# 1AC

## 1AC---DPS

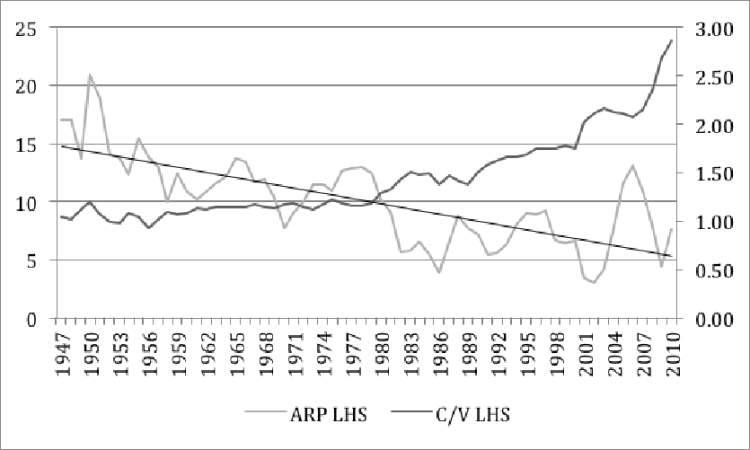
### 1AC---Crisis

#### Advantage 1 is Crisis:

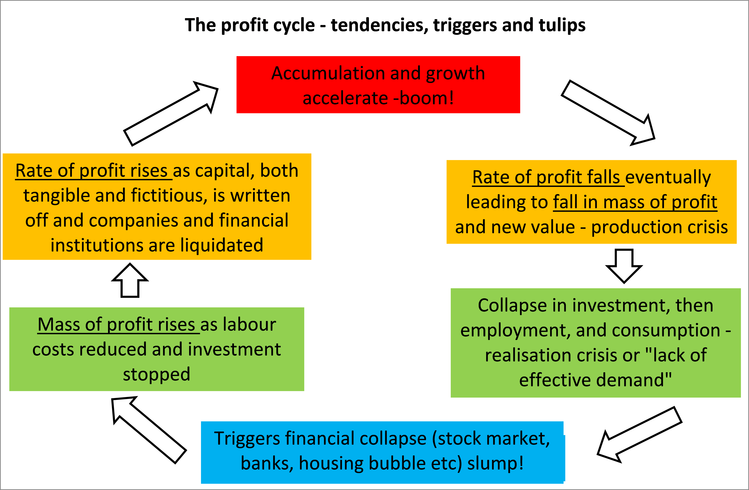
#### Marx’s law of profitability explains cyclical recessions and renders capitalism unsustainable

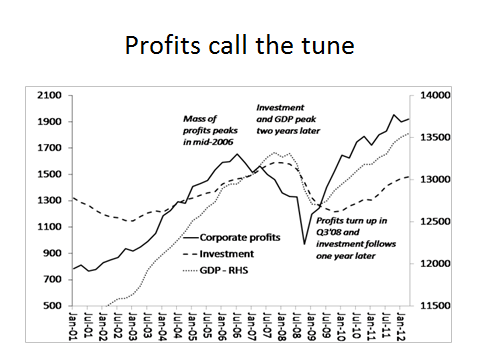
Roberts 15 - London economist (Michael, https://thenextrecession.wordpress.com/2015/12/29/the-marxist-theory-of-economic-crises-in-capitalism-part-two/, emuse)

Does Marx’s law fit the facts? Some Marxist critics of Marx’s law of profitability reckon that the law cannot be empirically proven or refuted because official statistics cannot be used to show Marx’s law in operation. But there are plenty of studies by Marxist economists that show otherwise. The key tests of the validity of the law in modern capitalist economies would be to show whether 1) the rate of profit falls over time as the organic composition of capital rises; 2) the rate of profit rises when the organic composition falls or when the rate of surplus value rises faster than the organic composition of capital; 3) the rate of profit rises, if there is sharp fall in the organic composition of capital as in a slump. These would be the empirical tests and there is plenty of empirical evidence for the US and world economy to show that the answer is yes to all these questions. For example, [Basu and Manolakos](http://gesd.free.fr/basumano.pdf) applied econometric analysis to the US economy between 1948 and 2007 and found that there was a secular tendency for the rate of profit to fall with a measurable decline of about 0.3 percent a year “after controlling for counter-tendencies.” In [my work on the US rate of profit,](http://gesd.free.fr/mr1213.pdf) I also found an average decline of 0.4 percent a year through 2009. And here is a figure by G Carchedi for the rise in the organic composition of capital (OCC) in the industrial sector of the US since 1947 versus the average rate of profit (ARP). It tells the same story. US ARP and OCC (i.e. C/V) versus the average rate of profit (ARP). It tells the same story. US ARP and OCC (i.e. C/V)

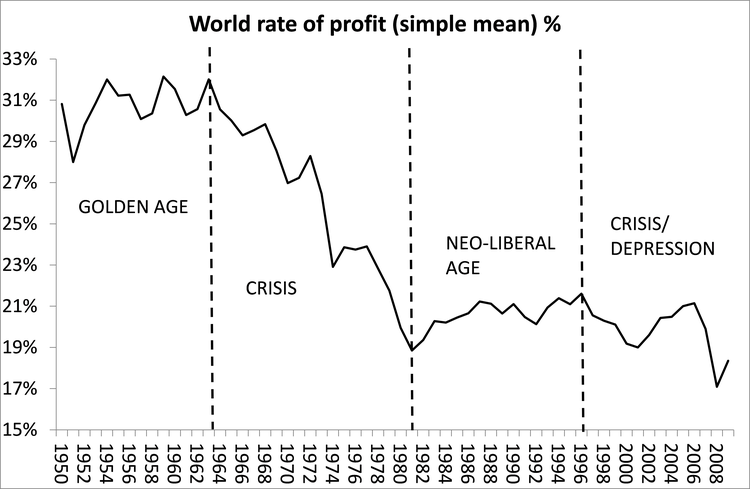
[](https://thenextrecession.files.wordpress.com/2015/12/arp.png)

There is a clear inverse correlation between a rising organic composition of capital and a falling rate of profit. Can Marx’s law explain crises? How does Marx’s law of profitability work as an explanation and forecast of slumps in capitalist economies? The law leads to a clear causal connection to regular and recurrent crises (slumps). It runs from falling profitability to falling profits to falling investment to falling employment and incomes. A bottom is reached when there is sufficient destruction of capital values (the writing off technology, the bankruptcy of companies, a reduction in wage costs) to raise profits and then profitability. Then rising profitability leads to rising investment again. The cycle of boom recommences and the whole ‘crap’ starts again, to use Marx’s colourful phrase. [There is a cycle of profit alongside the long-term tendency for the rate of profit to fall.](https://thenextrecession.files.wordpress.com/2013/07/cycles-in-capitalism.pdf)

[](https://thenextrecession.files.wordpress.com/2015/12/profit-cycle.png) The evidence of this causality between profit and investment is available. Jose Tapia Granados, using regression analysis, finds that, over 251 quarters of US economic activity from 1947, profits started declining long before investment did and that pre-tax profits can explain 44% of all movement in investment, while there is no evidence that investment can explain any movement in profits. I find a higher ‘Granger causality’ of 60% from annual changes in profit and investment (unpublished) and a correlation of 0.67 for the period since 2000. And see this by G Carchedi ([Carchedi Presentation](https://thenextrecession.files.wordpress.com/2015/06/carchedi-presentation.pptx)). In the period leading up to the Great Recession 2008-9, we can see the causality visually for US profits, investment and real GDP in the graphic below. The mass of US corporate profit peaks in mid-2006, investment and GDP follows two years later. Profits turn back up in late 2008 and investment follows one year later.

[](https://thenextrecession.files.wordpress.com/2015/12/profits-lead.png)

There are two basic regularities shown by the data: that a change in profits tends to be followed next year by a change in investment in the same direction; and that a change in investment is usually followed in a few years by changes in profits in the opposite direction. Thus we have a cycle. From these results, the “regularity” of the business cycle, and the fact that profitability stagnated in 2013 and declined in 2014 (and now the mass of profits in 2015) after growing between 2008 and 2012, it can be concluded with some confidence that a recession of the US economy, which will be also part of a world economic crisis like the Great Recession, will occur again in the next few years. And Marx’s law of the tendency of the rate of profit to fall makes an even more fundamental prediction: that the capitalist mode of production will not be eternal, that it is transitory in the history of human social organisation. The law of the tendency predicts that, over time, there will be a fall in the rate of profit globally, delivering more crises of a devastating character. Work has been done by modern Marxist analysis that confirms that the world rate of profit has fallen over the last 150 years. See the graph below ([data from Esteban Maito](https://thenextrecession.files.wordpress.com/2015/05/maito-esteban-the-historical-transience-of-capital-the-downward-tren-in-the-rate-of-profit-since-xix-century.pdfhttp:/gesd.free.fr/mrwrate.pdf) and ‘doctored’ by me).

[](https://thenextrecession.files.wordpress.com/2015/12/world-rate-of-profit-maito.png) Maito’s data for the 19th century have recently been questioned ([DUMENIL-LEVY on MAITO](https://thenextrecession.files.wordpress.com/2015/12/dumenil-levy-on-maito.pdf)), but in a recent work using different sources and countries, I find a similar trend for the post-1945 period globally ([Revisiting a world rate of profit June 2015](https://thenextrecession.files.wordpress.com/2015/12/revisiting-a-world-rate-of-profit-june-2015.pdf)). And earlier groundbreaking work by Minqi Li and colleagues, as well as by Dave Zachariah, show a similar trend. As Maito concludes: “The tendency of the rate of profit to fall and its empirical confirmation highlights the historically limited nature of capitalist production. If the rate of profit measures the vitality of the capitalist system, the logical conclusion is that it is getting closer to its endpoint. There are many ways that capital can attempt to overcome crises and regenerate constantly. Periodic crises are specific to the capitalist mode of production and allow, ultimately, a partial recovery of profitability. This is a characteristic aspect of capital and the cyclical nature of the capitalist economy. But the periodic nature of these crises has not stopped the downward trend of the rate of profit over the long term. So the arguments claiming that there is an inexhaustible capacity of capital to restore the rate of profit and its own vitality and which therefore considers the capitalist mode of production as a natural and a-historical phenomenon, are refuted by the empirical evidence.” So the law predicts that, as the organic composition of capital rises globally, the rate of profit will fall despite counteracting factors and despite successive crises (which temporarily help to restore profitability). This shows that capital as a mode of production and social relations is transient. Capitalism has not always been here and it has ultimate limits, namely capital itself. It has a ‘use-by-date’. That is the essence of the law of profitability for Marx. Alternative theories This is not to deny other factors in capitalist crises. The role of credit is an important part of Marxist crisis theory and indeed, as the tendency of the rate of profit to fall engenders countertendencies, one of increasing importance is the expansion of credit and the switching of surplus value into investment in fictitious capital rather than productive capital to raise profitability temporarily, but with eventually disastrous consequences, as The Great Recession shows ([The Great Recession](https://thenextrecession.files.wordpress.com/2013/08/the-great-recession.pdf); [Debt matters](https://thenextrecession.files.wordpress.com/2012/11/debt-matters.pdf)). Alternative theories of crisis like underconsumption, or the lack of effective demand, are taken from theories from the reactionary Thomas Malthus and the radical Sismondi in the early 19th century and then taken up by Keynes in the 1930s and by modern inequality theorists like Stiglitz and [post-Keynesian economists](http://bilbo.economicoutlook.net/blog/?p=15854). But lack of demand and rising inequality cannot explain the regularity of crises or predict the next one. These theories do not have strong empirical backing either ([Does inequality causes crises](https://thenextrecession.files.wordpress.com/2015/11/does-inequality-causes-crises.pdf)). Professor Heinrich, after concluding that Marx did not have a theory of crisis and dropped the law of profitability, [does offer a vague one of his own](https://thenextrecession.wordpress.com/2015/05/19/the-two-michaels-heinrich-and-roberts-in-berlin-dogmatism-versus-doubt/): namely capital accumulates and produces more means of production blindly. This gets out of line with consumption demand from workers. So a ‘gap’ develops that has to be filled by credit, but somehow this cannot hold up things indefinitely and production then collapses. Well, it is a sort of a theory, but pretty much the same as the underconsumption (overproduction) theory that Heinrich himself dismisses and [Marx dismissed 150 years ago.](http://www.mcg-j.org/swp_arc/english/etheory/economics/eprm29-2.htm) It seems way less convincing or empirically supported that Marx’s own theory of crisis based on the law of profitability. No other theory, whether from mainstream economics or from heterodox economics, can explain recurrent and regular crises and offer a clear objective foundation for the transience of the capitalist system.

#### Profitability will hit zero by 2054---but converging tipping points ensure collapse much sooner

Reese 20 - author of Socialism or Extinction and The End of Capitalism: The Thought of Henryk Grossman (Ted, <https://www.patreon.com/posts/socialism-is-now-37023695>, emuse)

That capitalism is unsustainable has long been empirically observable. Most obviously, manufacturing costs and consumer commodity prices are trending towards zero. For example, whereas the world’s fastest supercomputer in 1975 was worth $5m ($32m in 2013’s money), the price of an iPhone 4 released in 2010 with the equivalent performance was $400. Aerospace companies producing propulsion systems in 2010 for $24m in 24 months are now 3-D printing their engines for $2,000 in two weeks. And rather than having globalised supply chains, such companies foresee the entire rocket being built in ‘at home’ [7]. While ‘offshoring’ manufacturing jobs to the ‘low-income economies’ is said to save up to 65% on labour costs, replacing human workers with robots saves up to 90% [8]. Unlike workers, robots do not need wages, breaks, sick days, holidays or pensions. And they work quicker in the first place, too. While industrialisation, particularly in Asia, saw 83 ‘developing countries’ achieving growth rates by the early 2000s that were more than twice the rate of the ‘developed’ OECD members, the rest of the world has seen the same opportunity end ‘prematurely’. Latin America and Africa are already deindustrialising (shifting to services-based workforces) – from a much lower starting point than Asia [9]. Whereas industrialisation peaked in western European countries at income levels of around $14,000, India and many sub-Saharan African countries appear to have reached their peak manufacturing employment at income levels of $700 (both at 1990 levels) [10]. Not only do robots and 3D-printing increasingly remove the incentive for capitalists based in the US and Europe to exploit workers overseas, the incentive to exploit transit workers – who add production time/value to the commodities they transport around the world – is also removed [11]. The emergence of cellular agriculture (lab-grown food), with falling prices and rising quality estimated to see the beef industry go bust by 2035, is going to have the same effect [12]. For the past 145 years, the imperialist powers – the US, Britain, France, Germany and Japan – have been increasingly compelled to export capital (invest) overseas in order to expand and cheapen their exploitable labour bases, thereby sustaining their own economies by living off profits generated by commodity-producing workers in the ‘developing world’. Britain, for example, exported capital equal to 560% of its GDP in 2014 [13]. Between 1980 and 2012 the net outflows of capital from ‘developing’ countries being funnelled into ‘developed’, ie imperialist nations, totalled $16.3 trillion [14]. But the economic relation that underpins imperialism is now unravelling. If prices are trending historically towards zero, so too must the ‘global’ aggregate rate of profit. According to Estaban Maito’s estimates, it fell in a secular trend from 43% in the 1870s to 17% in the 2000s, and is (as of 2014) on course to reach zero around 2054 [15]. Automation and absolute overaccumulation But as the criminally under-appreciated Polish Marxist Henryk Grossman warned in 1929, capitalism is bound to collapse “much earlier than a zero rate of profit” [16], because capital, inherently, does not accumulate harmoniously – the process tends to break down. Overaccumulated capital – surplus capital that has become unprofitable to reinvest – is inevitable. It causes every recession, a partial and temporary breakdown, and is at the same time an underproduction of surplus value; ie, too little profit has been generated to preserve and expand the value of total capital. (Surplus value, or surplus labour time, is the amount of value the capitalist appropriates from the worker, who, on average, keeps only what they need to subsist, their necessary labour time. Profit then is essentially unpaid labour, which tends to increase with innovation. Hence falling prices.) Debt therefore rises to ‘fill the gap’ caused by this underproduction, but can only cover the lag in profit for so long before recession becomes inevitable, since investors are bound to withdraw funds when growth becomes too stagnant, channelling this new surplus instead into tax havens, land and the competitive gambling of speculation that generates financial ‘bubbles’. Each breakdown is overcome through the sufficient destruction, cheapening and centralisation of capital. But the resulting innovation means fewer workers tend to remain employed relative to total capital. Despite the increased rate of exploitation that temporarily lifts profit rates, the next overaccumulation tends to be greater than the one which preceded it. There is no such thing as ‘technological unemployment’ though – alongside surplus capital grows unexploitable surplus labour (unemployment). Clearly, the closer we get to the completion of the historical trend towards fully-automated production, the closer capitalism gets to its final breakdown. Production is already highly automated. As James Manyika, McKinsey Global Institute director, said in June 2017: “Find a factory anywhere in the world built in the past five years  –  not many people work there.” But the services jobs – relatively unproductive since they tend to handle near-finished commodities, if they handle commodities at all – that replaced manufacturing work are now becoming increasingly automated, too. In Britain, where services count for 80% of economic activity, the number of supermarket checkout assistants fell by 25.3% between 2011 and 2017. At the end of March, after most countries had entered lockdown, almost half of company bosses in 45 countries said they were speeding up plans to automate their businesses. [17] Innovation always takes place most rapidly during a recession, when prices are low. With lockdown turning the home into the place of work, Microsoft could boast of having discovered a fresh way of reducing labour costs and extending absolute labour time as it announced “two years’ worth of digital transformation in two months”. As The Guardian reported at the end of April: “Bank branches were already closing in droves before the epidemic, but here is the perfect excuse to shut more. And that’s not all. The authors of an Oxford University study thought that by 2035 it would be possible to automate 86% of restaurant jobs, three-quarters of retail jobs, and 59% of recreation jobs. By unlucky coincidence, those are among the very industries hardest hit by an epidemic now demanding quantum leaps in efficiency if some companies are to avoid going under.” [18] But automation is abolishing the source of profit, ie, commodity-producing human labour. To be more precise, automation is the final expression of capitalism’s self-abolishing tendency. As Marx wrote in 1858: “As soon as labour in the direct form has ceased to be the great wellspring of wealth, labour time ceases and must cease to be its measure... Capital thus works towards its own dissolution as the form dominating production.” [19] But this dissolution does not happen in a seamless falling rate of profit towards zero, since – as explained, and as indicated by both zig-zagging profit rates and the recessions that tend to strike roughly every 10 years – capital does not accumulate harmoniously. As the Soviet Russian philosopher Genrikh Volkov wrote in 1967, increasing automation eventually leads to “the breakdown, instead of the consolidation, of the existing relations ... of the private ownership of the means of production…. Its consummation is incompatible with capitalism.” [20] In Capital, Marx anticipates an eventual “absolute overaccumulation” of capital. “The limit of capitalist production is the excess time of the labourers,” says Marx. [21] But stretching the rate of exploitation of the working class to anywhere near 100% is obviously impossible – for starters, capital cannot even afford to exploit an ever-increasing part of it, a surplus population that grows alongside surplus capital, while workers in the growing services sector are also relatively unproductive. “As the capitalist mode of production develops, an ever larger quantity of capital is required to employ the same, let alone an increased, amount of labour-power.” But there are other limits too: “As soon as capital would, therefore, have grown in such a ratio to the labouring population that neither the absolute working time supplied by this population, nor the relative surplus working time, could be expanded any further (this last would not be feasible at any rate in the case where the demand for labour were so strong that there were a tendency for wages to rise); at a point, therefore when the increased capital produced just as much, or even less, surplus value than it did before its increase, there would be absolute overproduction of capital.” [22] From zero interest rates to worldwide hyperinflation If the rate of profit is on course to hit zero around 2054, but the final breakdown is bound to happen much earlier than that, it at least becomes impossible to dismiss the theory that we are entering this uncharted territory right now. But empirically, there also seem to be several approaching economic limits or ‘tipping points’ which cannot be converging at the same time merely by coincidence. For starters, average GDP growth rates in what the World Bank defines as ‘high income countries’ are already closing in on zero, having fallen every decade for the past half century: from 5.59% in the 1960s, to 4.15% in the 1970s, 2.93% in the 1980s, 2.35% in the 1990s, and 1.78% in the 2000s. The figure rose slightly to 1.97% in the years 2010-2017, but this minor reprieve has already proven to be unsustainable. GDP in the imperialist nations, though, is inflated by the profits leached from the rest of the world, since much of the profit from each commodity goes towards the GDP of the nation in which it is sold, rather than where it was made. [23] Productivity growth in the high income countries has itself, since 2011, spluttered below 1%. Aggregate global debt (the total debt of governments, corporations and households), already mountainous before the Great Recession, has hit new heights, indicating record-high overaccumulation [24]. According to the IMF, global debt fell by 1.5% of GDP in 2017 compared to a year earlier, but remained more than 11 percentage points of GDP above the previous high in 2009. In June 2019, the IMF said global debt stood officially at $184 trillion, 225% of global GDP. This averages out at $86,000 for every person in the world, 2.5 times average annual per capita income. But according to financial analyst Ron Surz, once ‘off-the-books’ net obligations such as social security and health care are taken into account, official figures are understated by a factor of 2.5, making actual global debt $460 trillion, 560% of GDP and $215,000 per person (as of July 2019) [25]. He put the US figure not at the official 105%, but 390%. Even that is without taking into account the serious accounting problem in the US Department of Defense. In 2016, before Trump was elected, the department’s Inspector General said he could not properly track $6.5 trillion in defence spending. An academic study looking at the years 1998-2015 later put the figure at $21 trillion [26]. The US defence budget has ballooned to $748bn as the long-time imperialist superpower scrambles to hold on to its dying empire. Another financial analyst, Simon Thorpe, calculated in 2015 that global debt was 2.5 times higher than the global money supply (up from two times higher in 2013) [27]. This is despite the fact that the US’s monetary base exploded from $842bn in August 2008 to $2.9 trillion in January 2013 and then $4 trillion in August 2014. The sheer amount of debt is unsustainable since the tax base needed to pay it is obviously shrinking in relative terms. Though it has been socialised, it is now simply too large to work off. Something the capitalist state can do to ease the government’s ability to pay its debt is reduce interest rates, which also makes borrowing cheaper and stimulates lending, maintaining the circulation of money. But lifting the economy out of recession usually takes a 4-5% base interest rate cut. In the US and across Europe base rates are already at zero, having been cut by around only 2%. Central banks have said going negative would make the banks unviable. Therefore, it is highly probable – lockdown or no lockdown – that capitalism, as Pento says, is soon going to spiral for the first time in its history into a crisis of worldwide hyperinflation, since rates will have to start going back up to re-incentivise bond holding and sustain the tax base. But debt-to-GDP – already at record highs and rising – will surge, and so the tax base will continue to shrink; bondholders will realise that what they are owed cannot be repaid and increasingly transfer their funds into hard assets, especially precious metals. The only way to avoid hyperinflation is for states to default on their debt through hyperdeflation – which the record bailouts imply they are understandably trying to avoid – but that would happen after hyperinflation anyway. The US’s national annual deficit is now expected to soar from $984bn in 2019 to $3.8 trillion in 2020. The US has never meaningfully defaulted on its debt but, historically, countries that have failed to get their debt-to-GDP back below 90% have gone on to default, meaning they have had to go to the International Monetary Fund (IMF) for a bail out (usually in the form of high-interest loans and on the condition of privatising state assets). But given that the US dollar is the world’s reserve currency – all oil must be traded in US dollars, for example, making the solvency of all countries dependent on their ability to purchase US dollars – the IMF effectively is the US. The US dollar has lost more than 96% of its value, its purchasing power, since 1913. The figure is more than 99.5% for British pound sterling, compared to 1694, the year it was founded [28]. This is why negative rates would make the banks unviable – they would finish off the depreciation of fiat currency. Many countries, including Russia and China, have started diversifying their foreign currency reserves in the past few years, meaning the main source of financing US debt is disappearing. Even the biggest US bank, JP Morgan, told its clients in August 2019 to sell the dollar. The world economy will likely soon be without a reserve currency. While smaller economies have survived defaults through bailouts in the past, the US and western European countries are the richest and most developed in the world. They represent monopoly capitalism, or imperialism, the highest stage of capitalism. As mentioned, with their workforces now largely services-based, the imperialist nations have been largely living off of profit produced by the labour of commodity-producing workers in Africa, Asia and South America. If the imperialist economies collapse, it’s because the whole system has collapsed. Indeed, as of 7 March, investors had already pulled $83bn from developing markets, the largest capital outflow ever recorded, according to the Institute of International Finance. If all these converging factors – near-zero prices, flat productivity growth, unsustainably high debt, zero interest rates, exhausted currencies – do not constitute a final breakdown of the system, then what will?

#### Mounting dysfunction drives imperialism and inter-capitalist competition---risks nuclear war

Reese 20 - author of Socialism or Extinction and The End of Capitalism: The Thought of Henryk Grossman (Ted, <https://www.amazon.com/Socialism-Extinction-Automation-Capitalist-Breakdown-ebook/dp/B081FHF2ZQ>, emuse)

We have seen that the crisis is intensifying competition between the major imperialist and capitalist powers. The counter-tendencies have failed to prevent the onset of the next crisis. An even greater devaluation of capital and labour power is required. The death and destruction wrought by war is the ultimate source of devaluation and therefore the most important counter-tendency. If war wasn’t an inevitability under capitalism, militarism would be done away with since it is funded through taxation that could otherwise be put towards productive capital. Many Marxists have failed to grasp this. Luxemburg, for example, claimed that “from the purely economic point of view, militarism is a pre-eminent means for the realisation of surplus-value; it is in itself a sphere of accumulation”.[496] Again, her analysis was based on circulation, not production. Grossman counters that “this is how things may appear from the standpoint of individual capital as military supplies have always been the occasion for rapid enrichment. But from the standpoint of the total capital, militarism is a sphere of unproductive consumption. Instead of being saved, values are pulverised. Far from being a sphere of accumulation, militarism slows down accumulation. By means of indirect taxation a major share of the income of the working class which might have gone into the hands of the capitalists as surplus value is seized by the state and spent mainly for unproductive purposes.” On the other hand, though, apart from natural resources, the main resource the capitalists are fighting over in a war is human labour, enough of which is not available at home. What better way to decimate the wages of this new source of surplus value than through warfare? And as well as the destruction of capital value, innovation is accelerated by the arms race, leading to new use-values for the post- war civilian economy and furthering devaluation. Idealists claimed the fall of the Soviet Union would bring about a new era of world peace. The destruction of Yugoslavia, Iraq, Afghanistan, Somalia, Libya, Syria and Yemen since then shows both that they did not appreciate the nature of imperialism or the protection the Soviet Union afforded to countries threatened by imperialism. Who is next for daring to seek independence? Venezuela? Iran? Russia and China have been encircled by NATO in the biggest build- up of military forces since the Second World War. As the crisis of accumulation deepens, the size and frequency of wars tend to grow. In the wake of 9/11, the author Zoltan Grossman circulated a list, based on Congressional Records and The Library of Congress Congressional Research Service, of 133 US military interventions from 1890 to 2001. The average per year is 1.15 before, and 1.29 after, the Second World War. After the Cold War, from late 1989, the figure rises to 2.0. The Democrat Barack Obama replaced the gung-ho Republican warmonger George W Bush in 2008 promising ‘hope’ and ‘change’. But by the end of his second term in 2016, US special operators could be found in 70% – 138 – of the world’s nations, a huge jump of 130% since Bush left office. In 2016 alone, the Obama administration sanctioned the use of at least 26,171 bombs. “This means that every day last year, the US military blasted combatants or civilians overseas with 72 bombs; that’s three bombs every hour, 24 hours a day,” Medea Benjamin of the anti-war CodePink wrote in The Guardian.[500] In 2017, Trump – who in his April 2016 foreign policy speech said that “war and aggression will not be my first instinct” because he wanted to spend the money instead domestically to ‘make America great again’ – outstripped Obama’s 2016 figure by 9,000. Given that many of these wars are fought in an alliance of the imperialist powers, mainly through NATO, much analysis on the Left makes the mistake of thinking that inter-imperialist rivalry no longer exists. This follows on from Kautsky who, because he did not see war as arising from economic necessity, came up with a theory of “ultra- imperialism” whereby the imperialists would realise that it was not in their interests to continue the First World War and would therefore unite to “peaceably redivide the world". Something like this – to a limited extent – did temporarily emerge, but only after the Second World War, only in collective opposition to the Soviet Union, and during a period in which capitalism was recovering in the wake of the war’s devaluation of capital, meaning competition had temporarily diminished. But the barbaric aggression of the wars on the Middle East is symptomatic of deepening capitalist crisis and intensifying rivalry. Through their opposition to the 2003 war on Iraq, France and Germany showed that they are not subordinate to US interests. In the 1990s, TotalFinaElf, France’s huge oil firm, secured the contract to develop Iraq’s southern Majnoon and Nahr Umar oil fields, containing as much as 25% of the country's reserves. German firms were the market leaders in supplying sensitive dual-use technology to Iraq in the years before the 1991 Persian Gulf war, and they had been bidding for more civilian commercial contracts. Khidir Hamza, an Iraqi defector, called Germany “the hub of Iraq's military purchases in the 1980s”. France and Germany did not want new competition. Between the start of 2002 to March 2003 the dollar fell by 20% against the euro. The US had to respond to this: its international economic domination is bound up with the dollar’s strength as the world’s currency anchor. The dollar’s dominance as the main currency for foreign exchange enables it to blackmail countries that do not yield to its demands. Ultimately, the strength of a currency reflects the productivity and size of the economy behind it. Trump’s administration has claimed that Germany is using its currency to “exploit” both its neighbours and the US, sparking fears of a currency war. The US made the desperate accusation that Germany is “under-consuming” goods and services from other countries. At the 2010 G20 summit in Seoul, the US made an unsuccessful attempt to limit the size of current account surpluses to 4% of GDP. Germany’s surplus overtook China’s in absolute size in 2017 and as a share of GDP became much larger. The IMF put Germany’s 2017 surplus as 8.1% of GDP and China’s at 1.6%. The EU’s surplus as a whole in 2017 was $387.1bn. In contrast, the US current account deficit was $462bn in 2017, bigger only than Britain’s $91.4bn. The deficit was 2.5% of GDP in the first quarter, up from 2.4% in the fourth quarter. Bush warned that the US would “neither forgive nor forget” if France continued to oppose the war on Iraq. US Secretary of State Donald Rumsfeld accused Austria of blocking US troop movements from Germany to Italy and said the US was considering bringing home 100,000 troops stationed in Europe (70,000 in Germany) or relocating them to Eastern Europe. He threatened sanctions for “one reason only: to harm the German economy”. At the time, the US controlled 31.5% of world output to the EU’s 26%. However in 2004 ten additional countries were scheduled to join the 15 EU member states, a combination that would match the size of the US’s economy and exceed its population. FRFI – one of the few left-wing publications in Britain to anticipate the potential for conflict between the US and EU – reported in 2003 that total EU FDI already amounted to 52.5% of the world total, nearly 2.5 times that of the US. Over the period 1980-2001, the US share of the global total has halved. The massive rise in the US’s military spending has been necessitated by the need to reverse the decline of its economic dominance – to reiterate, if it doesn’t reverse this it won’t be able to valorise its capital. The Department of Defense’s base budget grew by 31% between 2000 and 2014. An $82bn hike to $716bn in 2018 represented an increase that by itself was larger than the entire defence budget of every country on earth, save China. Trump called the Defense Department’s annual budget “crazy” and proposed a 5% cut, but then committed to a $750bn budget for 2019. Who is really in charge? US military spending is at least 10 times the size of Russia’s, and four times the size of China’s. This is the same Department of Defense with a serious existing accounting problem. In 2016, before Trump was elected, the department’s Inspector General said he could not properly track $6.5 trillion in defence spending. An academic study looking at the years 1998-2015 later put the figure at $21 trillion. Clearly this is unsustainable. As Engels says, “the triumph of force is based on the production of arms, and this in turn on production in general”. US manufacturing output in the 1960s, at the time of the Vietnam War, constituted 27% of the economy and provided 24% of employment. In 2003 manufacturing amounted to 13.8% of its GDP, falling to 12.5% in 2015, and 10.5% of employment, falling to 8.8% in 2013. The US industrial base is shrinking and with it the manufacturing and engineering capacity to achieve military domination of the world. In November 2004 Le Monde Diplomatique reported that, “Some new (EU) states are large arms producers and exporters. The EU is now home to more than 400 companies in 23 countries manufacturing small arms and light weapons – hardly less than the US.” China’s manufacturing sector is now almost as large as those of the US, Japan and Germany combined. When the US invaded Iraq in 2003 its military expenditure was almost $400bn; Iraq’s was $1.4bn, 0.35% of the US’s. In violation of the Iraqi constitution and international law the US-UK Coalition Provisional Authority (CPA) “laid off hundreds of thousands of Iraqi workers, virtually eliminated trade tariffs and enacted laws that radically alter Iraq’s economy. Order 39, decreed by CPA head Paul Bremer on September 20 2003, abolished Iraq's ban on foreign investment, allowing foreigners to own up to 100% of all sectors except natural resources. Over 200 state-owned enterprises, including electricity, telecommunications and pharmaceuticals have been privatised. Iraq's highest tax rate has been lowered from 45% to a flat rate of 15%. Although foreign ownership of land remains illegal, companies or individuals will be allowed to lease properties for up to 40 years.” The extraction of Iraq’s oil was also illegal. In 2011 government documents leaked to The Independent revealed that in November 2002, five months before the invasion, the UK Foreign Office invited BP to talks about opportunities in Iraq “post regime change”. Labour’s Baroness Symons, the then Trade Minister, promised BP that she would lobby the Bush administration because the oil giant feared it was being “locked out” of deals that Washington was quietly negotiating with the French and Russian governments and their energy firms. Control over territory, oil and oil transhipment routes is of paramount importance. With around 60% of the world’s oil reserves, the Middle East has been the key battleground. But this rivalry is playing out all over the world, in South America, Asia, Africa and, since the fall of the USSR, central and eastern Europe, which was identified by the UNCTAD World Investment Report 2002 as “a stable and promising region for FDI”. China, whose contribution to global GDP was expected to eclipse that of the US in 2018, is a particular concern to the traditional powers because its strategy of offering low- or even interest-free loans in exchange for fixed-price sales of primary commodities makes it a more attractive business partner to underdeveloped countries who have been bled dry by high interest loans from the IMF. The US only has intimidation and force left to offer in response. In 2008, for example, the Democratic Republic of the Congo (DRC) reached a deal with China for roads, railways, clinics, hospitals, schools and two new universities worth $6bn. In exchange, China was given the right to extract 12 million tonnes of copper and cobalt over 25 years. In 2004, when Angola was reluctant to accept the terms of an IMF loan, China stepped in with a no-strings-attached $2bn. An Angolan minister said relations with China “not only allowed us to obtain large loans, but most importantly it forced the West to treat us with more respect”. China has overtaken Britain, France and the US as a trading partner with Africa. In 2017, China’s trade with Africa was worth $170bn, four-times larger than US-Africa trade. China invested $125bn in Africa in the decade to 2016 and committed to $60bn more over the next three years. In 2017 China’s trade with Latin America reached $244bn, again exceeding that of the US. China’s dominance in manufacturing has forced Latin American countries to deindustrialise somewhat and focus on producing primary commodities; but China’s investments have also had the effect of strengthening their currencies relative to the dollar. In July 2016, the RAND Corporation think tank warned that, whereas the US would have been capable of achieving a quick and decisive victory with minimal losses in a war with China in 2015, China’s improving anti-access and area-denial (A2AD) capabilities meant that a war in 2025 would instead be “prolonged and destructive, yet inconclusive”. The earlier part of that prediction seemed optimistic, given that the US became bogged down in the face of resistance in Iraq and Afghanistan for years when it expected quick, decisive victories in both, against forces inferior to China’s. Indeed, in March 2019 a RAND analyst said that its war game simulations showed that “when we fight Russia and China, blue gets its ass handed to it”. He said it would cost an extra $24bn a year to turn things around. Chinese and Russian opposition to US deployments of anti-missile systems in Asia has resulted in their greater military cooperation. However, Russia is using its position in the Shanghai Cooperation Organisation (SCO) to try and contain Chinese economic expansion in Central Asia, where it has regional ambitions of its own. As Trevor Rayne wrote in FRFI: “The US turns to alliances with Japan, India, the Philippines and Australia to confront China, but China offers them investments and better trade deals. If it has to the US ruling class will resort to military force to prevent China ejecting it from its dominant position in the world. Competition between the imperialist powers may be limited to geopolitical manoeuvring, ideological and cyber warfare and negotiation table diplomacy for now, but that cannot last forever. At some point the capitalist crisis will become so deep that the imperialist powers will be forced into direct confrontation with each other. The overaccumulation of capital will have become so great that the only way to sufficiently devalue capital and labour power will be through global conflagration. This tendency expresses itself in increasing competition between the imperialist powers as they vie to attain dominance – that is, to apportion losses to one another, to seize each other’s capital and resources by any means. This is what happened in the 20th century. Two world wars, the Great Depression and fascism were the counter-tendencies and crisis measures required over a span of 41 years to keep the accumulation process going and eventually revive it to a healthy enough level to restore political stability. Kautsky – because he believed accumulation was harmonious – claimed that absolute capitalist breakdown would be brought about inevitably by world war, which in his view would happen only because of uncivilised ruling classes.[513] On the other side of the same coin, Bukharin and Varga believed the Second World War would bring about the completion of the world revolution. This perhaps partly explains some of the controversial decisions taken by the Communist International after 1929, when it effectively ordered its national sections in Europe to take social democratic routes to socialism.[514] Grossman says: “It would be useless to search Bukharin for any other cause of the breakdown of capitalism than the ravages created by war.... If like Bukharin, we expect the breakdown of capitalism to flow from a second round of imperialist wars, then it is necessary to point out that wars are not peculiar to the imperialist stage of capitalism. They stem from the essence of capitalism as such, during all its stages, and have been a constant symptom of capital since its historical inception.... far from being a threat to capitalism, wars are a means of prolonging the existence of the capitalist system as a whole.” Grossman was at pains to show that Kautsky’s was a subjective analysis and that the opposite was true: that massive overaccumulation brought about a systemic breakdown and world war followed necessarily because it was the only way to sufficiently devalue capital, to “ward off imminent collapse” and “create a breathing space” for accumulation to restart. Grossman cites the figure from Wladimir Woytinsky’s 1925 book The World In Numbers that “around 35% of the wealth of mankind was destroyed and squandered in the four years” of the First World War, which had been preceded by a worldwide Long Depression – like the one we’re experiencing now – a series of economic ‘panics’ in the US, and intensifying inter-imperialist rivalries over trade routes and colonial territories. By the end of the war, says Grossman, the mass of living labour “confronted a reduced capital, and this created new scope for accumulation”. And yet it wasn’t enough – the 1929 Wall Street Crash followed, “a continuation of the unresolved economic crisis preceding World War One”, as Mattick says.[519] The New Deal attempted to resolve the crisis in the US and fascism attempted to resolve it in Germany (the equivalent of a New Deal in Germany through the SPD’s reforms having already failed before 1929). Neither worked. It would take an even more destructive global war to end the depression. This after Kautsky had claimed in 1927 that capitalism stood, “from a purely economic point of view, stronger than ever”.[520] The First World War – “legalised slaughter” in the apt words of Harry Patch, the last surviving combat soldier of that war from any country – killed 37 million people. The Second World War killed between 70 million and 85 million, 3% of the 1940 world population of an estimated 2.3 billion. The equivalent today from a world population of 7.53 billion would be 226 million. But given that today’s total accumulation and overaccumulation are considerably greater than before World War Two, it follows that it would take a considerably greater level of destruction to – again, temporarily – resolve the crisis. Given that and the fact that every major war following economic breakdown is decided only by total war (the US Civil War, the Peninsular War and the Crimean War being other prime examples), it could be argued that the amount of destruction required is so high now that today’s deepening crisis may at some point necessitate nothing short of a nuclear exchange between the imperialist powers. The Second World War ended with the US dropping the A-bomb on Japan, after all. If World War Three was not sufficiently destructive, then a bigger crisis would follow necessitating World War Four, just as World War Two followed World War One. And of course a Fourth World War would be necessitated at some point anyway. This is all assuming that the crisis that preceded a World War Three wasn’t the final breakdown, the absolute historical limit of capital accumulation. If it were then no amount of destruction could save capitalism. As we said earlier, this is surely now the case – there can be no 1945 productivity boom that breathes another century of life into the system, for automation has already all but abolished the law of value. The current arms race is in fact already accelerating the development of automation and therefore the rate of profit’s historical fall towards zero. We therefore assert that – aside from the fact that a world war today would end life on Earth and destroy the climate for good – even a world war cannot save capitalism this time. Rather than trying to destroy itself in order to renew itself this time, capitalism is now preparing to either destroy or wind itself up for good. Trade wars will continue to intensify. Protectionism becomes an increasingly inevitable reflex as nations attempt to defend domestic and overseas assets; combined with stagnant productivity, this tends to manifest politically in a parochial, ‘anti-globalisation’ nationalism, ie right-wing populism or proto-fascism, as capitalists which rely more on the domestic market – determining their conservatism – finally gain the upper-hand over the more liberal exporting sectors, only to deepen the overall economic crisis by making trade increasingly expensive and centralising capital into yet fewer hands. As Michael Pettis wrote in the FT in 2009, the fact that “nearly everyone agrees that a world that retreats into direct and indirect forms of trade protection is a world that is worse off... should not allay our worries. In the 1930s, it was also well understood that the crisis would be exacerbated by plunging international trade. This did not stop a descent into the protectionism which put the ‘Great’ into the Great Depression.” In February 2019, a senior European Commission economist warned that a Third World War is an increasingly “high probability” due to the “disintegration of global capitalism”.[523] Professor Hanappi, Jean Monnet Chair for Political Economy of European Integration , noted that the emerging trade wars, massive growth of military spending and return of ‘populism’ bear unnerving similarities with trends that beset the world before the outbreak of the first two world wars. Marx wrote that as soon as capital feels itself threatened it will “seek refuge in other forms”, which appear to perfect its rule as capital “through curbs on free competition”; although the curbs on competition “appear to complete the mastery of capital, they are at the same time, by curbing free competition, the heralds of its dissolution, and of the dissolution of the mode of production based on it”.[524] This applies to both the monopolistic stage of capitalism and the inevitability of protectionism. As mentioned, in 2015-16, the G20 economies introduced a record number of trade-restrictive measures. Globalisation was in retreat before Brexit and Trump, because its ability to expand capital is increasingly exhausted. Just as protectionism and trade wars were precursors of the first two world wars, Brexit and Trump’s trade wars threaten to be precursors of a Third World War. Just as the first two world wars were fought between the biggest imperialist rivals, so would a third. That would mean a conflict between the US and its strongest competitor, the German-led EU. On 6 November 2018 France President Emmanuel Macron called for the creation of a “true European army” so that the EU could defend itself from “China, Russia and even the United States of America”, adding: “When I see President Trump announcing that he’s quitting a major disarmament treaty[525] which was formed after the 1980s Euro-missile crisis that hit Europe, who is the main victim? Europe and its security.” Germany already provides the most troops for the UN’s so-called peacekeeping missions. Building on the Permanent Structured Cooperation on security and defense (PESCO) agreement – which allows co-operation on joint military projects for 25 EU member states, established through the Lisbon Treaty in December 2017 – the European Commission provisionally agreed the founding of a €13bn European Defence Fund (EDF) in February. This is to allow joint R&D projects for European companies. Though no formal agreement is to come into effect until November 2019, it is already known that the fund will exclude both post-Brexit Britain and the US. In response the US complained that the moves undermine the NATO alliance and threatened sanctions on EU firms if either project goes ahead. The EU told the the US not to concern itself with Europe's defence plans. In December 2019 Macron said NATO was already “brain dead”, because “you have no co-ordination of decision-making whatsoever between the US and its NATO allies”. In reality, Europe is still reliant upon the US in military matters, a point made clear by, for example, the dominance of US firms in international contracts or the US’s role in NATO. Accordingly, the EU is, to some degree, split upon the US’s INF withdrawal, with key US allies Britain and Poland offering their unwavering support for the move. While disagreement in Europe over the Treaty itself is small, this reflects broader splits within the EU imperialist bloc, more evident in regard to trade and inter-European political discussions. More significantly in military terms, the US’s dominance over Europe’s military capacity means that Europe requires both time and new alliances if it is to stand on its own feet. Europe is now waking up to this. In July, Macron announced that France would build “a large space command within the Air Force, which will eventually become the Air and Space Force... to better protect our satellites, including in an active way”. Analysts called the move a switch from a defensive to an offensive posture. Macron's proposal follows similar moves by the US, China and Russia in recent years. In 2018, Trump ordered the formation of a sixth branch of the US’s armed forces – a "space force”. Europe's imperialists may have once hoped that the end of Trump's Presidency could see a reconciliation with the US bourgeoisie on more advantageous terms, but such hopes seem to be nothing but a fantasy. On 13 November 2018, a bipartisan panel for the US Congress issued a report stating its approval of the Trump administration's pursuit of “great power competition”. In March 2019, Nicole Gibson, Deputy Director of the US State Department’s office for Europe, warned that European companies would “risk significant sanctions” if they resume laying pipe for the Nord Stream 2 (NS2) natural gas pipeline running from Russia to Germany. Construction work was suspended in the December because of winter weather. The deal has infuriated the US because it undermines the potential for its energy giants to export surplus shale gas to Europe as liquified natural gas (LNG). Furthermore, US clients in central Europe are also set to lose out. Snaking under the Baltic Sea, NS2 replaces an older pipeline, stripping Ukraine of gas transit fees worth $2.5bn a year, 4% of its GDP. Ukraine president Petro Poroshenko[526] fears NS2 would allow Russia to switch off gas to Ukraine and Central Europe to blackmail its nearer neighbours without disrupting supplies to Western Europe, enabling the Kremlin to exert greater political influence. Russia supplies more than one-third of the natural gas Europe uses, a figure that is expected to reach nearly 50% in the next decade. German businesses say NS2 will slash their energy costs. German Chancellor Angela Merkel has said that “geostrategically, Europe cannot have an interest in cutting off all relations with Russia”. In 2017 she said that “the times in which we could completely depend on [the US and Britain] are, to a certain extent, over. We Europeans truly have to take our fate into our own hands.” With the relative decline of the US and Britain’s pending departure from the EU, Germany either sees an opportunity to become dominant or the need to find more reliable allies. It may see an alliance with Russia as an extension of European imperialism, and as a replacement for Britain, which itself has reportedly sought to spread misinformation in Europe in an attempt to weaken relations between Germany and Russia.[527] Turkey too, a long time client state of the US, appears to be forming a new alliance with Russia and Germany. In June 2019, the EU and Russia started talks on transitioning to using the rouble and euro in bilateral payments instead of the US dollar. China and Turkey are also investing heavily in the euro. The US is gradually being isolated and the grip on the world economy that the dollar as the world currency anchor gives the US is slipping. In the same week, it emerged that the US had been stepping up its ability to wage a cyberwar on Russia’s power grid, something it had deployed against Venezuela several times, depriving hospitals, factories and residential areas of electricity, earlier in the year. These cyber attacks are acts of war by the US’s own definition. A similar situation is developing with regards to Iran.[528] When Trump pulled the US out of the 2013 Iran nuclear deal, in which Iran agreed to roll back parts of its nuclear programme in exchange for relief from sanctions, Germany, France and even, to the chagrin of the US, Britain – all desperate for outlets for profitable investment – denounced the move and vowed to find ways to circumvent the US ban on trading with Iran, which applies to third parties. In July Russia expressed interest in the EU’s proposed Instrument in Support of Trade Exchanges (INSTEX) mechanism, backing Iran’s demand that it would have to include the oil trade. Significantly, this would see the EU violating US sanctions on two fronts. Trump claims he is trying to stop a nuclear arms race in the Middle East but he is really motivated by competition. In March 2019, Miguel Berger, the Director-General for Economic Affairs and Sustainable Development at Germany’s Federal Foreign Office, complained that, while everyone else was banned from trading with Iran, US trade with Iran in 2018 had in fact doubled. The US says it wants a new deal that curbs Iran’s ballistic missile programme and ends Iran’s supposed influence in Syria, Iraq and Yemen, the latter in which it is accused of backing the anti-imperialist Houthi movement. But it also wants to control Iran’s oil. The US’s increasingly belligerent client-states Israel and Saudi Arabia see Iran as a threat to their regional dominance and welcomed Trump’s move. [529] In May 2019 Trump warned Iran of “severe consequences” as the US, joined by Britain, began to build up naval and air power in the Persian Gulf. Fears of military conflict grew after Trump blamed Iran for Houthi attacks on tankers in the Gulf of Oman. While Britain – which, in a blatant act of piracy at the request of the US, later seized an Iranian oil tanker bound for Syria – sided with the US, the EU demanded an independent inquiry. Japan, which had a tanker involved in the controversy, also questioned the veracity of the US’s account. The same week, Iran shot down a US drone. Trump claimed that he called off a retaliatory airstrike at the last minute, instead imposing further suffocating sanctions and launching a cyberattack on Iran’s defence infrastructure. Sanctions have resulted in inflation in Iran of 40% and the IMF predicted a 6% contraction in its economy. Iran said it would have to develop its uranium enrichment levels if Europe did not do more shield Iran from sanctions.[530] Iran could be the spark that ignites conflict between the US and Europe.[531] Meanwhile, Saudi Arabia’s US-UK-backed war on Yemen has resulted, after four years, in what the UN called the world’s worst humanitarian crisis; and rising tensions between India and Pakistan at the beginning of 2019 threaten to spill over into a full-scale war, with the US generally backing the former and China the latter. Pakistan has taken out billions of dollars in loans from China in recent years as part of Beijing's Belt and Road Initiative (BRI), an ambitious trade and infrastructure network connecting China to Europe, Africa, Southeast Asia and other regions. China has pledged to provide economic assistance to Pakistan, which has been bailed out by high- interest IMF loans some 14 times since 1980. The task of communists As we have said, Leninists have long predicted that these deepening splits would emerge. They have been proven correct, and the defeatist pseudo-Marxist theories of ‘ultra-imperialism’ – that the imperialist powers in fact form an unshakeable alliance – have been proven wrong. Existing divisions in NATO have been widening since the election of Trump, who has been unsurprisingly delighted by Brexit and its destabilising effect on the EU. Denouncing the EU’s “treatment” of Britain in the negotiations, Trump said at the start of April 2019 that “the EU is likewise a brutal trading partner with the US, which will change”. On 9 April he said the US planned to impose tariffs of $11bn (£8.4bn) on EU goods, partly because “EU subsidies to Airbus have adversely impacted the US”.[532] He must have known what was coming: on 10 April the EU and China announced a very significant trade deal in which they vowed, in a thinly veiled rebuke to the US, “to fight against unilateralism and protectionism”. China and Germany are now engaged in concrete military co-operation, with China deploying armoured vehicles on German soil for joint drills on 11 July, something that has been unthinkable until now.[533] At the same time, the potential for realignment with the US is also contained within the German approach. For example, the nation is considering sending a warship through the Taiwan Strait, escalating tensions with China and easing them with the US. As Trump is so fond of saying, “all options are on the table”. France has vowed to retaliate tit-for-tat against US sanctions. In Tony Kennedy’s foreword to the abridged 1992 English reprint of Grossman’s book, he says: “For Grossman, re-presenting Marx’s theory was no mere academic exercise. Nor was he concerned merely with describing tendencies towards periodic economic crises, of a more or less restricted character, nor even with trends towards more systematic and global recessions. He aimed to show that the essence of Marx’s analysis of capitalist society was the identification of the inexorable tendency towards breakdown as the fundamental characteristic of the social system as a whole.... Grossman contended that the socialist movement’s commitment to the overthrow of capitalism required theoretical proof of the system’s tendency towards breakdown.” This is now the task facing communists today. The first appeal that the Communist International made in 1920 to the international working class was to “Remember the imperialist war!”, warning that the repetition of such destructive wars, when the workers of different countries are coerced by the ruling classes to “cut each other’s throats” is not only possible but inevitable if capitalism is not overthrown.[536] The First World War confirmed what was written in the statutes of the First International, that the emancipation of the working class is not a local, nor a national, but an international question. And given that national bourgeoisies are inevitably pitted against each other in a world war, it follows that the only class that is capable of solidarity internationally is the working class. Nation-states will either respond to the looming crash as it deepens by cutting military expenditure drastically or waging war in a bid to offset economic losses – or perhaps by doing both. We are being haunted by the failure to turn the breakdowns that precipitated the first two world wars into the world revolution that Lenin expected to follow on the heels of the one he led in Russia. Only world socialism can ensure humanity’s survival.

#### **Capitalist crises fuel the rise of fascism---hypernationalism greatly increases the odds of conflict**

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In the broader picture, fascism, whether in its 20th- or 21st-century variant, is a particular, far right response to capitalist crisis, such as that of the 1930s and the one that began with the financial meltdown of 2008 and has now been greatly intensified by the pandemic. Trumpism in the United States; Brexit in the United Kingdom; the increasing influence of neo-fascist and authoritarian parties and movements throughout Europe (including Poland, Germany, Hungary, Austria, Italy, the Netherlands, Denmark, France, Belgium and Greece), and around the world (such as in Israel, Turkey, the Philippines, Brazil and India), represent just such a far-right response to the crisis. Trumpism and Fascism The telltale signs of the fascist threat in the United States are in plain sight. Fascist movements expanded rapidly since the turn of the century in civil society and in the political system through the right wing of the Republican Party. Trump proved to be a charismatic figure able to galvanize and embolden disparate neo-fascist forces, from white supremacists, white nationalists, militia, neo-Nazis and Klansmen, to the Oath Keepers, the Patriot Movement, Christian fundamentalists, and anti-immigrant vigilante groups. Since 2016, numerous other groups have emerged, from the Proud Boys and QAnon to the Boogaloo movement (whose explicit goal is to spark a civil war) and the terrorist Michigan group known as Wolverine Watchmen. They are heavily armed and mobilizing for confrontation in near-perfect consort with the extreme right wing of the Republican Party, which long since has captured that party and turned it into one of utter reaction. Encouraged by Trump’s imperial bravado, his populist and nationalist rhetoric, and his openly racist discourse, predicated in part on whipping up anti-immigrant, anti-Muslim and anti-Black sentiment, they began to cross-pollinate to a degree not seen in decades as they gained a toehold in the Trump White House and in state and local governments around the country. Paramilitarism spread within many of these organizations and overlapped with state repressive agencies. Racist, far right and fascist militia, identified by the FBI and the Department of Homeland Security as the most lethal domestic terrorist threat, [operate inside law enforcement agencies](https://www.brennancenter.org/our-work/research-reports/hidden-plain-sight-racism-white-supremacy-and-far-right-militancy-law). As far back as 2006, a [government intelligence assessment](http://s3.documentcloud.org/documents/402521/doc-26-white-supremacist-infiltration.pdf) had warned of “white supremacist infiltration of law enforcement by organized groups and by self-initiated infiltration by law enforcement personnel sympathetic to white supremacist causes.” The fascist insurgency reached a feverish pitch in the wake of the mass protests sparked by the police-perpetrated murder of George Floyd in May. Among recent incidents too numerous to list, fascist militia members have routinely showed up heavily armed at anti-racist rallies to threaten protesters, and in several instances, have carried out assassinations. Trump has refused to condemn the armed right-wing insurgency. To the contrary, he [defended a self-described vigilante and “Blue Lives Matter” enthusiast](https://www.npr.org/sections/live-updates-protests-for-racial-justice/2020/08/31/908137377/trump-defends-kenosha-shooting-suspect) who shot to death two unarmed protesters in Kenosha, Wisconsin, on August 25. On September 3, federal marshals carried out an extra-judicial execution of [Michael Reinoehl](https://truthout.org/articles/trump-appears-to-admit-extrajudicial-killing-of-michael-reinoehl-was-planned/), who admitted to shooting a few days earlier a member of the white supremacist group Patriot Prayer during a confrontation between Trump supporters and counterprotesters in Portland, Oregon. “There has to be [retribution](https://www.vox.com/2020/9/14/21436216/trump-michael-reinoehl-protests-portland-shooting),” declared Trump in a chilling interview in which he seemed to take credit for what amounted to a death squad execution. Particularly ominous was the plot by a domestic terrorist militia group, broken up on October 8, to storm the Michigan state capitol to kidnap and possibly kill the Democratic governor of Michigan and other officials, a conspiracy that the White House refused to condemn. While there are great differences between [20th- and 21st-century fascism](http://robinson.faculty.soc.ucsb.edu/Assets/pdf/FascismbeyondTrump.pdf) and any parallels should not be exaggerated, we would do well to recall the 1923 [“beer hall putsch”](https://www.britannica.com/event/Beer-Hall-Putsch/The-Munich-Putsch) in Bavaria, Germany, which marked a turning point in the Nazis’ rise to power. In that incident, Hitler and a heavily armed group of his followers hatched a plot to kidnap leaders of the Bavarian government. Loyal government officials put down the putsch and jailed Hitler but the fascist insurgency expanded in its aftermath. The fascist putsch now hinges on the November election. The rule of law is breaking down. Trump has claimed, without any credible evidence, that the vote will be fraudulent, has refused to commit to a peaceful transfer of power should he lose, and has all but called on his supporters to be prepared for an insurrection. Himself a [transnational capitalist](http://robinson.faculty.soc.ucsb.edu/Assets/pdf/TheTransnationalCapitalistClass.pdf), a racist and a fascist, Trump took advantage of the protests over the murder of George Floyd to bring the project to a new level, inciting from the White House itself the fascist mobilization in U.S. civil society, manipulating fear and a racist backlash with his “law and order” discourse, and threatening a qualitative escalation of the police state. Widespread and systematic voter suppression, especially of those from marginalized communities, has already [disenfranchised](https://www.theguardian.com/us-news/2020/aug/07/americans-voting-rights-disenfranchisement) millions. Donald Trump Jr. [called in September for](https://www.independent.co.uk/news/world/americas/us-election/donald-trump-jr-video-2020-election-ballot-fraud-b605186.html) “every able-bodied man and woman to join an army for Trump’s election security operation.” Morphology of the Fascist Project The current crisis of global capitalism is both structural and political. Politically, capitalist states face spiraling crises of legitimacy after decades of hardship and social decay wrought by neoliberalism, aggravated now by these states’ inability to manage the health emergency and the economic collapse. The level of global social polarization and [inequality is unprecedented](https://oi-files-d8-prod.s3.eu-west-2.amazonaws.com/s3fs-public/file_attachments/ib-wealth-having-all-wanting-more-190115-en.pdf). The richest 1 percent of humanity control more than half of the world’s wealth while the bottom 80 percent had to make do with just 5 percent of this wealth. Such extreme inequalities can only be sustained by extreme levels of state and private violence that lend themselves to fascist political projects. Structurally, the global economy is mired in a crisis of overaccumulation, or chronic stagnation, made much worse by the pandemic. As inequalities escalate, the system churns out more and more wealth that the mass of working people cannot actually consume. As a result, the global market cannot absorb the output of the global economy. The transnational capitalist class cannot find outlets to “unload” the trillions of dollars it has accumulated. In recent years, it has turned to mind-boggling levels of financial speculation, to the raiding and sacking of public budgets, and to militarized accumulation or accumulation by repression. This refers to how accumulation of capital comes increasingly to rely on transnational systems of social control, repression and warfare, as [the global police state](https://www.plutobooks.com/9780745341644/the-global-police-state/) expands to defend the global war economy from rebellions from below. Fascism seeks to rescue capitalism from this organic crisis; that is, to violently restore capital accumulation, establish new forms of state legitimacy and suppress threats from below unencumbered by democratic constraints. The project involves a fusion of repressive and reactionary state power with a fascist mobilization in civil society. Twenty-first-century fascism, like its 20th-century predecessor, is a violently toxic mix of reactionary nationalism and racism. Its discursive and ideological repertoire involves extreme nationalism and the promise of national regeneration, xenophobia, doctrines of race/culture supremacy alongside a violent racist mobilization, martial masculinity, militarization of civic and political life, and the normalization — even glorification — of war, social violence and domination. As with its 20th-century predecessor, the 21st-century fascist project hinges on the psychosocial mechanism of dispersing mass fear and anxiety at a time of acute capitalist crisis toward scapegoated communities, whether Jews in Nazi Germany, immigrants in the United States, or Muslims and lower castes in India, and also on to an external enemy, such as communism during the Cold War, or China and Russia currently. It seeks to organize a mass social base with the promise to restore stability and security to those destabilized by capitalist crises. Fascist organizers appeal to the same social base of those millions who have been devastated by neoliberal austerity, impoverishment, precarious employment and relegation to the ranks of surplus labor, all greatly aggravated by the pandemic. As popular discontent has spread, far right and neo-fascist mobilization play a critical role in the effort by dominant groups to channel this discontent away from a critique of global capitalism and toward support for the transnational capitalist class agenda dressed in populist rhetoric. The fascist appeal is directed in particular to historically privileged sectors of the global working class, such as white workers in the Global North and urban middle layers in the Global South, that are experiencing heightened insecurity and the specter of downward mobility and socioeconomic destabilization. The flip side of targeting certain disaffected sectors is the violent control and suppression of other sectors — which, in the United States, come disproportionately from the ranks of surplus labor, communities that face racial and ethnic oppression, or religious and other forms of persecution. The mechanisms of coercive exclusion include mass incarceration and the spread of prison-industrial complexes; anti-immigrant legislation and deportation regimes; the manipulation of space in new ways so that both gated communities and ghettos are controlled by armies of private security guards and technologically advanced surveillance systems; ubiquitous, often paramilitarized policing; “non-lethal” crowd control methods; and mobilization of the culture industries and state ideological apparatuses to dehumanize victims of global capitalism as dangerous, depraved and culturally degenerate. Racism and Competing Interpretations of the Crisis We cannot under-emphasize the role of racism for the fascist mobilization in the United States. But we need to deepen our analysis of it. The U.S. political system and the dominant groups face a crisis of hegemony and legitimacy. This has involved the breakdown of the white racist historic bloc that to one extent or another reigned supreme from the end of post-Civil War reconstruction to the late 20th century but has become destabilized through capitalist globalization. The far right and neo-fascists are attempting to reconstruct such a bloc, in which “national” identity becomes “white identity” as a stand-in (that is, a code) for a racist mobilization against perceived sources of anxiety and insecurity. Yet many white members of the working class have been experiencing social and economic destabilization, downward mobility, heightened insecurity, an uncertain future and accelerated precariatization — that is, ever more precarious work and life conditions. This sector has historically enjoyed the ethnic-racial privileges that come from white supremacy vis-à-vis other sectors of the working class, but it has been losing these privileges in the face of capitalist globalization. The escalation of veiled and also openly racist discourse from above is aimed at ushering the members of this white working-class sector into a racist and a neo-fascist understanding of their condition. Racism and the appeal to fascism offer workers from the dominant racial or ethnic group an imaginary solution to real contradictions; recognition of the existence of suffering and oppression, even though its solution is a false one. The parties and movements associated with such projects have put forth a racist discourse, less coded and less mediated than that of mainstream politicians, targeting the racially oppressed, ethnic or religious minorities, immigrants and refugees in particular as scapegoats. Yet in this age of globalized capitalism, there is little possibility in the United States or elsewhere of providing such benefits, so that the “wages of fascism” now appear to be entirely psychological. The ideology of 21st-century fascism rests on irrationality — a promise to deliver security and restore stability that is emotive, not rational. It is a project that does not and need not distinguish between the truth and the lie. The Trump regime’s public discourse of populism and nationalism, for example, bears no relation to its actual policies. Trumponomics involves a sweeping deregulation of capital, slashing social spending, dismantling what remains of the welfare state, privatization, tax breaks to corporations and the rich, anti-worker laws, and an expansion of state subsidies to capital — in short, radical neoliberalism. Trump’s populism has no policy substance. It is almost entirely symbolic — hence the significance of his fanatical “build the wall” and similar rhetoric, symbolically essential to sustain a social base for which the state can provide little or no material bribe. This also helps to explain the increasing desperation in Trump’s bravado as the election approaches. But here is the clincher: Deteriorating socioeconomic conditions and rising insecurity do not automatically lead to racist or fascist backlash. A racist/fascist interpretation of these conditions must be mediated by political agents and state agencies. Trumpism represents just such a mediation. To beat back the threat of fascism, popular resistance forces must put forward an alternative interpretation of the crisis, involving a social justice agenda founded on a working-class politics that can win over the would-be social base of fascism. This would-be base is made up of a majority of workers who are experiencing the same deleterious effects of global capitalism in crisis as the entire working class. We need a social justice and working-class agenda to respond to its increasingly immiserated condition, lest we leave it susceptible to a far right populist manipulation of this condition. Joe Biden may well win the election. Yet even if he does so and manages to take office, the crisis of global capitalism and the fascist project it is stoking will continue. A united front against fascism must be based on a social justice agenda that targets capitalism and its crisis.

### 1AC---Innovation

#### Advantage 2 is Innovation:

#### **DPS unleashes faster and better aligned innovation than either capitalism or state socialism**

Kotz 2 - economics professor at Amherst (David, <https://people.umass.edu/dmkotz/Soc_and_Innovation_02.pdf>, emuse) \*DPPS = DPS

3. Capitalist Innovation Mainstream Western economics gives capitalism high marks for innovation. The pursuit of profit is supposed to assure a strong incentive to engage in the invention, development, and production stages of innovation, while also inducing investors to provide potential innovators with the necessary financial means. Free entry into markets compels rapid diffusion of innovations. An optimal contribution to human welfare is assured, given the assumption that profitability reflects the ultimate value to society of any economic activity. While capitalism does promote a certain kind of rapid technological change, the above account has serious flaws. The pursuit of profit does not play such a big role at the important invention stage of innovation. Studies show that a large majority of economically important inventions come from university scientists, government researchers, and independent inventors, for whom pecuniary considerations are not typically dominant.6 At the development stage, the still-high risks, plus the sometimes substantial external (and hence uncapturable) benefits from innovation, lead to (successful) demands for government subsidization.7 The profit incentive for innovation is profoundly contradictory. For the profit incentive to operate, innovators must be able to gain monopoly control over the innovation and bar competitors, or else the first innovator’s profit will be small and fleeting. However, the legal and extra-legal means that capitalist innovators use to gain such monopoly power (patents and predatory tactics) prevent the rapid diffusion of new products and processes. The greatest flaw in the capitalist innovation process has to do with the third question, that of the contribution of innovative activity to human welfare. As capitalist innovators follow the guide of profits, the following problems arise: 1) innovations are disproportionally directed at upper income consumers;8 2) public goods are largely ignored in the innovation process; 3) external benefits and costs of innovation, which may loom very large, are not taken into account in innovation decisions; 4) the monopoly power required to stimulate innovation leads to high monopoly prices for the resulting product, limiting the use of the new innovation and hence reducing the benefit from it;9 5) much innovation activity is pure waste, as firms devote innovation resources toward the end of defeating rivals rather than benefitting consumers.10 While capitalism does promote the development of the forces of production, it does so in a manner that is severely flawed. Capitalism can promote innovation only if the state and other non-capitalist institutions play an active role in organizing and financing the innovation process, particularly the invention stage. It can do so only with significant monopoly power and barriers to entry that simultaneously promote and hinder technical progress. And it produces a severely distorted innovation process that, after a certain stage of development, may subtract as much from human welfare as it contributes, or even more. 4. Innovation under Soviet State Socialism The Soviet system was, at best, a highly flawed and distorted version of socialism. However, it was the first large-scale effort to build a modern economy based on public ownership of productive property and coordination of the economy by economic planning. For this reason, the experience of the Soviet economy in the area of innovation is relevant to our concerns here Spokespeople for the Soviet system claimed that, as a socialist system, it would, and did, outperform capitalism in promoting technical progress. The key advantages cited were the absence of commercial secrecy, the avoidance of the wasteful duplication of R&D effort of capitalism, and the ability to directly incorporate technological advances into the central plan rather than having to rely on the indirect incentive of profitability. However, the Soviet leadership soon discovered that innovation was not as straightforward a process as had been assumed. In the postwar decades the system was frequently adjusted and reformed to improve innovation performance. The mature Soviet system had various institutional components to its innovation system, including the incorporation of major planned new technologies into the central plan by Gosplan each year. However, two institutions were most important in Soviet innovation performance: 1) a system of R&D Institutes, which had innovation as their sole mission; and 2) the individual enterprises, which typically had a design department for new product development and, at larger enterprises, a research laboratory. The Soviet system did have significant strengths in innovation performance.11 Soviet R&D Institutes were staffed with well-trained and dedicated researchers and were reasonably well funded, and they and the enterprises did produce many important innovations. The success was best known in military and space technology, but it extended to some civilian industrial technologies.12 Output per labor hour in the Soviet economy grew rapidly until 1975, much faster than in the U.S. during that period (Kotz and Weir, 1997, p. 46). However, Soviet innovation performance never lived up to expectations. Understanding the problems encountered in the Soviet innovation process -- and the institutional sources of those problems -- is relevant to evaluating the potential innovation performance of a DPPS system, including potential problems that it might encounter. There was a serious incentive problem in the Soviet innovation process. The incentive problem was not located at the R&D Institutes but rather at the enterprises. Soviet enterprises were relatively good at minor innovations. The incentive problem involved larger changes in the production process and the development of new products that differed substantially from what had been produced before. The Soviet enterprise director faced a context of relatively low rewards (in the director’s bonus) for successful innovations while the risks attendant upon major innovations were quite high. This tended to make Soviet enterprise directors conservative about innovation, with reluctance to develop new products or processes or to introduce those that emerged from the R&D Institutes. The risk of innovation was not just the result of the inevitable delays and unforseen costs that arise when trying something new. The key factor was the difficult supply relations in the Soviet planning system. Enterprises always worried about whether sufficient supplies would be delivered on time to enable the enterprise to meet its goals. This was a result of the policy of “taut planning,” aimed at achieving the maximum possible output from available inputs. Innovation necessitates unforeseen changes in required inputs, and the taut planning system made it difficult to change the input mix in mid-plan. The hierarchical relations of Soviet planning meant that enterprises did not have close relations with their suppliers, which compounded the problem. These conditions made innovation very risky, with a likelihood of interruption of the enterprise’s regular production, resulting in financial punishment for the director. Another incentive problem was an absence of penalties for failure to introduce available new technologies. A laggard enterprise with outmoded technology might find its costs rising above the industry average, but the ministry tended to protect its enterprises and made subsidies available. There were also problems of the means available for innovation. Innovations that involve radically new products typically entail either the entry by an existing enterprise into a new line of production or the creation of new enterprises. The Soviet planning system had relatively rigid boundaries between industries, and entry into a different line by an existing enterprise was discouraged, as poaching on the territory of others.13 While new enterprises were created from time to time, this was limited and usually faced opposition from existing enterprises. Individual inventors were greatly underutilized in the Soviet system. Most enterprises had an official policy of making small-scale facilities available to aspiring inventors. However, this program was not very effective at drawing out creative individual inventors, perhaps because the passivity bred into individuals by the repressive, centralized, hierarchical Soviet system discouraged individual inventive activity. In the matter of the effectiveness of innovative activity at advancing human welfare, the Soviet system did avoid some of the problems of capitalist innovation. There was no bias against innovation in public goods. There was no problem of monopoly pricing of new products and processes, with the attendant limitation of their use. However, the Soviet system had significant weaknesses in the effectiveness of innovative activity. We will cite three problems in this area. First, while irrational profit criteria largely guide the allocation of innovative effort in a capitalist system, in the Soviet system the “planners’ preference” guided this allocation. The top leadership favored certain sectors, particularly the military, space exploration, and certain industrial sectors, while consumer goods occupied a lowly place in their priorities. Second, there was a problem stemming from the poor relations between the two key institutions involved in innovation, the R&D Institutes and the enterprises. The R&D Institutes had the best researchers and facilities, and they produced a large volume of plans for new products and processes. However, the enterprises, which had to produce the new product or introduce the new process, complained that plans arrived that were incomplete, unrealistic, or unworkable. R&D Institutes complained that enterprises were uninterested in their proposals. The result was that much innovative effort failed to bear fruit. This seemed to be a result of the hierarchical character of the system, in which relations between institutions at the same level of the hierarchy were very poorly structured.14 Third, and perhaps most serious, innovation in the Soviet system generated major external costs, particularly for workplace and environmental health. The reason for this in the Soviet case was not the pursuit of profit but the single-minded emphasis on growth in output and the undemocratic and repressive character of the system which prevented the affected parties from defending their health interests. 5. Innovation in a Democratic Planned Participatory Socialist System What kind of innovation performance would be expected under a DPPS system, by comparison to that of capitalism and state socialism? Three features of DPPS, as laid out in Devine (1988), are relevant to innovation performance. First, the main features of the overall economic plan would be determined by a democratic process (Devine, 1988, p. 190). Second, the planning and coordination of the economy would take place, not through market forces or top-down central planning, but through a process of “negotiated coordination” (Devine, 1988, ch. 8-10). This means that resource allocation decisions would be made by boards -- industry boards and local and regional negotiated coordination bodies -- that have representation of all affected constituencies, including workers, consumers, suppliers, the local community, and even “cause” groups such as environmentalists, job safety activists, feminists, etc. These bodies would arrive at decisions through compromise among the interests represented on them. In addition, the basic units of social production, or enterprises, are considered social property and have governing boards that include representatives of all groups affected by the activity of the enterprise, including workers, consumers, suppliers, and the local community. Third, each individual would be expected to spend part of her/his work life in each of the main types of labor, which Devine defines as planning and managing labor, creative labor, nurturing labor, skilled labor, and unskilled/repetitive labor (Devine, 1988, 171). This would eliminate the social division of labor, while preserving the technical division of labor with its efficiency advantages In the absence of competitive pursuit of profits, or a Politburo demanding innovation, what would be the source of innovation under DPPS? First, the democratic, participatory institutions of that system would empower the population to demand innovations aimed at its own benefit. Under such a system, people would stand to benefit from innovation, in the three roles that people occupy – that of consumer, worker, and community member. Consumers can benefit from new, better, and cheaper products. Workers can benefit from less arduous toil and a more satisfying experience at work. Members of the community can benefit from products and work processes that improve, rather than harm, community life. DPPS, like every economic system, can also tap a second potential source of innovation. That is the species trait of human beings of having a propensity to look for ways to change and improve their methods of doing things, entirely apart from any desire for more goods or less labor. This drive, present in most people, although not in equal measure in all, represents an important source of innovative behavior at the stage of invention, if the economic system allows it to operate freely. How would a DPPS economy translate the potential benefits of innovation into actual effective innovative activity? How would it encourage, within the economy, the expression of human beings’ natural tendency to create new things? If the populace wants innovation, they would have to build into the system significant incentives for those who are in a position to carry it out. Enterprise managers, along with everyone else who participates in any of the stages of innovation, should be eligible for rewards for successful innovation. It is not sufficient to assume that decision-makers will automatically innovate -- it must be communicated to them, via a reward system, that society values innovation. Such rewards would be needed regardless of the mix of material versus moral incentives. Pay incentives need not be huge to elicit innovative behavior, as long they are large enough to bring a noticeable consumption benefit to the innovator. As the Soviet experience indicates, a planned economy can increase the risk associated with innovation, deterring innovative activity. However, DPPS should not suffer from the problems of uncertain supplies and inflexibility that characterized Soviet planning. With representatives on one another’s decision-making boards and with opportunities to communicate on negotiated coordination bodies, there should be reliable and flexible relations between suppliers and customers. It would be necessary to eschew the Soviet policy of taut planning and operate the economy with sufficient excess productive capacity to accommodate the unforeseen changes in inputs that innovation requires. Without the spur of competition to compel laggard enterprises to adopt the best technology in the industry, could an enterprise management, perhaps backed up by a workforce unenthusiastic about change, simply refuse to make improvements? As was noted above, an enterprise under DPPS is not the sole property of its workers but is social property, upon which constituencies outside the enterprise have a legitimate claim. Industry boards would have to keep track of laggard enterprises, and consumer representatives on both industry and enterprise boards would have to be powerful enough to exert pressure to make appropriate changes, imposing financial penalties where necessary. In order for this system to work effectively, it would be desirable to have more than one enterprise in each industry, except in cases of natural monopoly.15 The purpose is not to impose a market form of competition in which the cheapest producer drives out the rest, a process which often yields socially irrational outcomes. Rather, the purpose is to permit the gathering of comparative information about enterprise performance, from market exchange as well as other sources, so as to make informed decisions about what changes enterprises should be asked to make. It would not always turn out that the higher-cost producer is the one asked to change; the lower-cost producer might be found to have achieved low costs by anti-social practices rather than superior technology. Long ago Adam Smith complained that the detailed division of labor tends to make workers stupid. The DPPS practice of assuring everyone participation in the highest types of labor should have the opposite effect. This practice, along with the widespread participation in decision-making fostered by a DPPS society, should encourage the creative, innovative behavior that is natural to our species. DPPS should create conditions for a substantial outpouring of creativity from the population, some of which would take the form of innovation in the economic sphere. In the matter of assuring adequate means for innovation, DPPS would face a serious problem. The basic institutions of DPPS would not necessarily provide sufficient opportunities for creative individuals to work out new economically relevant ideas. More generally, there would be a danger that the decision-making boards of DPPS would tend to represent existing ways of doing things and offer resistance to innovation. The citizens of a DPPS society could solve this problem by establishing an Innovation Facilitation Board (IFB), dedicated to the promotion of innovation throughout the economy.16 The IFB would be given substantial financing from the central treasury. It would take applications from enterprises, informal groups, or individuals that wanted to work on inventing a new product or process or to engage in the development stage of an innovation. It would be able to make grants covering a long enough time period to provide a chance of success. Determining the membership of the IFB represents a serious problem for DPPS. If the IFB included representatives of all the constituencies that are affected by innovation, this would be likely to subvert its intended function. Major innovations typically have victims, and the potential costs may be more apparent than the potential benefits when the innovation is still at an early stage.17 A simple application of the principle of wide representation might block the development of new products and processes before their potential benefits became apparent. In order to be capable of carrying out its mandate, the IFB would have to be constituted as an independent board, perhaps made up of consumer representatives and experts of various kinds. Such a departure from the usual practice would be consistent with the underlying principle of DPPS, as long as the final decision to implement an innovation rested with a representative board. The IFB would facilitate and encourage the invention and development stages for new products and processes. It seems justified to protect the early stages of innovation from a final social decision, until it has been developed to the point where a well-informed judgment can be made about benefits and costs. However, the decision to implement an innovation should have to pass the test of the system’s core process of evaluation by, and compromise among, all affected constituencies. This calls for a second institution, an Innovation Approval Board (IAB). It would be constituted in the usual way, with representation of all relevant interests. Its role would be to determine whether a proposed new product or process, which emerged from a grant from the IFB, should be given the green light for production/introduction. While contemporary capitalism does place some after-the-fact restraints on socially harmful innovation, through state regulation and individual or class-action lawsuits, DPPS would place social interests at the heart of the innovation process. While the research and development stages of a potentially harmful project could not be readily blocked by opponents, the project could not be implemented, and the costs actually imposed, without social approval. Furthermore, those engaging in invention or development on an IFB grant would know the criteria by which the implementation of the innovation would eventually be judged by the IAB, which should have a positive impact on the direction of invention and development. A remaining problem is the possible need to allow an existing enterprise to enter a new line of production, or to permit the founding of a new enterprise, in order to implement a major innovation. This might encounter resistence from existing interests. To avoid this problem, once the IAB has given its approval, the innovators should have the right to request permission to start a new enterprise, or enlist an existing enterprise to move outside its previous line of work, in order to implement the innovation. A decision to grant such a request might require a joint meeting of the IFB and the IAB. The social effectiveness of innovation under DPPS should be free of each of the five problems of capitalist innovation cited above. Innovation would not be directed disproportionately to satisfy the rich, since there would be no rich class, nor would profits from sale guide innovation. The balance between innovation in public and private goods should reflect the citizenry’s priorities, since representative bodies would allocate innovation resources between the two types of goods, and the incentives for innovation should operate equally for the two. External benefits and costs, including those affecting workers and the environment, should be fully considered by the representative boards that make decisions about the introduction of new technologies and products. Such decisions would not face the pressure to impose costs on third parties that results from competitive profit-seeking. There would be no problem of monopoly pricing restricting the application of innovations and no waste of innovative effort due to oligopolistic competition. The three problems that undermined the effectiveness of innovation under state socialist planning should be absent from DPPS. No Politburo officials would dictate priorities for innovation. Instead, democratic decision-making would determine the amount and allocation of innovation. The waste-generating disconnection between R&D Institutes and enterprises should not be present in DPPS, since horizontal relations among institutions would be strong. If R&D Institutes were designed as part of the innovation system of DPPS, then cross representation between them and the enterprises should permit an effective interface between the two types of institutions. Last, the causes of the severe external costs of innovation under state socialism – a single-minded focus on growth of output and a lack of democracy – should not characterize DPPS. Our conclusion is that the basic defining institutions of DPPS are generally favorable for innovation, but these institutions alone would not be sufficient to guarantee successful innovation performance. By adding the set of additional institutions and policies mentioned above, DPPS should display an innovation performance far superior at meeting human needs to that of either capitalism or state socialism. Of course, such a system would not guarantee that every innovation would contribute to human welfare. It is not always possible to predict in advance what the eventual consequences of a new product or process will be. However, such a system would be far superior to earlier systems at making such decisions.

#### An innovation process centered on social interests is key to avert extinction from black-ball technology

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Achieving stabilization The truth of VWH would be bad news. But it would not imply that civilization will be devastated. In principle at least, there are several responses that could stabilize the world even if vulnerability exists. Recall that we defined the hypothesis in terms of a black-ball technology making civilizational devastation extremely likely conditional on technological development continuing and the semi-anarchic default condition persisting. Thus we can theoretically consider the following possibilities for achieving stabilization: 1. Restrict technological development. 2. Ensure that there does not exist a large population of actors representing a wide and recognizably human distribution of motives. 3. Establish extremely effective preventive policing. 4. Establish effective global governance. We will discuss (3) and (4) in subsequent sections. Here we consider (1) and (2). We will argue they hold only limited promise as ways of protecting against potential civilizational vulnerabilities. Technological relinquishment In its general form, technological relinquishment looks exceedingly unpromising. Recall that we construed the word ‘technology’ broadly; so that completely stopping technological development would require something close to a cessation of inventive activity everywhere in the world. That is hardly realistic; and if it could be done, it would be extremely costly – to the point of constituting an existential catastrophe in its own right (Namely, ‘permanent stagnation’ (Bostrom, 2013)). That general relinquishment of scientific and technological research is a non-starter does not, however, imply that limited curtailments of inventive activities could not be a good idea. It can make sense to forego particularly perilous directions of advancement. For instance, recalling our ‘easy nukes’ scenario, it would be sensible to discourage research into laser isotope separation for uranium enrichment (Kemp, 2012). Any technology that makes it possible to produce weapons-grade fissile material using less energy or with a smaller industrial footprint would erode important barriers to proliferation. It is hard to see how a slight reduction in the price of nuclear energy would compensate. On the contrary, the world would probably be better off if it somehow became harder and more expensive to enrich uranium. What we would ideally want in this area is not technological progress but technological regress. While targeted regress might not be in the cards, we could aim to slow the rate of advancement towards risk-increasing technologies relative to the rate of advancement in protective technologies. This is the idea expressed by the principle of differential technological development. In its original formulation, the principle focuses on existential risk; but we can apply it more broadly to also encompass technologies with ‘merely’ devastational potential: Principle of Differential Technological Development. Retard the development of dangerous and harmful technologies, especially ones that raise the level of existential risk; and accelerate the development of beneficial technologies, especially those that reduce the existential risks posed by nature or by other technologies (Bostrom, 2002). The principle of differential technological development is compatible with plausible forms of technological determinism. For example, even if it were ordained that all technologies that can be developed will be developed, it can still matter when they are developed. The order in which they arrive can make an important difference – ideally, protective technologies should come before the destructive technologies against which they protect; or, if that is not possible, then it is desirable that the gap be minimized so that other countermeasures (or luck) may tide us over until robust protection become available. The timing of an invention also influences what sociopolitical context the technology is born into. For example, if we believe that there is a secular trend toward civilization becoming more capable of handling black balls, then we may want to delay the most risky technological developments, or at least abstain from accelerating them. Even if we suppose that civilizational devastation is unavoidable, many would prefer it to take place further into the future, at a time when maybe they and their loved ones are no longer alive anyway.32 Differential technological development doesn’t really make sense in the original urn-of-creativity model, where the color of each ball comes as a complete surprise. If we want to use the urn model in this context, we must modify it. We could stipulate, for example, that the balls have different textures and that there is a correlation between texture and color, so that we get clues about the color of a ball before we extract it. Another way to make the metaphor more realistic is to imagine that there are strings or elastic bands between some of the balls, so that when we pull on one of them we drag along several others to which it is linked. Presumably the urn is highly tubular, since certain technologies must emerge before others can be reached (we are not likely to find a society that uses jet planes and flint axes). The metaphor would also become more realistic if we imagine that there is not just one hand daintily exploring the urn: instead, picture a throng of scuffling prospectors reaching in their arms in hopes of gold and glory, and citations. Correctly implementing differential technological development is clearly a difficult strategic task (Cf. Collingridge, 1980). Nevertheless, for an actor who cares altruistically about long-term outcomes and who is involved in some inventive enterprise (e.g. as a researcher, funder, entrepreneur, regulator, or legislator) it is worth making the attempt. Some implications, at any rate, seem fairly obvious: for instance, don’t work on laser isotope separation, don’t work on bioweapons, and don’t develop forms of geoengineering that would empower random individuals to unilaterally make drastic alterations to the Earth’s climate. Think twice before accelerating enabling technologies – such as DNA synthesis machines – that would directly facilitate such ominous developments.33 But boost technologies that are predominantly protective; for instance, ones that enable more efficient monitoring of disease outbreaks or that make it easier to detect covert WMD programs. Even if it is the case that all possible ‘bad’ technologies are bound to be developed eventually, it can still be helpful to buy a little time.34 However, differential technological development does not on its own offer a solution for vulnerabilities that persist over long periods – ones where adequately protective technologies are much harder to develop than their destructive counterparts, or where destruction has the advantage even at technological maturity.35 Preference modification Another theoretically possible way of achieving civilizational stabilization would be to change the fact that there exists a large population of actors representing a wide and recognizably human distribution of motives. We reserve for later discussion of interventions that would reduce the effective number of independent actors by increasing various forms of coordination. Here we consider the possibility of modifying the distribution of preferences (within a more or less constant population of actors). The degree to which this approach holds promise depends on which type of vulnerability we have in mind. In the case of a Type-1 vulnerability, preference modification does not look promising, at least in the absence of extremely effective means for doing so. Consider that some Type-1 vulnerabilities would result in civilizational devastation if there is even a single empowered person anywhere in the world who is motivated to pursue the destructive outcome. With that kind of vulnerability, reducing the number of people in the apocalyptic residual would do nothing to forestall devastation unless the number could be reduced all the way to zero, which may be completely infeasible. It is true that there are other possible Type-1 vulnerabilities that would require a somewhat larger apocalyptic residual in order for civilizational devastation to occur: for example, in a scenario like ‘easy nukes’, maybe there would have to be somebody from the apocalyptic residual in each of several hundred cities. But this is still a very low bar. It is difficult to imagine an intervention – short of radically re-engineering human nature on a fully global scale – that would sufficiently deplete the apocalyptic residual to entirely eliminate or even greatly reduce the threat of Type-1 vulnerabilities. Note that an intervention that halves the size of the apocalyptic residual would not (at least not through any firstorder effect) reduce the expected risk from Type-1 vulnerabilities by anywhere near as much. A reduction of 5 percent or 10 percent of Type-1 risk from halving the apocalyptic residual would be more plausible. The reason is that there is wide uncertainty about how destructive some new blackball technology would be, and we should arguably use a fairly uniform prior in log space (over several orders of magnitude) over the size of apocalyptic residual that would be required in order for civilizational devastation to occur conditional on a Type-1 vulnerability arising. In other words, conditional on some new technology being developed that makes it easy for an average individual to kill at least one million people, it may be (roughly) as likely that the technology would enable the average individual to kill one million people, ten million people, a hundred million people, a billion people, or every human alive. These considerations notwithstanding, preference modification could be helpful in scenarios in which the set of empowered actors is initially limited to some small definable subpopulation. Some black-ball technologies, when they first emerge from the urn, might be difficult to use and require specialized equipment. There could be a period of several years before such a technology has been perfected to the point where an average individual could master it. During this early period, the set of empowered actors could be quite limited; for example, it might consist exclusively of individuals with bioscience expertise working in a particular type of lab. Closer screening of applicants to positions in such labs could then make a meaningful dent in the risk that a destructive individual gains access to the biotech black ball within the first few years of its emergence.36 And that reprieve may offer an opportunity to introduce other countermeasures to provide more lasting stabilization, in anticipation of the time when the technology gets easy enough to use that it diffuses to a wider population. For Type-2a vulnerabilities, the set of empowered actors is much smaller. Typically what we are dealing with here are states, perhaps alongside a few especially powerful nonstate actors. In some Type-2a scenarios, the set might consist exclusively of two superpowers, or a handful of states with special capabilities (as is currently the case with nuclear weapons). It could thus be very helpful if the preferences of even a few powerful states were shifted in a more peaceloving direction. The ‘safe first strike’ scenario would be a lot less alarming if the actors facing the security dilemma had attitudes towards one another similar to those prevailing between Finland and Sweden. For many plausible sets of incentives that could arise for powerful actors as a consequence of some technological breakthrough, the prospects for a non-devastational outcome would be significantly brightened if the actors in question had more irenic dispositions. Although this seems difficult to achieve, it is not as difficult as persuading almost all the members in the apocalyptic residual to alter their dispositions. Lastly, consider Type-2b. Recall that such a vulnerability entails that ‘by default’ a great many actors face incentives to take some damaging action, such that the combined effects add up to civilizational devastation. The incentives for using the black-ball technology must therefore be ones that have a grip on a substantial fraction of the world population – economic gain being perhaps the prime example of such a near-universal motivation. So imagine some private action, available to almost every individual, which saves each person who takes it a fraction X of his or her annual income, while producing a negative externality such that if half the world’s population takes the action then civilization gets devastated. At X = 0, we can assume that few people would take the antisocial action. But the greater X is, the larger the fraction of the population that would succumb to temptation. Unfortunately, it is plausible that the value of X that would induce at least half of the population to take the action is small, perhaps less than 1 per cent.37 While it would be desirable to change the distribution of global preferences so as to make people more altruistic and raise the value of X, this seems difficult to achieve. (Consider the many strong forces already competing for hearts and minds – corporate advertisers, religious organizations, social movements, education systems, and so on.) Even a dramatic increase in the amount of altruism in the world – corresponding, let us say, to a doubling of X from 1 percent to 2 per cent – would prevent calamity only in a relatively narrow band of scenarios, namely those in which the private benefit of using the destructive technology is in the 1–2 per cent range. Scenarios in which the private gain exceeds 2 per cent would still result in civilizational devastation. In sum, modifying the distribution of preferences within the set of actors that would be destructively empowered by a black-ball discovery could be a useful adjunct to other means of stabilization, but it can be difficult to implement and would at best offer only very partial protection (unless we assume extreme forms of worldwide re-engineering of human nature).38 Some specific countermeasures and their limitations Beside influencing the direction of scientific and technological progress, or altering destruction-related preferences, there are a variety of other possible countermeasures that could mitigate a civilizational vulnerability. For example, one could try to: • prevent the dangerous information from spreading; • restrict access to requisite materials, instruments, and infrastructure; • deter potential evildoers by increasing the chance of their getting caught; • be more cautious and do more risk assessment work; and • establish some kind of surveillance and enforcement mechanism that would make it possible to interdict attempts to carry out a destructive act.

#### Black-ball technology causes extinction

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Full-scale nuclear war. There is roughly 0.02-7% chance per year of accidental full-scale nuclear war between the US and Russia (Barrett, Baum, & Hostetler, 2013). With fairly high probabilities of nuclear winter and civilization collapse given nuclear war, this is order of magnitude 10% this century. We should also take into consideration that despite reductions in nuclear weapons, a new nuclear arms race is possible in the 21st century. Such a race may include more devastating weapons or cheaper manufacturing methods. Nuclear war could include the creation of large cobalt bombs as doomsday weapons or attacks on nuclear power plants. It could also start a chain of events which result in civilization collapse. Nanotechnology risks. Although molecular manufacturing can be achieved without self-replicating machines (Drexler & Phoenix, 2004), technological fascination with biological systems makes it likely that self-replicating machines will be created. Moreover, catastrophic uses of nanotechnology needn’t be due to accident, but also due to the actions of purposeful malignant agents. Therefore, we estimate the chance of runaway self-replicating machines causing “gray goo” and thus human extinction to be one per cent in this century. There could also be extinction risks from weapons produced by safe exponential molecular manufacturing. See also (Turchin, 2016). Artificial pandemic and other risks from synthetic biology. An artificial multipandemic is a situation in which multiple (even hundreds) of individual viruses created through synthetic biology are released simultaneously either by a terrorist state or as a result of the independent activity of biohackers (Turchin, Green, & Dekenbergern, 2017). Because the capacity to create such a multipandemic could arrive as early as within the next ten to thirty years (as all the needed technologies already exist), it could overshadow future risks, like nanotech and AI, so we give it a higher estimate. There are also other possible risks, connected with synthetic biology, which are widely recognized as serious (Bostrom, 2002). Agricultural catastrophe. There is about a one per cent risk per year of a ten per cent global agricultural shortfall occurring due to a large volcanic eruption, a medium asteroid or comet impact, regional nuclear war, abrupt climate change, or extreme weather causing multiple breadbasket failures (Denkenberger 2016). This could lead to 10% mortality. Red AI risks. The risks connected with the possible creation of non-aligned Strong AI are discussed by (Bostrom, 2014), (Yudkowsky, 2008), (Yampolskiy & Fox, 2013) and others. It is widely recognized as the most serious X risk. AI could start an “intelligence explosion wave” through the Universe, which could prevent appearance of the other civilizations before they create their own AI. Purple Something like the Caribbean crisis in the past, but larger size. Currently, there are no known purple risks. If we could be sure that Strong AI will appear in the next 100 years and would probably be negative, it would constitute a purple risk. Another example would be the creation of a Doomsday weapon that could kill our species with global radiation poisoning (much greater ionizing radiation release than all of the current nuclear weapons) (Kahn, 1959). A further example would be a large incoming asteroid being located, or an extinction level pandemic has begun. These situations require quick and urgent effort on all levels.

#### Capitalism locks in existential climate change---only socialism can achieve the absolute decoupling necessary to solve

Reese 20 - author of Socialism or Extinction and The End of Capitalism: The Thought of Henryk Grossman (Ted, https://grossmanite.medium.com/socialism-or-extinction-is-a-fact-not-a-slogan-3cb97b198c50, emuse)

Socialism or extinction is not just a slogan, though; it is a statement of scientific fact. If XR does not stand for socialism, then it must necessarily stand for extinction, rendering its own alleged purpose redundant. In short: capitalism is a profit-dependent system, and must therefore continue to expand production in order to keep investment flowing and profits rising (in absolute terms). And since profit arises from capital’s exploitation of commodity-producing labour, the intensity of the production based on fossil fuel and toxic, fuel-intensive metal mining is (increasingly) necessary. To flesh this out a bit more: capital’s exploitation of commodity-producing labour is the [sole source of profit](http://gesd.free.fr/kliman99.pdf) — the capitalist appropriates surplus value (surplus labour time) from the worker, i.e the worker keeps less value than they create, covering their living costs (necessary labour time), and surplus value is then realised through commodity sales. This social relation is obscured by the money-wage relation. Therefore, capital’s evermore demanding need to accumulate is based on the continual expansion of intensive production, i.e. the extraction of fossil fuel and metals, deforestation, intensive farming, etc., that is releasing carbon and other ‘greenhouse’ emissions — not to mention that they are fuel-intensive practices in the first place and toxic to the local environment — trapped in nature into the atmosphere, making the planet warmer and threatening runaway global heating that, according to numerous scientific studies, will make the planet uninhabitable for humans, probably before the end of the present century. (Capital’s exploitation of labour is therefore also the root cause of [alleged plummeting sperm counts](https://grossmanite.medium.com/declining-sperm-counts-polluted-breast-milk-autoimmune-disorders-the-diabolical-legacy-of-53462aa1245d) (down a reported 59% from 1973 to 2011), further threatening extinction. The microplastics, nanoparticles and toxic chemicals sourced from fossil fuels and metal mines and consumed in everyday products penetrate and damage human cells.) Although extractive industries are usually now very capital-intensive — the source of capitalism’s ([now existential) economic crisis](https://grossmanite.medium.com/with-hyperinflation-looming-and-capitalism-dying-socialism-is-becoming-an-economic-necessity-a031f9a746e0) — the rate of exploitation of the remaining workers is very high. It is not capitalism’s need for ‘infinite growth on a planet of finite resources’, as most leftists seem to put it, that is the central or immediate problem; rather, it is the pace of production and its expansion — determined by the size of an ever-larger total capital and its need to expand yet further by feeding off labour — relative to nature’s ability to replenish itself (something capitalism’s dependence on intensive extraction obviously hinders). Just as surplus value is converted into capital faster than it is produced — resulting in (on average) decennial recessions and, eventually, a historical limit to capital accumulation — so nature is converted into capital faster than it can be replenished. Compound accumulation Fossil fuels (petroleum, coal, natural gas and orimulsion) would shrink to roughly half of total primary energy supply in 2050, from about 77% in 2020 — [down from 81% in 2010](https://www.iea.org/data-and-statistics/charts/share-of-total-primary-energy-demand-by-fuel-2010-2019) — if the world meets the ‘minimum’ internationally agreed target of 2 degrees Celsius warming, [according to S&P Global Platts Analytics](https://www.spglobal.com/platts/en/market-insights/latest-news/oil/062320-fossil-fuels-energy-mix-infographic-interactive). (Even 1C has already seen a reported [400,000 people (and counting) a year dying from climate-related causes](https://www.inquirer.com/philly/blogs/public_health/Death-toll-from-climate-change-estimated-at-400000-In-2010.html); while the Arctic permafrost — containing 1.8 trillion tonnes of carbon, more than twice as much as is currently suspended in Earth’s atmosphere — is, we are told,[2] melting [70 years sooner than previously expected](https://bigthink.com/surprising-science/canada-permafrost). While fossil fuel may fall to 50% of the mix of energy production, its absolute production may rise, since economic output under capitalism tends to double every 20 years.[3] As Jason Hickel writes in his book Less Is More, there was “a steady rise of material use in the first half of the 1900s, doubling from 7 billion tons per year to 14 billion tons per year. But then, in the decades after 1945, something truly bewildering happens… material use explodes: it reaches 35 billion tons by 1980, hits 50 billion tons by 2000, and then screams up to an eye-watering 92 billion tons by 2017… This increase in material use tracks more or less exactly with the rise of global GDP. The two have grown together in lockstep. Every additional unit of GDP means roughly an additional unit of material extraction. “There has been a radical acceleration of fossil fuel use since 1945, rising along with the explosion in both GDP and material use. And carbon emissions have gone up right along with it. Annual emissions more than doubled from 2 billion tons per year to 5 billion tons per year during the first half of the 1900s. During the second half of the century they rose fivefold, reaching 25 billion tons by the year 2000. And they have continued to rise since then, despite a string of international climate summits, reaching 37 billion tons in 2019. Of course, there is no intrinsic relationship between energy use and CO2 emissions. It all depends on what energy source we’re using. Coal is by far the most carbon-intensive of the fossil fuels. Oil — which has grown much more quickly than coal since 1945 — emits less CO2 per unit of energy. And natural gas is less intensive still. As the global economy has come to rely more on these less polluting fuels, one might think that emissions would begin to decline.… [But] because GDP growth is driving total energy demand up at such a rapid pace … these new fuels aren’t replacing the older ones, they are being added on top of them. The shift to oil and gas hasn’t been an energy transition, but an energy addition. “The same thing is happening right now with renewable energy… To keep energy flowing when the sun isn’t shining and the wind isn’t blowing will require enormous batteries at the grid level. This means 40 million tons of lithium — an eye-watering 2,700% increase over current levels of extraction… It takes 500,000 gallons of water to produce a single ton of lithium. Even at present levels of extraction this is causing real problems. In the Andes, where most of the world’s lithium is located, mining companies are burning through the water tables and leaving farmers with nothing to irrigate their crops. Many have had no choice but to abandon their land altogether. Meanwhile, chemical leaks from lithium mines have poisoned rivers from Chile to Argentina, Nevada to Tibet, killing off whole freshwater ecosystems. The lithium boom has barely started, and it’s already a catastrophe… “Today the world is producing 8 billion more megawatt hours of clean energy each year than in 2000. That’s a lot — enough to power all of Russia. But over exactly the same period, economic growth has caused energy demand to increase by 48 billion megawatt hours. “There’s also something else going on. With every year that goes by, it becomes more and more difficult to extract the same amount of materials from the earth. Today, three times more material has to be extracted per unit of metal than a century ago.”[4] There is no such thing as ‘green capitalism’. The ‘Green New Deal’ proposed by social democrats — which actually involves privatising the last areas of common land — is species suicide. Socialism and non-intensive production Under capitalism, commodities are only produced if they are profitable, i.e. if labour is exploitable enough to expand capital. They are use-values/utilities and exchange-values. Under socialism, goods (having been decommodified) are produced if we deem them to be useful, via democratic regulation and demand. They are just use-values and socially owned, so no exchange of ownership takes place, i.e. exchange value and profit are abolished. If we deem that a good is not useful since it is damaging the environment or contributing to climate change too much, we can decide not to make it. Or we can find a way of making it that does not damage or exhaust nature. Rather than fossil fuel (which disappears into thin air and so has to be extracted anew by exploited labour, making it perfect for the needs of capital) or metals (which are finite), we could use non-labour-intensive renewables — sunlight, wind and especially (for physical products) fibrous plants ([especially hemp](https://medium.com/@Grossmanite/the-green-new-deal-is-species-suicide-only-a-hemp-based-industrial-revolution-can-save-earths-f9c3dc29c4e3), which can replace steel, concrete, graphene, lithium and fossil fuel) and [mycelium](https://blogs.scientificamerican.com/observations/the-mycelium-revolution-is-upon-us/) (from which we can even make [computers](https://royalsocietypublishing.org/doi/10.1098/rsfs.2018.0029)). And because socialism can plan and co-ordinate production as a whole on a break-even basis, instead of having to bow to the demands of capital accumulation and anarchic competition between private producers, we can grow economic output at the rate nature replenishes (or slower) — something that socialism could help instead of hinder. Achieving the abundant material wealth for all promised by communism (as it develops into its higher stage, when production becomes fully automated and, eventually, free) is part of the solution. Fibrous plants like hemp [quickly draw down and sequester CO2](https://www.huffpost.com/entry/hemp-and-lots-of-it-could_b_328275?guccounter=1) while reviving the soil, reversing desertification; and the products made from them (including bioplastic that is 10 times stronger than steel; batteries that [outperform lithium and graphene](https://www.bbc.co.uk/news/science-environment-28770876); and highly-insulating [carbon-negative hempcrete](https://www.ukhempcrete.com/services/better-than-zero-carbon-buildings/)) keep that carbon sequestered indefinitely. Abundant material wealth for all includes abundant vegetation, permaculture, afforestation, etc. There is also the potential for micro-organisms to supply a near-infinite source of energy. In 2018, scientists in the US confirmed a theory first proposed by Soviet geologists when they found [huge populations of bacteria living in the extreme temperatures of Earth’s crust](https://www.independent.co.uk/news/science/deep-life-microbes-underground-bacteria-earth-surface-carbon-observatory-science-study-a8677521.html), despite the lack of photosynthesis and nutrients, living solely from chemical reactions fuelled by geothermal energy. They estimated that up to 23 billion tonnes of micro-organisms live in this “deep biosphere”, making it the largest ecosystem on the planet and accounting for nearly 400 times the amount of carbon found in all living humans. Here lies a potential source of abundant energy (although we will have to assess whether the benefits outweigh the impacts of drilling). Other scientists have even found that the Geobacter bacteria found in human waste can convert sewage into fresh water and [produce electricity in the process](https://www.nasa.gov/vision/earth/technologies/18may_wastenot.html). It is now thought that one day [microbial fuel cells](https://www.nasa.gov/feature/ames/could-electricity-producing-bacteria-help-power-future-space-missions/) could power our phones, household appliances — and even spaceships. Investment in microbial fuel cells will remain seriously limited, however, until value-creation is based solely on utility instead of exploitation and profit, since capital cannot exploit the labour time of microbes! Modern science — which is looking more and more ‘presocialist’, i.e. systematic, holistic and dialectial-materialist (the Marxist method of assessing history as moving forward through material and social interactions)— has proven that humans depend on plants and bacteria for everyday life, [smashing the myth of The Individual](https://aeon.co/essays/science-and-metaphysics-must-work-together-to-answer-lifes-deepest-questions) — the world is powered by collectivism. Indeed, trees, plants and bacteria are our relatives. The world is one interconnected whole. The socialisation of the means of production, whereby the means of production are owned by humanity instead of capital, will thus be a ‘naturalising’ humanisation, plantification and microbiolisation of production. Other forms of existing carbon-negative production that could be scaled up include ‘sky mining’ for diamonds that are chemically identical to earth diamonds, another industry that only exists on a small scale under capitalism because of the lack of labour exploitation involved. Emissions-free, energy-dense nuclear power, is also an option. The initial impact of mining uranium on the environment must be re-assessed by an independent socialist state, but to prove our earlier point, nuclear has not been abandoned because of safety fears, but because its capital-intensity has become unprofitable as ever-growing total capital becomes harder and harder to expand by the relatively diminishing pool of human labour. In terms of worker safety, nuclear is [the safest form of energy production](https://amp.theguardian.com/science/political-science/2015/nov/04/why-eco-austerity-wont-save-us-from-climate-change). There is also the prospect of space-based solar power and associated wireless transmission, without the intermittency of night time or winter suffered by solar panels and wind turbines on Earth. This, too, however, has proven too expensive for investors who won’t invest without the prospect of a higher return. Reverting to overly local, small-scale production—which would make everything more expensive — is not an option. Sea levels are rising and we probably need to build incredibly vast dikes on every continent. Rising temperatures will also massively increase the demand for air conditioning, which will have to be powered by something abundant and emissions-free, like nuclear. But socialism never works? Clearly, we need world socialism. Countries that are arguably ‘semi-socialist’ or that are supposedly ‘working towards’ socialism, like China and Venezuela, still work to some extent on the basis of commodity-production. But even ‘fully’ socialist countries still have to trade with capitalist countries, and that means having to make concessions to capital, working within a world capitalist system and having to maintain military defences at the expense of the civilian economy. Nor can they fully plan their economies due to fluctuating, unpredictable foreign prices. The need to build up foreign currency also incentivises black markets. Again, because socialist production is based on utility, socialism will also be able to invest in things like mineralising CO2 (turning it permanently into basalt rock). This is not a silver bullet since it is water-intensive, but it could certainly be scaled up significantly where water scarcity is not an issue (or if [water can be ‘artificially’ produced](https://www.sciencedaily.com/releases/2007/10/071031125457.htm)). That we are not doing this is a travesty — but where it would be a productive industry under socialism, it is an unproductive industry under capitalism, since it does not offer a commodity that can be sold for profit (unless it is sold to the state using public debt, thereby creating no new value and contributing to money devaluation that [will eventually (imminently) cause hyperinflation](https://grossmanite.medium.com/with-hyperinflation-looming-and-capitalism-dying-socialism-is-becoming-an-economic-necessity-a031f9a746e0)). It would therefore have to be funded by taxes that eat into already thinning profit margins, and so these taxes are resisted by capitalists, who anyway run the capitalist state. They are incapable of changing the system, even as it threatens to produce an ecocidal holocaust. Capitalism is now effectively an extinction cult and can only continue to steer Earth into the sun. Socialism — which is anyway [becoming an economic necessity](https://fleetworld.co.uk/road-test-hyundai-i30/) for the first time — gives humanity the chance of steering Earth to safety, in the nick of time.

### 1AC---Plan

#### The United States federal government should substantially increase prohibitions on anticompetitive business practices by the private sector by at least expanding the scope of its core antitrust laws in service of socialism.

### 1AC---Solvency

#### Solvency:

#### The plan nationalizes the private sector---that transitions the economy to socialism

Foster ’13 [John Bellamy Foster, “Marx, Kalecki, and Socialist Strategy,” April 1, 2013, Monthly Review]

The principal strategic aim of the new Labour government would need to be directed at “changing the power relations in society, by capturing the key centres of the economic, social, and political power of the strongest capitalist groups.” Kalecki argued for “full central public control of banking, and finance, investment and foreign trade, and possibly the allocation of basic raw materials and commodities.” This required “direct social control” of key industrial sectors, either through “full nationalization” or the establishment of “some kind of public corporation.” The most important requirements here were “that those who direct and manage the [public] corporation have no financial interest other than their salaries,” and that if there were any private investors they be allowed “no control over policy or management.”38

All of this, Kalecki recognized, would be strongly resisted by capital, which would use all of its means, including sabotage, to block any changes that threatened its class position. Nevertheless, he argued that if the Labour Party were to exert its full strength at the end of war it would be able to generate a full-employment economy, turning this into a means of further ratcheting up working-class power. “This period, which may be short, will be the one of maximum opportunity for Labour, when full employment has generated a self-confident feeling among workers. Then will be the time to use Labour’s political power to the full; to strike boldly and strike hard. This will be the moment to the lay the basis for that continuing social revolution without which democratic socialist planning will remain a sterile dream.”39

Kalecki’s political-economic strategy for social change was aimed at fatally undermining what Marx had called capital’s main “lever” for the disciplining the working class: the existence of a relative surplus population or industrial reserve army. By removing this lever from capital, it would be possible to alter the rules of the game.40 The maximum response of capital in this class struggle, meanwhile, would be to attempt to generate what Steindl later called “stagnation as policy,” opposing all state policies to check unemployment and even stagnation, and increasing the reserve army of labor in order to preserve the social power of the capitalist class—even at the expense of total profits.41

As it turned out in Britain in the 1940s and thereafter, Labour came to power but did not—even during its maximum influence—exert its full power in a project of class transition in line with the course that Kalecki had proposed.42 With the rise of Thatcherism in Britain and Reaganism in the United States in the 1970s and ‘80s, capital itself, as Steindl observed, sought to break with the political business cycle, putting in its place the regressive “political trend,” now known as neoliberalism. This was an attempt to turn back the clock to a pre-Keynesian-style economic regime aimed at increasing unemployment, in order to squeeze wages and impose greater class discipline on workers. At the same time a financially driven casino economy was opened up for the benefit of capital.43 Full employment and wage inflation were depicted once again as threats to prosperity, in what Steindl referred to as “the return of the Bourbons” in economic theory.44

The economic effects of this restoration of pre-Keynesian economics are evident in the trends in the United State over the last four decades or so. The percentage of production and nonsupervisory workers in total private-sector employment has remained constant at about 83 percent of all workers in both 1965 and 2011. Nevertheless the share of such workers in total private-sector payroll dropped from 76 percent in 1965 to 56 percent in 2011, while their share of GDP fell over the same period from over 30 percent to about 20 percent.45 Under these conditions even a mainstream economist such as Paul Krugman was compelled to declare in 2012, that we are “back to talking about capital versus labor…[an] almost Marxist sort of discussion.”46 Moreover, in trying to discern why full-employment policy is off limits at the top of U.S. society even in the context of deep stagnation and growing inequality, Krugman in his 2012 book End This Depression Now! could find no other rational explanation than the one offered by Kalecki—namely that capital saw full employment as a threat to its total social power.47

In Kalecki’s view, the capitalist class’ entrenched opposition to long-run full employment through government intervention meant that workers had no recourse but to push forward on their own in the struggle for higher wages and full employment and to seek on that basis a full transition to socialism. “Labour,” he warned in 1942,must have no illusions about the great fight that will have to be waged against these [capitalist interest] groups. They will resist fiercely because what is at stake is not so much their profits as their personal and social power, which takes two forms: power in society as a whole, and power over workers’ industry. As long as the first form of power remains, all the efforts of the workers in the factories and through the trade unions to diminish the second form of power can only have limited success. The fight for workers’ rights in industry and for more effective workers’ representation through such things as works’ councils and production committees is, of course, of very great importance and…it has a vital part to play in the total struggle against the capitalists. But it can never be a substitute for the necessary political fight to destroy the power wielded over society as a whole by the great capitalist interest-groups….

Their power is in fact a class power and, as long as this class power remains unbroken, the ability of the leading capitalist groups to run things in their way—and, at worst, to sabotage—is enormous….It can only be broken by destroying not merely their political influence, but what is its real basis, their economic power in the great productive forces over which they exercise practically unchallenged control….

The important thing, however, is that Labour should not be afraid of the consequences of the social revolution within industry, but should make itself master of the situation, not by trying to damp down the mood of the workers, as did the leaders of the Popular Front in France, but by directing it against the opponents of democratic planning.48

Kalecki’s political-economic analysis here was based, as he explained, on an “isolated” capitalist economy.49 As historical events unfolded, not only did the Labour Party fail to act decisively in the working-class interest, but also the increased militarism and imperialism during the Cold War, as he was later to observe, altered the picture considerably. Increased armaments spending produced a higher level of employment than in the pre-war years, while at the same time incorporating a considerable part of the working class within a regressive nationalist-imperialist and chauvinistic project—thereby undermining labor’s capacity to unite to promote its genuine interests in the class struggle.50 In the highly globalized monopoly-finance capitalism of today the contradictions facing the working-class movement are even more complex. Capital in the form of multinational corporations is increasingly mobile globally and able to divide and conquer labor internationally, holding down wages and unit labor costs worldwide as workers of different nationalities are pitted against each other.51

Nevertheless, Kalecki’s arguments on not accepting the economic rationale of the system and insisting on the need to wrest social power from the capitalist class remain crucial today. The danger of the profit-squeeze theory of economic crisis under capitalism has always been that it suggested to workers that the pursuit of their own democratic, egalitarian aspirations led directly to economic slowdown, worsening their situation. As Kalecki put it, “There are certain ‘workers’ friends’ who try to persuade the working class to abandon the fight for wages in its own interest, of course. The usual argument used for this purpose is that the increase of wages causes unemployment, and thus is detrimental to the working class as a whole.”52 This position is visible in the United States today with the debate over whether to introduce a paltry increase in the minimum-wage.53

The arguments that Marx and Kalecki leveled against the profit-squeeze theory of crisis have proven correct not only in their day but ours as well. Decade after decade we have seen a declining share of wages (and total compensation) in U.S. GDP—with the share of the bottom 80 percent of private-sector workers plummeting. At the same time the share of GDP represented by management, supervisory, and other nonproduction employees in the private sector has been rising dramatically.54 Meanwhile, capital’s overall share of income has grown by leaps and bounds. Rather than a stable framework of accumulation, this has led to stagnation, financial instability, and deteriorating conditions for workers.

Kalecki’s political-economic conclusions were in line with those of Marx, who declared, in his opposition to the profit-squeeze argument, that the struggle of workers at every point along the way was a rational one, reflecting the superiority of the political economy of the working class over the political economy of capital. Nevertheless, the ultimate goal of the working-class struggle was not to strive for this or that gain within the system, but rather to replace the capitalist system with a socialist one controlled by the direct producers. As Marx stated in the closing sentence of Value, Price and Profit: “Instead of the conservative motto: ‘A fair day’s wages for a fair day’s work!’ they [the working class] ought to inscribe on their banner the revolutionary watchword: ‘Abolition of the wages system!’”55

#### DPS is the optimal economic structure---avoids the challenges that accompanied the Soviet model

Kotz 8 - economics professor at Amherst (David, https://people.umass.edu/dmkotz/What\_Ec\_Struc\_Soc\_08\_03.pdf, emuse)

The economic problems of actually existing socialism were not inherent in socialism, or in economic planning. They were structural problems of the particular form of planning that first arose in the Soviet Union and later appeared in other Communist Party ruled states. All of the economic problems listed in section 2 above were due to a key feature of that form of socialism: an absence of popular participation in decision-making in the economy and the state. There were various problematic policies, but the foregoing structural feature was the underlying source of the economic problems.5 Economic activity in any system will serve the needs of those who have power within that system. In a market economy ordinary consumers have a limited power -- they can decide not to purchase something. Hence, producers have be concerned with what ordinary consumers want to buy, since that is something they cannot fully control, try though they may. In Soviet-type planning, those actors with power were able to get high quality goods produced for them. No one ever claimed that Soviet weapons were of low quality, yet they were produced via the system of central planning. Soviet military leaders, and the ministers in charge of production of military equipment, were powerful and could demand high quality products. Similarly, some of the industrial ministers in civilian sectors had the power to demand high quality products, and some Soviet industrial products were world class.6 Special enterprises produced housing for high officials, and the quality of such housing was excellent.7 Powerful Soviet officials exercised their power by their ability to discipline or demote top enterprise officials if product quality was deemed unsatisfactory. It was an effective incentive. By contrast, ordinary households had almost no power in the Soviet planning system. Enterprise managers were not rewarded and punished based on how well they satisfied household consumers. The environmental damage from Soviet-type central planning resulted from an unaccountable leadership's focus on economic growth. The absence of democratic rights for the population prevented the emergence of a strong environmental movement that could have insisted on changed priorities. For economic planning to work effectively, power must be dispersed among all of the relevant groups in the economy, not monopolized by unaccountable high officials. Models of participatory planning have been elaborated by a number of authors (Devine, 1988, 2002; Albert and Hahnel, 1991). They involve democratic participation both in the economy and the state, which must be closely intertwined in a socialist system. These models share the following five principles: 1) wide participation in decision-making by those affected by a decision; 2) representation of the population as workers, community members, and consumers on decision-making bodies; 3) a decision-making process based on negotiation and compromise, to handle the inevitable existence of opposing interests among different groups; and 4) an equitable sharing of the benefits and burdens of economic and political life. If consumer representatives sat on enterprise boards and on regional and national level planning bodies, they could insist that enterprises produce high quality consumer goods that people would like to purchase, with the power to set rewards and penalties to back up their demands. If the top political leaders are dependent on popular support for staying in office, they would be under pressure to make the system work to meet the needs of ordinary people. Democratic institutions, which in a capitalist system are always limited by the enormous political power of the rich, would work far better in a socialist system that has no class of wealthy property owners. The promise of getting rich is not necessary to build an efficient, innovative economy. "Innovation Institutes" could fund the testing out of new ideas, new products, and new services. Someone with a proposal for a new restaurant or service establishment could apply for funds and leasing rights to carry out their proposal, without departing from the principle of public ownership of productive property. Modest material rewards should be sufficient to encourage innovation and new and varied services, given the presence in any population of many individuals who are personally inclined to launch new projects. By providing representation for all constituencies in the making of allocation decisions, participatory planning would provide channels for all groups to see that their needs are addressed. It also recognizes the existence of conflicting interests even in a socialist society and provides institutions in which groups can negotiate and reach compromises. For example, enterprise boards having representatives of workers, consumers, and the community could strike a reasonable balance among workers' interest in not being overworked, consumers' interest in affordable and well-made products, and the community's interest in avoiding pollution of air and water. In a country having a relatively low living standard, a system of participatory planning would allow the population to demand a high rate of economic growth though democratic decisions about the resources to be devoted to investment and improved technologies. For participatory planning to work effectively, economic decisions should be as decentralized as possible to facilitate maximum participation by affected parties. Old-style central planning was overly centralized. Some economic decisions must be made at the center, but many can be made at a regional or local level. The claim that a system based on free markets is superior to any other in efficiency, innovation, and growth has no foundation. While a capitalist market economy can develop the forces of production and bring a rising level of material consumption for part of the population, history shows that it has been unable to build a society that meets the needs of the entire population. Only socialism can assure everyone material comfort, security, and a guaranteed opportunity to participate in productive labor, without some exploiting others. Only socialism can build a society based upon the better aspects of human nature, rather than its baser aspects, and finally enable people to become the real masters of their fate. But socialism can carry out this historic mission only if it embraces democracy and popular participation as the basis of its institutions.

#### American DPS goes global---serves as a shining city on a hill, removes obstacles, and offers assistance

PSL 8 (Party for Socialism and Liberation, [https://liberationschool.org/the-goal-of-socialism-peace-and-equality-amid-plenty/#](https://liberationschool.org/the-goal-of-socialism-peace-and-equality-amid-plenty/), emuse)

Experiences in socialist construction Thanks in great part to the practical experience of Lenin in making revolution, 21st-century socialists have a wealth of experience on which to base further conclusions. Marxists have been able to use accumulated theory and practice in order to lead revolutions in Russia, China, Korea, Yugoslavia, Cuba and many other countries. While there have been vast differences in the experiences of those socialist revolutions, they share one common feature: The socialist revolutions of the 20th century took place in countries where the level of productive forces was very low compared to the imperialist countries. Every successful revolution faced the primary task of developing their economies—while under constant military threat by world imperialism. For that reason, Lenin described the challenges of building communism in 1920 in very practical terms: “Communism is Soviet power plus the electrification of the whole country.” There was no hope in building socialism if the economy remained underdeveloped. Because of the combined challenges of developing the productive forces under the gun of world imperialism, no socialist revolution has yet reached a stage where the “withering away of the state” could be imagined. Imperialism has seized on any weakness in the revolutionary states in order to foment counterrevolution. Nevertheless, the working classes in the countries that have set out to build socialism have made tremendous gains. Russia’s working class in 1917 was 4 percent of the population. Within 50 years, it was the second-most powerful economy in the world. China had never been able to feed its entire population prior to the revolution. Millions died during famines in China prior to 1949. Yet after the 1949 revolution, for the first time the economy was able to feed the largest population in the world. Despite immense pressure from imperialism, Cuba has been able to achieve tremendous gains—despite the collapse of the Soviet Union in 1991. Cuban workers enjoy among the highest living standards of any of their counterparts in Latin America or much of the oppressed world. The continued military and economic dominance by world imperialism—first and foremost by U.S. imperialism—has made the transition to socialism that Marx and Lenin described so far impossible. The workers’ states have needed to devote a considerable part of their social development toward the strengthening of the proletarian dictatorship—the army and police—in order to defend against invasion or counterrevolution. Taking that next step will require a society based on the dictatorship of the proletariat in the United States. Toppling the world’s dominant capitalist power would not only lift a tremendous burden from the workers around the world who are trying to engage in socialist construction. It would put at the disposal of the world working class the tremendous wealth produced by the U.S. working class. All the social wealth extracted from the oppressed world by U.S. corporations and mines could be used to reverse the effects of centuries of colonial and imperialist exploitation. A revolution in the United States would undercut the economic basis for divisions among the working class that promote racism, sexism and homophobia. Socialism is a system of peace, justice and equality. The road to socialism begins with revolution in the United States.

#### Proletarianization makes class struggle inevitable---the aff accelerates and properly directs movements

Reese 20 - author of Socialism or Extinction and The End of Capitalism: The Thought of Henryk Grossman (Ted, <https://www.amazon.com/Socialism-Extinction-Automation-Capitalist-Breakdown-ebook/dp/B081FHF2ZQ>, emuse)

Those who are lucky enough to find or remain in work as the capitalist crisis deepens will see their pay and conditions savagely forced down. In April 2018, the World Bank recommended yet more deregulation in a report that said “high minimum wages, undue restrictions on hiring and firing and strict contract forms all make workers more expensive vis-à-vis technology”.[437] International capital is preparing a major assault on international labour in order to accelerate moves towards automation. Even if the next crash is not a final breakdown, significant sections of the middle classes would be proletarianised and impoverished and the reserve army of labour would swell. Class struggle would explode. Capitalists could be forced to slow down or stop the introduction of new automation by, say, a strong and militant neo-Luddite or trade union movement and – the usual driver for concessions – the desire for social peace. But the contradiction persists: capital accumulation, and staying ahead of or keeping up with competitors, requires higher productivity and therefore labour-saving innovation. The deeper capitalism sinks into crisis the more necessary it becomes to raise productivity. That is, the more workers are replaced by robots, the greater the underproduction of surplus value becomes, and yet the system will need to respond by replacing more workers with robots. If it cannot do this then capital goes unvalorised and the economy crashes. From the perspective of the bourgeoisie, a strong neo-Luddite or trade union movement would sooner or later have to be crushed. In an article in January 2018 headlined “When the next recession hits, the robots will be ready”, the Washington Post pointed out that innovations happen quickest “when employers slash payrolls going into a downturn and, out of necessity, turn to software or machinery to take over the tasks once performed by their laid-off workers”.[438] Pointing to growing expectations by economists of a financial crisis in 2020, the paper adds that the “next wave of automation won’t just be sleek robotic arms on factory floors. It will be ordering kiosks, self- service apps and software smart enough to perfect schedules and cut down on the workers needed to cover a shift. Employers are already testing these systems. A recession will force them into the mainstream.” Striking statistics from an upcoming paper by economists Nir Jaimovich and Henry Siu “found that 88% of job loss in routine occupations occurs within 12 months of a recession. In the 1990- 1991, 2001 and 2008-2009 recessions, routine jobs accounted for ‘essentially all’ of the jobs lost. They regained almost no ground during the subsequent recoveries.”[439] Automation under capitalism is therefore accelerating the trend towards proletarianisation, higher levels of poverty and the underproduction of surplus value. It is the sharpest of sharpening contradictions, a vicious circle from which capitalism cannot escape. It is a trend which increasingly threatens a final breakdown. The ‘Leninist’ road to socialism[440] – whereby working class organisations (soviets (workers’ councils), communes etc) effectively form an independent state and then, when strong enough, destroy what is left of the capitalist state – of course seems to be dismissed now more than ever – by liberals who claim that the demise of the Soviet Union signalled the end of history;[441] by the anarchists and autonomists who believe a leap into ‘full communism’ can be achieved without the socialist stage; and by ‘democratic socialists’ who claim socialism can be built via bourgeois democracy by voting through ‘socialist policies’. Then there is the notion that Marx and Lenin are redundant because the supposed protagonist of their revolutionary strategy – the industrial proletariat – is dead or irrelevant. There are several problems surrounding this. The accusation about the industrial proletariat is made, in slightly different ways, not just by liberals but by some anarchists, who do not claim that the industrial proletariat is dead but persist with the myth that it is the protagonist of the Leninist revolution. The Bolsheviks focused on agitating among the urban or industrial proletariat because that was the most efficient use of scarce resources, with the intention that the message would then spread outwards to the wider proletariat as a whole. This accusation that Leninists ignore the wider proletariat is often a projection of valid criticisms of some ‘Trotskyists’, who, while posing as Leninists, or at least distorting Leninism, do overemphasise the importance of the industrial worker. This is because Trotskyists – who for the same reason tend to be de facto pro-imperialist (by giving critical support to the Labour Party, for example) – tend to derive from labour aristocratic positions in trade unions and universities. Lenin though is renowned for criticising socialists who limited their agitation to “trade union consciousness” or “economism” – ie, simply supporting, or tailing, working class demands, without advocating an independent (non-social democratic) working class party or proletarian dictatorship (or, before that, the overthrow of tsarism) – and for his ruthless criticism of a labour aristocratic minority which misled the masses with solely reformist demands. Hence why he said revolutionaries had to “dig deeper into the real masses” of the poorest workers, who had the least to lose and the most to gain. This meant that, in Russia, he saw the need for an alliance between workers and poor peasants, an alliance that Leon Trotsky initially rejected. Today, real Leninists still see the poorest and most oppressed workers as the main protagonists of revolution. The claim that the industrial proletariat is dead is either dishonest or smacks of ‘first world’ myopia. The industrial proletariat may have shrunk in the imperialist nations over the past 40 years but internationally it has grown spectacularly. In 2010, 79%, or 541 million, of the world’s industrial workers lived in ‘less developed regions’, up from 34% in 1950 and 53% in 1980, compared to the 145 million industrial workers, or 21% of the total, who in 2010 lived in the imperialist countries.[442] This shift is even greater in the manufacturing industry, since in emerging nations manufacturing forms a much higher proportion of total industrial employment than in imperialist countries, and therefore, as John Bellamy Foster et al point out, “the broad category of ‘industrial employment’ systematically understates the extent to which the world share of manufacturing has grown in developing countries”, citing figures for the US and China showing these ratios to be 58.1% and 75.2% respectively.[443] “Extrapolating these two ratios to ‘more developed’ and ‘less developed’ countries as a whole, 83% of the world’s manufacturing workforce lives and works in the nations of the Global South,” says John Smith in Imperialism in the Twenty First Century.[444] Based on the integration of ‘Southern’ workers into the global economy, the IMF has also attempted to take into account qualitative as well as quantitative changes, calculating an “export-weighted global workforce” by multiplying the numerical growth of the workforce by the increasing degree to which they produce for the global market rather than the domestic market. Since Southern-manufactured exports grew more than twice as fast as GDP during the quarter-century leading up to the global crisis in 2007, the IMF estimates that the effective global workforce quadrupled in size between 1980 and 2003. But even within the imperialist nations, where the industrial working class has declined both absolutely and relatively, Smith points to “deepening proletarianisation”, saying that “the proletarians have increased their already overwhelming predominance within the economically active population [EAP].... Between 1980 and 2005 the proportion of waged and salaried workers in total EAP in ... the developed nations steadily rose, from 83% to 88% (in 2005, around 500 million people), indicating deepening proletarianisation in these countries.”[445] In the US, it is even higher, with waged workers as a proportion of the EAP increasing from 90.6% in 1980 to 93.2% in 2011.[446] Because of distortions made by the ILO’s methods, this undoubtedly underestimates or obscures the size of the labour aristocracy, something we will come back to further on, but the trend is nevertheless clear, with more and more workers being forced into low-paid services work. Obviously with China, India and the former Soviet bloc being integrated into the global economy, 1.47 billion workers joined the global capitalist workforce very suddenly. But this does not distort the overall trend. With their supposed bias for the industrial proletariat, Leninists are accused of failing to recognise the multiple sections of the working class or its fragmentation. But far from ignoring the heterogeneous make-up of the working class, this is one of the factors that contribute to the Leninist conclusion that a vanguard party is necessary – to unite the disparate and sectional struggles of the working class into one unstoppable force. Likewise, the fact recognised across the left that technological advances have fragmented the working class, that they have increased unemployment and underemployment and therefore reduced workers’ leverage in their struggles against their bosses, reflected in the imperialist countries by the low number of strikes since the 1980s, must mean that the state is the primary battleground. We are already seeing this in the re-emergence of social democratic movements (see the previous chapter), whereby downwardly mobile labour aristocracies are becoming slightly more antagonistic towards the ruling class, and are attempting to harness the power of the working class as a whole, in what is essentially a fight with the middle and ruling classes over allocations of surplus value. These strawman accusations against Lenin misrepresent or misinterpret his definition of the proletariat, which followed Marx’s. The main feature of the proletariat as a class is not its direct link with the means of production but rather its separation from them. In other words, the proletariat is first and foremost characterised as a class by the fact that it does not own the means of production and has to work for wages. The salient feature is not what differentiates them, but what unites them. The more a worker is dependant on selling their labour power for survival the deeper their proletarianisation. Indeed, it is the fact that the industrial proletariat is shrinking relative to the working class as a whole, relegating a significant proportion of previously privileged workers into the poorer sections of the working class, that sees the mass of the latter grow numerically in strength. As the mass of exploited manual workers decreases due to scientific and technological progress, particularly automation, the mass of exploited intellectual workers, ie white collar employees, engineers and scientists (who increasingly contribute to commodity production) also increases in reverse proportion. The casualisation of university employment in the past few years is a case in point. In the US, although union membership stood at a lowly 10.7% of the workforce at the start of 2019, the unionisation of traditionally non- unionised white collar labour almost doubled between 2010 and 2017.[447] According to the Pew Research Center, the median wealth (assets minus debts) of the US middle class fell by 28% from 2001 to 2013.[448] People on middle incomes[449] accounted for 50% of the US adult population in 2015, down from 61% in 1971, while the poorest tier of the working class comprised 20% of the population in 2015 compared to 16% in 1975. The number of people receiving supplemental nutritional assistance, or food stamps, exploded from 26 million in 2007 to 46 million in 2012.[450] And 63% of the population say they have less than $500 in personal savings.[451] At the same time private and household debt has gone through the roof. In the 1970s, personal and credit card debts shot up by 238% relative to the 1960s. In the 1980s it shot up on the previous decade by another 318% and by another 180% in the 1990s.[452] According to the Federal Reserve Bank of New York, household debt rose to a record $13.5 trillion in the fourth quarter of 2018, nearly 7% higher than in the third quarter of 2008. Even more troublingly, a record number of US Americans were three months or more behind on repayments for car loans (more than 7 million). As New York Times journalist Amy Chozick noted in May 2015, “the once ubiquitous term ‘middle class’ has gone conspicuously missing from the 2016 [presidential] campaign trail, as candidates and their strategists grasp for new terms for an unsettled economic era [in which] the middle class has for millions of families become a precarious place to be”.[453] Capitalism in the age of automation increasingly turns the majority of the population into proletarians and, in doing so, creates all economic, social and political prerequisites for the system’s downfall. The deeper the system sinks into crisis, the more proletarians are created, through unemployment, wage cuts and so on, and the more radical they are likely to become. This is borne out by the real development of the international proletariat. While we have already seen that the industrial proletariat has grown enormously, according to the ILO, the world’s “economically active population” (EAP) grew from 1.9 billion in 1980 to 3.1 billion in 2006.[454] Almost all of this numerical growth took place in the ‘emerging nations’, now home to 84% of the global workforce, 1.6 billion of whom worked for wages. The other one billion were small farmers and a multitude of people working in the ‘informal economy’,[455] which is, according to Mike Davis “the fastest growing social class on earth”.[456] While the industrial proletariat in the ‘Global South’ has grown enormously since 1980, its share of the South’s total workforce has been much more modest, rising from 14.5% in 1980, to 16.1% in 1990, to 19.1% in 2000, to 23.1% in 2010[457] – because the absolute growth of the non-industrial proletariat is even greater. Meanwhile, agricultural employment in the Global South has declined to 48% of its EAP, down from 73% in 1960, and from “approximately one-third” to just 4% of EAP in developed countries. However, the ILO reports: “Despite the declining share of agricultural workers in total employment, the absolute numbers of those engaged in agriculture are still rising, most notably in south Asia, east Asia, and sub-Saharan Africa.”[458] The other significant component of the growing proletariat? The unemployed. Smith reports that, apart from China, “no economy has grown fast enough to provide jobs to the legions of young people entering the labour market and the rural exodus to swollen cities in search of work. Even at the zenith of export-oriented industrialisation the ILO reported that ‘in the late 20th century, manufacturing ceased being a major sector of employment growth, except in east and southeast Asia’.” Senior ILO economist Nomaan Majid said the commerce sector, not manufacturing, “is the main employment growth sector in both low- and middle-income groups”.[459] This links back to what we saw in chapter four – that even in the developing nations, the trend towards automation is accompanied by growing unproductive work and unemployment. The numerical growth of the working class has been coupled with a massive attack on its wages, further deepening proletarianisation. In a striking example of how constant capital rises relative to variable capital, John Lanchester writes in the London Review of Books that in the US: “In 1960, the most profitable company in the world’s biggest economy was General Motors (GM). In today’s money, GM made $7.6bn that year. It also employed 600,000 people. Today’s most profitable company employs 92,600. So where 600,000 workers would once generate $7.6bn in profit, now 92,600 generate $89.9bn, an improvement in profitability per worker of 76.65 times. Remember, this is pure profit for the company’s owners, after all workers have been paid. Capital isn’t just winning against labour: there’s no contest. If it were a boxing match, the referee would stop the fight.”[460] Whereas wages in the US rose by 350% between 1927 and 1977, real terms growth has since been in decline. In Britain, wages grew at an annual average of 2.9% in the 1960s and 70s, 1.5% in the 90s and 1.2% in the 2000s. Between 2007 and 2015 that trend accelerated at an unprecedented rate, with real household wages falling by 10.4%.[461] The Resolution Foundation said the 2010s would be the worst decade for UK wage growth since the late 18th century. But as bad as the attack on wages in imperialist countries has been, it has been even worse in the countries imperialism plunders, where workers are of course already paid much less. According to the ILO’s World of Work Report 2011, since the early 1990s the “share of domestic income that goes to labour ... declined in nearly three-quarters of the 69 countries with available information”. While “the wage share among advanced economies has been trending downward since 1975”, it “occurred at a much more moderate pace than among emerging and developing economies – falling roughly nine percentage points since 1980”.[462] In contrast, the fall in Asia between 1994 and 2010 was around 20%. The imperialist countries have also seen a decline in full-time self- employment and self-employed income. This has included a continuing shrinkage in the number of small family farmers, indicating the proletarianisation of portions of the lower middle classes. Michael Elsby’s study The Decline of US Labor Share reports that the “rise in inequality is even more striking for proprietors’ income than it is for payroll income. In 1948 the bottom 90% of employees earned 75% of payroll compensation. By 2010 this had declined to 54%. For entrepreneurial income, however, this fraction plummeted from 42% in 1948 to 14% in 2010.”[463] A separate study of 2014 data by the US Small Business Administration suggests the same pattern regarding millennials (generally defined as people born between 1985 and 2004). “Fewer than 4% of 30 year-olds reported they were in full-time self-employment – a proxy for entrepreneurship – compared with 5.4% of Generation X-ers [1965 and 1984] and 6.7% of Baby Boomers [1945 and 1964] at the same age,” the FT reported.[464] Furthermore, the pace of decline in wages has accelerated in recent years, “with the wage share falling more than 11 percentage points between 2002 and 2006. In China, the wage share declined by close to 10 percentage points since 2000.”[465] Africa’s workers saw their share of national income reduced by 15% in the two decades since 1990, again “with most of this decline – 10 percentage points – taking place since 2000. The decline is even more spectacular in north Africa, where the wage share fell by more than 30 percentage points after 2000.”[466] Latin America saw the lowest decline, of 10% since 1993, and most of it before 2000, undoubtedly due to strong workers’ organisation and resistance, represented by the left-wing ‘Pink Tide’ in Venezuela,[467] Bolivia, Brazil and Argentina. As mentioned, mainstream economic accounting methods underepresent the size of the middle classes and labour aristocracy – which are bound to be proportionately bigger in imperialist nations – and do not take account of sharply increasing inequality between skilled/professional and unskilled workers or of income to capital that has been classified as income to labour, such as bonuses paid to bankers and wages and sponsorship of sports professionals etc, meaning the real extent of the fall in labour’s share is even higher, and considerably so. Elsby attempts to challenge these distortions, writing that in the US, the Bureau of Labor Statistics’ (BLS) calculation of a decline of 3.9% in the share of national income for labour over 1987-2013 becomes a 10% decline when the highest paid 1% of employees are excluded, and a 14% decline when the highest paid 10% are excluded. Based on this more honest method, the lowest 90% of wage earners (84% of the US’s total economically active population) actually earned 42% of the total payroll in 1980 and just 28% in 2011. Elsby also found that the fall for labour has accelerated as time has progressed, declining by twice as much between 2000 and 2011 as in the previous two decades.[468] Again, the trend towards deepening proletarianisation is clear. The material basis for a position of relative privilege among the lower middle classes and labour aristocracy is disappearing. The proletariat is numerically stronger than ever, especially as an international class. ‘Neoliberal globalisation’, which promised to produce prosperous nations of entrepreneurs and homeowners, has instead produced capitalism’s grave-diggers. All this is confirmed by the fact that inequality has hit record levels. In 2018 and 2019, Oxfam found that the 26 richest billionaires owned as much in assets as the 3.8 billion people who make up the poorest half of the planet’s population. The number had been 61 in 2016 and 43 in 2017, showing again that capital continues to centralise. Marx wrote that the concentration of wealth at one pole depended on the concentration of poverty at the other. And lo: the wealth of more than 2,200 billionaires across the globe increased by $900bn in 2018, a 12% increase against a fall of 11% in the wealth of the poorest half of the world’s population. Between 1980 and 2015, the global economy grew by 380%, yet the number of people living in poverty on less than $5 (£3.20) a day increased by more than 1.1 billion. In 1980, $2.20 of every $100 went to the world’s poorest 20%, but in 2003 that figure had fallen to 60 cents.[469] Inequality is most acute between rich and poor countries but it is growing within rich countries as well. In the US, for example, according to the Federal Reserve, the richest 1% owned a record-high 38.6% of the country’s wealth in 2016, nearly twice as much as the bottom 90%. Anti-socialists will still ignore all this or proclaim that the proletariat is no longer a revolutionary class because living standards are generally much higher than 100 years ago, claiming that really “we are all middle class now” or making shallow observations such as “capitalism works because workers have mobile phones!” as if cracking some kind of insightful gotcha that disproves Marxism. This ignores how as the rate of exploitation increases, the value of necessary labour falls, making the commodities workers need to buy to live cheaper. It ignores how the needs of the working class change as capitalism develops: workers need smartphones and laptops in this day and age of 24-hour connectivity if they are even to be considered employable, and so the cost of a smartphone is included in the value of labour power. It also ignores that workers in some countries may have access to better infrastructure than in others (indeed, although no technology has ever scaled as quickly as the mobile phone, while five billion people now have mobile phones, only around 2.5 billion of world’s population presently have a smartphone). But most of all, it is ignorant of the fact that capitalism is breaking down, which will impoverish and radicalise the working class. The revolutionary power of the working class is latent.

# 2AC

## crisis

### at: space

#### Socialism key to space

Phillips ’21 [Leigh Phillips is a science writer and EU affairs journalist, “We Don’t Need Elon Musk to Explore the Solar System,” Jacobin, May 2021, <https://jacobinmag.com/2021/05/elon-musk-space-exploration-mars-colonization>]

A reasonable critique of Musk’s SpaceX endeavors might begin by noting that, regardless of how noble an aim Musk may have for his centibillions, there simply should not be centibillionaires (or even regular millionaires and billionaires). One might also echo Neil Armstrong’s criticism of private space flight — a criticism that once made Elon cry when 60 Minutes asked him about his hero arguing against the privatization of space. We might note how space exploration during the Cold War, despite the militarist overtones of the Space Race, was explicitly intended to be for all mankind rather than in service of the jollies of ultrarich space tourists.

A democratic and public redirection of Elon Musk’s billions might be spent differently. One might further assert that, given the non-identity of the set of all things that are beneficial and the set of all things that are profitable, space colonization will be a public-sector endeavor, or it will not happen — as such a private space travel has no near-term, medium-term, or even long-term prospect of any return on financial investment beyond servicing low-earth, medium-earth, or geostationary orbit. And, finally, we might denounce the union-busting at Musk’s factories or even argue that his “accumulation of resources” is less the product of his own efforts than it is primarily an upward redistribution of value created by his workers.

That is to say that there are a raft of progressive critiques of Musk that could be made that nevertheless still value space exploration and, one day, human colonization of the cosmos.

Indeed, if one values space exploration and looks forward to the time, as astronomer Carl Sagan put it, “when most human cultures will be engaged in an activity you might describe as a dandelion going to seed,” then a socialist critique is all the more necessary, given the irrational limitations markets impose on human endeavor.

But instead, there are thousands of snark-drenched tweets sneering at how crackpot, masculinist, and even childish Elon’s dream is. They argue that space travel is a waste of resources that would be better spent solving problems here on Earth, and that space colonization is a repetition of the colonization of the New World.

Even Bernie Sanders responded to Musk by saying: “Space travel is an exciting idea, but right now we need to focus on Earth and create a progressive tax system so that children don’t go hungry, people are not homeless and all Americans have healthcare. The level of inequality in America is obscene and a threat to our democracy.” At the time of writing, the senator’s tweet had received some 95,000 likes.

Bernie is, in this case, wrong.

Space exploration, including space travel, is one of the grandest tasks humanity has ever set for itself. It is a false dichotomy — and an austerian one at that — to say that we do not have enough money for both a space program and social justice or environmental protection. We can more than afford to do both. NASA’s budget is but a fraction of the Pentagon’s. It should not be difficult to imagine a democratic socialist economy, or even just one a little less neoliberal, that permits much more space and much less war.

We can have public health care and science. We can end homelessness and explore the cosmos. We can have unionized, family-supporting jobs for all and, one day, almost certainly some considerable time from now, colonies on other worlds.

### at: gartske

#### **Empirics prove developed socialist countries are the most peaceful**

Oren and Hays 97 - poli sci professors (Ido and Jude, <https://sci-hub.se/10.2307/40645008>, EM)

We find that during the cold war, developed socialist states were, by a wide margin, less war-prone than all other states. Developing socialist states were the most war-prone, while developed capitalist and developing capitalist states were respectively the second and third most war-prone groups. These findings are highly robust. They hold across three different counts of war (based on three separate data sets) , and they hold whether we measure war propensity in terms of wars engaged in annually or in terms of wars entered into. Now, one might question our conclusion regarding the pacific nature of the developed socialist camp on the ground that most of this camp's members were mere satellites of the Soviet Union and that, therefore, their peacefulness reflects lack of political ability to wage war, more than lack of political will. To this objection we offer two responses. First, arguments that stress the coercive character of Soviet policy toward Eastern Europe implicitly tend to compare the rigidly hierarchical intrasocialist relations with a mythical West in which allies of the United States were allegedly unconstrained in their conduct of foreign policy. But once intrasocialist relations are compared with a more realistic image of intracapitalist relations - properly acknowledging that allies of the United States were not fully free to act as they pleased either - the contrast between East and West blurs considerably, although it does not dissolve entirely. Secondly, let us compare directly the war-frequency records of the United States and the Soviet Union alone. As the leading superpowers of the era, these countries were the least fettered by alliance constraints in their decisions for war and peace. If the Soviet Union, the leader of the socialist camp, is found to have been more peaceful than its capitalist counterpart, the proposition that advanced socialist states are most peaceful would gain added credibility. The number of wars in which the United States and the Soviet Union were involved during the period 1949-1989 (through 1988 for the Tillema data), are reported in the top row of table 11. Clearly, the Soviet Union fought fewer wars than did the United States. The ratios of Soviet to US wars are .50, .27, and .54 for the COW, Gantzel, and Tillema data, respectively. If we take war-duration into consideration, adding up the number of wars each superpower was involved in every year (see the bottom row of table 11), the difference between the war propensities of the two countries becomes even starker: the ratios of Soviet to US war-years are .08, .28, and .39 for the COW, Gantzel, and Tillema data sets, respectively.39 Thus, it appears that not only did advanced socialist countries as a group fight much more rarely than the advanced capitalist counterparts, so did their leader in comparison with the leader of the capitalist world. Conclusion In this study we analyzed the comparative war propensities of groups of states classified in accordance with the analytical categories of the Soviet theory of international relations. We found that during the period 1949-1989, developed socialist states went to war very rarely. The foreign-policy behavior of developed socialist states was significantly more peaceful than the behavior of any other socioeconomic group of states, including capitalist states. On the other hand, the group of developing socialist states was more war-prone than any other group of states during the same period. In other words, our results show that during the Cold War, advanced socialist countries were far more peaceful than the developing and the developed capitalist countries (in that order), who in turn were more peaceful than developing socialist states. Our goal is not to romanticize or resurrect the Soviet theory of international relations, but to "normalize" US social-scientific claims about the peacefulness of democratic countries.

#### Gartzke’s model is beset with methodological errors

Choi 11 [Seung-Whan, PhD, “Re-Evaluating Capitalist and Democratic Peace Models,” International Studies Quarterly (2011) 55, 759–769]

The Capitalist Peace Model: Three Errors Based on a sample of all dyad years from 1950 to 1992, Gartzke’s (2007) work addresses the question of whether capitalism exerts a pacifying effect on the onset of international conflict.2 It proposes that the absence of militarized disputes between democracies is largely explained by the fact that since democracies tend to espouse capitalism, the likelihood of disputes is greatly reduced. More specifically, economic development, globalization of capital, and similar state policy interests are hypothesized to lead dyads to be less likely to experience a dispute. For empirical testing, the capitalist peace model is built on a replication of the democratic peace model proposed by Oneal and Russett [1997:278, Model 1, Table 2, as indicated in note 47 of Gartzke’s (2007:176) study], which ‘‘allows for ready comparison of results and diminishes the danger that [his] findings result from idiosyncrasies in coding or model specification’’ (Gartzke 2007:173). The model consists of a lower score of democracy, a higher score of democracy, capitalist variables, and several control variables.3 Model Specification Error: Peace Years Taking note of Beck, Katz, and Tucker’s (1998) methodological suggestion, Gartzke’s capitalist peace model includes three temporal spline variables (that is, spline1, spline2, and spline3) to control for time dependence. However, a peace year variable that measures the number of peace years since the last conflict and that serves as the base variable to create those three spline variables is left out. Since logit splines require that all four variables be included together, the exclusion of a peace year variable makes the estimates of the capitalist peace model untenable. Because Gartzke’s study does not control for the complete spline function for the years of peace, it obtains inconsistent parameter estimates and incorrect standard errors.4 Thus, the capitalist model is misleading because its estimation suffers from omitted variable bias. These omissions explain why the effect of democracy does not hold up in the capitalist peace model, rather than the capitalist variables winning over the democracy variable in competition. As demonstrated in the next section, when the model specification error is properly corrected, democracy re-emerges as a pacifying factor in a consistent manner, whether a crisis is related to a militarized dispute or a war. Observation Omission: Regional Dummies When statistical software drops some observations upon the execution of a model, it issues warning notes. Generally, researchers investigate whether those drops are a justifiable procedure in order to obtain unbiased and consistent estimates. If researchers overlook critical error messages about observation drops and report coefficients and standard errors as they are, their findings may be misleading or even worse, erroneous. The next section illustrates how ignoring warning notes about observation drops can stymie one’s analysis. In particular, this relates to Gartzke’s study that does not analyze the implications of warning notes regarding dropped observations that are caused by the inclusion of regional dummy variables. Sample Selection Bias: All Dyads versus Politically Relevant Dyads Sample selection bias is caused by the selection of a particular sample instead of conducting a census of the population. Gartzke’s study examines the capitalism– conflict connection with a focus on all dyads but not on politically relevant dyads. However, the use of all possible dyads is open to two criticisms. The first is theoretical: for example, there is no reason to expect a militarized dispute between Malaysia and Uganda. The second is methodological, as the inclusion of all possible dyads makes the non-zero militarized dispute event extremely rare. Politically relevant dyads that either share a border or include at least one major power are considered more conflict prone than any other type of dyad because they are exposed to more opportunities to interact, increasing the likelihood of conflict. For this reason, students of conflict have emphasized the importance of politically relevant dyads over all dyads (for example, Lemke and Reed 2001; Russett and Oneal 2001). The next section demonstrates that when the capitalist peace model is fitted with politically relevant dyads, capitalist variables become less robust, and in some cases insignificant.(760-2)

## innovation

### at: warming

#### Corporate lysenkoism destroys science

UCS 12 - nonprofit science advocacy organization (Union of Concerned Scientists, <https://www.ucsusa.org/sites/default/files/2019-09/heads-they-win-summary.pdf>, EM)

Access to the best available science allows federal decisionmakers to craft policies that protect our health and safety and the environment. Unfortunately, censorship of scientists and the manipulation, distortion, and suppression of scientific information has threatened the federal scientific enterprise in recent years. This serious problem has sparked much debate, but few have analyzed the key driver of political interference in federal science: the inappropriate influence of companies with a financial stake in the outcome. This influence affects not only the science used in decision making, but also public opinion and the decision-making process itself. By better understanding how corporations influence the use of science in federal decision making, we can both hold companies and policy makers accountable for their actions and ensure that the nation develops science-based policies that serve the public interest. The first chapter of this report explores the numerous methods corporate interests employ to inappropriately influence how the federal government uses science to make decisions. The second chapter provides an overview of the steps the Obama administration has taken to restore scientific integrity to federal policy making. The third chapter focuses on the federal reforms still essential to ensure that authoritative and independent scientific information informs policies designed to protect public health and the environment. Recognizing that solving this problem extends far beyond what the government can accomplish alone, we also suggest broader reforms that corporations, the scientific community, academic institutions, news media, and the courts can pursue to ensure transparency and accountability in the use of science. The twenty-first century presents the United States and the world with urgent science-based challenges. We must have the ability to use independent science to address problems such as the need for high-quality yet affordable health care, terrorism, climate change, rising demand for energy and natural resources, population growth, and the loss of biodiversity, and to anticipate and tackle challenges unknown today. Methods of Abuse Corporations attempt to exert influence at every step of the scientific and policy-making processes, often to shape decisions in their favor or avoid regulation and monitoring of their products and by-products at the public’s expense. In so doing, they often attempt to fundamentally alter the decision-making process and exploit executive branch agencies, Congress, and the courts. Corrupting the Science Corporations that stand to lose from the results of independent scientific inquiry have gone to great lengths to manipulate and control science and scientists by: Terminating and suppressing research. Companies have controlled the dissemination of scientific information by ending or withholding results of research that they sponsor that would threaten their bottom line. Intimidating or coercing scientists. Corporations bury scientific information by harassing scientists and their institutions into silence. Scientists have been threatened with litigation and the loss of their jobs, have had their research defunded, have been refused promotion or tenure, and have been transferred to non-research positions, leading to self-censorship and changes in research direction. Manipulating study designs and research protocols. Corporations have employed flawed methodologies in testing and research—such as by changing the questions scientists are asking—that are biased toward predetermined results. Ghostwriting scientific articles. Corporations corrupt the integrity of scientific journals by planting ghostwritten articles about their products. Rather than submitting articles directly, companies recruit scientists or contract with research organizations to publish articles that obscure the sponsors’ involvement. Publication bias. Corporations selectively publish positive results while underreporting negative results. While not directly corrupting science itself, these publishing and reporting biases skew the body of evidence. Shaping Public Perception Armed with public relations teams, private interests have launched campaigns that influence public opinion and undermine understanding of scientific consensus. Among their methods: Downplaying evidence and playing up false uncertainty. As scientific understanding of the health effects of products and substances such as tobacco and particulate emissions emerges, companies fight regulation by attacking the science, downplaying scientific consensus, exaggerating scientific uncertainty and spreading doubt. Vilifying scientists. Scientists analyzing the health and environmental effects of products such as asbestos and lead, and phenomena such as climate change, are publicly criticized and attacked. These attacks and allegations of misconduct discredit the scientists and deter them from continuing their research. Promoting experts who undermine the scientific consensus. Corporations promote individuals who overemphasize research that appears to cast doubt on the scientific consensus. Often their expertise is not in a relevant field, limiting their ability to effectively evaluate the scientific findings they are criticizing. Hiding behind front groups or “capturing” organizations. Companies use front groups, public relations firms, and other paid consultants to covertly advance corporate interests while these entities maintain the illusion of independence. Influencing the media. Corporations inaccurately portray science by feeding the media slanted reports and news stories, or biased spokespeople.

## CP---Antitrust PIC

### 2AC---CP---Antitrust PIC

#### PDCP---nationalization is anti-trust

**Hewitt 21** [Liane Hewitt, historian of political economy and international order at Princeton, Economic History Workshop is a monthly seminar series for Princeton students and faculty interested in the study of economic history, co-sponsored by the Department of History at Princeton and the Julis-Rabinowitz Center for Public Policy & Finance, the workshop provides a forum for scholars to present their findings and receive feedback on their research in a wide array of subfields, such as financial, business, labor, legal, intellectual, technological, and social history, Nationalization as Anti-Trust Policy: The Post-War Anti-Fascist Moment in France, Britain and West-Germany, 1944-51,” Feb 4, 2021, https://jrc.princeton.edu/events/hewitt-spring-2021]

This dissertation asks how international cartels became rejected after the Second World as the private scaffolding for organizing European capitalism and international order. After 1918, a broad consensus of actors (governments, politicians, legal and economic experts, and sectors of socialists, labor and consumer groups) boosted cartels as a near-panacea for stabilizing chaotic markets, securing the fragile peace, and building a common market that could hold its own against American Fordist mass-production and distribution. This chapter argues that the sweeping nationalization reforms enacted at the end of WW2 by Britain and France, under the Attlee Labour government and the Resistance-controlled Constituent Assembly respectively, should be seen as pivotal episodes in Western Europe’s anti-cartel turn. This interpretation brings together two traditionally separate historiographies: the first on the post-war social-democratic moment and the construction of national welfare states, and the second more technical literature on post-1945 de-cartelization. The chapter suggests that governments and activists justified nationalization as an anti-trust policy to defeat the anti-democratic, perhaps even fascistic power of private big-business over the state and national economic life. The organized Left had proposed comprehensive nationalization reforms since the end of WW1. But it was not until the anti-fascist and Liberation moment swept Britain and France in the wake of the victory of 1944-45 that governments took control of the commanding heights of their economies: notably credit, energy (gas, coal), transport, and iron and steel (in Britain, only). The chapter will conclude by briefly considering alternative national solutions to the cartel problem after 1945, which did not involve state nationalizations in Scandinavia and West Germany. American occupation and a weaker post-war anti-fascist moment in these countries may hold the key to explaining why they did not take the nationalization-as-antitrust policy route.

#### Core antitrust laws exempt labor---nationalizing corporations necessitates removing those

Elhauge ’17 [Einer; December 6; Law Professor at Harvard University; United States Antitrust Law and Economics, “Introduction: An Overview of Antitrust Laws and Remedial Structure,” p. 46-49]

d. THE LABOR EXEMPTIONS. Without a labor exemption, ordinary union activities like strikes or setting labor prices in collective bargaining agreements would be horizontal boycotts and price-fixing agreements subject to the risk of antitrust liability. To avoid this, Congress has enacted statutes that provide antitrust exemptions for, and bar injunctions against, such ordinary labor union activities as collective refusals to supply labor or agreements not to compete on wages or other employment terms. This explicit statutory exemption protects agreements among labor employees, but not among independent contractors who collectively engage in boycotts or price-fixing. The explicit statutory exemption extends only to conduct and agreements by employees and their unions, and not to their agreements with non-labor groups.

#### Passing the plan requires expanding core antitrust law---a slew of other exemptions also need to be removed

Elhauge ’17 [Einer; December 6; Law Professor at Harvard University; United States Antitrust Law and Economics, “Introduction: An Overview of Antitrust Laws and Remedial Structure,” p. 42-43]

b. EXPLICIT EXEMPTIONS OR LIMITATIONS. Congress has also frequently enacted explicit exemptions or alterations of antitrust standards. These include exemptions that:

1. Allow those who farm or fish to form cooperatives without those cooperatives being considered agreements in restraint of trade, although the Secretary of Agriculture has authority to enjoin cooperatives that unduly enhance prices. This exemption does not extend to agreements with nonexempt persons, nor to exclusionary conduct by cooperatives against rivals or other nonmembers.

2. Exempt certain mergers and television agreements by sports leagues. Baseball also enjoys a special judicially- created antitrust exemption, other than for conduct that affects the employment of ballplayers, which is instead governed by the labor exemption described below.

3. Immunize charitable gift annuities or charitable remainder trusts.

4. Exempt the medical resident matching program.

5. Provide more generous antitrust standards for mergers and agreements between newspapers when one is a failing firm.183

6. Exempt professional review bodies from antitrust damages for actions that are based on the quality of a physician's care and may adversely affect the physician's hospital privileges or society memberships, provided the actions were based on a reasonable belief that they would enhance the quality of health care and were made after reasonable investigation and process.

7. Exempt collective rate making that is known and approved by the Interstate Commerce Commission.185

8. Exempt shipper conduct that is already prohibited by the Shipping Act of 1984. «

9. Exempt agreements that the President finds vital to national defense.

10. Exempt joint research and development that has been approved by the Small Business Administration.

11. Provide more generous antitrust standards for judging bank mergers.

All of these exemptions require examination of the detailed statutory requirements. Two other exemptions require a bit more discussion because of their importance and doctrinal development.

## CP---Notice and Comment

### 2AC---Delay Deficit

#### Immediate nationalization is key---delay causes capital flight

Michael Mccarthy 20 [Michael A. McCarthy is an associate professor of sociology at Marquette University and author of Dismantling Solidarity: Capitalist Politics and American Pensions Since the New Deal. “Our First 100 Days Could Be a Nightmare.” https://jacobinmag.com/2020/02/our-first-100-days-could-be-a-nightmare]//JM

In the event that a socialist government came into power and threatened to nationalize industries, democratize the economy, and redistribute wealth — all undermining profits — the first thing the capitalist class would do with their wealth is move it somewhere more profitable, where it wouldn’t be as heavily taxed and would stand a better chance of making higher returns. Managers who look after the pools of assets owned by workers will follow those very same market signals. Keystroke Renegades Given these structural changes, how might capital respond to a democratic socialist agenda? Business is well equipped for direct combat in politics. Economic inequality, in part driven by the smashing of unions, tax cuts, and changes in corporate governance that have favored major CEO bonuses and payouts over investment in workers, leads to more disposable income for capitalists and their organizations to use to get their way. They spend this actively pressuring the state — there were approximately 12,000 registered lobbyists in DC in 2018. In the United States, the financial sector itself is highly involved in politics. With organizations like the Financial Services Forum led by a set of elite Wall Street CEOs, the sector is regularly consulted on policy. Theirs is an active campaign of influence, not a mere passive advisory role. During the 2017–18 election cycle, financial groups spent $719 million in politics, allocating 60 percent to Republicans and 40 percent to Democrats. Their direct influence is not merely material. Through their close relationship with policymakers and the promise that many of the elected officials who regulate the sector get positions in it when they leave, they directly deploy their expertise to set the terms of their own regulation. Governing socialists would be the target of an active assault of this sort on their program. But this kind of threat isn’t even the most dangerous one we would face. The quiet disinvestment constraints imposed by capital on policy-making are tightened by the gradual sophistication and swelling of financial markets. Finance itself lays down a series of interconnected traps that, when triggered, are set off in ripple effects. They strike silently but are even more deadly than the sword, because they break the will of policymakers and the people alike to stay the course. Without capital controls on financial flows, and with plenty of opportunities to invest elsewhere, capital flight would put downward pressure on the country’s assets, drive it into a recession, and dry up available credit. All that would be necessary for a recession would be for money managers to disinvest their client’s funds in the United States and for creditors to stop offering cheap debt to US consumers.

## CP---States

## CP---Sherman Offsets

## DA---FTC

### 2AC---DA---FTC

#### No budget.

Goolsbee ’20 [Austan; September 30; Professor of economics at the University of Chicago’s Booth School of Business, has been a Department of Justice antitrust consultant, and was an adviser to President Barack Obama; *New York Times,* “Big Companies Are Starting to Swallow the World,” <https://www.nytimes.com/2020/09/30/business/big-companies-are-starting-to-swallow-the-world.html>; KS]

First, the enforcement budget for antitrust actions was already stretched way too thin even before the current crisis began. That budget has been falling for years and is lower now than it was two decades ago. The entire antitrust division of the Justice Department and the F.T.C. are being forced to operate on less than a single company like Facebook brings in over a few days. In the last 10 years, the number of merger filings (which notify the authorities of an intended merger) has almost doubled, but the number of enforcement actions taken by the government has actually fallen.

#### Unbalanced regulatory fight.

Kantrowitz ’20 [Alex; September 17; Writer for *Big Technology*; *Big Technology,* “‘It’s Ridiculous.’ Underfunded FTC and DOJ Can’t Keep Fighting the Tech Giants Like This,” <https://bigtechnology.substack.com/p/its-ridiculous-underfunded-us-regulators?utm_campaign=post&utm_medium=email&utm_source=twitter>] KS

As politicians, the press, and the public scrutinize the tech giants and grow wary of their power, the most important organizations tasked with restraining them — the U.S. regulatory agencies — aren’t getting enough funding to do the job.

“The agencies are severely resource-constrained,” Michael Kades, an-ex FTC trial lawyer who spent 11 years at the agency, told Big Technology.

The Federal Trade Commission and Department of Justice’s antitrust division have a combined annual budget below what Facebook makes in three days. The FTC runs on less than $350 million per year, the DOJ’s antitrust division on less than $200 million. Facebook made $18 billion last quarter alone.n

The funding disparity between the tech giants and their regulators leads to an unbalanced fight, current and ex-staffers said: The agencies can’t investigate the tech giants to the extent they’d like. They might shy away from complex cases fearing a resource-draining battle. And when they investigate the tech giants, they often see former colleagues with intricate knowledge of their strategy and ability to act (or lack thereof) representing these companies. Without significant budget increases, the tech giants may well continue to act unrestrained with little fear of repercussions.

“DOJ is under-resourced, FTC it’s ridiculous,” one ex DOJ-staffer told Big Technology.

#### Merger activity ramping up.

Graham 9-16 [Jed; Author at Investor’s Business Daily; *Investor’s Business Daily,* “FTC, Biden Antitrust Enforcement Push Takes On Amazon, Google — And The Supreme Court,” <https://www.investors.com/news/antitrust-enforcement-push-by-ftc-biden-takes-on-amazon-google-supreme-court/>; KS]

Wall Street's early reaction to the Biden administration's attempt to stiff-arm M&A activity has been to step on the gas. The FTC said in August that it's struggling to stay abreast of a "tidal wave" of mergers. The 2,436 deal filings through August have already blown past the elevated annual totals from 2017-2019.

Despite a skeptical, if not hostile, attitude among antitrust enforcers, the vast majority of these deals are likely to go through.

While Congress may increase funding for merger enforcement, the FTC and DOJ are already devoting significant resources to the Facebook and Google antitrust cases. "They can only fight so many battles," Kovacic said.

Khan Uses Bully Pulpit, Bulls Like Big Tech

That's not to say the Biden team won't create major headaches for merging parties. More mergers will face reviews and the probes will last several months longer. And where concerns arise, the agencies will be less likely to negotiate a fix.

To make deals approvable, regulators have long consented to divestitures. Sometimes regulators settle for behavioral remedies. To seal the T-Mobile-Sprint merger, the Justice Department relied on Dish Network's commitment to build out a national wireless network. But Khan says the track record of both types of fixes isn't great.

"The antitrust agencies should more frequently consider opposing problematic deals outright," Khan wrote Aug. 6. She was responding to a letter from Sen. Elizabeth Warren, who had raised concerns about defense mergers. The news added to doubts that the FTC will clear the pending Lockheed Martin (LMT) acquisition of rocket engine manufacturer Aerojet Rocketdyne (AJRD).

When regulators do decide to negotiate, "expansive divestiture demands could result in a remedy that frustrates the purpose of the deal," warned antitrust attorneys at tech-focused law firm Wilson Sosini.

Khan is clearly using her bully pulpit to the utmost, trying to dissuade merger talks from reaching fruition.

But right now it's all talk. She has turned a few heads, but the S&P 500 and Big Tech leaders have kept cruising. Facebook stock is up 11% since Khan took the FTC's helm on June 15, while Apple has climbed 15% and Google stock 18%. That's despite reports that the Justice Department is preparing to file a second Google antitrust suit over its ad dominance.

The new antitrust enforcement regime may not change all that much "until they show that they can sue and win," Kovacic said.

## DA---Japan

### 2AC---DA---Prolif

#### Rising global inequality will collapse assurance and deterrence

Galbraith ’18 [James K.; July 23; Professor at UT-Austin, was a delegate, at 20, to the Democratic National Convention in 1972; he teaches at the LBJ School, the University of Texas at Austin; The Nation, “Extreme Inequality Creates Global Disorder,” https://www.thenation.com/article/archive/extreme-inequality-creates-global-disorder]

The principal driver of global inequality—both within and between countries—is the global financial regime. This has been a feature since the end of the Bretton Woods system in 1971, with recurrent catastrophic effects following the onset of the 1980s debt crisis, including the collapse of the socialist nations and the 1997 Asian financial crisis. Back then, it was a conservative stroke of genius to institutionalize “market exchange rates” on a global scale. Those markets work well enough for rich nations, but they guarantee problems for everyone else. Each exchange crisis has wiped out a decade or more of progress against inequality, as anyone in Brazil, Argentina, Mexico, or much of Africa will tell you. The rise of China, on the other hand, has everything to do with its refusal to play the game of open capital markets. And while inequality in China rose rapidly for internal reasons beginning in the 1990s, it stabilized more than a decade ago.

Global inequality is a security risk—and not just because it breeds resentment, violence, and mass migrations. It also makes the entire system prone to collapse. For over 40 years, the United States has enjoyed the advantage of issuing the world’s reserve currency, running a trade deficit, and living well off the work of others. But the respect that would be due to exercising that role responsibly has been squandered by our behavior.

Reckless interventions have demonstrated the limits of military power—as our professional soldiers can attest, and as the current state of Afghanistan, Iraq, and Libya demonstrate. A self-centered economic strategy is only a bit more subtle. Yes, even when a financial crisis originates in the United States, as happened with the subprime-mortgage debacle of 2007–09, funds still flow to the safety of the US dollar and government bonds. So long as this pattern holds, the United States actually benefits from economic insecurity and instability, both at home and abroad. But you have to be very optimistic—or flat-out crazy—to think that this can go on indefinitely.

Controlling inequality—like controlling blood pressure—is good for your economic health. Economies with less inequality generally have lower unemployment and stronger productivity growth, and some researchers also claim better human health and social cohesion. In terms of the rest of the world, the peculiar organization of the United States into a boom/bust economy based on finance and high technology is the exception rather than the rule: We combine record-breaking inequality with low unemployment. But this is a formula that generates massive instability, as well as the resentments that gave us President Trump. Countries with stronger stabilizing institutions built on the principle of countervailing power may be less rich over the short term, but they are better-governed and built to last.

Our long-term safety and prosperity will therefore depend on creating a more just and stable world banking and monetary system. We can either get to work on this ourselves, or accept that other large countries and blocs will take up the task, creating regional alliances that will restructure global trade and finance—as is already beginning to happen. If we are not part of a common process, then ultimately we will be cut out and cut back. No one should think that a policy of provoking and destabilizing Russia, China, and Iran is going to work for us, over the long or even the medium run. No one should think that Europe and Japan will stay US economic allies forever if their interests dictate otherwise. No one should imagine that military power provides enduring safety in a world of multiple major powers with their own resources, technologies, and ideas.

In the United States, the key driver of inequality is capital-asset prices. This is because in a capitalist nation, capitalists and not workers own such assets and get their income from dividends, interest, stock options, and capital gains. Capitalist booms yield prosperity—often a wasteful prosperity—along with instability; as the bankers say, it’s not the speed that kills, it’s the sudden stop. Concentrated ownership of capital assets is therefore a central issue. Spreading the wealth sensibly over time means more public investment at every level and more investment by nonprofits with longer time horizons and sensible social objectives. It means fostering cooperatives and other stabilizing private economic forms that are not dependent on Wall Street. Instead of boosting the economic growth rate—a measure largely disconnected from social well-being—we should have a strategy to live better: more sustainably, more equally, with less waste and more common spaces, more public goods and enjoyments.

### 2AC---AT: China

#### Unstable economic foundations

Solberg ‘8/30 [Klaus Solberg Søilen is a political economist and professor of Management at Halmstad University in Sweden where he teaches “History of Management Thought” among other subjects, “The Twilight of Pax Americana,” August 30, 2021, https://www.geopoliticalmonitor.com/the-twilight-of-pax-americana/]

To understand economics, we need to lift our heads above the daily news shows. Periods of economic decline take on different forms and are described by different terms depending on the severity. What we are witnessing now in the US is not just another recession or even economic collapse, but a hegemonic transition or in the worst-case collapse, that is, a powerful state about to lose control as we saw with the disordered withdrawal from Kabul this week.

A recession is a period of economic decline in two successive quarters. An economic collapse can last several years, as in the great depression of the 1930s but also the current COVID-19 pandemic. An economic collapse can lead to a social collapse when cultural identity breaks down, governments fall, and violence surges in the streets. A hegemon is a state that has predominance or control over all other states. During the past half-millennium Portugal, Spain, the Netherlands, France, and Britain were all at one time hegemons.

England went through a hegemonic transition in 1919 but avoided a societal collapse. As repeated occurrences of street violence, conflicts between racial groups, and the storming of the US capital showed, the US is far closer to balancing on the verge of societal collapse, suggesting hegemonic collapse.

Trump was elected because it was thought he would fight the elites. It was a populist revolt sparked by a growing middle class who have seen their living standard deteriorate over two generations. The height of the American dream was in the 50s. Since then peoples’ living standards have largely been debt-financed. The US has experienced close to 50 periods of recessions since the early 19th century and a handful of economic collapses like the 1815–21 depression, the Panic of 1873, and the Great Depression. What we are seeing now is different. A new hegemon is waiting in the corridors, just like the US did at the turn of the 20th century. The US external debt is not only the largest in the world but more importantly, it is now unpayable. And as all creditors know what cannot be paid will not be paid. To stay afloat as an economy the US has printed 40% of all dollars in existence during the past 12 months. And it is not only the economy and those whose work it is to see that it is functioning that is not delivering, but also other institutions, like the military. The US now lost another war, officially this week, withdrawing from Afghanistan while the victor, the Taliban, is already in control of most of the country, even though few experts and none of the mainstream commentators thought it possible even a week ago. The Chinese are waiting in the corridors in Afghanistan too, ready to make deals to get access to the country’s rich minerals, mainly copper, iron, and rare earth elements. Before that US troops left Iraq, preferring the term “withdrawal” themselves, but clear to much of the rest that it was a defeat. All of this signals not only a hegemonic shift but leadership in denial and out of touch with reality or so entangled in its own decline that every event must be taken as a PR opportunity.

The Chinese do not need Afghanistan as their Belt and Road Initiative – the largest infrastructure in the history of mankind – works itself around the country, in the north-west through Turkmenistan and in the southeast through Pakistan, so the Chinese have a strong negotiating position vis-a-vis the Taliban. To show Iraq that they are part of the country’s solution they buy about half of their oil even though they do not need to. Wherever the US fails China comes in and fills the void.

In little more than a century, we have gone from Pax Britannica to Pax Americana and now we see the beginning of Pax Sina. It is only about 100 years since the British pound collapsed as a world currency. The US surpassed Britain in 1919 as Britain was forced to leave the gold standard to finance its part in the First World War. The US economy had surpassed the British a few years earlier, in 1913. In comparison, China may surpass the American economy in a few years, maybe by 2028. New incumbents are always quick to take action. At the end of the Second World War America brought the victors to sign an agreement to tie their currency to the USD and to tie the USD to gold (Bretton Woods). With these signatures, US hegemony was confirmed. It was now a question of seeing how long the position could be held, drawing the parallel to Rome and Pax Romana as a yardstick of great civilizations. In hindsight now looking back at not only the economic performance of the past two generations but also to numerous disastrous military adventures around the world, the much shorter Vandal hegemony may seem like a more accurate comparison. The Bay of Pigs, the bombing of Cambodia, and the systematic support of dictators in South America do not wash away so easily.

Just like for the British, US hegemonic power only lasted until the next war, in Vietnam, as Nixon was forced to take the USD off the gold standard in 1971. Since then the world has had a broken economic system as the US exploited its fiat status to issue ever more debt while clamping down on other debtor country’s fiscal control. Thus, the moral high ground was pretty much lost from early on. That the USD was still able to dominate the economy of other countries for more than two generations was due to the quick spread of the USD. Today, still, 61% of all foreign bank reserves are in USD and 40% of all the world’s debt. This is only changing slowly for the time being and is part of the transitionary process.

Britain did not collapse completely, nor will the US if they can find other sources of income, but the parallel between the two countries’ reigns is striking. In the 1950’s Britain was still an industrial giant, but by the early 80’s after a disastrous time dominated by neoclassic economics which culminated with Margaret Thatcher as head of government most of it was gone. The last jewels like Jaguar, Rover, Rolls-Royce, and Bentley were part of the great sell-off in the ’90s and early 2000s. Desperate for alternative sources of income after the decline of the empire Britain allowed the City, a private entity with special jurisdiction in London, to take the lead. The City developed two schemes for wealth creation both based on the personal connection the country had developed with its former colonies. One was to assist new generations of leaders in these countries to transfer stolen funds out of the country. This became a major reason why Africa never experiences any real economic development. The second was to develop tax havens in other former colonies as a hiding place for dirty money and for people who wanted to avoid paying taxes, starting with the Cayman Islands. This system is well described in Tom Curtis’ book “Kletopia.” Today the tax avoidance scheme is so large that some estimates are that half of all deposits in the UK are placed in tax havens. That means that half of England’s potential taxable income is gone. Instead, the middle class is left to pay for an ever larger and more expensive social welfare state. The good news is that the tax havens can easily be shut down through a vote in the parliament. The bad news is that those who benefit from this scheme are overrepresented in parliament and will not vote against their economic interest. Instead, the public is served complicated and diffuse legal excuses.

American banks quickly drew advantage of the English scheme establishing offices in the City, but have also built their own system of setting up company headquarters in states with no or low corporate tax, states like Nevada, Delaware, Montana, South Dakota, Wyoming, and New York. As a result, there is a competition between states now that is leading to greater inequality and tensions between states which is already damaging the sense of unity which has made the country strong and prosperous. Just like England, the US has gone through a period of deindustrialization whereby jobs and investments have moved overseas. What was portrayed in business schools as “globalization” was in large part an economic suicide in the making whereby owners of companies defrauded their workers of their livelihood. I taught myself one of those courses (“international business”) for a few years at Copenhagen Business School more than two decades ago without reflecting much about the consequences of these theories. As a result of “globalization,” the majority of the jobs created in the US today are low-skilled jobs in warehouses and logistics, like at Amazon, jobs soon to be replaced by robots. The skilled craftsman jobs that were associated with an affluent middle class have to a large extent disappeared.

Both England and the US fell prey to the same homegrown political and economic ideas, the conviction that individualist ideas would lead to a prosperous society for all. This is a uniquely Anglo-Saxon idea in the history of hegemonies and one that is unlikely to be tried again soon. What started as moderate and sensible individualism with Adam Smith and John Stuart Mill, develop into ideas of excessive self-interest with Hayek, the Chicago school, and Ayn Rand. Nowhere were these ideas more spread than in the new financial elite, led by Alan Greenspan as head of the Federal Reserve. In its later stage, it was more like a cult than an ideology. The state or “commons” was seen as an enemy supported by “evil communists” associated with the USSR and China under Mao. This ideology quickly hijacked not only the entire study of economics but society at large making it unable to think rationally about large common projects, like infrastructure.

In the US it started to go seriously wrong in the 70s and 80s when “growth” was largely built on borrowed money. Focus shifted from industrial production to financial services under the disguise that “clean” services were more important than “dirty” production. A greedy elite simply could not make money fast enough and Wall Street was always willing to scam their fellow citizens, massively, again and again. Jerome Powell today is simply the latest priest of this casino-like pyramid scheme whose institution is about to go bankrupt, forced to print ever more money simply to survive the next week. Stock prices especially for US companies have since long stopped to reflect any real economic performance in the underlying assets. It’s all about pumping money into the stock market to prevent the markets from crashing. If they do not the baby boom generation who are in control of most of the assets will lose their pensions. The companies and CEOs play along, buying their own assets instead of investing in new production. There is little Powell himself can do except to try to prevent panic by spreading empty assurances of stability and growth dressed up in vague neoclassic jargon which commentators try to “interpret.” The news commentators themselves are lost, unable to ask critical questions, swinging back from restrained hopelessness to careful optimism. When they interview people who make their living investing in gold they swing towards gold, or when they argue for Bitcoin the person interviewed has invested in Bitcoin. More often now they also advise their viewers to keep cash much like the passengers on the Titanic were advised to go slowly towards the lifeboats. Cash held in USD will not solve the problem either as the USD system is at the heart of the problem. It’s systemic risk, there are no portfolio strategies that make sense with US equity or currency at this point, all will go down and this will in turn seriously affect foreign markets around the world. This also explains the absurd popularity of Bitcoin as an alternative investment. Bitcoin is backed by absolutely nothing, but at least it’s not the other stuff, or so the thinking goes. Holding Bitcoin may be a momentary rescue, but it is not likely to be around for long (of reasons we have to come back to in a separate article).

Loss of hegemonic control is natural throughout history. Portugal was surpassed by Spain, as Spain was surpassed by France, as France was surpassed by the Netherlands, as the Netherlands was surpassed by England. The only question seems to be how long a nation can hold on to power and how deep it will fall. Nations surpass each other by gaining a competitive advantage. To be a hegemon often comes down to a few variables, like the size of the population, the amount of natural resources available, the educational level, and an outward-looking mind. Competitive nations follow the SEPT process: With an interest in Science, you can build a good Educational system that can be used for increased production of goods and services which can be Traded with other nations for profit, which can be reinvested in Science. Thus, nation-states and their citizens become prosperous. Mainstream economists often call this mercantilism or neomercantilism, but that is only one part of the equation. A more inclusive term is geoeconomics. Sending gunboats was a successful strategy for England and the British empire, but only because they knew how to draw economic profits from it. The US never succeeded in copying the English geopolitical strategy. Instead, military investments became an economic burden.

The Netherlands never had enough natural resources to stay on top for long, nor a sufficient population size. Japan had the population, the science, but not the willingness to go abroad and learn about other cultures so it could not secure the natural resources it needed. Germany could have been the economic hegemon in the 20th century but got mixed up in two world wars which it lost. Sweden tried to be a European hegemon, desperately, but was never close to having a real chance. Now China has all the advantages needed for succeeding the US as a hegemon; the population, natural resources, the educational level, and a keen outward-looking mind, engaging with all nations also in places we have refused to go to, like in Africa. It even has the experience of having been a hegemon and the Confucian theories to make sure it does not go off track.

What happened to the US? After all, it still has the population, the natural resources, and to a large extent also an outward-looking mind, even though a bit rusty in geography and history. It still has most of the world’s best universities and a hard-working population. Well, like England it was persuaded by its own elites to sell out its production and with low domestic production, there was not only a lack of trade but also good jobs for the middle class. To compensate for the lack of trade the elites, who were now mostly in finance, suggested that everyone borrow for their consumption as this policy created new lucrative opportunities for themselves. That was the big betrayal. As they financed both political parties there was never an issue of persuasion. Political support was guaranteed. All of this was defended with economic ideologies as the neo-classics argued that money and debt were irrelevant for their models. The unspoken assumption was that all this was possible as the US owns and controls the world financial system. As other nations depend on the USD the US did not have to follow the same laws that it insists that other debtor nations follow. This was assured through their control of the World Bank, IMF, and a large, impressive military presence around the world. The free lunch was possible.

England declined with the loss of its empire. It simply wasn’t possible to suppress other nations with machine guns anymore. It was brought on its knees by its own elites who distanced itself from the rest of the population and dismantled and sold out its production capabilities. After that, it survived mainly as a financial center hiding the ill-begotten gains of criminals from all over the world and the fortunes of the wealthy classes. The US is declining because it outsourced production and built a strategy of growth on debt finance, a result of its own greed one could say. In the current phase of this economic system, there is no more money to be borrowed as interest rates are zero and bonds give no reasonable rate of return (below inflation). Instead, the country has been forced to print ever more USD simply to stop the stock markets from crashing. If it takes a bit longer than what many expect it’s because the USD system is so much larger. In the meanwhile, China is building parallel systems and organizations to help nations move away from US dependence, both economically and politically.

We do not know how long this hegemonic transition will take, but most indicators suggest we are at a later stage. A substantial fall in the value of the USD is possible in which case we are looking at a hegemonic collapse as opposed to a transition. Will this also lead to a societal collapse? Well, much depend on what the US will do in the coming months and years. We see that competition between states in the US is cutthroat, not only over taxes but also when competing for plants and headquarters of larger companies and highly skilled personnel. Racial and class conflicts have been increasing. In a generation, white-Caucasians will no longer be in majority. One likely scenario is that the country will look more like Mexico in a generation from now ethnically, politically, and economically, with isolated pockets of high production like we see developing in Texas today.

I enjoy living in a country with free speech, but a democratic system is not a requirement to succeed as a hegemon, like we in the West like to think. What people want is first of all a higher standard of living. Democracies can instead be vulnerable in times of economic decline. We saw this in Europe in the 20s and 30s with the rise of fascism and Nazism. We already see signs of this today in the form of populism, both in the US and Europe. Democracies always risk being ruled by the “vulguaris,” as we saw in Rome after the end of the Republic or as we have seen it in the US under Trump. This then seems to be the major weakness of democracies, they function best in times of prosperity.

#### DIB is collapsing---nationalization saves it

John Stanton 6 [John Stanton is a writer specializing in political and national security matters. His last book is titled A Power But Not Super. 7-6-2006. “Nationalize the Defense Industry!” https://www.counterpunch.org/2006/07/06/nationalize-the-defense-industry/]//JM

Nearly 40 years hence, Charlie Cray and Lee Drutman have resurrected and energized Galbraith’s argument in their work titled Corporations and the Public Purpose: Restoring the Balance (Seattle Journal for Social Justice, Winter 2005). They make an exceptionally compelling case for putting the defense industrial base (DIB) into the direct service of the American public through a form of nationalization: federal chartering.

“Converting the companies to publicly-controlled, nonprofit status would introduce a key change: it would reduce the entities’ impetus for aggressive lobbying and campaign contributions. Chartering the defense contractors at the federal level would in effect allow Congress to ban such activities outright, thereby controlling an industry that is now a driving force rather than a servant of foreign policy objectives. As public firms, they would certainly continue to participate in the policy fora designed to determine the nation’s national security and defense technology needs, but the profit-driven impetus to control the process in order to best serve corporate shareholders would be eliminated. Thus, by turning defense and security firms into full public corporations, we would replace the criteria by which their performance is judged from quarterly earnings targets to criteria that is more consistent with the national interest.”

If Cray and Lutman’s notion seems radical, it’s only thanks to a fanciful story telling by those who move back and forth through the revolving, and always open, doors of the national security apparatus that link the Department of Defense, the US Congress, and the players who dot the DIB landscape. Apologists for the DIB have always distorted the importance of the defense industry to the nation’s security, particularly after the demise of the Soviet Union. They really believe that their industry should get special recognition for producing the goods and services used to wage war. To sell that concept, they’ve made sure that the difference between contractor and uniformed government employee is completely blurred. With that, it’s impossible to know who is protecting the balance sheet and who is protecting the US Constitution. In short, they’ve sold the public good.

There’s a lot of evidence to show that the DIB is not functioning in the nation’s best interest. Two interesting studies stand out. An April 2005 report by the Government Accounting Office titled Defense Logistics took a hard look at the system that supplies US troops in Iraq and concluded that it needed repair. The pipeline failed to deliver basic supplies, such as MRE rations, in a timely manner. Another from the National Defense University (see below) indicated that defense isn’t reaping broad benefits from information technology. That does not bode well for the push to network centric warfare.

The inability of the Pentagon to account for billions in missing funds here at home and in Iraq, ongoing criminal investigations spread across the entire national security landscape, and sensational resignations, arrests and convictions are unprecedented in US history. There is more here than just a few “bad apples.” It is a systemic problem made worse by the absence of leadership at the highest levels. There is self-interest, to be sure, but that is different from leadership. The American public is rapidly discovering that those running the show in the national security machinery aren’t necessarily interested in what’s best for them or the USA.

Fierce Competition? Show Me the Data!

According to a formula that measures market concentration, the Herfindahl-Hirschman Index, the DIB is not a competitive industry. At a recent Center for Strategic and International Studies panel discussion on the DIB (csis.org), one participant warned that the myth of competition in the DIB might be exposed. “Some federal agencies use this index [Herfindahl-Hirschman Index] to establish guidelines for when you have to start worrying about the absence of competition. Competition is supposed to be a hallmark of the acquisition system that we’ve had since the end of World War II, but with only two big firms–which is the case for some categories of military equipment provided by our industrial base–there is little competition in the traditional sense. In fact, this situation-two firms that divide market share-has a name: duopoly. Not monopoly, but duopoly-and it’s pretty tough to brand duopoly circumstances fierce competition.”

The American public is led to believe that the DIB is unmatched in the broad applications of information technology. Not quite. An astonishing report by the National Defense University titled Bringing Defense into the Information Economy (David Gompert and Paul Bracken–March 2006) indicates that the Pentagon and its minions are still trying to figure out how to get into the information age. “One thing is clear [that] the phenomenon of increasing capability at declining cost now common in retail, financial services, telecommunications and other sectors remains uncommon in defense.” To that, DIB apologists retort that the defense industry is different. But Gompert and Bracken will not buy into the party line.

“Defense is different is a self-fulfilling excuse that perpetuates poor price-performance and deprives national defense of the benefits of larger, faster, more dynamic, and more inventive IT markets. It condones expensive adaptation and integration services. Moreover, by exaggerating the difficulty of applying IT to defense, this hypothesis legitimizes the ceding of government responsibility. It implies that the challenge of managing, adapting, and integrating IT into military capabilities is so daunting for DOD that it must be left to defense contractors”

Profiles in Protecting the Status Quo: The Voice of the DIB

Misconceptions About the Defense Industry (National Defense-July 2006, ndia.org), authored by Larry Farrell, president of the National Defense Industrial Association, is representative of defense industry’s world-view. Farrell, a retired USAF Lieutenant General, doesn’t believe the American people understand the importance of his industry to national security. He thinks that the defense industry needs to get out there and tell its story because “it will be critically important with the coming resource crunch, when the Defense Department will have to justify acquisitions and force structure costs against calls for reallocation of resources to other national needs.” OK, fair enough. But what kind of story will the American public get

He divines that the first thoughts that come to the public mind when asked about the DIB are $600 toilet seats, $400 hammers (actually they were $450 a piece), war profiteering, Eisenhower’s oft cited military-industrial complex thesis, scandals, and reports critical of the DIB. Naturally, Farrell blames the media for faulty reporting on the $600 toilet seat part and $450 hammers.

The NDIA president takes the reader back to World War I and proclaims that “the only things we took to war [WWI] that were truly American made were the Springfield rifles and our fighting spirits.” Huh?

It is true that US artillery pieces appeared late in the conflict and that the US had to buy aircraft and other weaponry from the British and French. The US Navy fought in WWI, at least according to the US Army and Navy historical offices. In 1916, American-made Navy destroyers, six of them, were escorting British cargo ships to protect the Brits from German submarine attacks. A US Navy Admiral, William Sims, convinced the British Admiralty to change its ship formations to a convoy pattern. In the end, 37 US destroyers participated in the effort significantly reducing cargo losses to the German U-Boats.

American made ships–one produced by Newport News Shipbuilding, the USS Fanning (DD 37)-and the the other by William Cramp & Sons, the USS Nicholson (DD 52), sunk a U-Boat in 1917. And, in quite a feat of industrial production, 1200 American-made M1917 Browning machine guns were used late in WWI.

It’s worth noting an event of latter day that was putting some strain on the US Army in 1916. The US Army had its attention focused on the Mexican border. The American public was more concerned about securing the Mexican border from the likes of Pancho Villa (attack on Columbus, NM killed 25 Americans) than war in Europe. At the height of the Mexican Campaign, some 150,000 national guard troops were deployed along the US and Mexico border with another 8,000 US Army infantry led by General John Pershing.

In the editorial, Farrell attempts mightily to challenge the stigma of war profiteer, but his argument about the tough “allocation of resources” ends in language that is precisely that of a war profiteer hunting for profits in the midst of resource scarcity. This argument-focused as it is on the corporate interest, ignores the lifetime-care costs for the some 18,356 wounded in Afghanistan and Iraq (and, one supposes, hundreds more wounded during Special Operations and intelligence activities all over the globe). The pay raises, increases in housing allowances and medical benefits over the past few years, for those in the military that matter most, are paltry compared with the bonuses, stock options and salary increases received by DIB leaders, and their partners throughout the national security machinery.

Finally, the American public doesn’t hear too much about the Lockheed Martin contracts to upgrade Chinese air traffic control systems. “We Never Forget Who We Work For,” says Lockheed. Boeing recently deployed the Sea Based X-Band radar system that’s floating off the coast of Hawaii. The platform for that technological marvel was built by Vyborg Shipping, a Russian firm. Is it really North Korea the Missile Defense people are interested in, or is it the Russian arsenal?

#### No liberal order or SOI impact---states won’t risk war, err towards isolation, AND mediate ties economically

Mueller ’21 [John; February 17; Adjunct Professor of Political Science and Senior Research Scientist at the Mershon Center for International Security Studies; The Stupidity of War: American Foreign Policy and the Case for Complacency, “The Rise of China, the Assertiveness of Russia, and the Antics of Iran,” Ch. 6]

Complacency, Appeasement, Self-destruction, and the New Cold War

It could be argued that the policies proposed here to deal with the international problems, whether real or imagined, presented by China, Russia, and Iran constitute exercises not only in complacency, but also in appeasement. That argument would be correct. As discussed in the Prologue to this book, appeasement can work to avoid military conflict as can be seen in the case of the Cuban missile crisis of 1962. As also discussed there, appeasement has been given a bad name by the experience with Hitler in 1938.

Hitlers are very rare, but there are some resonances today in Russia’s Vladimir Putin and China’s Xi Jinping. Both are shrewd, determined, authoritarian, and seem to be quite intelligent, and both are fully in charge, are surrounded by sychophants, and appear to have essentially unlimited tenure in office. Moreover, both, like Hitler in the 1930s, are appreciated domestically for maintaining a stable political and economic environment. However, unlike Hitler, both run trading states and need a stable and essentially congenial international environment to flourish.128 Most importantly, except for China’s claim to Taiwan, neither seems to harbor Hitler-like dreams of extensive expansion by military means. Both are leading their countries in an illiberal direction which will hamper economic growth while maintaining a kleptocratic system. But this may be acceptable to populations enjoying historically high living standards and fearful of less stable alternatives. Both do seem to want to overcome what they view as past humiliations – ones going back to the opium war of 1839 in the case of China and to the collapse of the Soviet empire and then of the Soviet Union in 1989–91 in the case of Russia. Primarily, both seem to want to be treated with respect and deference. Unlike Hitler’s Germany, however, both seem to be entirely appeasable. That scarcely seems to present or represent a threat. The United States, after all, continually declares itself to be the indispensable nation. If the United States is allowed to wallow in such self-important, childish, essentially meaningless, and decidedly fatuous proclamations, why should other nations be denied the opportunity to emit similar inconsequential rattlings? If that constitutes appeasement, so be it. If the two countries want to be able to say they now preside over a “sphere of influence,” it scarcely seems worth risking world war to somehow keep them from doing so – and if the United States were substantially disarmed, it would not have the capacity to even try.

If China and Russia get off on self-absorbed pretensions about being big players, that should be of little concern – and their success rate is unlikely to be any better than that of the United States. Charap and Colton observe that “The Kremlin’s idee fixe that Russia needs to be the leader of a pack of post-Soviet states in order to be taken seriously as a global power broker is more of a feel-good mantra than a fact-based strategy, and it irks even the closest of allies.” And they further suggest that

The towel should also be thrown in on the geo-ideational shadow-boxing over the Russian assertion of a sphere of influence in post-Soviet Eurasia and the Western opposition to it. Would either side be able to specify what precisely they mean by a regional sphere of influence? How would it differ from, say, US relations with the western-hemisphere states or from Germany’s with its EU neighbors?129

Applying the Gingrich gospel, then, it certainly seems that, although China, Russia, and Iran may present some “challenges” to US policy, there is little or nothing to suggest a need to maintain a large US military force-in-being to keep these countries in line. Indeed, all three monsters seem to be in some stage of self-destruction or descent into stagnation – not, perhaps, unlike the Communist “threat” during the Cold War. Complacency thus seems to be a viable policy.

However, it may be useful to look specifically at a couple of worst-case scenarios: an invasion of Taiwan by China (after it builds up its navy more) and an invasion of the Baltic states of Estonia, Lithuania, and Latvia by Russia. It is wildly unlikely that China or Russia would carry out such economically self-destructive acts: the economic lessons from Putin’s comparatively minor Ukraine gambit are clear, and these are unlikely to be lost on the Chinese. Moreover, the analyses of Michael Beckley certainly suggest that Taiwan has the conventional military capacity to concentrate the mind of, if not necessarily fully to deter, any Chinese attackers. It has “spent decades preparing for this exact contingency,” has an advanced early warning system, can call into action massed forces to defend “fortified positions on home soil with precision-guided munitions,” and has supply dumps, booby traps, an wide array of mobile missile launchers, artillery, and minelayers. In addition, there are only 14 locations that can support amphibious landing and these are, not surprisingly, well-fortified by the defenders.130

The United States may not necessarily be able to deter or stop military attacks on Taiwan or on the Baltics under its current force levels.131 And if it cannot credibly do so with military forces currently in being, it would not be able to do so, obviously, if its forces were much reduced. However, the most likely response in either eventuality would be for the United States to wage a campaign of economic and military (including naval) harassment and to support local – or partisan – resistance as it did in Afghanistan after the Soviet invasion there in 1979. 132 Such a response does not require the United States to have, and perpetually to maintain, huge forces in place and at the ready to deal with such improbable eventualities.

The current wariness about, and hostility toward, Russia and China is sometimes said to constitute “a new Cold War.”133 There are, of course, considerable differences. In particular, during the Cold War, the Soviet Union – indeed the whole international Communist movement – was under the sway of a Marxist theory that explicitly and determinedly advocated the destruction of capitalism and probably of democracy, and by violence to the degree required. Neither Russia nor China today sports such cosmic goals or is enamored of such destructive methods. However, as discussed in Chapters 1 and 2, the United States was strongly inclined during the Cold War massively to inflate the threat that it imagined the Communist adversary to present. The current “new Cold War” is thus in an important respect quite a bit like the old one: it is an expensive, substantially militarized, and often hysterical campaign to deal with threats that do not exist or are likely to selfdestruct.134

It may also be useful to evaluate terms that are often bandied about in considerations within foreign policy circles about the rise of China, the assertiveness of Russia, and the antics of Iran. High among these is “hegemony.” Sorting through various definitions, Simon Reich and Richard Ned Lebow array several that seem to capture the essence of the concept: domination, controlling leadership, or the ability to shape international rules according to the hegemon’s own interests. Hegemony, then, is an extreme word suggesting supremacy, mastery, preponderant influence, and full control. Hegemons force others to bend to their will whether they like it or not. Reich and Lebow also include a mellower designation applied by John Ikenberry and Charles Kupchan in which a hegemon is defined as an entity that has the ability to establish a set of norms that others willingly embrace.135 But this really seems to constitute an extreme watering-down of the word and suggests opinion leadership or entrepreneurship and success at persuasion, not hegemony.

Moreover, insofar as they carry meaning, the militarized application of American primacy and hegemony to order the world has often been a fiasco.136 Indeed, it is impressive that the hegemon, endowed by definition by what Reich and Lebow aptly call a grossly disproportionate military capacity, has had such a miserable record of military achievement since 1945 – an issue discussed frequently in this book.137 Reich and Lebow argue that it is incumbent on IR scholars to cut themselves loose from the concept of hegemony.138 It seems even more important for the foreign policy establishment to do so.

There is also absurdity in getting up tight over something as vacuous as the venerable “sphere of influence” concept (or conceit). The notion that world affairs are a process in which countries scamper around the world seeking to establish spheres of influence is at best decidedly unhelpful and at worst utterly misguided. But the concept continues to be embraced in some quarters as if it had some palpable meaning. For example, in early 2017, the august National Intelligence Council opined that “Geopolitical competition is on the rise as China and Russia seek to exert more sway over their neighboring regions and promote an order in which US influence does not dominate.”139 Setting aside the issue of the degree to which American “influence” could be said to “dominate” anywhere (we still wait, for example, for dominated Mexico supinely to pay for a wall to seal off its self-infatuated neighbor’s southern border), it doesn’t bloody well matter whether China or Russia has, or seems to have, a “sphere of influence” someplace or other.

More importantly, the whole notion is vapid and essentially meaningless. Except perhaps in Gilbert and Sullivan’s Iolanthe. When members of the House of Lords fail to pay sufficient respect to a group of women they take to be members of a ladies’ seminary who are actually fairies, their queen, outraged at the Lords’ collected effrontery, steps forward, proclaims that she happens to be an “influential fairy,” and then, with a few passes of her wand, brushes past the Lords’ pleas (“no!” “mercy!” “spare us!” and “horror!”), and summarily issues several edicts: a young man of her acquaintance shall be inducted into their House, every bill that gratifies his pleasure shall be passed, members shall be required to sit through the grouse and salmon season, and high office shall be obtainable by competitive examination. Now, that’s influence. In contrast, on December 21, 2017, when the United States sought to alter the status of Jerusalem, the United Nations General Assembly voted to repudiate the US stand in a nearly unanimous vote that included many US allies. Now, that’s not influence.

In fact, to push this point perhaps to an extreme, if we are entering an era in which economic motivations became paramount and in which military force is not deemed a sensible method for pursuing wealth, the idea of “influence” would become obsolete because, in principle, pure economic actors do not care much about influence. They care about getting rich. (As Japan and Germany have found, however, influence, status, and prestige tend to accompany the accumulation of wealth, but this is just an ancillary effect.) Suppose the president of a company could choose between two stories to tell the stockholders. One message would be, “We enjoy great influence in the industry. When we talk everybody listens. Our profits are nil.” The other would be, “No one in the industry pays the slightest attention to us or ever asks our advice. We are, in fact, the butt of jokes in the trade. We are making money hand over fist.” There is no doubt about which story would most thoroughly warm the stockholders’ hearts.

## DA---Infra

### 2AC---DA---Infrastructure

#### No bill, Biden sucks, and everything thumps

Concha '9/15 [Joe; 9/15/21; media and politics columnist for The Hill; "If $3.5 trillion 'infrastructure' bill fails, it's bye-bye for an increasingly unpopular Biden," <https://thehill.com/opinion/white-house/572176-if-35-trillion-infrastructure-bill-fails-its-bye-bye-for-an-increasingly/>]

President Biden's poll numbers are horrifying, with support among independents in the low-to-mid 30s and even Democrats starting to express buyer's remorse, with more than 1-in-5 in a recent Zogby poll saying they regret voting for Biden. And from a messaging perspective, there is no issue to which to pivot in an effort to change narratives and news cycles.

On the economy, which was supposed to be flying high as the country emerged from the hell that was COVID-19 in the lockdown year of 2020, the president clocks in at 39 percent approval. The August jobs number was a whopping 500,000 below expectations. Inflation is skyrocketing, sticking a virtual tax on every American, which is particularly painful for the poor and middle class.

The president receives just 38 percent approval on his handling of crime. The percentage of Americans who see crime as "an extremely serious problem in the United States" is at its highest level in 20 years.

On the border and immigration, it gets worse: Just 33 percent say the president (and the vice president, who was put in charge of the crisis along the U.S. southern border) is doing a good job there.

And don't even bother looking to foreign policy, where Afghanistan and the disastrous drawdown of the U.S. military from there may be looked back upon as the beginning of the end of the Biden presidency.

Add it all up, and Biden is in desperate need of a big win.

So, enter the $3.5 trillion infrastructure package, which includes $1.2 trillion for actual infrastructure – roads, bridges, trains, clean water, power grids, internet access, etc. – and another $2.5 trillion for things that have nothing to do with roads, bridges, trains, water, power grids, etc.

If offered up as a standalone package, the $1.2 trillion actual-infrastructure bill probably would pass easily in the Senate, with relatively robust Republican support from party moderates. And Americans certainly see the money as well spent in this regard, garnering 68 percent support, per Gallup.

A NoLabels.org poll tells a similar story, but with this twist: "A supermajority (72 percent) of voters is for the bipartisan infrastructure plan. [But] 76 percent don’t want its passage linked in any way to the separate social spending plan."

On cue, Democrats, led by House Speaker Nancy Pelosi (D-Calif.) and Senate Majority Leader Chuck Schumer (D-N.Y.), have declared that the $1.2 trillion package negotiated between Democrats and Republicans will not see the light of day unless it is paired with the additional $2.5 trillion of "infrastructure," which includes things like national paid family and medical leave programs, free universal preschool and free community college for all students, as well as billions for clean energy programs, which were cut from the $1.2 trillion bipartisan infrastructure deal during negotiations.

Passing the $3.5 trillion plan just one month ago appeared to be a real possibility, but then the implosion of the Afghan government occurred in mid-August. The Taliban quickly gained control of Kabul, and the administration was caught with its pants down. Then 13 U.S. service members were killed by an ISIS-K suicide bomber, sparking national outrage, and the bottom dropped out altogether — along with the president's poll numbers over the poor execution of the drawdown.

The president's poll numbers looked solid just 10 weeks ago, with about 54 percent approval in the RealClearPolitics average. Those numbers have since cratered for all the reasons listed above, throwing Biden's domestic agenda into serious jeopardy as Democrats slowly move away from him.

To that end, the most powerful “Joe” in Washington these days isn't the president but Joe Manchin, the Democratic senator from West Virginia. He told several Sunday talk shows last week that he will not support the $3.5 trillion package and made a sober, sensible argument for his decision.

"We spent $5.4 trillion. And a lot of that really continues way into next year. We haven't dispersed it all," Manchin correctly explained to NBC's Chuck Todd.

“Only thing I've said, put a pause on," he added. "Shouldn't we basically put a pause on, with all the unknowns that we have right now we're facing? Don't know where COVID's going to go. Inflation is still very high and rampant. And then, on top of that, the geopolitical unrest that we have going on, we might be challenged there. Don't you think we ought to be prepared for that since we don't have the emergency that we had with the American Rescue Plan, when the president first came in and we passed (it)?”

Without Manchin, the bill is dead. And even if Manchin could somehow be turned, Sen. Kyrsten Sinema (D-Ariz.) is also a “no.” In a 50-50 Senate, all it takes is one defection.

But let's say cooler heads prevail and the House proceeds to attempt to pass the bipartisan $1.2 trillion bipartisan package. Enter Rep. Alexandria Ocasio-Cortez (D-N.Y.), who took to social media to boast that she would gladly tank the bill.

"House progressives are standing up,” AOC said during a recent virtual town-hall meeting. “We will tank the bipartisan infrastructure bill unless we will also pass the reconciliation bill.”

"This bill (the $3.5 trillion version) is absolutely a progressive victory," she added. "If it wasn't for progressives in the House, we probably would be stuck with that tiny, pathetic bipartisan bill alone."

Between Manchin and Sinema not supporting the $3.5 trillion legislation and the AOC/“Squad” wing vowing to vote against the $1.2 trillion bill if it is presented as a solo act, it’s hard to see how Biden gets that much-needed “win” here.

As we enter the fall, he's increasingly unpopular. A majority of Americans now believe the 78-year-old is not competent, focused or effective enough to handle the job.

"Without victory, there is no survival," Winston Churchill once said.

Churchill was talking about World War II, but his words apply to political wars and political survival as well. And, right now, President Biden is losing the battle within his own fractured party — a battle that may cost him the war that is his presidency.

#### Infrastructure bill fails

D.J. Gribbin, general counsel of the U.S. Department of Transportation from 2007-2009, founder of Madrus, LLC, a strategic consulting firm focused on infrastructure development, 03/27/2019, Three reasons to think twice about an infrastructure bill, Politico, <https://www.politico.com/agenda/story/2019/03/27/infrastructure-funding-bill-000886/> accessed 3/8/21

In physics, Newton’s Third Law states that for every action there is an equal and opposite reaction. In policy, too, every action creates a reaction, albeit rarely equal or opposite. In fact, the challenge of policy is that reactions, while inevitable, are difficult to predict. When weighing federal expenditures on infrastructure, policymakers need to keep in mind that allocating more federal funds to infrastructure might backfire. Here are three ways that could happen: The “coupon effect” The prospect of federal funding can dampen state and local funding. While voters overwhelmingly support increased infrastructure spending, their strong preference is that someone else pay for it. This dynamic makes it difficult for state and local leaders (who own 90 percent of governmental infrastructure) to turn to their electorate and ask for a tax or fee increase if the federal government is offering “free” funding. This dynamic can be called the “coupon effect.” Imagine if shoppers in the market for a new suit were told that there is a small likelihood they will receive a coupon for 80 percent off their next suit purchase. Consumers will rationally engage in what economists call strategic delay and postpone their purchase in the hope of receiving a coupon, even if the chance of getting the coupon is very small. Every time a consumer considers heading to the store and buying a suit, he will ask, “But what if a coupon arrives tomorrow?” As a result, many will continue to delay until their suits (or our infrastructure) become unacceptably shoddy and worn. In my experience, the prospect of federal funding has this same impact on state and local leaders considering a tax or user fee increase to expand or improve the quality of their infrastructure. This dynamic was clearly apparent in Kentucky in 2014, for instance. That year, a candidate for the U.S. Senate encouraged the communities around the Brent Spence Bridge (connecting Cincinnati and Covington, Ky.) to oppose a toll increase, because if elected, she would get the federal government to pick up the $2.6 billion tab to replace the bridge. Her campaign successfully increased opposition to tolling. Yet five years later, the debate on how to fund the bridge is still unresolved, and the probability of full federal funding is still just about zero (notwithstanding the fact that the state is represented by the Senate majority leader, who is married to the Secretary of Transportation). While further study needs to be done, the coupon effect could actually result in a net decrease in infrastructure funds, especially when coupled with the challenges of substitution; states and local governments receiving an influx of federal dollars frequently substitute the new federal dollars for funds previously allocated to infrastructure and transfer their dollars to other policy priorities. As a result, a dollar in new federal infrastructure spending does not necessarily result in an additional dollar available for infrastructure. The current non-federal to federal ratio of infrastructure spending is 3:1. Thus, if a 30 percent increase in federal spending (along with celebrations that the coupon is in the mail) dampened by 11 percent non-federal spending increases, our nation would be left with a net national decrease in infrastructure funding. The goal of infrastructure policy should be a significant increase in infrastructure funding overall. As counterintuitive as it sounds, an increase in federal funding could work counter to that goal.

## DA---FTC

### 2AC---DA---FTC

#### No budget.

Goolsbee ’20 [Austan; September 30; Professor of economics at the University of Chicago’s Booth School of Business, has been a Department of Justice antitrust consultant, and was an adviser to President Barack Obama; *New York Times,* “Big Companies Are Starting to Swallow the World,” <https://www.nytimes.com/2020/09/30/business/big-companies-are-starting-to-swallow-the-world.html>; KS]

First, the enforcement budget for antitrust actions was already stretched way too thin even before the current crisis began. That budget has been falling for years and is lower now than it was two decades ago. The entire antitrust division of the Justice Department and the F.T.C. are being forced to operate on less than a single company like Facebook brings in over a few days. In the last 10 years, the number of merger filings (which notify the authorities of an intended merger) has almost doubled, but the number of enforcement actions taken by the government has actually fallen.

#### Unbalanced regulatory fight.

Kantrowitz ’20 [Alex; September 17; Writer for *Big Technology*; *Big Technology,* “‘It’s Ridiculous.’ Underfunded FTC and DOJ Can’t Keep Fighting the Tech Giants Like This,” <https://bigtechnology.substack.com/p/its-ridiculous-underfunded-us-regulators?utm_campaign=post&utm_medium=email&utm_source=twitter>] KS

As politicians, the press, and the public scrutinize the tech giants and grow wary of their power, the most important organizations tasked with restraining them — the U.S. regulatory agencies — aren’t getting enough funding to do the job.

“The agencies are severely resource-constrained,” Michael Kades, an-ex FTC trial lawyer who spent 11 years at the agency, told Big Technology.

The Federal Trade Commission and Department of Justice’s antitrust division have a combined annual budget below what Facebook makes in three days. The FTC runs on less than $350 million per year, the DOJ’s antitrust division on less than $200 million. Facebook made $18 billion last quarter alone.n

The funding disparity between the tech giants and their regulators leads to an unbalanced fight, current and ex-staffers said: The agencies can’t investigate the tech giants to the extent they’d like. They might shy away from complex cases fearing a resource-draining battle. And when they investigate the tech giants, they often see former colleagues with intricate knowledge of their strategy and ability to act (or lack thereof) representing these companies. Without significant budget increases, the tech giants may well continue to act unrestrained with little fear of repercussions.

“DOJ is under-resourced, FTC it’s ridiculous,” one ex DOJ-staffer told Big Technology.

#### Merger activity ramping up.

Graham 9-16 [Jed; Author at Investor’s Business Daily; *Investor’s Business Daily,* “FTC, Biden Antitrust Enforcement Push Takes On Amazon, Google — And The Supreme Court,” <https://www.investors.com/news/antitrust-enforcement-push-by-ftc-biden-takes-on-amazon-google-supreme-court/>; KS]

Wall Street's early reaction to the Biden administration's attempt to stiff-arm M&A activity has been to step on the gas. The FTC said in August that it's struggling to stay abreast of a "tidal wave" of mergers. The 2,436 deal filings through August have already blown past the elevated annual totals from 2017-2019.

Despite a skeptical, if not hostile, attitude among antitrust enforcers, the vast majority of these deals are likely to go through.

While Congress may increase funding for merger enforcement, the FTC and DOJ are already devoting significant resources to the Facebook and Google antitrust cases. "They can only fight so many battles," Kovacic said.

Khan Uses Bully Pulpit, Bulls Like Big Tech

That's not to say the Biden team won't create major headaches for merging parties. More mergers will face reviews and the probes will last several months longer. And where concerns arise, the agencies will be less likely to negotiate a fix.

To make deals approvable, regulators have long consented to divestitures. Sometimes regulators settle for behavioral remedies. To seal the T-Mobile-Sprint merger, the Justice Department relied on Dish Network's commitment to build out a national wireless network. But Khan says the track record of both types of fixes isn't great.

"The antitrust agencies should more frequently consider opposing problematic deals outright," Khan wrote Aug. 6. She was responding to a letter from Sen. Elizabeth Warren, who had raised concerns about defense mergers. The news added to doubts that the FTC will clear the pending Lockheed Martin (LMT) acquisition of rocket engine manufacturer Aerojet Rocketdyne (AJRD).

When regulators do decide to negotiate, "expansive divestiture demands could result in a remedy that frustrates the purpose of the deal," warned antitrust attorneys at tech-focused law firm Wilson Sosini.

Khan is clearly using her bully pulpit to the utmost, trying to dissuade merger talks from reaching fruition.

But right now it's all talk. She has turned a few heads, but the S&P 500 and Big Tech leaders have kept cruising. Facebook stock is up 11% since Khan took the FTC's helm on June 15, while Apple has climbed 15% and Google stock 18%. That's despite reports that the Justice Department is preparing to file a second Google antitrust suit over its ad dominance.

The new antitrust enforcement regime may not change all that much "until they show that they can sue and win," Kovacic said.

## DA---Japan

### 2AC---DA---Prolif

#### Rising global inequality will collapse assurance and deterrence

Galbraith ’18 [James K.; July 23; Professor at UT-Austin, was a delegate, at 20, to the Democratic National Convention in 1972; he teaches at the LBJ School, the University of Texas at Austin; The Nation, “Extreme Inequality Creates Global Disorder,” https://www.thenation.com/article/archive/extreme-inequality-creates-global-disorder]

The principal driver of global inequality—both within and between countries—is the global financial regime. This has been a feature since the end of the Bretton Woods system in 1971, with recurrent catastrophic effects following the onset of the 1980s debt crisis, including the collapse of the socialist nations and the 1997 Asian financial crisis. Back then, it was a conservative stroke of genius to institutionalize “market exchange rates” on a global scale. Those markets work well enough for rich nations, but they guarantee problems for everyone else. Each exchange crisis has wiped out a decade or more of progress against inequality, as anyone in Brazil, Argentina, Mexico, or much of Africa will tell you. The rise of China, on the other hand, has everything to do with its refusal to play the game of open capital markets. And while inequality in China rose rapidly for internal reasons beginning in the 1990s, it stabilized more than a decade ago.

Global inequality is a security risk—and not just because it breeds resentment, violence, and mass migrations. It also makes the entire system prone to collapse. For over 40 years, the United States has enjoyed the advantage of issuing the world’s reserve currency, running a trade deficit, and living well off the work of others. But the respect that would be due to exercising that role responsibly has been squandered by our behavior.

Reckless interventions have demonstrated the limits of military power—as our professional soldiers can attest, and as the current state of Afghanistan, Iraq, and Libya demonstrate. A self-centered economic strategy is only a bit more subtle. Yes, even when a financial crisis originates in the United States, as happened with the subprime-mortgage debacle of 2007–09, funds still flow to the safety of the US dollar and government bonds. So long as this pattern holds, the United States actually benefits from economic insecurity and instability, both at home and abroad. But you have to be very optimistic—or flat-out crazy—to think that this can go on indefinitely.

Controlling inequality—like controlling blood pressure—is good for your economic health. Economies with less inequality generally have lower unemployment and stronger productivity growth, and some researchers also claim better human health and social cohesion. In terms of the rest of the world, the peculiar organization of the United States into a boom/bust economy based on finance and high technology is the exception rather than the rule: We combine record-breaking inequality with low unemployment. But this is a formula that generates massive instability, as well as the resentments that gave us President Trump. Countries with stronger stabilizing institutions built on the principle of countervailing power may be less rich over the short term, but they are better-governed and built to last.

Our long-term safety and prosperity will therefore depend on creating a more just and stable world banking and monetary system. We can either get to work on this ourselves, or accept that other large countries and blocs will take up the task, creating regional alliances that will restructure global trade and finance—as is already beginning to happen. If we are not part of a common process, then ultimately we will be cut out and cut back. No one should think that a policy of provoking and destabilizing Russia, China, and Iran is going to work for us, over the long or even the medium run. No one should think that Europe and Japan will stay US economic allies forever if their interests dictate otherwise. No one should imagine that military power provides enduring safety in a world of multiple major powers with their own resources, technologies, and ideas.

In the United States, the key driver of inequality is capital-asset prices. This is because in a capitalist nation, capitalists and not workers own such assets and get their income from dividends, interest, stock options, and capital gains. Capitalist booms yield prosperity—often a wasteful prosperity—along with instability; as the bankers say, it’s not the speed that kills, it’s the sudden stop. Concentrated ownership of capital assets is therefore a central issue. Spreading the wealth sensibly over time means more public investment at every level and more investment by nonprofits with longer time horizons and sensible social objectives. It means fostering cooperatives and other stabilizing private economic forms that are not dependent on Wall Street. Instead of boosting the economic growth rate—a measure largely disconnected from social well-being—we should have a strategy to live better: more sustainably, more equally, with less waste and more common spaces, more public goods and enjoyments.

### 2AC---AT: China

#### Unstable economic foundations

Solberg ‘8/30 [Klaus Solberg Søilen is a political economist and professor of Management at Halmstad University in Sweden where he teaches “History of Management Thought” among other subjects, “The Twilight of Pax Americana,” August 30, 2021, https://www.geopoliticalmonitor.com/the-twilight-of-pax-americana/]

To understand economics, we need to lift our heads above the daily news shows. Periods of economic decline take on different forms and are described by different terms depending on the severity. What we are witnessing now in the US is not just another recession or even economic collapse, but a hegemonic transition or in the worst-case collapse, that is, a powerful state about to lose control as we saw with the disordered withdrawal from Kabul this week.

A recession is a period of economic decline in two successive quarters. An economic collapse can last several years, as in the great depression of the 1930s but also the current COVID-19 pandemic. An economic collapse can lead to a social collapse when cultural identity breaks down, governments fall, and violence surges in the streets. A hegemon is a state that has predominance or control over all other states. During the past half-millennium Portugal, Spain, the Netherlands, France, and Britain were all at one time hegemons.

England went through a hegemonic transition in 1919 but avoided a societal collapse. As repeated occurrences of street violence, conflicts between racial groups, and the storming of the US capital showed, the US is far closer to balancing on the verge of societal collapse, suggesting hegemonic collapse.

Trump was elected because it was thought he would fight the elites. It was a populist revolt sparked by a growing middle class who have seen their living standard deteriorate over two generations. The height of the American dream was in the 50s. Since then peoples’ living standards have largely been debt-financed. The US has experienced close to 50 periods of recessions since the early 19th century and a handful of economic collapses like the 1815–21 depression, the Panic of 1873, and the Great Depression. What we are seeing now is different. A new hegemon is waiting in the corridors, just like the US did at the turn of the 20th century. The US external debt is not only the largest in the world but more importantly, it is now unpayable. And as all creditors know what cannot be paid will not be paid. To stay afloat as an economy the US has printed 40% of all dollars in existence during the past 12 months. And it is not only the economy and those whose work it is to see that it is functioning that is not delivering, but also other institutions, like the military. The US now lost another war, officially this week, withdrawing from Afghanistan while the victor, the Taliban, is already in control of most of the country, even though few experts and none of the mainstream commentators thought it possible even a week ago. The Chinese are waiting in the corridors in Afghanistan too, ready to make deals to get access to the country’s rich minerals, mainly copper, iron, and rare earth elements. Before that US troops left Iraq, preferring the term “withdrawal” themselves, but clear to much of the rest that it was a defeat. All of this signals not only a hegemonic shift but leadership in denial and out of touch with reality or so entangled in its own decline that every event must be taken as a PR opportunity.

The Chinese do not need Afghanistan as their Belt and Road Initiative – the largest infrastructure in the history of mankind – works itself around the country, in the north-west through Turkmenistan and in the southeast through Pakistan, so the Chinese have a strong negotiating position vis-a-vis the Taliban. To show Iraq that they are part of the country’s solution they buy about half of their oil even though they do not need to. Wherever the US fails China comes in and fills the void.

In little more than a century, we have gone from Pax Britannica to Pax Americana and now we see the beginning of Pax Sina. It is only about 100 years since the British pound collapsed as a world currency. The US surpassed Britain in 1919 as Britain was forced to leave the gold standard to finance its part in the First World War. The US economy had surpassed the British a few years earlier, in 1913. In comparison, China may surpass the American economy in a few years, maybe by 2028. New incumbents are always quick to take action. At the end of the Second World War America brought the victors to sign an agreement to tie their currency to the USD and to tie the USD to gold (Bretton Woods). With these signatures, US hegemony was confirmed. It was now a question of seeing how long the position could be held, drawing the parallel to Rome and Pax Romana as a yardstick of great civilizations. In hindsight now looking back at not only the economic performance of the past two generations but also to numerous disastrous military adventures around the world, the much shorter Vandal hegemony may seem like a more accurate comparison. The Bay of Pigs, the bombing of Cambodia, and the systematic support of dictators in South America do not wash away so easily.

Just like for the British, US hegemonic power only lasted until the next war, in Vietnam, as Nixon was forced to take the USD off the gold standard in 1971. Since then the world has had a broken economic system as the US exploited its fiat status to issue ever more debt while clamping down on other debtor country’s fiscal control. Thus, the moral high ground was pretty much lost from early on. That the USD was still able to dominate the economy of other countries for more than two generations was due to the quick spread of the USD. Today, still, 61% of all foreign bank reserves are in USD and 40% of all the world’s debt. This is only changing slowly for the time being and is part of the transitionary process.

Britain did not collapse completely, nor will the US if they can find other sources of income, but the parallel between the two countries’ reigns is striking. In the 1950’s Britain was still an industrial giant, but by the early 80’s after a disastrous time dominated by neoclassic economics which culminated with Margaret Thatcher as head of government most of it was gone. The last jewels like Jaguar, Rover, Rolls-Royce, and Bentley were part of the great sell-off in the ’90s and early 2000s. Desperate for alternative sources of income after the decline of the empire Britain allowed the City, a private entity with special jurisdiction in London, to take the lead. The City developed two schemes for wealth creation both based on the personal connection the country had developed with its former colonies. One was to assist new generations of leaders in these countries to transfer stolen funds out of the country. This became a major reason why Africa never experiences any real economic development. The second was to develop tax havens in other former colonies as a hiding place for dirty money and for people who wanted to avoid paying taxes, starting with the Cayman Islands. This system is well described in Tom Curtis’ book “Kletopia.” Today the tax avoidance scheme is so large that some estimates are that half of all deposits in the UK are placed in tax havens. That means that half of England’s potential taxable income is gone. Instead, the middle class is left to pay for an ever larger and more expensive social welfare state. The good news is that the tax havens can easily be shut down through a vote in the parliament. The bad news is that those who benefit from this scheme are overrepresented in parliament and will not vote against their economic interest. Instead, the public is served complicated and diffuse legal excuses.

American banks quickly drew advantage of the English scheme establishing offices in the City, but have also built their own system of setting up company headquarters in states with no or low corporate tax, states like Nevada, Delaware, Montana, South Dakota, Wyoming, and New York. As a result, there is a competition between states now that is leading to greater inequality and tensions between states which is already damaging the sense of unity which has made the country strong and prosperous. Just like England, the US has gone through a period of deindustrialization whereby jobs and investments have moved overseas. What was portrayed in business schools as “globalization” was in large part an economic suicide in the making whereby owners of companies defrauded their workers of their livelihood. I taught myself one of those courses (“international business”) for a few years at Copenhagen Business School more than two decades ago without reflecting much about the consequences of these theories. As a result of “globalization,” the majority of the jobs created in the US today are low-skilled jobs in warehouses and logistics, like at Amazon, jobs soon to be replaced by robots. The skilled craftsman jobs that were associated with an affluent middle class have to a large extent disappeared.

Both England and the US fell prey to the same homegrown political and economic ideas, the conviction that individualist ideas would lead to a prosperous society for all. This is a uniquely Anglo-Saxon idea in the history of hegemonies and one that is unlikely to be tried again soon. What started as moderate and sensible individualism with Adam Smith and John Stuart Mill, develop into ideas of excessive self-interest with Hayek, the Chicago school, and Ayn Rand. Nowhere were these ideas more spread than in the new financial elite, led by Alan Greenspan as head of the Federal Reserve. In its later stage, it was more like a cult than an ideology. The state or “commons” was seen as an enemy supported by “evil communists” associated with the USSR and China under Mao. This ideology quickly hijacked not only the entire study of economics but society at large making it unable to think rationally about large common projects, like infrastructure.

In the US it started to go seriously wrong in the 70s and 80s when “growth” was largely built on borrowed money. Focus shifted from industrial production to financial services under the disguise that “clean” services were more important than “dirty” production. A greedy elite simply could not make money fast enough and Wall Street was always willing to scam their fellow citizens, massively, again and again. Jerome Powell today is simply the latest priest of this casino-like pyramid scheme whose institution is about to go bankrupt, forced to print ever more money simply to survive the next week. Stock prices especially for US companies have since long stopped to reflect any real economic performance in the underlying assets. It’s all about pumping money into the stock market to prevent the markets from crashing. If they do not the baby boom generation who are in control of most of the assets will lose their pensions. The companies and CEOs play along, buying their own assets instead of investing in new production. There is little Powell himself can do except to try to prevent panic by spreading empty assurances of stability and growth dressed up in vague neoclassic jargon which commentators try to “interpret.” The news commentators themselves are lost, unable to ask critical questions, swinging back from restrained hopelessness to careful optimism. When they interview people who make their living investing in gold they swing towards gold, or when they argue for Bitcoin the person interviewed has invested in Bitcoin. More often now they also advise their viewers to keep cash much like the passengers on the Titanic were advised to go slowly towards the lifeboats. Cash held in USD will not solve the problem either as the USD system is at the heart of the problem. It’s systemic risk, there are no portfolio strategies that make sense with US equity or currency at this point, all will go down and this will in turn seriously affect foreign markets around the world. This also explains the absurd popularity of Bitcoin as an alternative investment. Bitcoin is backed by absolutely nothing, but at least it’s not the other stuff, or so the thinking goes. Holding Bitcoin may be a momentary rescue, but it is not likely to be around for long (of reasons we have to come back to in a separate article).

Loss of hegemonic control is natural throughout history. Portugal was surpassed by Spain, as Spain was surpassed by France, as France was surpassed by the Netherlands, as the Netherlands was surpassed by England. The only question seems to be how long a nation can hold on to power and how deep it will fall. Nations surpass each other by gaining a competitive advantage. To be a hegemon often comes down to a few variables, like the size of the population, the amount of natural resources available, the educational level, and an outward-looking mind. Competitive nations follow the SEPT process: With an interest in Science, you can build a good Educational system that can be used for increased production of goods and services which can be Traded with other nations for profit, which can be reinvested in Science. Thus, nation-states and their citizens become prosperous. Mainstream economists often call this mercantilism or neomercantilism, but that is only one part of the equation. A more inclusive term is geoeconomics. Sending gunboats was a successful strategy for England and the British empire, but only because they knew how to draw economic profits from it. The US never succeeded in copying the English geopolitical strategy. Instead, military investments became an economic burden.

The Netherlands never had enough natural resources to stay on top for long, nor a sufficient population size. Japan had the population, the science, but not the willingness to go abroad and learn about other cultures so it could not secure the natural resources it needed. Germany could have been the economic hegemon in the 20th century but got mixed up in two world wars which it lost. Sweden tried to be a European hegemon, desperately, but was never close to having a real chance. Now China has all the advantages needed for succeeding the US as a hegemon; the population, natural resources, the educational level, and a keen outward-looking mind, engaging with all nations also in places we have refused to go to, like in Africa. It even has the experience of having been a hegemon and the Confucian theories to make sure it does not go off track.

What happened to the US? After all, it still has the population, the natural resources, and to a large extent also an outward-looking mind, even though a bit rusty in geography and history. It still has most of the world’s best universities and a hard-working population. Well, like England it was persuaded by its own elites to sell out its production and with low domestic production, there was not only a lack of trade but also good jobs for the middle class. To compensate for the lack of trade the elites, who were now mostly in finance, suggested that everyone borrow for their consumption as this policy created new lucrative opportunities for themselves. That was the big betrayal. As they financed both political parties there was never an issue of persuasion. Political support was guaranteed. All of this was defended with economic ideologies as the neo-classics argued that money and debt were irrelevant for their models. The unspoken assumption was that all this was possible as the US owns and controls the world financial system. As other nations depend on the USD the US did not have to follow the same laws that it insists that other debtor nations follow. This was assured through their control of the World Bank, IMF, and a large, impressive military presence around the world. The free lunch was possible.

England declined with the loss of its empire. It simply wasn’t possible to suppress other nations with machine guns anymore. It was brought on its knees by its own elites who distanced itself from the rest of the population and dismantled and sold out its production capabilities. After that, it survived mainly as a financial center hiding the ill-begotten gains of criminals from all over the world and the fortunes of the wealthy classes. The US is declining because it outsourced production and built a strategy of growth on debt finance, a result of its own greed one could say. In the current phase of this economic system, there is no more money to be borrowed as interest rates are zero and bonds give no reasonable rate of return (below inflation). Instead, the country has been forced to print ever more USD simply to stop the stock markets from crashing. If it takes a bit longer than what many expect it’s because the USD system is so much larger. In the meanwhile, China is building parallel systems and organizations to help nations move away from US dependence, both economically and politically.

We do not know how long this hegemonic transition will take, but most indicators suggest we are at a later stage. A substantial fall in the value of the USD is possible in which case we are looking at a hegemonic collapse as opposed to a transition. Will this also lead to a societal collapse? Well, much depend on what the US will do in the coming months and years. We see that competition between states in the US is cutthroat, not only over taxes but also when competing for plants and headquarters of larger companies and highly skilled personnel. Racial and class conflicts have been increasing. In a generation, white-Caucasians will no longer be in majority. One likely scenario is that the country will look more like Mexico in a generation from now ethnically, politically, and economically, with isolated pockets of high production like we see developing in Texas today.

I enjoy living in a country with free speech, but a democratic system is not a requirement to succeed as a hegemon, like we in the West like to think. What people want is first of all a higher standard of living. Democracies can instead be vulnerable in times of economic decline. We saw this in Europe in the 20s and 30s with the rise of fascism and Nazism. We already see signs of this today in the form of populism, both in the US and Europe. Democracies always risk being ruled by the “vulguaris,” as we saw in Rome after the end of the Republic or as we have seen it in the US under Trump. This then seems to be the major weakness of democracies, they function best in times of prosperity.

#### DIB is collapsing---nationalization saves it

John Stanton 6 [John Stanton is a writer specializing in political and national security matters. His last book is titled A Power But Not Super. 7-6-2006. “Nationalize the Defense Industry!” https://www.counterpunch.org/2006/07/06/nationalize-the-defense-industry/]//JM

Nearly 40 years hence, Charlie Cray and Lee Drutman have resurrected and energized Galbraith’s argument in their work titled Corporations and the Public Purpose: Restoring the Balance (Seattle Journal for Social Justice, Winter 2005). They make an exceptionally compelling case for putting the defense industrial base (DIB) into the direct service of the American public through a form of nationalization: federal chartering.

“Converting the companies to publicly-controlled, nonprofit status would introduce a key change: it would reduce the entities’ impetus for aggressive lobbying and campaign contributions. Chartering the defense contractors at the federal level would in effect allow Congress to ban such activities outright, thereby controlling an industry that is now a driving force rather than a servant of foreign policy objectives. As public firms, they would certainly continue to participate in the policy fora designed to determine the nation’s national security and defense technology needs, but the profit-driven impetus to control the process in order to best serve corporate shareholders would be eliminated. Thus, by turning defense and security firms into full public corporations, we would replace the criteria by which their performance is judged from quarterly earnings targets to criteria that is more consistent with the national interest.”

If Cray and Lutman’s notion seems radical, it’s only thanks to a fanciful story telling by those who move back and forth through the revolving, and always open, doors of the national security apparatus that link the Department of Defense, the US Congress, and the players who dot the DIB landscape. Apologists for the DIB have always distorted the importance of the defense industry to the nation’s security, particularly after the demise of the Soviet Union. They really believe that their industry should get special recognition for producing the goods and services used to wage war. To sell that concept, they’ve made sure that the difference between contractor and uniformed government employee is completely blurred. With that, it’s impossible to know who is protecting the balance sheet and who is protecting the US Constitution. In short, they’ve sold the public good.

There’s a lot of evidence to show that the DIB is not functioning in the nation’s best interest. Two interesting studies stand out. An April 2005 report by the Government Accounting Office titled Defense Logistics took a hard look at the system that supplies US troops in Iraq and concluded that it needed repair. The pipeline failed to deliver basic supplies, such as MRE rations, in a timely manner. Another from the National Defense University (see below) indicated that defense isn’t reaping broad benefits from information technology. That does not bode well for the push to network centric warfare.

The inability of the Pentagon to account for billions in missing funds here at home and in Iraq, ongoing criminal investigations spread across the entire national security landscape, and sensational resignations, arrests and convictions are unprecedented in US history. There is more here than just a few “bad apples.” It is a systemic problem made worse by the absence of leadership at the highest levels. There is self-interest, to be sure, but that is different from leadership. The American public is rapidly discovering that those running the show in the national security machinery aren’t necessarily interested in what’s best for them or the USA.

Fierce Competition? Show Me the Data!

According to a formula that measures market concentration, the Herfindahl-Hirschman Index, the DIB is not a competitive industry. At a recent Center for Strategic and International Studies panel discussion on the DIB (csis.org), one participant warned that the myth of competition in the DIB might be exposed. “Some federal agencies use this index [Herfindahl-Hirschman Index] to establish guidelines for when you have to start worrying about the absence of competition. Competition is supposed to be a hallmark of the acquisition system that we’ve had since the end of World War II, but with only two big firms–which is the case for some categories of military equipment provided by our industrial base–there is little competition in the traditional sense. In fact, this situation-two firms that divide market share-has a name: duopoly. Not monopoly, but duopoly-and it’s pretty tough to brand duopoly circumstances fierce competition.”

The American public is led to believe that the DIB is unmatched in the broad applications of information technology. Not quite. An astonishing report by the National Defense University titled Bringing Defense into the Information Economy (David Gompert and Paul Bracken–March 2006) indicates that the Pentagon and its minions are still trying to figure out how to get into the information age. “One thing is clear [that] the phenomenon of increasing capability at declining cost now common in retail, financial services, telecommunications and other sectors remains uncommon in defense.” To that, DIB apologists retort that the defense industry is different. But Gompert and Bracken will not buy into the party line.

“Defense is different is a self-fulfilling excuse that perpetuates poor price-performance and deprives national defense of the benefits of larger, faster, more dynamic, and more inventive IT markets. It condones expensive adaptation and integration services. Moreover, by exaggerating the difficulty of applying IT to defense, this hypothesis legitimizes the ceding of government responsibility. It implies that the challenge of managing, adapting, and integrating IT into military capabilities is so daunting for DOD that it must be left to defense contractors”

Profiles in Protecting the Status Quo: The Voice of the DIB

Misconceptions About the Defense Industry (National Defense-July 2006, ndia.org), authored by Larry Farrell, president of the National Defense Industrial Association, is representative of defense industry’s world-view. Farrell, a retired USAF Lieutenant General, doesn’t believe the American people understand the importance of his industry to national security. He thinks that the defense industry needs to get out there and tell its story because “it will be critically important with the coming resource crunch, when the Defense Department will have to justify acquisitions and force structure costs against calls for reallocation of resources to other national needs.” OK, fair enough. But what kind of story will the American public get

He divines that the first thoughts that come to the public mind when asked about the DIB are $600 toilet seats, $400 hammers (actually they were $450 a piece), war profiteering, Eisenhower’s oft cited military-industrial complex thesis, scandals, and reports critical of the DIB. Naturally, Farrell blames the media for faulty reporting on the $600 toilet seat part and $450 hammers.

The NDIA president takes the reader back to World War I and proclaims that “the only things we took to war [WWI] that were truly American made were the Springfield rifles and our fighting spirits.” Huh?

It is true that US artillery pieces appeared late in the conflict and that the US had to buy aircraft and other weaponry from the British and French. The US Navy fought in WWI, at least according to the US Army and Navy historical offices. In 1916, American-made Navy destroyers, six of them, were escorting British cargo ships to protect the Brits from German submarine attacks. A US Navy Admiral, William Sims, convinced the British Admiralty to change its ship formations to a convoy pattern. In the end, 37 US destroyers participated in the effort significantly reducing cargo losses to the German U-Boats.

American made ships–one produced by Newport News Shipbuilding, the USS Fanning (DD 37)-and the the other by William Cramp & Sons, the USS Nicholson (DD 52), sunk a U-Boat in 1917. And, in quite a feat of industrial production, 1200 American-made M1917 Browning machine guns were used late in WWI.

It’s worth noting an event of latter day that was putting some strain on the US Army in 1916. The US Army had its attention focused on the Mexican border. The American public was more concerned about securing the Mexican border from the likes of Pancho Villa (attack on Columbus, NM killed 25 Americans) than war in Europe. At the height of the Mexican Campaign, some 150,000 national guard troops were deployed along the US and Mexico border with another 8,000 US Army infantry led by General John Pershing.

In the editorial, Farrell attempts mightily to challenge the stigma of war profiteer, but his argument about the tough “allocation of resources” ends in language that is precisely that of a war profiteer hunting for profits in the midst of resource scarcity. This argument-focused as it is on the corporate interest, ignores the lifetime-care costs for the some 18,356 wounded in Afghanistan and Iraq (and, one supposes, hundreds more wounded during Special Operations and intelligence activities all over the globe). The pay raises, increases in housing allowances and medical benefits over the past few years, for those in the military that matter most, are paltry compared with the bonuses, stock options and salary increases received by DIB leaders, and their partners throughout the national security machinery.

Finally, the American public doesn’t hear too much about the Lockheed Martin contracts to upgrade Chinese air traffic control systems. “We Never Forget Who We Work For,” says Lockheed. Boeing recently deployed the Sea Based X-Band radar system that’s floating off the coast of Hawaii. The platform for that technological marvel was built by Vyborg Shipping, a Russian firm. Is it really North Korea the Missile Defense people are interested in, or is it the Russian arsenal?

#### No liberal order or SOI impact---states won’t risk war, err towards isolation, AND mediate ties economically

Mueller ’21 [John; February 17; Adjunct Professor of Political Science and Senior Research Scientist at the Mershon Center for International Security Studies; The Stupidity of War: American Foreign Policy and the Case for Complacency, “The Rise of China, the Assertiveness of Russia, and the Antics of Iran,” Ch. 6]

Complacency, Appeasement, Self-destruction, and the New Cold War

It could be argued that the policies proposed here to deal with the international problems, whether real or imagined, presented by China, Russia, and Iran constitute exercises not only in complacency, but also in appeasement. That argument would be correct. As discussed in the Prologue to this book, appeasement can work to avoid military conflict as can be seen in the case of the Cuban missile crisis of 1962. As also discussed there, appeasement has been given a bad name by the experience with Hitler in 1938.

Hitlers are very rare, but there are some resonances today in Russia’s Vladimir Putin and China’s Xi Jinping. Both are shrewd, determined, authoritarian, and seem to be quite intelligent, and both are fully in charge, are surrounded by sychophants, and appear to have essentially unlimited tenure in office. Moreover, both, like Hitler in the 1930s, are appreciated domestically for maintaining a stable political and economic environment. However, unlike Hitler, both run trading states and need a stable and essentially congenial international environment to flourish.128 Most importantly, except for China’s claim to Taiwan, neither seems to harbor Hitler-like dreams of extensive expansion by military means. Both are leading their countries in an illiberal direction which will hamper economic growth while maintaining a kleptocratic system. But this may be acceptable to populations enjoying historically high living standards and fearful of less stable alternatives. Both do seem to want to overcome what they view as past humiliations – ones going back to the opium war of 1839 in the case of China and to the collapse of the Soviet empire and then of the Soviet Union in 1989–91 in the case of Russia. Primarily, both seem to want to be treated with respect and deference. Unlike Hitler’s Germany, however, both seem to be entirely appeasable. That scarcely seems to present or represent a threat. The United States, after all, continually declares itself to be the indispensable nation. If the United States is allowed to wallow in such self-important, childish, essentially meaningless, and decidedly fatuous proclamations, why should other nations be denied the opportunity to emit similar inconsequential rattlings? If that constitutes appeasement, so be it. If the two countries want to be able to say they now preside over a “sphere of influence,” it scarcely seems worth risking world war to somehow keep them from doing so – and if the United States were substantially disarmed, it would not have the capacity to even try.

If China and Russia get off on self-absorbed pretensions about being big players, that should be of little concern – and their success rate is unlikely to be any better than that of the United States. Charap and Colton observe that “The Kremlin’s idee fixe that Russia needs to be the leader of a pack of post-Soviet states in order to be taken seriously as a global power broker is more of a feel-good mantra than a fact-based strategy, and it irks even the closest of allies.” And they further suggest that

The towel should also be thrown in on the geo-ideational shadow-boxing over the Russian assertion of a sphere of influence in post-Soviet Eurasia and the Western opposition to it. Would either side be able to specify what precisely they mean by a regional sphere of influence? How would it differ from, say, US relations with the western-hemisphere states or from Germany’s with its EU neighbors?129

Applying the Gingrich gospel, then, it certainly seems that, although China, Russia, and Iran may present some “challenges” to US policy, there is little or nothing to suggest a need to maintain a large US military force-in-being to keep these countries in line. Indeed, all three monsters seem to be in some stage of self-destruction or descent into stagnation – not, perhaps, unlike the Communist “threat” during the Cold War. Complacency thus seems to be a viable policy.

However, it may be useful to look specifically at a couple of worst-case scenarios: an invasion of Taiwan by China (after it builds up its navy more) and an invasion of the Baltic states of Estonia, Lithuania, and Latvia by Russia. It is wildly unlikely that China or Russia would carry out such economically self-destructive acts: the economic lessons from Putin’s comparatively minor Ukraine gambit are clear, and these are unlikely to be lost on the Chinese. Moreover, the analyses of Michael Beckley certainly suggest that Taiwan has the conventional military capacity to concentrate the mind of, if not necessarily fully to deter, any Chinese attackers. It has “spent decades preparing for this exact contingency,” has an advanced early warning system, can call into action massed forces to defend “fortified positions on home soil with precision-guided munitions,” and has supply dumps, booby traps, an wide array of mobile missile launchers, artillery, and minelayers. In addition, there are only 14 locations that can support amphibious landing and these are, not surprisingly, well-fortified by the defenders.130

The United States may not necessarily be able to deter or stop military attacks on Taiwan or on the Baltics under its current force levels.131 And if it cannot credibly do so with military forces currently in being, it would not be able to do so, obviously, if its forces were much reduced. However, the most likely response in either eventuality would be for the United States to wage a campaign of economic and military (including naval) harassment and to support local – or partisan – resistance as it did in Afghanistan after the Soviet invasion there in 1979. 132 Such a response does not require the United States to have, and perpetually to maintain, huge forces in place and at the ready to deal with such improbable eventualities.

The current wariness about, and hostility toward, Russia and China is sometimes said to constitute “a new Cold War.”133 There are, of course, considerable differences. In particular, during the Cold War, the Soviet Union – indeed the whole international Communist movement – was under the sway of a Marxist theory that explicitly and determinedly advocated the destruction of capitalism and probably of democracy, and by violence to the degree required. Neither Russia nor China today sports such cosmic goals or is enamored of such destructive methods. However, as discussed in Chapters 1 and 2, the United States was strongly inclined during the Cold War massively to inflate the threat that it imagined the Communist adversary to present. The current “new Cold War” is thus in an important respect quite a bit like the old one: it is an expensive, substantially militarized, and often hysterical campaign to deal with threats that do not exist or are likely to selfdestruct.134

It may also be useful to evaluate terms that are often bandied about in considerations within foreign policy circles about the rise of China, the assertiveness of Russia, and the antics of Iran. High among these is “hegemony.” Sorting through various definitions, Simon Reich and Richard Ned Lebow array several that seem to capture the essence of the concept: domination, controlling leadership, or the ability to shape international rules according to the hegemon’s own interests. Hegemony, then, is an extreme word suggesting supremacy, mastery, preponderant influence, and full control. Hegemons force others to bend to their will whether they like it or not. Reich and Lebow also include a mellower designation applied by John Ikenberry and Charles Kupchan in which a hegemon is defined as an entity that has the ability to establish a set of norms that others willingly embrace.135 But this really seems to constitute an extreme watering-down of the word and suggests opinion leadership or entrepreneurship and success at persuasion, not hegemony.

Moreover, insofar as they carry meaning, the militarized application of American primacy and hegemony to order the world has often been a fiasco.136 Indeed, it is impressive that the hegemon, endowed by definition by what Reich and Lebow aptly call a grossly disproportionate military capacity, has had such a miserable record of military achievement since 1945 – an issue discussed frequently in this book.137 Reich and Lebow argue that it is incumbent on IR scholars to cut themselves loose from the concept of hegemony.138 It seems even more important for the foreign policy establishment to do so.

There is also absurdity in getting up tight over something as vacuous as the venerable “sphere of influence” concept (or conceit). The notion that world affairs are a process in which countries scamper around the world seeking to establish spheres of influence is at best decidedly unhelpful and at worst utterly misguided. But the concept continues to be embraced in some quarters as if it had some palpable meaning. For example, in early 2017, the august National Intelligence Council opined that “Geopolitical competition is on the rise as China and Russia seek to exert more sway over their neighboring regions and promote an order in which US influence does not dominate.”139 Setting aside the issue of the degree to which American “influence” could be said to “dominate” anywhere (we still wait, for example, for dominated Mexico supinely to pay for a wall to seal off its self-infatuated neighbor’s southern border), it doesn’t bloody well matter whether China or Russia has, or seems to have, a “sphere of influence” someplace or other.

More importantly, the whole notion is vapid and essentially meaningless. Except perhaps in Gilbert and Sullivan’s Iolanthe. When members of the House of Lords fail to pay sufficient respect to a group of women they take to be members of a ladies’ seminary who are actually fairies, their queen, outraged at the Lords’ collected effrontery, steps forward, proclaims that she happens to be an “influential fairy,” and then, with a few passes of her wand, brushes past the Lords’ pleas (“no!” “mercy!” “spare us!” and “horror!”), and summarily issues several edicts: a young man of her acquaintance shall be inducted into their House, every bill that gratifies his pleasure shall be passed, members shall be required to sit through the grouse and salmon season, and high office shall be obtainable by competitive examination. Now, that’s influence. In contrast, on December 21, 2017, when the United States sought to alter the status of Jerusalem, the United Nations General Assembly voted to repudiate the US stand in a nearly unanimous vote that included many US allies. Now, that’s not influence.

In fact, to push this point perhaps to an extreme, if we are entering an era in which economic motivations became paramount and in which military force is not deemed a sensible method for pursuing wealth, the idea of “influence” would become obsolete because, in principle, pure economic actors do not care much about influence. They care about getting rich. (As Japan and Germany have found, however, influence, status, and prestige tend to accompany the accumulation of wealth, but this is just an ancillary effect.) Suppose the president of a company could choose between two stories to tell the stockholders. One message would be, “We enjoy great influence in the industry. When we talk everybody listens. Our profits are nil.” The other would be, “No one in the industry pays the slightest attention to us or ever asks our advice. We are, in fact, the butt of jokes in the trade. We are making money hand over fist.” There is no doubt about which story would most thoroughly warm the stockholders’ hearts.

# 1AR

## CP---AT PIC

### 1AR---AT: FTC/DOJ

#### **Nationalization has been done by agencies besides the FTC and DOJ**

Kenton 20 (Will, <https://www.investopedia.com/terms/n/nationalization.asp>, emuse)

The United States has technically nationalized several companies, usually in the form of a bailout in which the government owns a controlling interest. The bailouts of AIG in 2008 and General Motors Company in 2009 amounted to nationalization, but the U.S. government exerted very little control over these companies. The government also nationalized the failing Continental Illinois Bank and Trust in 1984, finally selling it to Bank of America in 1994. Despite the temporary nature of most nationalization actions in the United States, there are exceptions. Amtrak was transferred to government ownership after several railroad companies failed in 1971. After the terror attacks of Sept. 11, 2001, the airport security industry was nationalized under the [Transportation Security Administration (TSA)](https://www.investopedia.com/terms/t/tsa-pre.asp).

### 1AR---Expand

#### Removing exemptions is an expansion to the scope of core antitrust laws

Thomas ’21 [Clarence, joined by Samuel Alito and John Roberts; June 3; Justices on the Supreme Court; Westlaw, “Van Buren v. United States,” 141 S. Ct. 1648]

But the majority cannot so easily evade this history. True, the statute previously included the term “purpose” and now does not, but the majority fails to consider how that change affected the statute. Often, deleting a word expands, rather than constricts, the scope of a provision. If a city changes a sign in a park from “no unleashed dogs” to “no dogs,” nobody would presume that unleashed dogs are now allowed. The same is true when the specific is replaced by the general (“no dogs” to “no pets”).

## CP---States

#### Commerce clause bars state antitrust, is expanded by recent jurisprudence.

Madden ’16 [Sean; 2016; J.D. Candidate at the Campbell University School of Law; Campbell Law Review, “Out of Bounds: Commerce Clause Protection from State Antitrust Statutes for Regional Athletic Conferences,” vol. 38]

I. The Emergence of State Antitrust Law

“All fifty states as well as the District of Columbia” have enacted “some type of antitrust statute.”16 Indeed, at least twenty-six states had some sort of antitrust prohibition by 1890, when the Sherman Act was introduced.17 The underlying forces that drove the passage of the Sherman Act also spurred the development of state antitrust law.18 In fact, fundamental concepts of federal antitrust law were based in part on principles developed by the judicial gloss of state courts interpreting state antitrust laws.19

One of the main purposes of passing the Sherman Act was the supplementation of these state laws.20 The Sherman Act was to supplement state antitrust law by reaching restraints on interstate trade, while states would retain exclusive jurisdiction over all purely intrastate restraints.21 Closely following the passage of the Sherman Act, many states adopted new or amended existing state antitrust statutes to mimic the federal statutes.22 Following these changes, state antitrust law began a “gradual decline” as it was viewed as “superfluous” in light of the federal law.23 The decline was amplified in the wake of decisions like Wickard v. Filburn, 24 which expanded the federal power to reach local activities seen as “affecting” commerce under the Commerce Clause.25 The rationale in Wickard led courts to apply the Sherman Act to purely intrastate activity, significantly diminishing the role of state antitrust law.26

In the 1970s, however, state antitrust law experienced a revival thanks in part to treble-damage class action lawsuits in which states were part of the plaintiff class.27 Another contributing factor was the United States Supreme Court’s decision in Illinois Brick Co. v. Illinois. 28 There, the Court denied damages to indirect purchasers under federal law.29 The decision in Illinois Brick left state legislatures feeling pressure to address the apparent gap that now existed in federal antitrust law.30 As a result, many state legislatures amended their antitrust statutes to allow indirect purchasers to recover damages.31 This was one of the few instances where state legislatures and state courts deviated from the federal law.32 Still, however, most state antitrust statutes mimic the federal statutes.33

While the antitrust laws of most states track the language of the federal statutes closely, federal case law on substantive issues is not necessarily regarded as precedential.34 Some state courts regard the federal case law as precedential, while others use the federal case law as a persuasive source of authority when addressing issues of first impression.35 However, state antitrust law is not preempted simply because of the existence of federal antitrust statutes.36 Regardless, it is clear that the role of state antitrust laws with respect to certain industries has become severely limited.37

II. The Commerce Clause and State Antitrust Law

Although state antitrust statutes may be able to reach interstate activity, the Commerce Clause 38 still serves as a protective shield that limits the scope of state antitrust enforcement. Through the Constitution, Congress is granted the power to “regulate Commerce . . . among the several States . . . .”39 Phrased as an affirmative grant of power, the Commerce Clause also contains a negative or “dormant” command “that ‘create[s] an area of trade free from interference by the States’” and “prevents a State from ‘jeopardizing the welfare of the Nation as a whole’ by ‘plac[ing] burdens on the flow of commerce across its borders that commerce wholly within those borders would not bear.’”40 This operation “of the Commerce Clause limits state interference with interstate commerce”, even without legislation implemented by Congress.41

As a limit on State powers, the Commerce Clause can invalidate state statutes where the statute explicitly discriminates against interstate commerce or where the indirect effects on interstate commerce impose a “burden on interstate commerce that is ‘clearly excessive in relation to the putative local benefits[.]’”42 If a statute facially discriminates against out-of-state activity, it will be struck down unless it “advances a legitimate local purpose that cannot be adequately served by reasonable nondiscriminatory alternatives.”43 The Supreme Court in Granholm v. Heald44 held that “state laws violate the Commerce Clause if they mandate ‘differential treatment of in-state and out-of-state economic interests that benefits the former and burdens the latter.’”45 However, state antitrust laws are statutes of general application and are not likely facially discriminatory.46 Thus, state antitrust statutes are more typically challenged as excessively burdensome on interstate commerce.47

## DA---FTC

### 1AR---AT: Ineq

#### Market relations generate extreme inequality - redistribution is only a limited palliative

Cockshott and Zachariah 12 \*computer scientist, economist, and professor at the University of Glasgow \*\*researcher in political economy (Paul and David, <http://www.dcs.gla.ac.uk/~wpc/reports/ArgumentsforSocialism/argumentsasreleased.pdf>, emuse)  
What was not obvious was what this implies. Yakovenko showed that the laws of thermodynamics then imply that the distribution of money between people will follow the same form as the distribution of energy between molecules in a gas : the so called Gibbs-Boltzmann distribution. This sounds very scientific, but what does it actually mean? What the Gibbs-Boltzmann distribution of money says is that a few people with end up with a lot of money and a lot of people with end up with very little money. It says that the distribution of money will be very uneven, just as we see in capitalist society. In fact Yakovenko showed that the distribution of wealth in the USA fits the Gibbs-Boltzman distribution pretty closely. There is a tendancy to think that rich people owe their wealth to intelligence or effort, but physics tells us no. Given a market economy, then the laws of chance mean that a lot of money will end up in the hands of a few people. In fact when we look at the USA we find that the distribution of wealth is even more uneven than we would expect from the Gibbs-Boltzmann law. If the Gibbs Boltzman law held, there would be millionaires but no billionaires. Why the disparity? Yakovenkos original equations represented an economy that is rather like what Marx called simple commodity production. It assumed only buying and selling. More recent work by Yakovenko and Wright [drag- ulescu02a, wright2005sac], has shown that if you modify these equations to allow either the earning of interest on money, or the hiring of wage labour, then the equations predict a polarisation of the population into two groups. The great bulk of the population, the working class and petty bourgeois, follow a Gibbs-Boltzmann income distribution. But there is a second class, those whose income derives from capital, whose wealth will follow a different law, what is called a power-law. Again, look in detail at the distribution of wealth and you provide exactly the distribution predicted by Yakovenko’s theory. This, says Yakovenko, proves that Marx was right when he said that modern society was comprised of two distinct and opposed classes : capitalists and workers. What conclusions can we draw from this with respect to market socialism? The first point is that as soon as you have a set of private agents, be they individuals, firms or cooperatives engaging in monetary trade, the laws of thermodynamics mean that the maximal entropy (most probable) distribution of money between the agents will be very uneven. Since, as Adam Smith said, money is the power too command the labour of others, this uneven distribution of money translates into an uneven distribution of social power. Those agents with more money are in a position to hire other agents under contractual terms favourable to the hirers. As soon as this happens the process of differentiation of income accelerates, and you move from the Gibbs Boltzman to the even more unequal power-law distribution of income characteristic of capitalist society. This is a prediction that arises from simulation models of economies, but if we look at a real examples of a socialist economy taking the market socialist path – China under Deng, we see in reality the sort of income inequalities the models predict. It may be argued that in China the introduction of market relations went much further than is advocated by some market socialists. That may well be true, but this sort of process acquires its own dynamic: My own work, inspired by the reform experience, contributed additional arguments for refuting the Lange-theory. It seems to be highly improbable to generate the strong cost-minimizing or profit-maximizing incentive, taken as granted in the world of Lange’s theory, in a public firm under a soft budget constraint regime. It is impossible to couple an arbitrarily chosen ownership structure and an also arbitrarily chosen set of coordination mechanisms. There is close affinity between certain owner- ship forms and certain coordination mechanisms. Decentralized market and private ownership belong together. A further important counter-argument comes from the political and ideological sphere. The smooth functioning of the market depends on the “climate”. It requires a market-friendly environment. If the politicians ruling a country are sworn enemies of genuine decentralization, the market will be banned to the black and grey area of the economy and cannot become the fundamental coordinator and integrator.) [kornai,200] The converse of this is that if we want to stop a highly unequal distribution of income, we either have to remove the mechanism that generates it, or do work to reduce the entropy of the system. Marx’s proposal for abolishing money and instituting labour accounts which do not circulate, do not function as money, removes the underlying random process which generates inequality. The Swedish model works to reduce entropy through redistributive taxes. It has to constantly work against the tendancy of the market economy to generate a high degree of inequality, and can at most partially mitigate this inequality.

### 1AR---AT: UQ

#### Capitalism makes data bias inevitable---only socialist transition can solve

John Naughton 19 {John Naughton is professor of the public understanding of technology at the Open University. 1-20-2019. “’The goal is to automate us': welcome to the age of surveillance capitalism.” https://www.theguardian.com/technology/2019/jan/20/shoshana-zuboff-age-of-surveillance-capitalism-google-facebook}//JM

At the same time, surveillance capitalism diverges from the history of market capitalism in key ways, and this has inhibited democracy’s normal response mechanisms. One of these is that surveillance capitalism abandons the organic reciprocities with people that in the past have helped to embed capitalism in society and tether it, however imperfectly, to society’s interests. First, surveillance capitalists no longer rely on people as consumers. Instead, supply and demand orients the surveillance capitalist firm to businesses intent on anticipating the behaviour of populations, groups and individuals. Second, by historical standards the large surveillance capitalists employ relatively few people compared with their unprecedented computational resources. General Motors employed more people during the height of the Great Depression than either Google or Facebook employs at their heights of market capitalisation. Finally, surveillance capitalism depends upon undermining individual self-determination, autonomy and decision rights for the sake of an unobstructed flow of behavioural data to feed markets that are about us but not for us. This antidemocratic and anti-egalitarian juggernaut is best described as a market-driven coup from above: an overthrow of the people concealed as the technological Trojan horse of digital technology. On the strength of its annexation of human experience, this coup achieves exclusive concentrations of knowledge and power that sustain privileged influence over the division of learning in society. It is a form of tyranny that feeds on people but is not of the people. Paradoxically, this coup is celebrated as “personalisation”, although it defiles, ignores, overrides, and displaces everything about you and me that is personal. ‘The power to shape behaviour for others’ profit or power is entirely self-authorising,’ says Zuboff. ‘It has no foundation in democratic or moral legitimacy.’ JN: Our societies seem transfixed by all this: we are like rabbits paralysed in the headlights of an oncoming car. SZ: Despite surveillance capitalism’s domination of the digital milieu and its illegitimate power to take private experience and to shape human behaviour, most people find it difficult to withdraw, and many ponder if it is even possible. This does not mean, however, that we are foolish, lazy, or hapless. On the contrary, in my book I explore numerous reasons that explain how surveillance capitalists got away with creating the strategies that keep us paralysed. These include the historical, political and economic conditions that allowed them to succeed. And we’ve already discussed some of the other key reasons, including the nature of the unprecedented, conquest by declaration. Other significant reasons are the need for inclusion, identification with tech leaders and their projects, social persuasion dynamics, and a sense of inevitability, helplessness and resignation. We are trapped in an involuntary merger of personal necessity and economic extraction, as the same channels that we rely upon for daily logistics, social interaction, work, education, healthcare, access to products and services, and much more, now double as supply chain operations for surveillance capitalism’s surplus flows. The result is that the choice mechanisms we have traditionally associated with the private realm are eroded or vitiated. There can be no exit from processes that are intentionally designed to bypass individual awareness and produce ignorance, especially when these are the very same processes upon which we must depend for effective daily life. So our participation is best explained in terms of necessity, dependency, the foreclosure of alternatives, and enforced ignorance. JN: Doesn’t all this mean that regulation that just focuses on the technology is misguided and doomed to fail? What should we be doing to get a grip on this before it’s too late? SZ: The tech leaders desperately want us to believe that technology is the inevitable force here, and their hands are tied. But there is a rich history of digital applications before surveillance capitalism that really were empowering and consistent with democratic values. Technology is the puppet, but surveillance capitalism is the puppet master. Surveillance capitalism is a human-made phenomenon and it is in the realm of politics that it must be confronted. The resources of our democratic institutions must be mobilised, including our elected officials. GDPR [a recent EU law on data protection and privacy for all individuals within the EU] is a good start, and time will tell if we can build on that sufficiently to help found and enforce a new paradigm of information capitalism. Our societies have tamed the dangerous excesses of raw capitalism before, and we must do it again. While there is no simple five-year action plan, much as we yearn for that, there are some things we know. Despite existing economic, legal and collective-action models such as antitrust, privacy laws and trade unions, surveillance capitalism has had a relatively unimpeded two decades to root and flourish. We need new paradigms born of a close understanding of surveillance capitalism’s economic imperatives and foundational mechanisms.”