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#### Functional limits explosion from restrictions inevitable—direct government limitation is the only check

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In order to distinguish an exchange restriction from a trade measure, the Fund chose not to give relevance to the purposes or the effects of the measure and to adopt, instead, a technical criterion that focuses on the method followed to design said measure.¶ An interpretation that considered the economic effects and purposes of the measures (taking into account the fact that the measure was introduced for balance of payments reasons or to preserve foreign currency reserves) would have inevitably extended the Fund's jurisdiction to trade restrictions, blurring the boundaries between the IMF and the GATT. The result of such a choice would have been that a quantitative restriction on imports imposed for balance of payments reasons would have fallen within the competence of the Fund.¶ After lengthy discussions, in 1960 the IMF Executive Board adopted Decision No. 1034-(60/27).46 This Decision clarified that the distinctive feature of a restriction on payments and transfers for current international transactions is "whether it involves a direct governmental limitation on the availability or use of exchange as such\*.47 This is a limitation imposed directly on the use of currency in itself, for all purposes.

#### AT: Panels Aren’t T/Are Extra-T

#### Precision --- for solar, energy production requires panel installation

**PNL 78**, Report Commissioned by the DOE Pacific Northwestern Laboratories "An Analysis of Federal Incentives Used to Stimulate Energy Production" March 1978 www.osti.gov/bridge/servlets/purl/7059750-iKeQE4/7059750.pdf

Energy production is defined as the transformation of natural resources into commonly used forms of energy such as heat, light, and electricity. By this definition, the shining of the sun or the running of a river are not examples of energy production, **but the installation of solar panels** or the construction of a hydroelectric dam are. Energy consumption is defined as the use of one of these common, "manufactured" forms of energy. Under this definition sunbathing is not energy consumption, but heating water by means of a solar panel is. In both definitions, the crucial ingredient is the application of technology and resources to change a natural resource into a useful energy form.

### Elections

#### All indicators prove Obama distinguishing trade policy from Romney will win him the election

Kadlec 9-25-12, Charles, member of the Economic Advisory Board of the American Principles Project, an initiative founded in 2009 by Professor Robert George of Princeton University, MBA with honors from the University of Chicago, and his BA in Political Science/Chemistry from the University of Illinois, Urbana-Champaign, Will China Bashing Cost Mitt Romney The Election?, http://www.forbes.com/sites/charleskadlec/2012/09/25/will-china-bashing-cost-mitt-romney-the-election/2/

Governor Mitt Romney’s campaign for President made a potentially fatal error on September 13th by moving to the left of President Barack Obama on the emotional issue of trade with China. On that day, the Romney campaign released a major press release attacking Obama for not labeling China a “currency manipulator.” Claiming China is cheating, Romney is promising the American people he will seek to force the Chinese to allow the dollar to fall in value relative to the Chinese yuan.¶ Last January, I warned Romney’s support for a weak dollar policy relative to China would prove to be the economic Achilles Heel of his campaign. And, unless he changes course, that appears to be exactly what is happening.¶ Ever since the Romney campaign’s China bashing initiative, the momentum has shifted to President Barack Obama. Within six days, Michigan, then Wisconsin went from “toss up” to “lean Obama” according to the Real Clear Politics (RCP) electoral map. And, in RCP’s latest no toss-up results, President Obama now is expected to roll up a 347 to 191 majority in the Electoral College by winning all of the swing states. According to Intrade, odds of President Obama being re-elected have shot up about 10 percentage points to 70%.¶ Moreover, the shift in favor of Obama came at a time when the latest economic data point to continued slow economic growth and high unemployment, unrest roils the Middle East and anti-Americanism is on the rise throughout the Muslim world, and the Obama Administration appears ill prepared to defend its diplomats, embassies or America’s interests and ideals. It also began before the secret recording of Romney’s comments about the “47%” of Americans who believe they are “entitled” to government assistance, which did not become public until the evening of September 17th.¶ No doubt, focus groups and other campaign research support the China bashing initiative. And, Obama was quick to respond to the attacks by filing a complaint in the World Trade Organization claiming Beijing is unfairly subsidizing exports of auto parts. But, putting trade restrictions and a weak dollar at the center of an economic policy agenda **has never proven to be an effective path to the White House.** Americans reflexively support the idea to defend American jobs, but their common sense also informs them to be suspect of policies that would reduce competition and lead to higher prices.¶ Here is the circumstantial evidence the China bashing is hurting Romney’s appeal. During the week ending September 21, he gained strength at the national level, pulling even with the President in the Rasmussen and Gallup tracking polls, even as he has fallen behind in the swing states. Simple math therefore indicates that Romney is moving ahead of Obama in the non-swing states even as he falls behind in the critical ones.¶ And, it is in the swing states that voters have been most exposed to the Romney focus on China bashing as his key policy to create 12 million new jobs.¶ Greater insight is provided by a poll commissioned by the Ohio Newspaper Organization of 861 likely voters in Ohio conducted between September 13 and 18. As reported by the Cleveland Plain Dealer that poll showed Obama leading Romney 51% to 46% (margin of error +/-3.3%).¶ The single most important issue: the economy. According to Eric Rademacher, co-director of by the University of Cincinnati’s Institute for Policy Research which conducted the poll, 95% of those who said Romney would do best on the economy choose him, while 96% of those who said Obama would do best on the economy pick Obama.¶ On the critical issue of who can be trusted to improve economic conditions, Obama leads Romney 49% to 44%. That is an extra-ordinary turn-around from a Rasmussen national poll on September 13th which showed Romney ahead of Obama on this crucial question, 50% to 43%.¶ Given the status of the economy, how could this be?¶ The answer can be found in the Romney campaign’s initiative to attack Obama for not being tough enough on China’s trade policy. On September 13, the first day of the poll, the Romney campaign released the ad, “Failing American Workers,” which accuses Obama of failing to keep China from increasing its manufacturing jobs during a period in which manufacturing jobs in the U.S. were in decline. Romney says: “It is time we stand up to the cheaters, and protect jobs for the American people.” On September 15th, the ad, “The Romney Plan” starts with Romney saying: “Trade has to work for America. That means cracking down on cheaters like China and opening new markets.”¶ Ever since those ads began to run, **Romney has been losing ground and the President’s rating on his handling of the economy has been on the rise!**¶ The reason: Romney’s attack on China as a currency manipulator indicates he will be for an even weaker dollar than President Obama. And, **there is nothing that threatens the middle class more than a decline in the value of the dollar.**¶ First, the dollar’s decline reduces the real value of wages as the price of imports – and internationally traded goods, most importantly oil and food – rise.¶ Second, a weaker dollar erases the value of savings, especially dollars held in savings deposits or checking accounts.¶ Third, the historic record is overwhelming that, while intuitively appealing, a weak dollar does far more harm than good. The dollar has fallen more than 70% against the Japanese yen and German mark/euro since President Nixon began to devalue the dollar in 1971. Yet, the merchandise trade account has gone from a minor deficit to a massive 3% of GDP. Since 2003, the Chinese yuan has appreciated more than 30% against the dollar. The Chinese are as competitive as ever. But, the real median household income has fallen to its lowest level since 1995.¶ A falling currency drives capital away, and therefore is a threat to U.S. manufacturing jobs. Just as investors avoid companies whose stock is falling in price, so too, capital tends to flee weak currency countries. For example, as the risk that Greece would leave the euro went up, the amount of capital leaving the country increased and the economic activity declined.¶ Though more subtle, the same has been true of the U.S. During the weak dollar 1970s, the unemployment rate rose to 7.1% from 4.9%. Under the weak dollar policies of Bush 43 and Obama, the unemployment rate increased to a peak of 10% in 2009 from 4.0% in 2000, and has remained above 8% for 43 consecutive months. Moreover, during the 2000-2007 expansion, the 10% increase in industrial production was a full 8 percentage points less than the expansion in real GDP, indicating that the falling dollar destroyed rather than increased manufacturing jobs.¶ Accosting China for selling quality goods in the U.S. at a competitive price suggests Romney views the economy from a businessman’s perspective, as a zero sum game where one company’s success comes at the expense of it competitors. However, what drives economic growth and job creation is the discovery of mutually beneficial exchanges – “win-win” opportunities — whether that be with the purchase of an iPhone or the discovery of a lower priced good of equal value at the local super store, or to contribute to the success of a company by providing it your skills and intelligence in exchange for compensation.¶ Just because most American voters may not be able to explain much of this**, it doesn’t mean they do not understand it.** They have lived under a weak dollar for 12 years and suffered its consequences. That is why Governor Romney’s promise to deliver even more of the same is driving swing voters into his opponent’s camp.¶ Finally, blaming China for the loss of American jobs leaves on the cutting room floor those policies that would improve America’s competitive position relative to China and the rest of the world, including Romney’s pro-growth energy plan and calls for reforming the corrupt and dysfunctional corporate and personal income tax systems.¶ Richard Nixon, Gerald Ford, Jimmy Carter, George H.W. Bush and George W. Bush all were weak dollar Presidents. Each of them were unpopular when they left office. Presidents Ronald Reagan and Bill Clinton were strong dollar Presidents, and remain popular to this day. Yet by all accounts, Romney is fully committed to the negative sum policy of bashing China, instead of the positive sum pro-growth policies in his quest for the Oval Office. If so, such a strategy will go a long way toward explaining why the American people may decide they trust the President with all of his policy failures more than the challenger from the world of business.