## tix

### 2NC Uniqueness Wall

#### Presidential push for a fiscal bargain solves status quo divisions

Vicki Needham (writer for The Hill) November 7, 2012 “Business groups urge quick extension of tax policies in lame duck” http://thehill.com/blogs/on-the-money/economy/266701-business-groups-urge-quick-extension-of-tax-policies-in-lame-duck

A grand bargain will require complex negotiations that will take more time than the six or so weeks left before year's end. "What we need is action," Engler said. Engler, Casey and Jay Timmons, president of the National Association of Manufacturers, told reporters that Obama must lay out a blueprint for Congress that will tackle the long list of these issues hampering a more robust economic recovery. "This is going to take executive leadership," Engler said. Timmons said it is time for unity to help the country improve its global competitiveness. "Our goal is to grow the economy," he said. The president talked to congressional leaders on Wednesday about the legislative agenda less than a day after winning reelection. But congressional leaders immediately staked out the same positions that have created so much division on Capitol Hill. Speaker John Boehner (R-Ohio) said he would not yield to raising any taxes this year, while Senate Majority Leader Harry Reid (D-Nev.) argued for letting tax rates expire for wealthier earners. Still, both men hinted that they need to find a way to work togther toward a bipartisan compromise.

#### This PC ensures sufficient numbers of Republican jump ship to resolve negotiations

Seth Fraser (writer for PolicyMic) November 8, 2012 “Should We Get Ready For 4 More Years of Ridiculous Obama vs GOP Obstructionism?” http://www.policymic.com/mobile/articles/18841/should-we-get-ready-for-4-more-years-of-ridiculous-obama-vs-gop-obstructionism

Whichever road taken, the GOP has about one and a half years to make votes on bills that suggest to their constituents that they have actually gotten something done. The incentive system hasn’t changed. In 2014, candidates will again have to report back to their districts and ask for your vote. What they have to show depends on Obama’s political agenda over the coming months and the Republicans' willingness to accept defeat and work with him. President Obama indeed owns a great deal of political capital. He has that much more momentum than Bush II, who famously said after his 2004 presidential win, “I have political capital. I intend to spend it.” The strategic political reason behind this momentum is due, in large part, to the way the GOP framed the election as a battle between big government and small government. In the end, voters wanted a president and a party in power that was pragmatic and could get things done. But now that Obama has won, it is difficult to argue that Obama’s victory wasn’t also a referendum on liberal or left-leaning ideals that government can play a meaningful part in people’s lives. Elizabeth Warren went as far as to say that the reason she was elected was because she stood up for the “core of liberalism.” The president also has economic winds at his back as the job and housing markets have shown signs of continuing recovery. The fact that there is evidence that the president’s policies are actually improving things should create a greater political willingness for Republicans to join the winning team, if only to take some of the credit. If things continue to improve and the Republicans still choose to obstruct and sit on the sidelines, the Democrats will be able to tout success once again in the face of Republican intransigence. These factors, as well as the increased media and public attention in the afterglow of the election, may provide an impetus for a new jobs bill and perhaps reaching a deal on raising new revenue, two things that will be addressed at the end of this year and early next year. Moreover, the Democrats will certainly continue to pound the strong narrative that the election was a mandate on raising new revenue, as Joe Biden recently pointed out.

#### GOP is giving ground now

Bill French (Writer for Democracy Arsenal) November 7, 2012 “Lame Duck Opening Moves: GOP Leadership Agrees DoD is on the Table?” http://www.democracyarsenal.org/2012/11/lame-duck-opening-moves-gop-leadership-agrees-dod-is-on-the-table-.html

Of those reductions, those affecting the Pentagon have received disproportionate attention. What role the Pentagon budget should play in avoiding the fiscal cliff has been hotly debated, with many – but by no means all – conservatives calling for a deal to exempt the DoD from cuts. Some, most notably Buck Mckeon (R-CA), have even called to reverse the cuts already in place, even though those "cuts" are from projected budgetary increases and the Pentagon budget is still on course to rise slightly over the next decade. But Boehner may have just signaled a significant softening of the GOP position. In his speech, he dedicated only one sentence to Pentagon spending to oppose “slashing” the DoD budget. Crucially, this is not objecting to reductions in Pentagon spending as such – a rhetorical fact which is likely indicative of GOP intentions when uttered in such a calibrated address. This interpretation would seem to be corroborated by House Majority Leader Eric Cantor's (R-VA) statements today when he similarly indicated merely opposing “massive defense cuts.” In looking forward to near-term the work required to avoid the fiscal cliff, it seems that the GOP leadership now tacitly agrees that Pentagon spending should remain on the table.

#### BUT, the plan picks a fight that makes the lame duck toxic

Richard Cowan (writer for Reuters) October 22, 2012 “Some in Congress look to $55 billion fiscal cliff 'fallback'” http://www.reuters.com/article/2012/10/22/us-usa-congress-fiscalcliff-idUSBRE89L0YB20121022

Analysts are increasingly pointing to a status quo congressional election: one that keeps the House of Representatives under Republican control and the Senate under Democratic control. Even as Obama and Romney battle for votes in the last two weeks of their campaigns, some Republicans on Capitol Hill are speculating about a victory by the Democratic president. "If Obama wins, we're going to have to play the cards we're dealt and work out some negotiation with him," said one senior Republican aide who works on fiscal policy matters. Another Republican aide added that if Obama "squeaks out" a victory, the president "will have a choice to make: He can pick a fight, make the lame duck toxic and we can go over the fiscal cliff, or we can work to find common ground on the framework for a bigger tax and entitlement reform agreement" that could take at least a year to put together. At the same time, Democrats, who voice confidence in an Obama victory despite a late Romney surge, warn that they will stick to their demands that the wealthy share more of the burden of getting the U.S. fiscal house in order. "We really think we're going to have leverage and we will use it," the Senate Democratic aide said, pointing to a contentious lame duck session that might be in need of a "fallback."

## Russia

### econ S

#### Prices will stay high enough to sustain regime control – only risk is a major collapse of prices

Mark Adomanis, 5-8-2012; analyst for Forbes, Russia and Oil: A Likely Source of Future Stability <http://www.forbes.com/sites/markadomanis/2012/05/08/russia-and-oil-a-likely-source-of-future-stability/>

The “reference case” is basically the most realistic, middle-of-the-road assessment. It assumes that a lot of conditions that characterize the current oil market, i.e. inconsistent and irregular access to new oil deposits in non-OPEC countries like Russia and OPEC’s interest in sustaining high prices, will remain fundamentally the same. There is also a highly optimistic estimate that sees the real price of oil shrinking to around $60-70 dollars a barrel and staying there through 2035. However there is also a decidedly pessimistic estimate which sees the price of oil rapidly spiking to around $170 dollars and the slowly increasing to $200 over the next two decades. The point is not to predict exactly what oil will cost in 2015, 2020, or 2035: that’s a fool’s errand. The point that I’m trying to make is that one can very easily find eminently mainstream institutions, indeed the EIA is about as mainstream as it gets, which produce forecasts that suggest the Kremlin will, in fact, be able to count on a steadily, if slowly, rising oil price. If the price of oil does, in fact, slowly ratchet up to around $150 a barrel over the next seven or eight years, I would expect that Putin’s hold on power will remain strong since the state will have enough resources to co-opt and/or repress the opposition. It seems to me that analyses of Russia’s economic future are overly focused on oil’s downside risks. These risks are both real and severe and I fully agree with those who argue that a rapid plunge in the oil price will have extremely deleterious consequences for Putin’s hold on power. But what seems important to me is that the people responsible for forecasting the future price of oil seem decidedly more bullish on its future course. The EIA is not some fringe outlet trying to get people to invest their savings in madcap commodities schemes, it’s a sober, boring, piece of the Federal bureaucracy. It would thus appear that the most likely outcome is for an oil price that is not supportive of revolutionary upheaval or economic chaos similar to that which consumed the 1980′s Soviet Union, but a high and slowly rising price that is broadly supportive of Russia’s current political arrangements.

### XT Nuke War

#### Russian economic decline causes nuclear war and extinction

Filger2009 – Sheldon Filger, columnist and founder of GlobalEconomicCrisis.com, May 10, 2009, “Russian Economy Faces Disastrous Free Fall Contraction,” online: http://www.huffingtonpost.com/sheldon-filger/russian-economy-faces-dis\_b\_201147.html

In Russia, historically, economic health and political stability are intertwined to a degree that is rarely encountered in other major industrialized economies. It was the economic stagnation of the former Soviet Union that led to its political downfall. Similarly, Medvedev and Putin, both intimately acquainted with their nation's history, are unquestionably alarmed at the prospect that Russia's economic crisis will endanger the nation's political stability, achieved at great cost after years of chaos following the demise of the Soviet Union. Already, strikes and protests are occurring among rank and file workers facing unemployment or non-payment of their salaries. Recent polling demonstrates that the once supreme popularity ratings of Putin and Medvedev are eroding rapidly. Beyond the political elites are the financial oligarchs, who have been forced to deleverage, even unloading their yachts and executive jets in a desperate attempt to raise cash. Should the Russian economy deteriorate to the point where economic collapse is not out of the question, the impact will go far beyond the obvious accelerant such an outcome would be for the Global Economic Crisis. There is a geopolitical dimension that is even more relevant then the economic context. Despite its economic vulnerabilities and perceived decline from superpower status, Russia remains one of only two nations on earth with a nuclear arsenal of sufficient scope and capability to destroy the world as we know it. For that reason, it is not only President Medvedev and Prime Minister Putin who will be lying awake at nights over the prospect that a national economic crisis can transform itself into a virulent and destabilizing social and political upheaval. It just may be possible that U.S. President Barack Obama's national security team has already briefed him about the consequences of a major economic meltdown in Russia for the peace of the world. After all, the most recent national intelligence estimates put out by the U.S. intelligence community have already concluded that the Global Economic Crisis represents the greatest national security threat to the United States, due to its facilitating political instability in the world. During the years Boris Yeltsin ruled Russia, security forces responsible for guarding the nation's nuclear arsenal went without pay for months at a time, leading to fears that desperate personnel would illicitly sell nuclear weapons to terrorist organizations. If the current economic crisis in Russia were to deteriorate much further, how secure would the Russian nuclear arsenal remain? It may be that the financial impact of the Global Economic Crisis is its least dangerous consequence.

### A2 Econ Resiliency

**Not resilient --**

#### --totally vulnerable to commodity price swings

Felix Goryunov 1-31-2012; Moscow-based economic journalist who has been covering international economic and trade issues for more than 30 years. “Russia Needs An Economic Strategy If It Wants To Compete With The Rest Of The BRICS” January 31st http://articles.businessinsider.com/2012-01-31/europe/31008426\_1\_russian-economy-gdp-industrial-production/2#ixzz20FnDnq86

Since 1992, China’s GDP increased 5.3 times, India’s rose by 3.5 times and Brazil’s more than three. It is noteworthy that this growth went hand-in-hand with the structural diversification of economies, renovation of their industrial base and infrastructure as well as an expansion of purchasing power, social services and public welfare. But what about Russia? During the same time span, Russia suffered an industrial and technological degradation that was more devastating than its losses in World War II. As a result, Russia reached its 1990 GDP level only in 2007 while the volume of industrial production remains less than in the Soviet era. In terms of GDP estimated in PPP by the IMF, Russia is now number six in the world, while China is second. In contrast to China and the other BRICS members, which are steadily increasing industrial production, the main drivers of the Russian economy continue to be domestic consumption and exports of raw materials. Most Russian enterprises are not expanding for a lack of fixed investment. (Although the extraction, metals and defense industries are exceptions here). The Russian government dreams of raising fixed investment to 25 percent of GDP, whereas in China its share is already 45 percent of GDP. The outflow of capital from Russia ($85 billion in 2011) is more than twice as big as direct foreign investment (about $36 billion). Even a balanced budget, a current account surplus and sizable hard currency reserves (about $500 billion at the end of 2011) can’t guarantee Russia’s technological resurgence and higher competitive leverage. The poorly diversified economy, addicted to imports of high-tech goods and even some agricultural products, makes Russia fully dependent on the whims of the world commodities markets. The country may face a slump even this year if the world oil prices fall below $60 per barrel. A repetition of the serious contraction of Russia’s GDP in 2009 ( -7.8%) after a sharp decrease in oil prices is very likely, and last September, the World Bank already projected a slowing of GDP growth in 2012 from 4.4 percent in 2011 to around 3.5 percent.