate and hydrographic changes and ice-rafted debris. The glacial inception during Marine Isotope sub-Stage 19c, a close analogue for the present interglacial, occurred near the summer insolation minimum, suggesting that the interglacial was not prolonged by subdued radiative forcing 7 . Assuming that ice growth mainly responds to insolation and CO2 forcing, this analogy suggests that the end of the current interglacial would occur within the next 1500 years, if atmospheric CO2 concentrations did not exceed 240 5 ppmv. radi The notion that the Holocene (or Marine Isotope Stage 1, MIS1), already 11.6 thousand years (kyr) old, may be drawing to a close has been based on the observation that the duration of recent interglacials was approximately half a precession cycle (11 kyr; ref. 8). However, uncertainty over an imminent hypothetical glaciation arises from the current subdued amplitude of insolation variations as a result of low orbital eccentricity (Fig. 1). It has thus been proposed that at times of weak eccentricityprecession forcing, obliquity is the dominant astronomical parameter driving ice-volume changes, leading to extended interglacial duration of approximately half an obliquity cycle (21 kyr; ref. 9). In this view, the next glacial inception would occur near the obliquity minimum 10 kyr from now 7 . Climate modelling studies show that a reduction in boreal summer insolation is the primary trigger for glacial inception, with CO2 playing a secondary role 3,5 . Lowering CO2 shifts the inception threshold to higher insolation values 1 , but modelling experiments indicate that preindustrial concentrations of 280 ppmv would not be sufficiently low to lead to new ice growth given the subdued insolation minimum24 . However, the extent to which preindustrial CO2 levels were `natural' has been challenged 10,11 by the suggestion that anthropogenic interference since the mid Holocene led to increased greenhouse gas (GHG) concentrations, which countered the natural cooling trend and prevented a glacial inception. The overdue glaciation hypothesis has been tested by climate simulations using lower preindustrial GHG concentrations, with contrasting results, ranging from no ice growth 5 to a linear increase in ice volume 4 to large increases in perennial ice cover 6 .

#### More evidence.

Chronis Tzedakis et. al, 1-9-2012, Professor of Physical Geography at University College London, James Channell, Professor in the Department of Geological Sciences at the University of Florida, David Hodell, Professor at the Department of Earth Sciences at the Universit of Cambridge, Luke Skinner, Department of Earth Science and the Bjerknes Centre for Climate Research, UNI Research, Nature Geoscience, “Determining the natural length of the current interglacial,” <http://www.nature.com.proxy.lib.umich.edu/ngeo/journal/v5/n2/pdf/ngeo1358.pdf>

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#### Global warming is necessary to prevent the next ice age – new sunspot activity will cause sustained cooling.

Shannon Goessling, 7-26-2011, is executive director and chief legal counsel for the Southeastern Legal Foundation, The Examiner, “Ice age threat should freeze EPA global warming regs,” <http://washingtonexaminer.com/opinion/op-eds/2011/07/ice-age-threat-should-freeze-epa-global-warming-regs/40513>

Rather than spiraling into a global warming meltdown, we may be heading into the next ice age. The U.S. National Solar Observatory, the U.S. Air Force Research Laboratory and astrophysicists across the planet report that the nearly all-time low sunspot activity may result in a sustained cooling period on Earth. The news has sent global warming theory advocates scrambling to discount and explain away the impact on global temperatures. However, the "news" is not really that new. Many reputable scientists have been warning for decades that we are nearing the end of the 11,500-year average period between ice ages. And the last similar crash in sunspot activity coincided with the so-called "Little Ice Age" in the 1600s that lasted nearly a century. Despite increasing evidence that "global warming" climate change is not the unified scientific theory it has been promoted to be, vested interests continue to push for stringent limits on carbon dioxide emissions. Certain investment banks and trading houses that stand to make billions on so-called "carbon credits," and the environmental sociologists who have as a stated purpose to change our way of life, are a powerful bloc. In the Obama administration, this cabal has a willing "big stick" in the form the U.S. Environmental Protection Agency, which has enacted draconian measures that will, by President Obama's admission, make energy costs "skyrocket."

#### No significant man-made warming in decades - annual data suggests a global cooling trend.

Randall Hoven, 5-3-2012, Boeing Technical Fellow, adjunct professor in the Engineering School of Southern Illinois University, Johns Hopkins University Applied Physics Laboratory, American Thinker, “Global Warming Melts Away,” <http://www.americanthinker.com/2012/05/global_warming_melts_away.html>

In the following analysis I use publicly available data as provided by government scientists at places like NASA, the U.K. Met office, and NOAA. This is the data we're told to use and trust. I'm using it and trusting it. Measured Temperatures. The two charts below show recent global temperatures (NASA/GISS data) in units of hundredths of a degree above the 1951-1980 average. The lines are linear regression trends for the extent shown. March 2012 was the most recent month of data at the time of writing. Based on NASA/GISS data going back to 1880: The trend of annual mean temperatures since 1880 is warming of 0.59 degrees Celsius per century. The trend over the last nine years (since 2002) is one of cooling. There has been no statistically significant (at 95% confidence level) warming in 14 years (since 1997). The trend in March temperatures for the last 12 years (since 2000) is one of cooling. There has been no statistically significant warming in March for 17 years (since 1995). March 2012 was the coolest March in 13 years (since 1999). Similar observations can be drawn from Hadley Center data from the U.K., which goes back to 1850. The trend of annual mean temperatures since 1850 is warming of 0.45 deg. C per century. The trend over the last 13 years (since 1998) is one of cooling. There has been no statistically significant warming in 16 years (since 1995). In short, both temperature data sets (NASA and Hadley Center) show Minimal global warming over the last 130 to 160 years: about half a deg. C per century. No statistically significant global warming in the last 14 to 17 years. Global cooling in the last 9 to 13 years.

#### Human induced warming key to staves off an ice age.

Freeman Dyson, 2007, professor of physics at the Institute for Advanced Study, in Princeton, “HERETICAL THOUGHTS ABOUT SCIENCE AND SOCIETY,” <http://www.edge.org/documents/archive/edge219.html#dysonf>

Another environmental danger that is even more poorly understood is the possible coming of a new ice-age. A new ice-age would mean the burial of half of North America and half of Europe under massive ice-sheets. We know that there is a natural cycle that has been operating for the last eight hundred thousand years. The length of the cycle is a hundred thousand years. In each hundred-thousand year period, there is an ice-age that lasts about ninety thousand years and a warm interglacial period that lasts about ten thousand years. We are at present in a warm period that began twelve thousand years ago, so the onset of the next ice-age is overdue. If human activities were not disturbing the climate, a new ice-age might already have begun. We do not know how to answer the most important question: do our human activities in general, and our burning of fossil fuels in particular, make the onset of the next ice-age more likely or less likely? There are good arguments on both sides of this question. On the one side, we know that the level of carbon dioxide in the atmosphere was much lower during past ice-ages than during warm periods, so it is reasonable to expect that an artificially high level of carbon dioxide might stop an ice-age from beginning. On the other side, the oceanographer Wallace Broecker [Broecker, 1997] has argued that the present warm climate in Europe depends on a circulation of ocean water, with the Gulf Stream flowing north on the surface and bringing warmth to Europe, and with a counter-current of cold water flowing south in the deep ocean. So a new ice-age could begin whenever the cold deep counter-current is interrupted. The counter-current could be interrupted when the surface water in the Arctic becomes less salty and fails to sink, and the water could become less salty when the warming climate increases the Arctic rainfall. Thus Broecker argues that a warm climate in the Arctic may paradoxically cause an ice-age to begin. Since we are confronted with two plausible arguments leading to opposite conclusions, the only rational response is to admit our ignorance. Until the causes of ice-ages are understood, we cannot know whether\

### biodiversity ext. - range expansion

#### Warming helps biodiversity - gives plants and animals more places to go.

Craig D. Idso & Sherwood B. Idso, Feburary 2011, founder and chairman of the board of the Center for the Study of Carbon Dioxide and Global Change, Sherwood B. Idso, president of the Center for the Study of Carbon Dioxide and Global Change, “Carbon Dioxide and Earth’s Future Pursuing the Prudent Path,” <http://www.co2science.org/education/reports/prudentpath/prudentpath.pdf>

With respect to plants and their amazing resilience, we begin with the study of Holzinger et al. (2008), who revisited areas of twelve mountains having summits located between elevations of 2844 and 3006 meters in the canton of Grisons, Switzerland, where in 2004 they assembled complete inventories of vascular plant species that they compared with similar inventories made by other researchers in 1885, 1898, 1912, 1913 and 1958, following the ascension paths of the earlier investigators "as accurately as possible," where mean summer temperature increased by at least 0.6°C between the time of the first study and their most recent one. This effort revealed upward migration rates on the order of several meters per decade; and the data suggested that vascular plant species richness had increased, and by 11% per decade, over the last 120 years on the mountain summits (defined as the upper 15 meters of the mountains) in the alpine-nival ecotone, where not a single species had been "pushed off the planet." What is more, this finding, in the words of the four researchers, "agrees well with other investigations from the Alps, where similar changes have been detected (Grabherr et al., 1994; Pauli et al., 2001; Camenisch, 2002; Walther, 2003; Walther et al., 2005)." Contemporaneously, Kelly and Goulden (2008) compared two vegetation surveys (one made in 1977 and the other in 2006-2007) of the Deep Canyon Transect in Southern California's Santa Rosa Mountains, which spans several plant communities and climates, rising from an elevation of 244 meters to 2560 meters over a distance of 16 km, while "climbing through desert scrub, pinyon-juniper woodland, chaparral shrubland, and conifer forest." This work revealed that "the average elevation of the dominant plant species rose by ~65 meters," when the 30-year mean temperature measured at seven stations around Deep Canyon rose by 0.41°C between 1947-1976 and 1977-2006, and when the same metric rose by 0.63°C in the climate regions straddled by the transect, and by 0.77°C at the two weather stations nearest Deep Canyon. In commenting on their observations, the two researchers said they implied that "surprisingly rapid shifts in the distribution of plants can be expected with climate change," and it should be noted that those rapid shifts appear to be fully capable of coping with even the supposedly unprecedented rate of warming climate alarmists have long claimed was characteristic of the last decades of the 20th century. Also publishing in the same year, Le Roux and McGeoch (2008) examined patterns of altitudinal range changes in the totality of the native vascular flora of sub-Antarctic Marion Island (46°54'S, 37°45'E) in the southern Indian Ocean, which warmed by 1.2°C between 1965 and 2003. The work of these South African researchers revealed that between 1966 and 2006, there was "a rapid expansion in altitudinal range," with species expanding their upper-elevation boundaries by an average of 70 meters. And because, as they described it, "the observed upslope expansion was not matched by a similar change in lower range boundaries," they emphasized the fact that "the flora of Marion Island has undergone range expansion rather than a range shift." In addition, they appropriately noted that "the expansion of species distributions along their cooler boundaries in response to rising temperatures appears to be a consistent biological consequence of recent climate warming," citing references to several other studies that have observed the same type of response. Another consequence of the stability of lower range boundaries together with expanding upper range boundaries is that there is now a greater overlapping of ranges, resulting in greater local species richness or Biodiversity everywhere up and down various altitudinal transects of the island. And as a further consequence of this fact, le Roux and McGeoch indicated that "the present species composition of communities at higher altitudes is not an analogue of past community composition at lower altitudes, but rather constitutes a historically unique combination of species," or what we could truly call a "brave new world," which is significantly richer than the one of the recent past.

### biodiversity ext. - adaptation

#### Warming increases biodiversity - allows animals to adapt.

Craig D. Idso & Sherwood B. Idso, Feburary 2011, founder and chairman of the board of the Center for the Study of Carbon Dioxide and Global Change, Sherwood B. Idso, president of the Center for the Study of Carbon Dioxide and Global Change, “Carbon Dioxide and Earth’s Future Pursuing the Prudent Path,” <http://www.co2science.org/education/reports/prudentpath/prudentpath.pdf>

"Given the strong positive correlation between diversity and temperature," the six scientists went on to say that "local copepod diversity, especially in extra-tropical regions, is likely to increase with climate change as their large-scale distributions respond to climate warming." This state of affairs is much the same as what has typically been found on land for birds, butterflies and several other terrestrial lifeforms, as their ranges expand and overlap in response to global warming. And with more territory thus available to them, their "foothold" on the planet becomes ever stronger, fortifying them against forces (many of them human-induced) that might otherwise lead to their extinction.

### 2NC - Economy – Resilient

#### Economy resilient – economic collapses in ’87, ’92, ’97, ’98, and 2000 were bigger and deeper – your evidence is alarmist

#### Other even bigger crises prove resilience

Mark Skousen. "What have we learned." Forecasts&Strategies. 2 Jun. 2003. http://www.markskousen.com/article.php?id=1096

The second lesson is that the global economy is far more resilient than anyone imagined. During the past 20 years, we have suffered through two major energy crises, double digit inflation, stock market and real estate crashes in the U.S. and Japan, an unprecedented credit crunch, mammoth federal deficits, the AIDS crisis, several major wars, terrorist attacks, the collapse of the Soviet Union and many other mini-panics, and yet we continue to survive and even prosper. We are not depression-proof, but we are surprisingly depression-resistant. Armageddon has again been postpone

#### Economic institutions ensure bounceback even if there is a total meltdown

Glenn Somerville. "Paulson: Economy resilient but Fed move helpful." Reuters. 22 Jan. 2008. http://news.yahoo.com/s/nm/20080122/bs\_nm/usa\_economy\_paulson\_dc

Treasury Secretary Henry Paulson said on Tuesday he was confident the U.S. and global economies were resilient but welcomed an emergency rate cut by the Federal Reserve as a helpful move. ADVERTISEMENT The U.S. central bank cut benchmark U.S. interest rates by a steep three-quarters of a percentage point while Paulson while still answering questions after addressing a Chamber of Commerce breakfast meeting. Paulson had earlier acknowledged the U.S. economy has slowed "materially" in recent weeks but, despite a meltdown in global stock prices, insisted that the global economy had "underlying resiliency" that would let it weather the storm. The U.S. Treasury chief initially looked surprised when a Chamber of Commerce official said the Fed had just cut rates in a relatively rare move between meetings of its policy-setting Federal Open Market Committee, but praised the action. "This is very constructive and I think it shows this country and the rest of the world that our central bank is nimble and can move quickly in response to market conditions," Paulson said. The U.S. Treasury chief, who headed Wall Street giant Goldman Sachs before taking over Treasury in 2006, said the $145-billion short-term stimulus package that President George W. Bush was asking Congress to work on was needed to minimize the impact of a U.S. economic slowdown. "We need to do something now, because short-term risks are clearly to the downside, and the potential benefits of quick action to support our economy have become clear," Paulson said. But early signs were that Bush's call for bipartisan action -- and a relatively positive Congressional response to it -- were not calming financial markets but might actually be fanning fears that the economy was at greater risk of toppling into recession than officially acknowledged. Stock markets around the world sank sharply on Monday, when U.S. markets were closed for the holiday in observance of slain civil rights leader Martin Luther King's birthday. Paulson tried to reassure that there was reason to feel confident in the U.S. economy's long-term prospects, notwithstanding severe problems in the housing sector and other credit-market strains. "The U.S. economy is resilient and diverse," he said. "It's been remarkably robust and it will be again." He added: "The unemployment rate remains low and job creation continues, albeit at a modest pace. The structure of our economy is sound and our long term economic fundamentals are healthy."

#### Technology ensures adaptation that prevents total collapse

The Economist, “The turning point - The global economy” September 22, 2007 p. ln

Yet the global economy has taken some big blows during the golden age. In the last decade the rich world has weathered the Asian financial crisis, Russia's debt default, the dotcom boom and bust, terrorist attacks on America, sharp increases in oil prices and the uncertainty that came with wars in Afghanistan and Iraq. Still, economic volatility has not picked up. It is true that the abrupt curtailment of energy supplies to a world that was highly dependent on oil was a unique and traumatic event. But economies were more hidebound then: job markets were less flexible and producers more stymied by regulation. The painful results cannot wholly be put down to energy dependency. The more likely explanation is that economies have become far better at absorbing shocks, because they are more flexible. There are many structural shifts that might have contributed to this, from globalisation to the decline of manufacturing in the rich world. The academic literature keeps returning to three: improvements in managing stocks of goods, the financial innovation that expanded credit markets, and wiser monetary policy. For such a tiny part of GDP, the content of warehouses has had a surprisingly big effect on its volatility. When industries cut or add stocks according to demand, that adjustment magnifies the effect of the initial change in sales. Stock levels were once much larger relative to the size of the economy, so a small slip in demand could easily blow up into a recession. But thanks to improvements in technology, firms now have timelier and better information about buyers. Speedier market intelligence and production in smaller batches allows firms to match supply to changing conditions. This makes huge stocks unnecessary and minimises the lurches in inventories that were once so destabilising. The entire inventory of some lean-running companies now consists of whatever FedEx or UPS is shipping on their account. Mr Cecchetti and his colleagues calculate that, on average, more than half the improvement in the stability of economic growth in the countries they studied is accounted for by diminished inventory cycles. That something so workaday as supply-chain management could have so marked an effect might seem a dull conclusion. But dullness is a virtue, because technological improvement is irreversible. This means the greater stability it provides is likely to be permanent.

#### Fungibility guarantees economic flexibility – no collapse

Eugene Gholz (an associate professor of public affairs at the University of Texas at Austin) Daryl G. Press (an associate professor of government at Dartmouth College) Harvey M. Sapolsky (a professor of public policy and organization at MIT) and Benjamin H. Friedman (research fellow in defense and homeland security studies at Cato Institute) Fall 2009 “Restraining Order: For Strategic Modesty” http://www.worldaffairsjournal.org/articles/2009-Fall/full-Sapolsky-etal-Fall-2009.html

Under a policy of restraint, the United States would remain deeply enmeshed in the global economy. U.S. firms will continue to sell their products abroad as eagerly as they do now, and consumers around the world will still buy American products. Nor would the adoption of restraint affect the movement of global capital. American investors will still seek high returns abroad, and foreigners will still invest in the United States. Some policy analysts suggest that political instability abroad would disrupt the global economy, interfering with trade and investment. They presume that growing economic interdependence means that the United States has an economic interest in policing the globe. Although globalization heightens economic ties between countries, those ties mitigate U.S. vulnerability to overseas shocks. Globalization has multiplied the alternatives for almost every economic relationship. There are now alternative suppliers for the goods we consume, alternative consumers for the products we manufacture, alternative locations in which we can invest, and alternative sources of capital for our firms. A common metaphor for the global economy—a complex web—is on the mark. The structure of that web can survive even if a few strands are severed. Profit-seeking actors respond quickly to disruptions by searching for the next-best alternative. If there is trouble in the Strait of Malacca, ships will quickly reroute through the nearly-as-convenient Straits of Lombok or Makassar. If disruptions abroad make it harder to sell U.S. bicycles in Korea, manufacturers will sell them in Portugal. Because of globalization, the United States depends more on access to the global economy as a whole but depends less on any specific economic relationship. The oil market seems to stand out as an exception. Disruptions to oil supply routinely cause huge price spikes and painful adjustments. But the danger of oil disruptions does not require that Washington police the Middle East; rather, the United States ought to retain large stockpiles of oil and other critical materials. The U.S. government has already amassed approximately 700 million barrels of oil. If you add the stockpiles in the European Union, Japan, South Korea, and China, the total for the industrialized world is approximately 1.5 billion barrels of oil. And those are only government-controlled stocks; most analysts believe private holdings exceed official stockpiles. When one compares these massive reserves against plausible disruptions, government-controlled stockpiles alone count as more than sufficient to maintain global supply. The extreme flexibility of the global economy adds to restraint’s appeal as a strategy for the United States. The global economy is not a rigid chain with links that must be protected. It is a flexible, constantly changing web that needs no global policeman to direct its traffic

### Economy - Resilient

#### Too diverse to collapse

Christian Science Monitor 2007, “US economy chugs ahead despite auto and housing slumps”, December 11, 2006 http://www.csmonitor.com/2006/1211/p01s01-usec.html

"The employment numbers show the economy is sturdy," says Mark Zandi, chief economist at Moody's Economy.com. "The problems in housing and autos have not infected the economy." The economy's resilience has been a theme of several years' standing - one that predates the 9/11 attacks. The US output of goods and services has survived the damage of hurricanes Katrina and Rita, a run-up in oil prices, and the bursting of the high-tech balloon in early 2001.One reason for its capacity to take hits is its growing diversity. Indeed, last month's new jobs came in health and financial services, travel, government hiring, and professional services - all helping to offset a struggling manufacturing sector. Even in manufacturing, the picture is not as bleak as it could be, in part because vigorous economies abroad are buying American-made goods. "It takes a lot to get the economy down," says Ethan Harris, chief economist at Lehman Brothers in New York. "It does have some natural resilience in the face of shocks."

## 1NR

## Impact outweighs

Magnitude: Only through heg are we able to win conflicts and nto have they escalate beyond that. If we cant win any conflicts we are stuck in paralysis.

#### HEGEMONY SOLVES MULTIPLE SCENARIOS FOR GLOBAL NUCLEAR WAR

Khalilzad 95 Zalmay, Washington Quarterly, Spring

Realistically and over the longer term, however, a neo-isolationist approach might well increase the danger of major conflict, require a greater U.S. defense effort, threaten world peace, and eventually undermine U.S. prosperity. By withdrawing from Europe and Asia, the United States would deliberately risk weakening the institutions and solidarity of the world's community of democratic powers and so establishing favorable conditions for the spread of disorder and a possible return to conditions similar to those of the first half of the twentieth century. In the 1920s and 1930s, U.S. isolationism had disastrous consequences for world peace. At that time, the United States was but one of several major powers. Now that the United States is the world's preponderant power, the shock of a U.S. withdrawal could be even greater. What might happen to the world if the United States turned inward? Without the United States and the North Atlantic Treaty Organization (NATO), rather than cooperating with each other, the West European nations might compete with each other for domination of East-Central Europe and the Middle East. In Western and Central Europe, Germany -- especially since unification -- would be the natural leading power. Either in cooperation or competition with Russia, Germany might seek influence over the territories located between them. German efforts are likely to be aimed at filling the vacuum, stabilizing the region, and precluding its domination by rival powers. Britain and France fear such a development. Given the strength of democracy in Germany and its preoccupation with absorbing the former East Germany, European concerns about Germany appear exaggerated. But it would be a mistake to assume that U.S. withdrawal could not, in the long run, result in the renationalization of Germany's security policy. The same is also true of Japan. Given a U.S. withdrawal from the world, Japan would have to look after its own security and build up its military capabilities. China, Korea, and the nations of Southeast Asia already fear Japanese hegemony. Without U.S. protection, Japan is likely to increase its military capability dramatically -- to balance the growing Chinese forces and still-significant Russian forces. This could result in arms races, including the possible acquisition by Japan of nuclear weapons. Given Japanese technological prowess, to say nothing of the plutonium stockpile Japan has acquired in the development of its nuclear power industry, it could obviously become a nuclear weapon state relatively quickly, if it should so decide. It could also build long-range missiles and carrier task forces. With the shifting balance of power among Japan, China, Russia, and potential new regional powers such as India, Indonesia, and a united Korea could come significant risks of preventive or proeruptive war. Similarly, European competition for regional dominance could lead to major wars in Europe or East Asia. If the United States stayed out of such a war -- an unlikely prospect -- Europe or East Asia could become dominated by a hostile power. Such a development would threaten U.S. interests. A power that achieved such dominance would seek to exclude the United States from the area and threaten its interests-economic and political -- in the region. Besides, with the domination of Europe or East Asia, such a power might seek global hegemony and the United States would face another global Cold War and the risk of a world war even more catastrophic than the last. In the Persian Gulf, U.S. withdrawal is likely to lead to an intensified struggle for regional domination. Iran and Iraq have, in the past, both sought regional hegemony. Without U.S. protection, the weak oil-rich states of the Gulf Cooperation Council (GCC) would be unlikely to retain their independence. To preclude this development, the Saudis might seek to acquire, perhaps by purchase, their own nuclear weapons. If either Iraq or Iran controlled the region that dominates the world supply of oil, it could gain a significant capability to damage the U.S. and world economies. Any country that gained hegemony would have vast economic resources at its disposal that could be used to build military capability as well as gain leverage over the United States and other oilimporting nations. Hegemony over the Persian Gulf by either Iran or Iraq would bring the rest of the Arab Middle East under its influence and domination because of the shift in the balance of power. Israeli security problems would multiply and the peace process would be fundamentally undermined, increasing the risk of war between the Arabs and the Israelis. The extension of instability, conflict, and hostile hegemony in East Asia, Europe, and the Persian Gulf would harm the economy of the United States even in the unlikely event that it was able to avoid involvement in major wars and conflicts. Higher oil prices would reduce the U.S. standard of living. Turmoil in Asia and Europe would force major economic readjustment in the United States, perhaps reducing U.S. exports and imports and jeopardizing U.S. investments in these regions. Given that total imports and exports are equal to a quarter of U.S. gross domestic product, the cost of necessary adjustments might be high. The higher level of turmoil in the world would also increase the likelihood of the proliferation of weapons of mass destruction (WMD) and means for their delivery. Already several rogue states such as North Korea and Iran are seeking nuclear weapons and long-range missiles. That danger would only increase if the United States withdrew from the world. The result would be a much more dangerous world in which many states possessed WMD capabilities; the likelihood of their actual use would increase accordingly. If this happened, the security of every nation in the world, including the United States, would be harmed.

## Iran

#### Future defense purposes will be used to justify the attack

Charles Savoie, private researcher/historian who has invested a considerable amount of time and effort in compiling a vast body of research which he has titled “The Silver Stealers”, “War & Silver,” Silver Investor, November 2004, <http://www.silver-investor.com/charlessavoie/cs_nov04.htm>, accessed 9-16-2012.

Defense contractors such as General Electric, Lockheed Martin, Boeing, TRW (aerospace), Northrop Grumman, General Dynamics, Raytheon, Alliant Techsystems (cluster bombs), General Motors, Ford Motor and many others, will all need silver in major quantities for the wars of the future which are planned from behind the scenes by The Society and its interlocking affiliates and subsidiaries such as Bilderberg, Skull & Bones, Trilateral and Council on Foreign Relations. I strongly suggest to the American public that they lobby Congress to prohibit any member of such organizations from holding Ambassadorial or any other Federal Government positions. The fact that the President, the Secretary of State and the Ambassador to Britain are automatically made members of the controlling organization must become known to the American public, for the facts of the situation appear in no known textbook on government or political science. This is to be the focus of a research I will soon release---all documented. These organizations wish to immerse the world in wars from which they plan to benefit by being personally enriched, and by acquiring more power in the aftermath of conflicts. They undoubtedly view COMEX warehouse silver held by investors as the next military silver reserve, whether the owners are willing or not! ¶ Government by secret organizations is not the American way. We must have a strategic silver stockpile once again, and can do so without victimizing those who had no role in its demise. Those who manipulated it away must pay for it. That is primarily the Silver Users Association. Ironically, the NYT, August 16, 1942, page 29 commented that Handy & Harman, who became members of SUA in 1947, was presented with an "Army-Navy Production Pennant for high achievement" in producing silver and silver alloys for the war. Actually, they produced no silver---the miners did that. Handy & Harman merely fabricated silver. But the NYT forgot to thank the miners. Like the Wall Street Journal index for October 10, 1983, page 31 said---¶ "Jobless miners in Idaho's Silver Valley face a hard winter as metals prices stay depressed."¶ We must have no more of mining companies and their employees being cheated out of making a decent living, especially since the world cannot function without their product! And a new stockpile must be used for true defense purposes. It must not be used to support another World War to further the ambitions of the British Empire and its American collaborators! With silver once again in reserve, and our government out of the hands of these secret and semi-secret organizations, we can say with Sylvester Stallone as John J. Rambo in "First Blood" (1982)---¶ "I'll give you a war you won't believe!"

### A/T Iran Strikes Good

#### Impact turns don’t apply – they assume a successful, clean war by the U.S. but our lack of silver will compound the problem leading to a messy, unwinnable conflict

Silver Doctors, “CURRENT SILVER SUPPLY SHORTAGE WAS FORESEEN & PREDICTED BY AGXIIK IN MARCH,” August 25, 2012, <http://www.silverdoctors.com/current-silver-supply-shortage-was-foreseen-predicted-by-agxiik-in-march/>, accessed 9-16-2012.

In another four months I expect that silver supplies to hit crunch time.¶ High costs of extraction due to skyrocketing fuel prices. Diesel could go to $9 a gallon. Economic slowdown reduces demand for zinc, lead and copper (silver being a byproduct). Mines are buttoned up due to extraordinary costs of production.¶ Rapid buying of silver by Asian central banks and sovereign wealth funds.¶ Since silver is a strategic metal used in vital communications and weapons manufacturing, and war with Iran is a certainty, this demand for silver will get very interesting. We have not had a war in which strategical metals was in critical shortages. But we do now and our purported allies are not quite so friendly to us now.¶ The lack of this strategic metal will curtail the war efforts. China and Russia doing anything they can to strip-mine silver from the supply chain will cause us to use our already depleted inventory of war materiel, soon finding ourselves unable to replace these silver-laden items.¶ Without firing a shot they will effectively round up supplies to hamper our efforts. China has a lock on over 90% of the rare earths too boot.¶ Do I have exact numbers on each of these factors?¶ No.¶ But with about 700 million ounces of silver available in a year, 200 million ounces coming from scrap, the US producing less than 10% of the entire world’s annual supply.¶ That is the key figure. We have less than 10% of the world’s annual supply and things are going to get sticky real quickly. Plus it would be an idea time to help move the US Dollar further off its reserve status.**¶** The reason I chose August 2012:¶ Israel has about 3 months before it has to get moving on its attack on Iran.

Timeframe: They concede the timeframe of 3 years but our impact is faster during the production of all of these vehicles we will see the prcess increase and the supply decrease and out heg will collapse.

Probability: 100% probability when they don’t read any impact d. And, solar supplies wont be able to recover when your plan is passed.

Solves the case.

## Uniquesness:

They read this EV revolution card but just because there is a revolution doesn’t mean that we switch over to that or that EV is a way to swtich form solar or that it is effective. They read no card that says that EV is the plan or that EV is used for Solar. AND, we use Photovolatic cells that’s what all of there evidence is about.

#### Demand has placed a squeeze on the physical silver supply

Frank Tang, “US silver term structure inverts as supply tightens,” Reuters, February 11, 2011, <http://www.reuters.com/article/2011/02/11/silver-backwardation-idUSN1133112820110211>, accessed 9-16-2012.

The tightest physical silver supplies in four years have tipped the U.S. silver futures market into backwardation this week, making near-term prices more expensive than more distant months.¶ Market watchers said that it has been more than 10 years since silver futures were last in backwardation, an unusual term structure, associated with shortage of physical supply. Warehouse stocks of the white metal have dropped to a four-year low on surging demand, while miners have hedged their future production.¶ Booming industrial demand for silver and record U.S. coin sales, combined with a surge in demand from mining companies to borrow the metal for their hedge programs have led to a squeeze in the physical silver market.¶ “The problem is that there is great industrial demand for a specific grade of silver, and there is not enough coming fresh from the mines,” said Miguel Perez-Santalla, vice president of Heraeus Precious Metals Management.¶ “The stocks are being pulled for all the high grade and better materials, and that essentially put a squeeze on the physical market,” he said.¶ Perez-Santalla said that silver futures have not been in backwardation since billionaire Warren Buffett bought 130 million ounces of silver between 1997 and 1998.¶ Backwardation is a condition where cash or nearby delivery prices are higher than the price for delivery dates further in the future. Usually, forward prices are higher than cash prices to reflect the costs of storage and insurance for stocks deliverable at a later date. “The extent of the backwardation in silver is unprecedented. It suggests that retail investment and industrial demand internationally is very robust and the small silver bullion market cannot cater to the level of demand for refined coin and bar product,” bullion dealer GoldCore said in a note on Friday.¶ Warehouse data from COMEX showed that silver stocks fell to a four-year low at 102.5 million ounces (3,188 tonnes) on Feb. 5, about 30 percent below a peak at over 141 million ounces (4,395 tonnes) in June 2007.

#### Peak silver production coming

Steve St. Angelo, “Peak Silver Revisited,” Financial Sense, October 10, 2011, <http://www.financialsense.com/contributors/steve-angelo/2011/10/10/peak-silver-revisited>, accessed 9-16-2012.

The world is about to peak in global silver production. This will not occur due to a lack of silver to mine, but rather as a result of the peaking of world energy resources, declining ore grades, and a falling Energy Returned On Invested – EROI. The information below will describe a future world that very few have forecasted and even less are prepared. This is an update to my previous article Peak Silver and Mining by a Falling EROI . In my first article I stated that global silver production may peak in 2009 if we were to enter a worldwide depression. We did not have the global depression as massive central bank printing and bailouts have thus far postponed the inevitable. The world has entered a plateau of global oil production over the past 5-6 years. A higher oil price has not brought on more supply to offset depletion rates from existing fields. From the graphs above we see a correlation between global silver supply and oil production, especially in the latter part of the 20th century. Up until the late 1800’s and early 1900’s the majority of energy used in mining silver came from human and animal labor. It is truly amazing just how much silver was produced in the United States at this time without the use of oil and modern mining practices (information provided later in the article). This all changed as global oil production as well as the technique of open-pit mining increased.

Group there link cards that talk about solar power is happening NOW. These are only talking about how Obama wants to increase it and wants invest. Not htat we have actually invested or That we have spent money on it. It is isn’t wnough…. Plus…the the squo silver is jeopardized and it is declinging now.

#### PV and overall silver demand is declining now

The Silver Institute, “World Silver Survey 2012¶ A Summary,” April 2012, <http://www.silverwheaton.com/Theme/SilverWheaton/files/docs_quick%20links/World%20Silver%20Survey%202012%20Summary.pdf>, accessed 9-17-2012.

• Total fabrication in 2011 slipped by 1.5% to ¶ 876.6 Moz (27,265 t) with the rise for coins ¶ outweighed by losses in all other categories.¶ • Industrial offtake fell by 2.7% to 486.5 Moz ¶ (15,132 t) as fourth quarter losses, due mainly to ¶ Eurozone troubles, countered earlier gains.¶ • Silver use in photography extended its trend of ¶ decline, falling to the lowest level in our records.¶ • High prices and economic weakness cut jewelry ¶ demand by 4.5% to 159.8 Moz (4,971 t).¶ • Silverware demand fell by 10.2% to 46.0 Moz ¶ (1,430 t), due to structural trends and high prices.¶ • Implied net investment dropped by 11.2%, but ¶ remained elevated at 164.0 Moz (5,099 t).¶ • Demand for coins & medals posted a fresh alltime high, rising by 18.9% to 118.2 Moz (3,677 t). ¶ ¶ A largely unexpected slump in industrial demand during ¶ the fourth quarter outweighed strong first half gains, ¶ generating a full year loss of 2.7% to 486.5 Moz (15,132 ¶ t). The weakness seen late in 2011 was chiefly the ¶ result of industrial end-users slashing orders due to ¶ fears over the fallout from the Eurozone’s sovereign debt ¶ crisis. There was also a degree of pressure on offtake ¶ from price-led thrifting and substitution in some areas of ¶ industrial use. On a sectoral basis, the main feature last ¶ year was a fall in photovoltaic demand, which resulted ¶ from inventory mismatches, rather than a drop in ¶ underlying demand. That also explains much of US losses ¶ last year, although its absolute fall was just eclipsed by Japan, which suffered more from the fourth quarter drop ¶ in end-user orders. The third largest absolute change ¶ related to China but in this instance it was a rise of nearly ¶ 5% to a new record.¶ Silver use in photographic applications slipped by 8.3% ¶ last year to 66.1 Moz (2,056 t). This was the smallest ¶ absolute loss seen since 2001, thanks largely to a ¶ sluggish rate of conversion into digital systems by both ¶ medical centers and movie theaters, due to the weak ¶ macroeconomic backdrop. That said, photography’s ¶ share of total fabrication continued to slide, falling to just ¶ 8% compared to the 24% it commanded ten years ago.

## Link

#### An increase in solar power will require an increase in silver demands – this rapidly increases prices

Shifra Mincer, “A Silver Tree For Solar PV Photosynthesis,” Earth Techling, March 17, 2012, <http://www.earthtechling.com/2012/03/solar-may-shift-from-silicon-to-silver/>, accessed 9-16-2012.

As solar power becomes increasingly popular in the United States and around the globe, and developers increasingly install large commercial-scale solar plants, scientists have been working to perfect PV panels and make them as cheap and efficient as possible. In fact, the popularity of solar has been a bit of a mixed blessings for the industry. Production capacity skyrocketed, helping to drive down prices, but manufacturing costs remain relatively high as commodity prices spike with the increased demand.¶ Even if the silver fractal tree works to lower the price of silver, solar manufacturers still have to struggle with the commodity prices of silicon and the other components used in solar panels. Engineers are trying to use nanotechnology to reduce the prices of other solar components as well. (Read more here.) Some of those commodities are cheaper than they ever were, but the global markets will definitely be keeping manufacturers and engineers on their toes as they try to keep technology and prices sustainable. This is particularly true as governments around the world race towards various 2020 renewable energy goals, that will put added pressure on renewable energy manufacturers.¶ Also a challenge will be continued funding of renewable energy research, as engineers continue to churn out new ideas and cheaper solutions. The silver fractal research was funded with a $100,000 grant from the Research Corporation for Scientific Advancement, which has been funding Osterloh’s research lab on solar power since 2010.

#### Solar PV requires a significant portion of global silver supplies – adding more pressure will increase prices

Ruth Michaelson, “The PV race to replace silver,” PV Magazine, August 15, 2011, <http://www.pv-magazine.com/news/details/beitrag/the-pv-race-to-replace-silver_100003885/#ixzz1pXdSICAV>, accessed 9-16-2012.

A key material in forming contact grids, photovoltaic panel manufacturers consume roughly 11 percent of the world’s silver supply, according to Bloomberg online, with its cost appreciating 74 percent $35.30 a troy ounce so far in 2011, up from $20.24 in 2010.¶ Shawn Qu, chief executive of Canadian Solar Inc. told the news source earlier this year that he estimates that this adds around three to four cents (or two percent) per watt to the cost of a panel, or as predicted by New Energy Finance, a total of $23.52 to the cost of each panel overall.¶ Most economists seem to conclude that while the rising price of silver is unprecedented and thus potentially unsustainable, the end-point for this surge in cost doesn’t appear to be in sight.¶ The new trend is thus dividing the photovoltaic manufacturing industry along financial lines, as only larger companies are able to afford the extensive research and development needed to find a replacement substance that can conduct electricity as efficiently in polysilicon cells as the white metal.

#### Solar power requires silver as a conducting paste

Carsten Mohr, Manager of the ¶ Heraeus Photovoltaics Business ¶ Unit Europe, “Silver Key to ¶ Efficiency,” March 2012, <http://pvsilverpaste.com/media/webmedia_local/media/newsroom_media/Silver_Key_to_Efficiency.pdf>, accessed 9-16-2012.

Silver metallization pastes are strategically important materials for the manufacture of solar cells. The performance ¶ of the pastes determines the efficiency ¶ with which solar cells and modules will ¶ convert sunlight into usable energy. An ¶ efficient solar cell requires a well designed and formulated metallization paste ¶ that will conduct the greatest possible ¶ proportion of the power generated from ¶ the core of the cell to the electrical grid. ¶ In the value chain, metallization pastes ¶ are needed in the process of manufacturing a solar cell from a silicon wafer. ¶ The paste is typically applied to the wafer by screen printing. On the front side ¶ of a conventional cell, the paste is visible as a grid of very fine lines, which are ¶ highly conductive. On the back side, ¶ metallization paste is necessary to create the back-side contacts, the so-called ¶ busbars, or pads. The lines conduct ¶ electric power from the inside to the ¶ outside of the cell. Finally, a set of cells ¶ are soldered to one another and assembled to a module.¶ silver for Metallization¶ Silver, as a precious metal, is a cost-intensive material with a volatile price. ¶ However, it is the most conductive element available and silver pastes have ¶ long-term stability, meaning that their ¶ conductivity does not significantly diminish in the course of the lifetime of ¶ the cell. Also, the precious metall is ¶ highly corrosion-resistant, a necessary ¶ feature facing the economic life-time of ¶ at least 20 years of solar modules. Finally, silver pastes have good solderability, important in the process of assembling several cells to a module.¶ With the demand for silver paste increasing and the price of silver rising ¶ significantly during the past year, new ¶ solutions are necessary in order to reduce the customer cost. New generations of pastes are required to provide ¶ increased efficiency while reducing paste consumption and silver content. ¶ Those are critical features to reduce the ¶ customer costs. There are basically two ¶ approaches to achieve this goal. One ¶ option is to reduce the amount of paste ¶ used per cell, while at a minimum, ¶ maintaining the performance of the ¶ cell. The other option is to reduce the ¶ silver content of paste without sacrificing performance. The company constantly develops new paste formulations ¶ with the objective of optimizing the ¶ above mentioned key factors.

#### Increased solar power production will increase demand in the solar market

Chris Shaw, “Solar Panels To Support Demand For Silver,” International Business Times, February 10, 2011, <http://www.ibtimes.com/articles/111269/20110210/solar-panels-to-support-demand-for-silver.htm>, accessed 9-18-2012.

Trading in the silver market in 2010 was volatile, with prices struggling to break US$19.00 per ounce for much of the year but racing higher in the final months to push above US$30.00 per ounce on the back of strong investment demand.¶ The actions of investors are continuing to drive the price trajectory of silver according to Barclays Capital, but the group notes when this interest wanes trading in the metal will again be driven by industrial demand.¶ This is important, as on the view of Barclays the current risks presented by silver's fundamentals are likely to outweigh the potential upside drivers. While fabrication demand is likely to increase, Barclays expects the market will continue to remain in surplus as mine supply should also grow.¶ On its numbers, Barclays estimates a surplus for silver in 2011 of 2,804 tonnes, up from its forecast surplus for 2010 of about 2,500 tonnes. Credit Suisse is less bearish, expecting silver to be in a slight deficit this year and through 2014.¶ One part of the silver market that could deliver long-term growth in demand is from an increase in the uptake of solar energy, as Barclays points out silver is used in crystalline silicon photovoltaic (PV) cells, which require highly conductive material on their surface.