# Inflation DA

### Notes

This is the inflation da. It argues that the plan would increase inflation (aka an increase in prices that consumers pay for goods across the economy). To be able to explain this da well, you’ll need to know what each of the four parts of the DA say. If you are affirmative, you can find affirmative answers to every part of this da in the aff answers section at the bottom of the file.

**Uniqueness**: The negative wants to make 2 uniqueness arguments (arguments about why the status quo is doing something that is good):

1. Inflation is cooling now- that means that prices are not rising as quickly as they used to be. It does not necessarily mean prices are going down, just that they aren’t going up by as much (for instance, if inflation used to be 4% and now it is 3%, prices still went up by 3%. However, that 3% increase is less than the 4% increase that it used to be).
2. The economy is doing well now. You want to win that, without doing the plan, the economy will continue to grow and avoid a recession.

**Link:** Depending on what affirmative you are debating against, you will need to make a different link argument (argument about what the plan does that starts a negative chain of events)

Against **patents**, your link argument says that patents give companies **monopoly power** where they are the only company selling a particular product. If they have nobody who can compete against them, they will charge whatever prices they want, and they would obviously rather charge higher prices so they can make more money. A lot of evidence speaks specifically about pharmaceutical drug prices, since that is a place where patents are very common and that impacts consumers immensely.

Against **copyright**, your link argument is that having a broad interpretation of what counts as a “fair use” is necessary to keep costs low in really important industries, especially industries revolving around information, technology, and the internet. The best aff answer to this is that the aff doesn’t limit fair use for everything, just for ai. If you are negative, you will want to make sure you can explain the concept of precedent/*stare decisis* (pronounced “STARR-ee de-SIGH-sis”). This concept is just that when judges make decisions, they rely on how past judges have made decisions on similar issues. So if there is a copyright infringement case over fair use, judges might look to the plan to see that training AI is no longer fair use, so they should interpret other areas to be consistent with that.

Against **trademark**, your link argument is about over-enforcement. The owners of a trademark (brands) will start filing lawsuits over anything that could maybe, possibly, potentially be a counterfeit, even if it ends up being totally legitimate. To proactively prevent that from happening, third-party online sellers will have to severely restrict what they sell, which undermines supply and competition, both of which cause higher prices.

**Internal link:** The negative’s internal link argument is that higher inflation would cause economic decline. There are lots of reasons for this, including that it hurts people’s ability to purchase things, it hurts businesses investment plans, and it makes people harder to employ.

**Impact:** The negative’s impact argument is that economic decline causes war. Some potential reasons for that include that economic decline causes instability by stoking populist nationalism, that it undermines international trade which usually prevents countries from wanting to go to war, or that it causes leaders to want to divert attention away from a bad economy by starting a war.

# Neg- Inflation DA

## 1nc

### 1nc vs patent

#### The next offcase position is the inflation da

#### Inflation is cooling now

Gibson 24 (Kate Gibson is a Reporter for CBS MoneyWatch in New York. “In a boost for consumers, U.S. inflation is cooling faster than expected” CBS News, 7/11/2024. Accessed 7/11/2024. <https://www.cbsnews.com/news/inflation-cpi-consumer-price-index-june-2024/>) wtk

Consumer prices are continuing to moderate, with June data showing U.S. inflation is once again cooling after unexpectedly high readings earlier this year. The new report could help bolster the case for an interest rate cut from the Federal Reserve in September.

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The reading is the lowest since June 2023, when prices also rose at an annual rate of 3%.

#### PERA substantially increases consumer prices

Dean Baker, 2024 – Senior Economist at the Center for Economic and Policy Research “Senators Push the Increase Inflation Act (A.K.A. “The Patent Eligibility Restoration Act”)” 3/20, <https://cepr.net/senators-push-the-inflation-increase-act-a-k-a-the-patent-eligibility-restoration-act/#:~:text=The%20Patent%20Eligibility%20Restoration%20Act%20(PERA)%2C%20proposed%20by%20Senators,get%20government%2Dgranted%20patent%20monopolies>. //DH

There is an old saying that in Washington, no bad idea stays dead for long. The Patent Eligibility Restoration Act (PERA), proposed by Senators Thom Tillis (R-NC) and Chris Coons (D-DE) seems designed to prove that proposition.

The basic idea behind the act is to increase the types of things for which people and corporations can get government-granted patent monopolies. These could raise the price of a wide range of items from prescription drugs and medical procedures to computer software and smartphones. It is also likely to mean billions of dollars more being wasted every year in patent suits and related litigation.

Few people seem to recognize how important patent monopolies are in the distribution of income. We will pay more than $600 billion this year on drugs (almost $5,000 per family) that would likely sell for less than $100 billion in the absence of patent monopolies or related protections.

Drugs are almost invariable cheap to manufacture and distribute. They are expensive because the government has given a monopoly to the company that produces them and will arrest any competitors. When a drug is needed for someone’s health or even life, that means drug companies can charge tens or even hundreds of thousands of dollars.

When you hear of families struggling to raise $100,000 for their kid’s cancer treatment, that is not because the drugs are expensive. It’s because the government-granted monopoly allows a drug company to charge an outlandish price.

And drugs are just part of the story. Patent monopolies cause medical equipment, computer software, computers, and many other items to cost far more than they would in a free market. Taken together, patent monopolies and related protections almost certainly cost us over $1 trillion a year.

There are strong economic and moral arguments for making these monopolies shorter and weaker. Among other things, they encourage drug companies to lie about the safety and effectiveness of their drugs.

We could just pay for the research upfront – we already spend close to $60 billion a year on research through the National Institutes of Health and other government agencies – and let new drugs be sold as cheap generics. But the industry would kill to prevent this sort of outcome.

In any case, it is absurd to go in the opposite direction and look to have more areas with government-granted patent monopolies as PERA would do. Among other things, it would allow companies to claim patents on genes they identified. This would radically raise the cost of treatments and medical research.

It would also allow patents on a range of abstract scientific discoveries and innovations. This brings back memories of two famous patent cases from the 1990s. Apple sued Microsoft when it introduced Windows, claiming that the new menu-based system infringed on Apple’s operating system by having the same “touch and feel.” Thankfully, the courts sent Apple packing on this one.

There was a similar story when Amazon attempted to claim a patent on one-click shopping. Having your system save customers’ information might have seemed a rather obvious approach once we had Internet shopping, but Jeff Bezos thought everyone should have to pay him a fee for using this method. Again, the courts sent Bezos packing.

However, with PERA, Amazon may have had a case. After all, if they had raced to the patent office they might have had a valid patent.

This is the sort of nonsense that we can expect to see in large quantities if PERA becomes law. It is 180 degrees at odds from what we should be encouraging businesses to do. We want them to develop better ways to do things and produce better products, not more creative ways to game the patent system. PERA will be a great bonanza for patent lawyers, but really bad news for just about everyone else.

#### Inflation kills the economy

Woods and Wong 22 (Darian Woods is a host of The Indicator from Planet Money. He has an honors degree in economics from the University of Canterbury and a Master of Public Policy from UC Berkeley. Wailin Wong is a long-time business and economics journalist, host of The Indicator from Planet Money. “Economists consider the tradeoffs of fighting inflation and killing economic growth” interview with Alex Brazier, deputy head of the BlackRock Investment Institute, 9/30/2022. Accessed 6/18/2024. <https://www.npr.org/2022/09/30/1126083834/economists-consider-the-tradeoffs-of-fighting-inflation-and-killing-economic-gro>) wtk

WONG: First, the argument in favor of killing the bear - inflation is terrible for an economy. It makes people on fixed incomes poorer, and it makes it really hard for businesses and people to know how to invest because everything's so uncertain. Also, when inflation is high, it gets into people's psyches. And central bankers worry a lot about this.

WOODS: But Alex says central bankers, like Jerome Powell, are underplaying just how much pain there will be, like polar bear life-threatening levels of pain. And that's because there is another cause of the inflation today, the pandemic.

BRAZIER: We shifted the composition of our spending away from services and towards goods, reversing 18 years of change in the opposite direction.

WONG: Another reason - employers can't hire as easily as they used to. For one thing, there is a mismatch between what employers want and the skills that out-of-work people have.

BRAZIER: Effectively, people lost their jobs in the pandemic shutdown and didn't come back. And for all those reasons, the economy's less able to produce the things that it demanded than it was.

#### Economic collapse causes war because of economic fragmentation and populism

Sundaram and Popov 19 (Jomo Kwame Sundaram, a former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought. Vladimir Popov is a Research Director at the Dialogue of Civilizations Research Institute in Berlin. “Economic Crisis Can Trigger World War” 2/12/2019. Accessed 6/18/2024. <https://www.ipsnews.net/2019/02/economic-crisis-can-trigger-world-war/>) wtk

Economic recovery efforts since the 2008-2009 global financial crisis have mainly depended on unconventional monetary policies. As fears rise of yet another international financial crisis, there are growing concerns about the increased possibility of large-scale military conflict.

More worryingly, in the current political landscape, prolonged economic crisis, combined with rising economic inequality, chauvinistic ethno-populism as well as aggressive jingoist rhetoric, including threats, could easily spin out of control and ‘morph’ into military conflict, and worse, world war.

Crisis responses limited

The 2008-2009 global financial crisis almost ‘bankrupted’ governments and caused systemic collapse. Policymakers managed to pull the world economy from the brink, but soon switched from counter-cyclical fiscal efforts to unconventional monetary measures, primarily ‘quantitative easing’ and very low, if not negative real interest rates.

But while these monetary interventions averted realization of the worst fears at the time by turning the US economy around, they did little to address underlying economic weaknesses, largely due to the ascendance of finance in recent decades at the expense of the real economy. Since then, despite promising to do so, policymakers have not seriously pursued, let alone achieved, such needed reforms.

Instead, ostensible structural reformers have taken advantage of the crisis to pursue largely irrelevant efforts to further ‘casualize’ labour markets. This lack of structural reform has meant that the unprecedented liquidity central banks injected into economies has not been well allocated to stimulate resurgence of the real economy.

From bust to bubble

Instead, easy credit raised asset prices to levels even higher than those prevailing before 2008. US house prices are now 8% more than at the peak of the property bubble in 2006, while its price-to-earnings ratio in late 2018 was even higher than in 2008 and in 1929, when the Wall Street Crash precipitated the Great Depression.

As monetary tightening checks asset price bubbles, another economic crisis — possibly more severe than the last, as the economy has become less responsive to such blunt monetary interventions — is considered likely. A decade of such unconventional monetary policies, with very low interest rates, has greatly depleted their ability to revive the economy.

The implications beyond the economy of such developments and policy responses are already being seen. Prolonged economic distress has worsened public antipathy towards the culturally alien — not only abroad, but also within. Thus, another round of economic stress is deemed likely to foment unrest, conflict, even war as it is blamed on the foreign.

International trade shrank by two-thirds within half a decade after the US passed the Smoot-Hawley Tariff Act in 1930, at the start of the Great Depression, ostensibly to protect American workers and farmers from foreign competition!

Liberalization’s discontents

Rising economic insecurity, inequalities and deprivation are expected to strengthen ethno-populist and jingoistic nationalist sentiments, and increase social tensions and turmoil, especially among the growing precariat and others who feel vulnerable or threatened.

Thus, ethno-populist inspired chauvinistic nationalism may exacerbate tensions, leading to conflicts and tensions among countries, as in the 1930s. Opportunistic leaders have been blaming such misfortunes on outsiders and may seek to reverse policies associated with the perceived causes, such as ‘globalist’ economic liberalization.

Policies which successfully check such problems may reduce social tensions, as well as the likelihood of social turmoil and conflict, including among countries. However, these may also inadvertently exacerbate problems. The recent spread of anti-globalization sentiment appears correlated to slow, if not negative per capita income growth and increased economic inequality.

To be sure, globalization and liberalization are statistically associated with growing economic inequality and rising ethno-populism. Declining real incomes and growing economic insecurity have apparently strengthened ethno-populism and nationalistic chauvinism, threatening economic liberalization itself, both within and among countries.

Insecurity, populism, conflict

Thomas Piketty has argued that a sudden increase in income inequality is often followed by a great crisis. Although causality is difficult to prove, with wealth and income inequality now at historical highs, this should give cause for concern.

Of course, other factors also contribute to or exacerbate civil and international tensions, with some due to policies intended for other purposes. Nevertheless, even if unintended, such developments could inadvertently catalyse future crises and conflicts.

Publics often have good reason to be restless, if not angry, but the emotional appeals of ethno-populism and jingoistic nationalism are leading to chauvinistic policy measures which only make things worse.

At the international level, despite the world’s unprecedented and still growing interconnectedness, multilateralism is increasingly being eschewed as the US increasingly resorts to unilateral, sovereigntist policies without bothering to even build coalitions with its usual allies.

Avoiding Thucydides’ iceberg

Thus, protracted economic distress, economic conflicts or another financial crisis could lead to military confrontation by the protagonists, even if unintended. Less than a decade after the Great Depression started, the Second World War had begun as the Axis powers challenged the earlier entrenched colonial powers.

### 1nc vs copyright

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#### The plan spills over to limit fair use beyond AI—judges will apply the plan’s reasoning to other areas

Mantegna 24 (Micaela Mantegna, Affiliate at the Berkman Klein Center at Harvard University (United States) and the Center for Technology and Society at San Andres University (Argentina). “ARTificial: Why Copyright Is Not the Right Policy Tool to Deal with Generative AI” *Yale Law Journal* Volume 133, 4/22/2024. Accessed 5/27/2024. https://www.yalelawjournal.org/forum/artificial-why-copyright-is-not-the-right-policy-tool-to-deal-with-generative-ai) wtk

Copyright law is currently applied in multifaceted and sometimes problematic ways, and it has often been extended far outside of its original scope. In the evolving legal landscape of digital technologies, the fair-use doctrine stands on precarious ground, especially considering the new challenges posed by AI litigation.

The flexibility of the fair-use doctrine is a double-edged sword. It allows the doctrine to accommodate new emerging scenarios, but it is also unpredictable and creates uncertainty as one is at risk of infringement until a judge rules otherwise. These rulings could solidify interpretations of fair use that may not have been foreseen or intended by the original framers of the doctrine. And because of the principle of stare decisis, the outcomes of these cases could set significant judicial precedents. Thus, a verdict in the context of AI that shrinks fair use could have far-reaching implications for other scenarios across various unrelated fields, where the stakes and the players are substantially different.

#### Narrowing fair use of copyright undermines economic productivity throughout the economy and causes inflation

Szamosszegi and McCleary 17 (Andrew Szamosszegi and Mary Ann McCleary, economic consultants with Capital Trade, a Washington, D.C.-based economic consulting firm that specializes in international trade, economic studies, and statistical analysis of large-scale databases. “Fair Use in the U.S. Economy” Computer & Communications Industry Association. 2017. Accessed 5/23/2024. https://ccianet.org/wp-content/uploads/2017/06/Fair-Use-in-the-U.S.-Economy-2017.pdf) wtk

This report provides updated information on U.S. industries that depend on and/or benefit from limitations and exceptions to copyrights, including the fair use of copyrighted materials. This “fair use” economy has grown in importance since the publication of the original CapTrade study, which was published in 2007 and covered data through 2006.3 Subsequent updates found that the fair use economy continued to grow, even during the Great Recession.4

Fair use in the strict sense is an important statutory restriction on the rights conferred on original works by the U.S. Copyright Act of 1976:5 According to Sec. 107, “[t]he fair use of a copyrighted work for . . . purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research is not an infringement of copyright.”6 The fair use doctrine, and other limitations and exceptions to copyright,7 have grown in importance with the rise of the digital economy, as fair use permits a range of activities that are critical to many high technology businesses, including search portals and web hosting.8 In the discussion that follows, the term “fair use” sometimes will be used as a shorthand expression referring to the full range of limitations and exceptions in U.S. copyright law.

Industries benefiting from fair use continue to have a profound impact on the U.S. economy, which has been significantly transformed during the past 30 years. Increasing manufactured imports and technological advances have led to a large decline in manufacturing employment in the United States.9 Growth in service sector output and employment has been instrumental in creating new U.S. jobs, both directly through the creation of new firms, and indirectly through intermediate demands of these new firms and spending by their employees. For example, according to an analysis of high-tech industries by the U.S. Bureau of Labor Statistics, employment in high-tech services was only slightly larger than in high-tech manufacturing industries in 1994. However, employment in high-tech services industries grew by 3.4 million workers through 2014 while employment in high-tech manufacturing industries declined by one million workers.10

The growing importance of the fair use economy and the Internet in general has led to a number of studies of the digital economy and digital trade. A study by the United States International Trade Commission published in August 2014 found that domestic commerce and international trade conducted via the Internet in the U.S. and global economies increased U.S. real GDP by 3.4-to-4.8 percent, increased real wages by 4.5-to-5.0 percent, and increased employment by up to 2.4 million full-time equivalent employees.11 According to the Commission, these gains arise due to enhanced productivity and lower trade costs.12 The Commission’s analysis includes a comprehensive explanation of how the gains from digitally intensive industries, which rely on fair use, translate into gains for the broader U.S. economy:

Higher productivity in certain digitally intensive industries due to the Internet increases output in these industries while lowering costs of producers and therefore prices to consumers. These gains in digitally intensive industries spill over to the rest of the economy and lead to economy-wide effects. Higher demand for workers in the digitally intensive industries drives up wages in the labor market, draws workers from other sectors of the economy, and can also increase aggregate employment as more workers are brought into the labor force. The productivity-based reductions in costs translate into lower prices for consumers, and this increases the purchasing power of their wages.13

New firms have played a central role in the fair use economy. Startups in the core fair use space have generated new jobs while sometimes disrupting established industries and underperforming firms.14 While some companies such as Google, Amazon, and Facebook have grown rapidly in a short period of time, there are numerous under-the-radar firms that are benefiting from the business opportunities provided by fair use.15 Though the net job creation of disruptive startups is not always positive in the short run, their productivity-enhancing innovations are indisputably beneficial. The creation of new businesses and business activities has in turn fueled demand from other sectors of the U.S. economy, transformed a host of business processes, and opened up new avenues for accessing entertainment and information. For example, the so-called App Economy supported an estimated 1.66 million U.S. jobs in December 2015, up from 466,000 in the Fall of 2011.16

As explained in the previous studies of the fair use economy, the fair use of copyrighted material and other limitations and exceptions are an important foundation of the Internet economy. For example, one force driving the expansion of the Internet as a tool for commerce and education is the user’s ability to locate useful information with widely available search engines.17 The courts have held that the main service provided by search engines is fair use.18 Absent the exceptions to copyright law provided by the fair use doctrine, search engine firms and others would face uncertain liability for infringement, a significant deterrent to providing this valuable service. Such an outcome would thwart the educational purposes and growing commerce facilitated by Internet search engines, thereby reducing the economic contribution of the Internet.

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#### Plan’s liability requirements cause over-enforcement – that reduces competition and increases prices

Eric Goldman, et al, 2022 – professor of law at Santa Clara Law. Letter to Congress Opposing SHOP SAFE Act on Behalf of 26 Trademark Academics, 3/8, <https://digitalcommons.law.scu.edu/cgi/viewcontent.cgi?article=3634&context=historical> //DH

We are U.S. academics with expertise in trademark law. We write to express our opposition to the Stopping Harmful Offers on Platforms by Screening Against Fakes in E-commerce (SHOP SAFE) Act. The SHOP SAFE Act represents one of the most significant proposed reforms of trademark law that Congress has contemplated in years, and it will likely reshape e-commerce in unwanted ways. Due to these implications, the SHOP SAFE Act should not be included in the final version of any omnibus act, like the United States Innovation and Competition Act (USICA) or the America Creating Opportunities for Manufacturing, Pre-Eminence in Technology, and Economic Strength (America COMPETES) Act.\*

Rather than protecting consumers, the SHOP SAFE Act would curtail many existing online marketplace offerings that currently give consumers greater choices and spur price competition that reduces consumer costs. In a pandemic era with rising inflation, taking away options for consumers to shop at home and increasing consumer prices is the opposite of what constituents want Congress to do. The bill also puts many small online entrepreneurs, and the jobs they provide for Americans, at risk.

The SHOP SAFE Act would do this by fundamentally changing trademark law. For over a decade, trademark law has been clear that online marketplaces must honor takedown notices that trademark owners submit about specific listings. This well-settled rule balances the interests of trademark owners, online marketplace operators, online marketplace vendors, and consumers. The SHOP SAFE Act would overturn the existing rule in two critical ways. First, it would empower trademark owners to send broad takedown notices that aren’t listing-specific, putting online marketplaces in an untenable position of trying to determine the legitimacy of individual listings without the benefit of the trademark owner’s unique expertise. Second, it would create a brand-new statutory cause of action against online marketplaces that would hold them liable even in circumstances where trademark owners didn’t send any takedown notices at all.

As we have seen repeatedly over the past two decades, in both the trademark and copyright contexts, rightsowners routinely send illegitimate takedown notices and overclaim their rights. But current law allows services and other recipients of such demands to push back. SHOP SAFE removes the balancing approach of existing law. The SHOP SAFE Act will accelerate misbehavior—with the help of the act’s imprecise definitions for key terms such as “counterfeit,” “electronic commerce platform,” and “goods that implicate health and safety.” Trademark owners will misuse their new and extraordinary powers to broadly restrict legitimate competitive offerings on online marketplaces, such as non-infringing imitators and resellers of used goods. Furthermore, in the face of essentially unmanageable legal liability, online marketplaces would proactively restrict many legitimate marketplace activities. This will especially impact online merchants and the jobs they create. Ironically, the changes by online marketplaces in response to the SHOP SAFE Act are likely to hurt trademark owners. First, the compliance and risk management costs imposed by the act will eliminate existing online marketplaces from the industry, consolidating e-commerce into a smaller number of marketplaces/retailers and enhancing their ability to dictate price and other terms to trademark owners. Second, the reduced activity in online marketplaces will eliminate distribution opportunities for trademark owners, decreasing their sales volume. The SHOP SAFE Act represents a negative-sum policy, where it likely hurts every stakeholder and benefits none of them. Given that risk, this is not the kind of bill that should bypass Congress’ normal review procedures. The SHOP SAFE Act deserves thorough vetting by Congress so that the pitfalls can be fully understood and perhaps policy solutions that better balance the needs of all constituencies can emerge. Bundling the SHOP SAFE Act into an omnibus bill like USICA or America COMPETES prevents those dialogues from taking place, to the detriment of all of us.

#### Inflation kills the economy

Woods and Wong 22 (Darian Woods is a host of The Indicator from Planet Money. He has an honors degree in economics from the University of Canterbury and a Master of Public Policy from UC Berkeley. Wailin Wong is a long-time business and economics journalist, host of The Indicator from Planet Money. “Economists consider the tradeoffs of fighting inflation and killing economic growth” interview with Alex Brazier, deputy head of the BlackRock Investment Institute, 9/30/2022. Accessed 6/18/2024. <https://www.npr.org/2022/09/30/1126083834/economists-consider-the-tradeoffs-of-fighting-inflation-and-killing-economic-gro>) wtk

WONG: First, the argument in favor of killing the bear - inflation is terrible for an economy. It makes people on fixed incomes poorer, and it makes it really hard for businesses and people to know how to invest because everything's so uncertain. Also, when inflation is high, it gets into people's psyches. And central bankers worry a lot about this.

WOODS: But Alex says central bankers, like Jerome Powell, are underplaying just how much pain there will be, like polar bear life-threatening levels of pain. And that's because there is another cause of the inflation today, the pandemic.

BRAZIER: We shifted the composition of our spending away from services and towards goods, reversing 18 years of change in the opposite direction.

WONG: Another reason - employers can't hire as easily as they used to. For one thing, there is a mismatch between what employers want and the skills that out-of-work people have.

BRAZIER: Effectively, people lost their jobs in the pandemic shutdown and didn't come back. And for all those reasons, the economy's less able to produce the things that it demanded than it was.

#### Economic collapse causes war because of economic fragmentation and populism

Sundaram and Popov 19 (Jomo Kwame Sundaram, a former economics professor, was United Nations Assistant Secretary-General for Economic Development, and received the Wassily Leontief Prize for Advancing the Frontiers of Economic Thought. Vladimir Popov is a Research Director at the Dialogue of Civilizations Research Institute in Berlin. “Economic Crisis Can Trigger World War” 2/12/2019. Accessed 6/18/2024. <https://www.ipsnews.net/2019/02/economic-crisis-can-trigger-world-war/>) wtk

Economic recovery efforts since the 2008-2009 global financial crisis have mainly depended on unconventional monetary policies. As fears rise of yet another international financial crisis, there are growing concerns about the increased possibility of large-scale military conflict.

More worryingly, in the current political landscape, prolonged economic crisis, combined with rising economic inequality, chauvinistic ethno-populism as well as aggressive jingoist rhetoric, including threats, could easily spin out of control and ‘morph’ into military conflict, and worse, world war.

Crisis responses limited

The 2008-2009 global financial crisis almost ‘bankrupted’ governments and caused systemic collapse. Policymakers managed to pull the world economy from the brink, but soon switched from counter-cyclical fiscal efforts to unconventional monetary measures, primarily ‘quantitative easing’ and very low, if not negative real interest rates.

But while these monetary interventions averted realization of the worst fears at the time by turning the US economy around, they did little to address underlying economic weaknesses, largely due to the ascendance of finance in recent decades at the expense of the real economy. Since then, despite promising to do so, policymakers have not seriously pursued, let alone achieved, such needed reforms.

Instead, ostensible structural reformers have taken advantage of the crisis to pursue largely irrelevant efforts to further ‘casualize’ labour markets. This lack of structural reform has meant that the unprecedented liquidity central banks injected into economies has not been well allocated to stimulate resurgence of the real economy.

From bust to bubble

Instead, easy credit raised asset prices to levels even higher than those prevailing before 2008. US house prices are now 8% more than at the peak of the property bubble in 2006, while its price-to-earnings ratio in late 2018 was even higher than in 2008 and in 1929, when the Wall Street Crash precipitated the Great Depression.

As monetary tightening checks asset price bubbles, another economic crisis — possibly more severe than the last, as the economy has become less responsive to such blunt monetary interventions — is considered likely. A decade of such unconventional monetary policies, with very low interest rates, has greatly depleted their ability to revive the economy.

The implications beyond the economy of such developments and policy responses are already being seen. Prolonged economic distress has worsened public antipathy towards the culturally alien — not only abroad, but also within. Thus, another round of economic stress is deemed likely to foment unrest, conflict, even war as it is blamed on the foreign.

International trade shrank by two-thirds within half a decade after the US passed the Smoot-Hawley Tariff Act in 1930, at the start of the Great Depression, ostensibly to protect American workers and farmers from foreign competition!

Liberalization’s discontents

Rising economic insecurity, inequalities and deprivation are expected to strengthen ethno-populist and jingoistic nationalist sentiments, and increase social tensions and turmoil, especially among the growing precariat and others who feel vulnerable or threatened.

Thus, ethno-populist inspired chauvinistic nationalism may exacerbate tensions, leading to conflicts and tensions among countries, as in the 1930s. Opportunistic leaders have been blaming such misfortunes on outsiders and may seek to reverse policies associated with the perceived causes, such as ‘globalist’ economic liberalization.

Policies which successfully check such problems may reduce social tensions, as well as the likelihood of social turmoil and conflict, including among countries. However, these may also inadvertently exacerbate problems. The recent spread of anti-globalization sentiment appears correlated to slow, if not negative per capita income growth and increased economic inequality.

To be sure, globalization and liberalization are statistically associated with growing economic inequality and rising ethno-populism. Declining real incomes and growing economic insecurity have apparently strengthened ethno-populism and nationalistic chauvinism, threatening economic liberalization itself, both within and among countries.

Insecurity, populism, conflict

Thomas Piketty has argued that a sudden increase in income inequality is often followed by a great crisis. Although causality is difficult to prove, with wealth and income inequality now at historical highs, this should give cause for concern.

Of course, other factors also contribute to or exacerbate civil and international tensions, with some due to policies intended for other purposes. Nevertheless, even if unintended, such developments could inadvertently catalyse future crises and conflicts.

Publics often have good reason to be restless, if not angry, but the emotional appeals of ethno-populism and jingoistic nationalism are leading to chauvinistic policy measures which only make things worse.

At the international level, despite the world’s unprecedented and still growing interconnectedness, multilateralism is increasingly being eschewed as the US increasingly resorts to unilateral, sovereigntist policies without bothering to even build coalitions with its usual allies.

Avoiding Thucydides’ iceberg

Thus, protracted economic distress, economic conflicts or another financial crisis could lead to military confrontation by the protagonists, even if unintended. Less than a decade after the Great Depression started, the Second World War had begun as the Axis powers challenged the earlier entrenched colonial powers.

## 2nc/1nr

### \*\*\*uniqueness\*\*\*

### 2nc/1nr they say: “inflation high”

#### Inflation is cooling better than expected—the economy is heading toward its 2% inflation target

Rugaber 24 (Chris Rugaber covers the economy and the Federal Reserve for the Associated Press. “US inflation cools again, potentially paving way for Fed to cut interest rates soon” Associated Press 7/11/2024. Accessed 7/11/2024. <https://apnews.com/article/inflation-prices-rates-economy-federal-reserve-biden-8d15ca77433a1ae072a1e63dfc089f24>) wtk

Inflation in the United States cooled in June for a third straight month, a sign that the worst price spike in four decades is steadily fading and may soon usher in interest rate cuts by the Federal Reserve.

In a better-than-expected report, consumer prices declined 0.1% from May to June after having remained flat the previous month, the Labor Department said Thursday. It was the first monthly decline in overall inflation since May 2020, when the economy was paralyzed by the pandemic.

And measured from one year earlier, prices were up 3% in June, cooler than the 3.3% annual rate in May.

[graph omitted]

The latest inflation readings will likely help convince the Fed’s policymakers that inflation is returning to their 2% target. A brief pickup in inflation early this year had caused the officials to scale back their expectations for interest rate cuts. The policymakers said they would need to see several months of mild price increases to feel confident enough enough to cut their key rate from its 23-year high.

The June figures will qualify as another installment of the more good inflation data the central bank has been seeking. Should inflation remain low through the summer, most economists expect the Fed to begin cutting its benchmark rate in September.

#### Measurements like the Consumer Price Index (CPI) prove inflation is declining

Schonberger 24 (Jennifer Schonberger has been a financial journalist for over 14 years covering markets, the economy and investing. At Yahoo Finance she covers the Federal Reserve, cryptocurrencies, and the intersection of business and politics. “Cooler inflation reading helps the case for a Fed rate cut in September” 7/11/2024. Accessed 7/11/2024. <https://finance.yahoo.com/news/cooler-inflation-reading-helps-the-case-for-a-fed-rate-cut-in-september-140149495.html>) wtk

The latest sign that inflation is cooling makes it more likely the Federal Reserve will be able to gain enough confidence to cut interest rates this fall.

The odds of a cut in September jumped Thursday after the release of favorable new numbers from the Consumer Price Index (CPI), with traders now pricing in an 83% probability of an easing at the Fed's meeting on Sept. 17-18.

"I think it puts September firmly on pace for a cut," Peter Tchir, Academy Securities macro strategy head, told Yahoo Finance.

Some Fed watchers even think that a cut at the Fed's July 30-31 meeting is now a possibility if some other pieces fall into place.

"The Fed could very well lower rates sooner than September if the labor market softens at a faster clip," said Quincy Krosby, chief global strategist for LPL Financial.

The Consumer Price Index on a "core" basis — which excludes volatile food and energy prices the Fed can’t control — rose 3.3% year over year in the month of June. That was a tenth of a percent below expectations and below the level seen in May.

[graph omitted]

Month-over-month core CPI was also encouraging, rising 0.1% after increasing 0.2% in May.

The "muted" month-over-month increase “strengthens the case for a September rate cut," said Paul Ashworth, chief economist for Capital Economics.

#### We’re on track for a soft landing now—that means inflation is cooling without a recession

Brown and Irwin 24 (Courtenay Brown is an economics reporter at Axios. She covers the global economy, central banks, financial markets and macroeconomic trends. Neil Irwin is chief economic correspondent of Axios. He reports on and analyzes the U.S. and global economies, the Federal Reserve, economic policy, financial markets, and how they all intersect. “Cooling inflation ignites hope of rate cuts” 6/12/2024. Accessed 6/18/2024. <https://www.axios.com/2024/06/12/cpi-report-inflation-cooling>) wtk

It's starting to feel a little bit like late 2023: For the second straight month, the Consumer Price Index was cooler than expected — a sign that inflation might be back on a downward path.

Why it matters: The first few months of the year stoked fears that price pressures were reaccelerating. So far, the second quarter appears much different — with a soft landing path for the economy looking like a reality.

That could shift the tenor of Wednesday's Federal Open Market Committee meeting and make officials more comfortable penciling in two rate cuts this year in their projections. The first rate cut could be in September, if that scenario comes true.

Stocks and bonds were both rallying Wednesday morning upon the news.

What they're saying: "Inflation's return to the Fed's target took two steps forward in May after one step back in the opening months of 2024," Comerica's Bill Adams wrote in a report.

By the numbers: The CPI was unchanged for the month of May after rising 0.3% in April. The core measure, which excludes food and energy prices, rose 0.2% — the slowest monthly pace since August 2021.

Year-over-year inflation edged down as well, to 3.4% from 3.5%.

Core CPI is up an annualized 3.3% over the past three months, the lowest since October.

The intrigue: Some categories where price increases were feared to be sticky showed the opposite in May.

### 2nc/1nr they say: “recession now”

#### No recession coming—all of the data is pointing to a soft landing

Hoff 24 (Madison Hoff, reporter on the economy team at Business Insider. “It finally looks like the US economy is sticking its soft landing” 6/5/2024. Accessed 6/19/2024. <https://www.businessinsider.com/us-economy-soft-landing-outlook-recession-inflation-unemployment-jobs-2024-6>) wtk

US economic data points to a soft landing as the labor market and inflation gradually cool.

Until recently those two forces were holding back a soft-landing narrative.

The US seems on track for lower price growth without a recession.

You might have heard the US is not in a recession, but the good news about the economy doesn't stop there. A soft landing is on the horizon — or already here, depending on who you ask — and recent data reinforces that.

Two of the most glaring signals of an economy still running hot — inflation and a strong labor market — have in the past week showed signs of cooling. That's fueled hopes of interest-rate cuts and a subsequent soft landing, generally defined as when interest rates reduce inflation without causing runaway unemployment or hurting economic growth.

The data marks the firmest sign to date that the US economy — shepherded by the Federal Reserve's interest-rate decisions — has threaded the needle and avoided a sharp downturn.

"The economic rebalancing that we thought was necessary a couple years ago largely looks like it's been achieved," Joseph Briggs, an economist at Goldman Sachs, told Business Insider. "Provided that we stay on this current course, I expect that we will be increasingly transitioning to a more normal economic environment."

Briggs also said that achieving a soft landing would help avoid "some of the economic hardships that often come if you were to see the economy enter a more significant slowdown."

A slowly cooling economy heading back to normal

The economy has been confusing because the labor market has stayed pretty hot and inflation has been stubborn despite the Fed's trying to slow down borrowing and spending.

The Fed reacted to sky-high inflation a few years ago by hiking interest rates and holding them at that elevated level. The next Federal Open Market Committee meeting is next week, and the CME FedWatch Tool showed that as of Wednesday morning traders overwhelmingly thought rates were likely to stay at their target.

Data indicates the US labor market isn't too hot, meaning the Fed is unlikely to go back to raising rates and keeping the door open for cuts later this year. There were 175,000 jobs added in April. March's job growth was almost twice as large, with a gain of 315,000. Those figures could be revised in the report from the Bureau of Labor Statistics on Friday.

Job-openings data out on Tuesday from the Bureau of Labor Statistics showed that they continued their downward trend in April, suggesting businesses are slowing their hiring plans. Plus, the number of job openings per unemployed person has been moving downward in 2024.

"The substantial decline in job openings in April, to the lowest level since February 2021, paints a clear picture of a job market that has essentially returned to its pre-pandemic balance and is on the cusp of a soft landing," Nick Bunker, the economic research director for North America at the Indeed Hiring Lab, said recently in written commentary.

"Over the past two years, the US labor market has cooled off in a relatively painless way: Fewer people are switching jobs while layoffs remain low," Bunker told Business Insider. "The result is that unemployment has been below 4% for over two years. But if the reduction in inflation stalls, then any further cooling off would mean higher unemployment."

#### Strong market fundamentals disprove recession

Timiraos 24 (Nick Timiraos is chief economics correspondent for The Wall Street Journal. “Why the Recession Still Isn’t Here” 6/7/2024. Accessed 6/19/2024. <https://www.wsj.com/economy/recession-inflation-fed-jobs-report-b9d1fb28>) wtk

The recession, predicted by business executives, economists, and investors, refuses to show up.

Steady hiring continues to fuel consumer spending and, in turn, an economic expansion unlike any the U.S. has seen. Employers added 2.75 million jobs over the last 12 months, including 272,000 in May, the Labor Department said Friday.

The unemployment rate has been at or below 4% for 30 months, something that last occurred during the Vietnam War in the late 1960s and the Korean War in the early 1950s.

Of course, just because everyone who predicted a recession has been wrong doesn’t mean they won’t eventually be right. Though the unemployment rate remains low, it’s risen from its postpandemic extremes: The unemployment rate ticked up to 4.0% last month from 3.9% in April. It was as low as 3.4% in April 2023.

Already, the rate at which companies hire workers has fallen to levels last seen seven years ago. Job vacancies, which soared during the pandemic, have returned to prepandemic levels; if they fall much lower, a higher unemployment rate beckons.

So far, labor market imbalances have resolved themselves without a recession.

#### The risk of recession is low because inflation is cooling

Peterson 24 (Dana M. Peterson, Chief Economist and Leader of the Economy, Strategy & Finance Center at The Conference Board. “Retail Sales Confirm Continued Consumer Spending Pullback” 6/18/2024. Accessed 6/19/2024. <https://www.conference-board.org/brief/global-economy/retail-sales-analysis-may-2024>) wtk

Weaker consumer spending is all according to the Fed’s plan: cool economic activity and thereby inflation, hopefully without inducing a recession. We believe Q2 and Q3 real GDP growth will be anemic (between 0% and 1% q/q annualized). Still a recession is unlikely because businesses are still generally willing to hold on to their best talent.

Against this backdrop, we anticipate that slower real GDP growth and inflation, plus a relatively healthy labor market will enable the Fed to cut interest rates twice this year – potentially at the November and December meetings. Indeed, only a slight majority of FOMC participants desired one cut at the June meeting, with others mostly anticipating two cuts.

### \*\*\*patent links\*\*\*

### 2nc/1nr they say: “competition constrains price increases”

#### Patents are inflationary – the entire purpose is to provide exclusive rights

David Jones, 2024 – executive director of the High Tech Inventors Alliance. Questions for the Record from Senator Alex Padilla , Hearing on “The Patent Eligibility Restoration Act – Restoring Clarity, Certainty, and Predictability to the U.S. Patent System” 1/24, <https://www.judiciary.senate.gov/imo/media/doc/2024-01-23_-_qfr_responses_-_jones.pdf>

Regarding the impact on consumers, the whole purpose of the patent system is to provide inventors with exclusive rights that allow them to constrain competition and charge higher prices. The increased profit from these higher prices is the incentive to innovate that is provided by the patent system. In a well-functioning patent system, the hope is that consumers will benefit more from the increased pace of innovation than they will be harmed by increased prices. Unfortunately, PERA would substantially increase prices to consumers without producing any significant countervailing benefits from innovation. This is because PERA would expand patent eligibility to non-technological fields, such as business methods, where patent protection has been shown to reduce rather than increase R&D investment.2 Thus, the predictable impact of PERA on consumers would be to increase prices and reduce selection, while at the same time depriving them of the benefits they otherwise would have had from increased innovation.

#### Foreign applicants claim most US patents – broadening eligibility undermines competitiveness and raises prices

David Jones, 2024 – executive director of the High Tech Inventors Alliance. Statement Before the Subcommittee on Intellectual Property U.S. Senate Committee on the Judiciary, Hearing on “The Patent Eligibility Restoration Act – Restoring Clarity, Certainty, and Predictability to the U.S. Patent System” 1/24, <https://www.judiciary.senate.gov/imo/media/doc/2024-01-23_-_testimony_-_jones.pdf> //DH

Finally, some have also argued that concerns about PERA should be ignored because the expanded availability of patents, in and of itself, would enhance U.S. competitiveness. While providing a comprehensive response to this claim is beyond the scope of my testimony, it should suffice to point out that the majority of patents granted by the USPTO claim foreign inventions and were issued to foreign applicants. The principal effects of enacting PERA would thus be to incentivize foreign innovation and enrich foreign patent owners. This would come at the expense of U.S. businesses and consumers, because substantially all the harms with respect to increased liability, greater business uncertainty, and higher litigation costs would fall on those doing business in the United States, with most of these costs ultimately being passed on to American consumers in the form of higher prices. There can be no serious argument that subsidizing foreign innovation or enriching foreign entities at the expense of American consumers and businesses somehow benefits the United States. This alone should cast serious doubt on claims that an unprecedented expansion of patent eligibility is justified simply because it would allow for increased patenting.

In sum, HTIA and its member companies are deeply concerned about the broad expansion of patentable subject matter that would result from the enactment of PERA as currently drafted. Both empirical evidence and historical experience indicate that expanding patent eligibility to include nontechnological subject matter will undermine incentives to invest in technological innovation and impose substantial dead-weight losses on the U.S. economy, thereby harming U.S. competitiveness at a time when retaining our technological and economic advantages relative to adversarial nations is critical to our national security.

### 2nc/1nr they say: “innovation lowers costs”

#### New empirical research shows patents raise prices across the board

Ling Zhou, 2020 - Chair of Innovation and IP Policy at Ecole polytechnique fédérale de Lausanne, Ph.D. candidate in Economics “Patents and Supracompetitive Prices: Evidence from Consumer Products” <https://www.4ipcouncil.com/application/files/3416/1297/0095/Patents_and_Supra-competitive_Prices.pdf> //DH

This paper examines empirically the effect of patent protection on the price of an array of consumer products. We collect original data on patent-product associations and study the effect of an exogenous loss of patent protection on product prices. We have matched 2778 patents to 825 products available on the Amazon.com e-commerce website and have tracked the prices of these products for a period of up to eight years. We study the change in price around the time of patent expiry. Because patent protection is limited in time by law, patent expiry is exogenous to the quality of the underlying invention or to its commercial value. Furthermore, we are able to isolate the effect of patent expiry from the effect of product depreciation by controlling for product model displacement and product age. The empirical analysis then explores the heterogeneous effects of patent expiry across patent type and importance. It also portrays the price evolution around the time when patent terms expire. Finally, it considers how prices react to the intensity of the competition in the product market.

We find that patent expiry is associated with a 7-8 percent drop in product prices, and that the effect is larger for more important patents (e.g., patents that claim a broader slice of technology). We observe that the price starts dropping about one year before patent expiry, possibly suggesting strategic entry deterrence from the incumbent (Milgrom and Roberts,1982;Goolsbee and Syverson,2008). We also observe that the decline in price is more pronounced in more competitive markets, with some evidence of a U- shape relationship between the price drop and the level of the competitive pressure. Finally, placebo tests on samples of fake patent expiry events confirm the validity of our identification strategy.

#### Patents increase consumer prices

Buccafusco, Christopher and Weinstein, Samuel N. (2024) - Christopher Buccafusco is the Edward & Ellen Schwarzman Distinguished Professor at Duke University School of Law. Samuel N. Weinstein is a Professor and Co-Director of the Heyman Center on Corporate Governance at the Benjamin N. Cardozo School of Law, Yeshiva University "Antisocial Innovation," Georgia Law Review: Vol. 58: No. 2, Article 4. Available at: https://digitalcommons.law.uga.edu/glr/vol58/iss2/4

When innovation scholars think about the means that governments use to encourage R&D, patents are probably the first tool that come to mind. The standard account of patents as innovation incentives is well known.78 Inventions are public goods that are both expensive to develop and difficult to prevent others from copying.79 Like other public goods, these features suggest that the market will not optimally supply desired inventions. If an innovator would have to spend a million dollars to develop an invention that could easily be copied by its rivals, the innovator simply won’t bother to invest its money in the first place. Patents solve the public goods problem by giving inventors exclusive rights to their inventions for a limited period of time.80 This period of exclusivity may enable inventors to charge supra-competitive prices for products that embody their inventions, thus allowing them to recoup their R&D costs and make a profit.81 Unlike some of the incentives described above, the government only issues patent rights to people who actually produce an invention. In order to obtain patents, inventors must demonstrate that they have generated something that is both novel and nonobvious to other skilled inventors.82 And, in theory at least, their inventions are required to be “useful.”83

Patents differ from prizes, grants, and tax incentives in another way. While the latter are paid directly by the government (and, thus, taxpayers) through spending, issuing patents doesn’t cost the government much.84 But patents definitely have a price. Patent incentives are financed by consumers of products that incorporate patents who must pay higher prices for those goods.85 By enabling patent owners to charge supracompetitive prices, patents act as a tax paid by consumers for the benefit of innovators.86 Thus, unlike other innovation expenditures, when governments promote innovation with the exclusive rights patents confer, their expenditures are “off-budget.”87 This means that it is enormously difficult to estimate the size of society’s contribution to innovation promotion through higher prices for patented goods.88

### \*\*\*copyright links

### 2nc/1nr they say: “plan doesn’t spillover”

#### Judges will apply the precedent of the aff to other areas

Modak-Truran 23 (Michael Modak-Truran, Law Clerk at Skadden in the Intellectual Property and Technology Transactions practice. “Is a Fair Use Forever Fair?” NYU Law Review Volume 98, Number 3, June 2023. Accessed 6/19/2024. https://www.nyulawreview.org/wp-content/uploads/2023/06/98-NYU-L-Rev-962.pdf) wtk

Copyright law serves the dueling purposes of protecting content creators’ rights and ensuring the public’s access to works. This tension plays out centrally in the doctrine of fair use and how judges work through the four statutorily dictated factors to find a fair use. In addition to the statute,18 judges also consider the reasoning of past judges within a system of stare decisis. Stare decisis claims the benefits of fairness, predictability, stability, the rule of law, economic investment, and decisionmaking efficiency. Walking through the purpose of copyright law, fair use doctrine, and the rationales for stare decisis will position the television and music distribution cases in Part II and will inform Part III’s recommendation about the application and generation of legal precedent relating to utility-expanding transformative fair uses.

#### Precedent matters, especially for fair use cases about new tech

Modak-Truran 23 (Michael Modak-Truran, Law Clerk at Skadden in the Intellectual Property and Technology Transactions practice. “Is a Fair Use Forever Fair?” NYU Law Review Volume 98, Number 3, June 2023. Accessed 6/19/2024. https://www.nyulawreview.org/wp-content/uploads/2023/06/98-NYU-L-Rev-962.pdf) wtk

While that analysis decides whether a use is fair, is a fair use forever fair? Do technologies that are deemed fair uses in the past necessarily constitute fair uses in the present? Courts, enmeshed in “rapidly changing technological, economic, and business-related circumstances,”15 cannot predict the future, but their decisions of whether a use is fair are binding precedent on future generations. This dynamic upsets the careful balance in copyright law between the rights of content creators and access to copyrighted works by the public. To explore this tension, this Note considers what Judge Pierre Leval classified as “utility-expanding transformative fair uses,”16 or technologies that have the capability to deliver copyrighted content in particularly efficient or novel ways.

### 2nc/1nr link—fair use link extension

#### The plan causes inflation:

#### 1. it undermines economy-wide productivity

Szamosszegi and McCleary 17 (Andrew Szamosszegi and Mary Ann McCleary, economic consultants with Capital Trade, a Washington, D.C.-based economic consulting firm that specializes in international trade, economic studies, and statistical analysis of large-scale databases. “Fair Use in the U.S. Economy” Computer & Communications Industry Association. 2017. Accessed 5/23/2024. https://ccianet.org/wp-content/uploads/2017/06/Fair-Use-in-the-U.S.-Economy-2017.pdf) wtk

D. Productivity

On the supply side, a country’s economic growth depends overwhelmingly on two factors: changes in the level of productive inputs such as labor and capital, and the productivity with which those inputs are used. In other words, an economy experiences economic growth if it adds inputs (e.g., more workers and more machines), increases the output associated with a given level of inputs, or does both.

In order to improve the earnings for labor, by increasing real hourly wages, for example, it is necessary to increase labor productivity.47 Rising productivity is therefore important to long-term improvements in living standards. The positive impacts of information technology on productivity have been well documented.48 Prior fair use studies have demonstrated relatively high levels of worker productivity in fair use industries.

Table 2 contains estimates of value added per employee, a common measure of labor productivity, for the core and non-core fair use industries. In the core industries, average labor productivity expanded from approximately $146,000 per worker in 2010 to approximately $163,000 in 2014, representing an annual growth rate of 2.8 percent. In non-core industries, average labor productivity expanded from $124,000 to $145,000 over the same period, or 3.9 percent annually. These productivity levels exceed economy-wide labor productivity, approximately $125,000 in 2014, by a wide margin.49

On an inflation-adjusted basis, real productivity of core and non-core industries expanded 3 percent and 7 percent, respectively.

#### 2. It increases monopoly power and transaction costs

Peukert and Windisch 24 (Christian Peukert, Faculty of Business and Economics, University of Lausanne, Lausanne, Switzerland. Margaritha Windisch, Department of Humanities, Social and Political Sciences, ETH Zürich, Zurich, Switzerland. “The economics of copyright in the digital age” Journal of Economic Surveys 2024 p. 1-27 https://doi.org/10.1111/joes.12632)

When comparing copyrighted works to those in the public domain, the monopoly power created by copyright results in higher prices and lower availability (Buccafusco & Heald, 2013; Flynn et al., 2019; Heald, 2014, 2018; Li et al., 2018). Evidence also shows that the reverse is true: once copyright expires, works are more often performed (Cuntz, 2023; Watson et al., 2023) and lower prices of accessing copyrighted works encourage follow-on innovation (Biasi & Moser, 2021). Frictions and inefficiencies in the licensing market might explain the conflicting results. Contacting and negotiating with rightsholders can be time-consuming, leading to high transaction costs for license acquisition (Akmon, 2010; Vuopala, 2010). In some cases, the copyright owner cannot be identified, leading to so-called orphan works that cannot be licensed for use or re-use. The longer the copyright term, the more difficult it may be for potential licensees to locate the copyright owner. Because of a lack of empirical research, it is unclear, however, to what extent frictions in the licensing market and orphan works as an extreme case represent an economically important problem. In the context of entertainment formats, such as music and video, platforms implementing automated N&T systems switched focus from pure enforcement to enabling a digital licensing market. For example, around the time YouTube launched the affiliate program in 2009, in which the platform agreed to share advertising revenue with contributors, YouTube introduced its “Content ID” system, where rightsholders are notified of infringing content and can choose to block the allegedly infringing video or monetize the content by sharing advertising revenue. YouTube reports that over 90% of rightsholders choose monetizing, which has accumulated to $7.5 bn in advertising revenue paid to rightsholders from claims through the system since 2016 (YouTube, 2021). Over 9000 partners use the Content ID system, including large network broadcasters, movie studios, and record companies. In the second half of 2021, the Content ID system made close to 760 mn claims, of which only 0.5% were disputed, suggesting that it has become feasible to license millions of derivative works with negligible cost. The Content ID system is just one example of digital technology that has spurred the introduction of market mechanisms and allowed to circumvent the institutions that would traditionally be involved in the settling of copyright infringement cases (see Towse, 2017 for an overview of the history of music publishing and licensing), thereby potentially enhancing the efficiency of licensing markets. However, to date, no empirical studies estimate the welfare effects of algorithmic licensing.

### \*\*\*trademark links\*\*\*

### 2nc/1nr they say: “secondary liability lowers costs” —trademark

#### Only large companies can bear the cost of enforcement – the plan causes market consolidation of e-commerce

Engine, 2020 - Engine is a non-profit technology policy, research, and advocacy organization that bridges the gap between policymakers and startups. Comment submitted to US Patent and Trademark Office, “Re: Comments of Engine Advocacy in Response to Secondary Trademark Infringement Liability in the E-Commerce Setting, Docket No. PTO-T-2020-0035,” 12/28, <https://downloads.regulations.gov/PTO-T-2020-0035-0008/attachment_1.pdf> //DH

Indeed, even under the current, relatively balanced approach to contributory liability, the high costs of monitoring and covering legal risk for potentially infringing user-generated posts are already seen as a competitive advantage. Changing the law to increase those costs and risk, by imposing more liability on platforms, would entrench incumbents and defeat the ability of nascent companies to compete.22 As scholars have noted:

[W]hile the eBays of the world can afford to spend millions of dollars combatting counterfeiting, this may not be the case for smaller-scale market participants. Requiring “mom and pop” online brokers to wage a million-dollar war against counterfeiting would likely drive these retailers out of business, undesirably narrowing consumer choice.23

Finally, most platforms experience little, if any, alleged trademark infringement.24 Changing the law to increase the costs and risks platforms face would therefore catch little, if any, additional infringement.25 But the costs and risks of a shift in liability would be substantial, which would make it harder for startups and emerging e-commerce platforms to launch and compete, and restrict economic growth in multiple sectors.26

#### Market consolidation kills hundreds of thousands of small businesses and consolidates the industry – that causes all products to become more expensive

Eric Goldman, 2021 – professor of law at Santa Clara Law. “The SHOP SAFE Act Is a Terrible Bill That Will Eliminate Online Marketplaces” Technology and Marketing Law Blog, 9/28, https://blog.ericgoldman.org/archives/2021/09/the-shop-safe-act-is-a-terrible-bill-that-will-eliminate-online-marketplaces.htm //DH

**“This bill” refers to the SHOP SAFE Act, which would provide contributory trademark liability for online marketplaces**

Why Would Anyone Support This Bill? This bill will kill online marketplaces and make markets less efficient. Where the online marketplace owner has a retailing function, like Amazon and Walmart, they can shut down the marketplace and subsume some items into their standard retailing function. That transition cuts off the long tail of items consumers expect to find online, and it burns hundreds of thousands of independent businesses that currently thrive in the marketplace system but become irrelevant in a retailing model. Meanwhile, standalone online marketplaces, like eBay and Etsy, have to revamp their entire business or exit the industry entirely, which further reduces competition for online retailing. The net competitive effects, then, are that consumers will pay higher prices, consumers will lose their ability to find long-tail items and incur higher search costs to do so, existing market leaders will consolidate their dominant positions, and hundreds of thousands of people will lose their jobs.

In contrast, who wins in this situation? The only winners are trademark owners, some of whom hate online marketplaces because they are tired of seeing their goods leak out of official distribution channels into more price-discounted online marketplaces, because they hate competing against used items of the goods they sell, and because some counterfeiting does take place there (as it does in the offline world too). To address those concerns, they are willing to burn down the entire online marketplace industry. What I can’t understand is why any members of Congress would be so willing to give trademark owners their wishlist when the results would be so disadvantageous for their constituents. The trademark owner lobby is strong, but our governance systems should be strong enough to resist terrible and selfish legislation like this.

#### Brand owners are better cost distributors – increasing liability on platforms increases the price of all goods sold

Andrew Ligon Fant, 2022 - J.D. Candidate, 2023, University of Georgia School of Law. “Reconsidering the Willful Blindness Doctrine in Contributory Trademark Infringement,” 29 J. INTELL. PROP. L. 318 (2022). Available at: https://digitalcommons.law.uga.edu/jipl/vol29/iss2/3 //DH

Indeed, brand owners, not online marketplace owners, are in the best position to identify infringement in ecommerce because of their expertise in their products and registered marks.174 Also, as Professors Schechter and Thomas argue, brand owners are the better cost distributors.175 If marketplaces must absorb the cost of policing and paying compensation for infringement, the cost would likely be borne by every user since such cost would likely be distributed across all goods sold in the marketplace.176 Whereas, if brands—like Tiffany— absorb the cost, only consumers of that brand would bear the cost since the cost would be distributed across all of that brand’s genuine goods.177

### 2nc/1nr they say: “status quo enforcement is more costly” —trademark

#### The plan induces over enforcement – trademark owners will submit bad-faith claims to drive competitors out of the market

Engine, 2020 - Engine is a non-profit technology policy, research, and advocacy organization that bridges the gap between policymakers and startups. Comment submitted to US Patent and Trademark Office, “Re: Comments of Engine Advocacy in Response to Secondary Trademark Infringement Liability in the E-Commerce Setting, Docket No. PTO-T-2020-0035,” 12/28, <https://downloads.regulations.gov/PTO-T-2020-0035-0008/attachment_1.pdf> //DH

III. There are improper takedowns and abuse of the current system, and policymakers should avoid shifting liability to e-commerce platforms which would exacerbate problems and lead to a sizeable removal of legitimate content

While the current doctrine of contributory liability is largely working well, there is still abuse of the system and few opportunities for startup e-commerce platforms and users wrongfully accused of infringement to fight back. Abusive trademark assertion or enforcement has an especially “deleterious effect on startups and smaller platforms that may lack the resources to respond properly to a dispute” between a purported mark owner and the user accused of infringement.27 This puts a fine point on the value of balanced frameworks, and strongly cautions against adopting any new legal doctrines which would make these forms of abuse easier or more profitable. And shifting more liability onto e-commerce platforms would end up escalating the removal of more legitimate posts and goods, which would hurt small businesses and creators who have posts improperly removed.

It is unfortunately common for purported trademark owners to overreach or send bad faith notices, for example, seeking to have non-infringing posts removed. As a number of smaller platforms have reported, spurious takedown notices can “be sent with the deliberate intent to exert unwarranted control over the free flow of information online. The rightsholder may intend to undermine a competitor or to censor critical speech, for example.”28 Examples of such improper or abusive takedown requests include:

● A restaurant obtained a trademark for the name of a popular southern dessert, and then asked a platform to remove websites that posted recipes to that dessert on the ground of alleged trademark infringement.29

● A small business owner that repurposes items—for example, making purses from food packaging or jewelry from building blocks—was subject to trademark infringement allegations for trying to sell those repurposed products on an e-commerce platform for homemade goods.30

● An author obtained a trademark on the word “cocky,” and sent takedown notices to an e-book platform seeking removal of other books with “cocky” in the title. Some of the accused authors went so far as changing the name of their book or abandoning merchandise associated with their works. A trade association for authors hired a lawyer to stop improper takedowns and have books restored to the platform.31

● Volkswagen filed multiple takedown requests to remove art of beetles from a digital art platform. In an apparent sweep to remove all images that were tagged with the word “beetle,” Volkswagen effectively asserted ownership over bug species and asked the platform to remove images a scientist had drawn of different species of beetles. The artist had to retain a lawyer to have her art restored, and lost revenue in the time her work was removed from the platform.32

● In the political context, a political action committee supporting Hillary Clinton issued a takedown notice against parodies of a campaign logo. And Ben Carson sent takedown requests against the use of his name on merchandise referring to his presidential campaign.33

● Fox sent takedown notices to Google seeking to have a science fiction book titled “Homeland” removed from the platform, suggesting this unrelated book (a sequel in a young adult series) somehow infringed trademark in the television program Homeland based solely on a common title (and no other relation or similarity).34

Moreover, in the trademark context there is no formal mechanism for e-commerce platforms to restore content,35 like the DMCA’s counter-notice procedure for restoring wrongfully removed content.36 A number of e-commerce platforms have reported seeing a conflation of copyright- and trademark-related takedown requests, as the notice-sender knows “the use of [trademark-related] requests significantly reduces the ability of users targeted by an accusation of infringement to challenge that accusation.”37

If platforms faced heightened liability for contributory trademark infringement, it would create an incentive for them to remove more legitimate, non-infringing content. Indeed, because platforms know even less about other entities’ trademarks, those platforms would have even less information than the mark owners to decide what to take down. The risk of liability when getting those questions wrong, though, would pressure platforms to increase takedowns of non-infringing posts.

#### Only Amazon will survive plan’s liability requirement, giving it the ability to jack up prices

Robby Soave, 2022 – senior editor at Reason “The SHOP SAFE Act Would Entrench Amazon's Dominance: An ill-conceived proposal to increase liability for online marketplaces could effectively outlaw all but the biggest players.”reason.com [BLOG] Reason Foundation. Jan 19, 2022. Proquest. Accessed via University of Michigan //DH

The SHOP SAFE Act is a typical piece of safety-themed legislation, in that it would accomplish something much more sinister than what its name promises. Far from protecting online shoppers from harmful products, this legislation—sponsored by Rep. Jerry Nadler (D–N.Y.) in the House and by Sen. Chris Coons (D–Del.) in the Senate—threatens to obliterate online marketplaces by subjecting them to increased liability.

Democrats are currently plotting to add the SHOP SAFE Act to the bipartisan Endless Frontier Act, a technology infrastructure bill that already passed in the Senate and could certainly become law sometime in the future. This would be a disaster; the SHOP SAFE Act has massive problems that would make it very difficult for smaller online marketplaces to survive. While the bill is undoubtedly intended to seize on Congress's anti–Big Tech fervor, the likely outcome of its passage would be the solidification of Amazon's dominance.

That's because the bill would raise the liability threshold for online marketplaces: not just Amazon and eBay, but also Etsy, Facebook, and virtually any internet platform where goods can be sold—even Gmail.

"The current bill language could be interpreted to cover anything from Craigslist to Gmail—basically any online service that can play a role in advertising, selling, or delivering goods," argues the Electronic Frontier Foundation (EFF). "This isn't just some reach reading that we came up with; at least two anti-counterfeiting organizations supporting SHOP SAFE have urged Congress to make sure it applies even to Facebook Messenger and WhatsApp."

Any online platform where goods can theoretically be exchanged could be liable if those goods were counterfeit and "implicate health and safety," per the bill's wording. Needless to say, this is extremely broad language that could scare the big platforms' would-be competitors out of the market entirely. One of the easiest ways to entrench Amazon as the default online marketplace would be for regulators to add a crippling liability burden that only Amazon is wealthy enough to survive.

If that weren't bad enough, the SHOP SAFE Act also raises serious digital privacy concerns, by requiring platforms to collect information from their vendors. Given how vast the coverage is here, EFF worries about a world in which users have to "provide a copy of your driver's license to Craigslist just to advertise your garage sale or sell a used bike."

Eric Goldman, a professor of law at Santa Clara University, describes the bill as a massive invasion of privacy that could inadvertently help hackers obtain damaging information on buyers and sellers.

"This bill will kill online marketplaces and make markets less efficient," he writes. "The net competitive effects, then, are that consumers will pay higher prices, consumers will lose their ability to find long-tail items and incur higher search costs to do so, existing market leaders will consolidate their dominant positions, and hundreds of thousands of people will lose their jobs."

### \*\*\*internal link\*\*\*

### 2nc/1nr they say: “economy resilient to inflation”

#### The economy isn’t resilient—inflation could tip the scales

Green 24 (Jon Green is President, Founder, and Financial Advisor at Encompass Advisors. “What Could Happen If the US Economy Collapsed?” 1/24/2024. Accessed 6/18/2024. <https://www.encompassadvisors.com/post/a-us-economic-collapse-what-could-happen>) wtk

The US economy appears to be doing well, according to an IPC economic outlook report. In fact, by the end of 2023, unemployment dropped to 3.8%, and inflation continued to decrease. The markets appear to have stabilized.

But that’s not the whole story.

The financial markets have long been removed from the realities of the American economy. Stock prices rise and fall based on investor emotion, not asset quality. Checkr, a background check and verification company, surveyed 3,000 workers and managers to discover that employees are overworked and underpaid. More and more Americans are taking a second job to pay the bills.

Housing continues to be cost-prohibitive for millions of Americans, many struggling with inflation and price gouging. Private equity has bought a sustainable amount of resources, such as hospitals, clinics, housing, and advisory firms.

In other words, the economy hasn’t necessarily healed just because the numbers look a little higher than a few months ago. One catastrophic event might be enough to drive the economy into a downturn.

#### Inflation disrupts the economy through multiple mechanisms

L’Huillier and DeLuca 23 (Jean-Paul L’Huillier, Associate Professor of Economics at Brandeis University, former Senior Research Economist at the Federal Reserve Bank of Cleveland. Martin DeLuca is a research analyst in the Research Department at the Federal Reserve Bank of Cleveland. “The Long-Run Costs of Higher Inflation” 10/17/2023. Accessed 6/18/2024. <https://www.clevelandfed.org/publications/economic-commentary/2023/ec-202317-the-long-run-costs-of-higher-inflation>) wtk

Under elevated trend inflation, the frictions discussed previously pose potential consequences through multiple mechanisms. In this section, we discuss three of them: loss of purchasing power, capital misallocation and investment distortions, and the slope of the Phillips curve.

Loss of purchasing power. In the above discussion of wage stickiness, the purchasing power of wages erodes when frictions prevent them from adjusting at the same rate as rising prices.5 Individuals with sticky wages consume fewer goods and services as the general level of prices rises, a situation which reflects a direct loss to financial well-being. This loss is amplified when considering a subsequent drop in aggregate demand. As some individuals lower their spending, the would-be recipients of the forgone spending have a lower income, and they, in turn, reduce their spending. This pattern of reduced consumption ripples through the economy, producing an aggregate decline in welfare.

Capital misallocation and investment distortions. Under elevated trend inflation, financial frictions generate distortions in investment returns and in transfers between individuals. In sophisticated financial markets, these frictions make some asset classes better hedges against trend inflation than others. Real estate and stocks are prime examples. The price of real estate, especially residential housing, generally increases at the rate of inflation. This is true for several reasons. Because real estate requires numerous types of materials and services to maintain and construct, increases in other prices increase the price of real estate, both for new construction and existent structures. For stocks, however, the relationship is more complicated. Because stock prices reflect the present value of a company’s expected returns, lower profits reduce stock returns.6 Under elevated trend inflation, sticky prices reduce firm profitability because firms face costs for raising prices alongside inflation.7 Firms may also spend more time optimizing purchase decisions amid distorted prices, a task which also increases costs and lowers profits.

Overall, elevated trend inflation tends to favor increased returns in real estate and lower common stock returns, a situation which aligns with evidence in Fama and Schwert (1977).8 This distorted pattern of returns incentivizes the transfer of investment from stocks to real estate, with implications for macroeconomic efficiency. As investment shifts away from firms, the cost of raising capital for firms will increase, potentially generating further price increases and reducing wages. This also may reduce productivity if firms lack the funds to invest in research and development. Reduced productivity may lower economic growth over longer periods of time, and lower real wages may reduce output in the immediate term. Together, these two effects may generate losses throughout the economy that outweigh gains in real estate prices.

Slope of the Phillips curve. The Phillips curve, named after the economist A.W. Phillips, is a hypothesized inverse relationship between the inflation and unemployment rate. The theory holds that higher levels of inflation are associated with lower levels of unemployment in the short run (between one and five years). A low unemployment rate is typically evidence of a tight labor market in which employees have greater leverage in wage negotiations. Greater employee leverage leads to higher wages, a circumstance that often increases consumption and therefore prices. The slope of the Phillips curve refers to the change in the rate of inflation corresponding to a change in the unemployment rate. It depends on the flexibility of prices and wages in the economy: If prices and wages adjust quickly and frequently, small changes in the unemployment rate are associated with large changes in the rate of inflation if all else remains the same. Because elevated trend inflation requires that prices update more frequently and because individuals and firms would adapt to expect this, the slope of the Phillips curve increases with the rate of trend inflation.9

The Phillips curve can affect aggregate welfare in several ways. If the Phillips curve becomes steeper, short-term inflation, or nontrend inflation, becomes more volatile and requires more intervention by the central bank to stabilize, and this can amplify existing price distortions and distortions in asset class returns as the central bank changes interest rates to maintain the inflation rate. Increased short-term inflation volatility also increases the likelihood that the central bank will need to drop rates near zero. Encountering the zero lower bound is a binding constraint that leaves the bank unable to stimulate the economy by lowering interest rates further, and this bind can hinder economic recovery after a recession.

#### Even if inflation doesn’t directly cause collapse, it causes other economic tipping points

Green 24 (Jon Green is President, Founder, and Financial Advisor at Encompass Advisors. “What Could Happen If the US Economy Collapsed?” 1/24/2024. Accessed 6/18/2024. <https://www.encompassadvisors.com/post/a-us-economic-collapse-what-could-happen>) wtk

Fluctuating inflation—or price gouging, which is just as relevant—reduces purchasing power for the everyday American. It devalues portfolio value and reduces overall spending. Less spending results in a stagnant economy, leading to fewer jobs and more economic unrest.

While this may not cause collapse, it may lead to other tipping points.

### \*\*\*impact\*\*\*

### 2nc/1nr they say: “economic decline doesn’t cause war”

#### Decline causes increased revisionism and diversionary pressures

Jung 22 (Sung Chul Jung, Assistant Professor of Political Science and Diplomacy at Myongji University, “Economic slowdowns and international conflict” *Journal of Peace Research* 2022, Accessed 6/18/2022 via UMich online library. https://doi.org/10.1177/00223433221116656) wtk \*edited for ableist language

Since the 2000s, many pundits and scholars have attributed two rising powers’ instances of aggression to their domestic problems. Russia’s invasion of Ukraine and annexation of Crimea and its deployment of troops to Syria, along with China’s assertive actions in the South China Sea, have been seen as aggressions arising out of domestic weakness (Kaplan, 2016). Some have attributed China’s recent provocative actions against India, Japan, and Taiwan to its struggling economy in the wake of the pandemic (Myers, 2020). In the post-Cold War period, these two great powers, often regarded as revisionist powers, have regained their national capabilities to some extent and have sought higher status in international politics (Larson & Shevchenko, 2010). What made them more aggressive in the 2010s? One promising explanation is their decreasing economic growth rates. Due to their abundance of natural and human resources, the two former communist countries had maintained their increased status relative to their neighboring states since the 2000s or even earlier. However, falling energy prices and the reform-incapable structures of their economies ~~retarded~~[slowed] their further growth and increased the burden on their authoritarian leaders, who also had to manage domestic calls for political freedom and maintain the legitimacy of their rule. According to this article’s causal explanation, Russia and China became more revisionist actors in the 2010s at least partly because their economies went downhill, and their aggressions were directed at smaller and more vulnerable economies.

A slowing economy and economic dependence have both individual and interactive effects on military conflict in international politics. Slow growth rates contribute positively to conflict initiation, especially when an autocracy suffering from a slowing economy targets a democracy whose economy is dependent on the autocracy. Whereas economic interdependence has been regarded by many liberal scholars as a reason for international cooperation, this study shows why and how asymmetric interdependence contributes to interstate conflict by articulating its interaction with an economic slowdown in a dyadic relationship. Both political unrest and economic problems have destabilizing effects on international politics, but their effects differ when economically dependent democracies are the target. Future research should compare different types of domestic unrest and their effects on international relations with sophisticated logic and strong evidence.

This analysis shows that economic growth has two distinct effects. Slower growth makes one state weaker than others and its leaders more vulnerable to domestic challenges. A state’s economic slowdown not only causes a change in the balance of economic power so as to favor its competitor but also increases the troubled state’s foreign aggression, which can harm its adversary. Therefore, it is uncertain whether one state’s economic slowdown benefits its rival’s security. An autocracy’s slowing economy can be a warning, rather than good news, to its democratic opponents if the latter maintain economic relationships with the former. In this regard, economic sanctions may provoke the target leader’s diversionary tactic of blaming its poor economy on the sanctioner. We can see this pattern in Tokyo’s surprise attack on Pearl Harbor at a time of US sanctions against Japan, which had continued since the late 1930s.

The current global economic outlook is uncertain in the wake of COVID-19. Although we do not yet know the pandemic’s long-term economic consequences, all states will likely struggle with slower growth and the erosion of democracy and will engage in more protectionist policies to reboot their economies and save major industries. In this context, we should be especially concerned about the risk that troubled economies pose to international security. As this study’s findings suggest, slower growth causes domestic problems, which often lead to the diversionary use of force against foreign states. If we cannot prevent struggling leaders from using diversionary tactics, worsening economies in authoritarian states will likely drive such states into a more confrontational or aggressive stance toward their economic partners, if not toward political and ideological partners. We can all hope world leaders will realize that this is a time to beat a global pandemic and an economic recession, not to beat up on a foreign state.

#### Stats prove war is more likely when the economy declines

Leepipatpiboon et al 23 (Patcharaporn Leepipatpiboon, PhD Candidate in Economics at UCLA; Chiara Castrovillari and Tomohide Mineyama are both IMF staff members, “Macroeconomic Shocks and Conflict” 3/17/2023. Accessed 6/18/2024 from <https://www.imf.org/en/Publications/WP/Issues/2023/03/18/Macroeconomic-Shocks-and-Conflict-531101>) wtk

This paper contributes to the research on the macroeconomic origins of conflict. Based on a sample of 133 lowand middle-income countries over a 30-year period, it analyses to what extent changes in a country’s commodity terms-of-trade (ToT) can explain an increase in the incidence and intensity of conflicts through their effect on aggregate income. While the evidence from previous studies on the link between macroeconomic conditions and conflict is rather inconclusive, we find a significant relationship. Our baseline model finds that a negative commodity ToT shock leads to an increase in the number of conflict events and fatalities in our sample. Moreover, the effect plays out over several years albeit with decreasing strength after the second year; and its magnitude is twice as large for Low-Income Countries and Fragile and Conflict-affected States when compared with the sample average. In addition, our results show that macroeconomic shocks are creating more violence in countries with higher inequality and in cases where fiscal policy faces relatively stronger constraints on financing a response to the initial shock to incomes. Our results are robust to a number of plausible variations in model specification. The paper’s results, in conjunction with previous studies that emphasize the economic cost of conflicts, suggest the presence of a fragility trap—a vicious cycle of worsening economic conditions and deteriorating conflicts. Effective policies and well-tailored external financial support could be expected to help countries address the challenge.

# Aff Answers to Inflation DA

## 2ac

### 2ac vs inflation da—patents

#### 1. Non-unique—Prices will stay high despite temporary cooling

Dickler 24 (Jessica Dickler is a contributing writer and editor covering personal finance for CNBC.com. “More Americans are struggling even as inflation cools — here’s why” 7/9/2024. Accessed 7/11/2024. <https://www.cnbc.com/2024/07/09/why-more-americans-are-struggling-even-as-inflation-cools.html>) wtk

Inflation is slowing down, but prices are still high — and likely to stay that way.

That’s generally considered good news. The economy is expanding amid a lower rate of price growth and a strong job market.

However, even a broad pullback in price increases underscores another bitter reality: We’re still paying more for many goods and services with little relief in sight.

“Cooling inflation is not the same as a substantial reduction in prices,” said Mark Hamrick, senior economic analyst at Bankrate. “Elevated prices have largely persisted, which means that Americans continue to face affordability challenges on a range of things both necessary and discretionary, including homes, vehicles, car insurance, food, electricity and travel.”

#### 2. No link—competition constrains price increases from patents

David O. Taylor, 2019 –Associate Professor, Dedman School of Law, Southern Methodist University. “The Crisis of Patent Eligibility in America” The Criterion: Journal on Innovation, v4, <https://www.criterioninnovation.com/articles/taylor-the-crisis-of-patent-eligibility-in-america.pdf> //DH

Answer: An accurate answer to this question must distinguish the static situation where one simply compares the prices of consumer products where they are protected by patents versus the prices of the same consumer products where they are not protected by patents. Of course, it is possible that stripping patent protection from already-invented products would reduce the price of those products. Stripping patent protection would allow copiers to sell the same product without charging a price that includes any effort to recoup the cost of developing the product—the copiers, by definition, did not develop the product. Likewise, adding patent protection to already-invented products might increase the price of those products. Adding patent protection would not allow copiers to sell the same product without charging a price that includes any effort to recoup the cost of developing the product. All of this, however, is dependent upon the level of competition in the market for the relevant products, and in most instances noninfringing products constrain the pricing of patented products. Anyway, this is not what I understand the proposed reforms seek to do. They do not seek to strip patent protection from already-invented products or add patent protection to already-invented products. Rather, the proposed reforms seek to return patent eligibility to its historical focus on practical utility. It also is unclear whether the proposed reforms would be given retroactive application. (One possibility, however, is restoring the historical scope of patent eligibility prior to the Supreme Court’s decision in Mayo and applying this scope to already-issued patents. This would not strip patent protection from already-invented products or add patent protection to already-invented products, but instead for some already-invented products provide certainty that patents covering them meet the requirement of patent eligibility.)

The reality, moreover, is that the patent system operates in a dynamic situation; the patent system is built upon the idea that it spurs the creation of new products. As a result, to answer the question accurately one needs to compare the price of a first set of consumer products developed without the proposed reforms with the price of a second set of consumer products developed with the proposed reforms.

It is unlikely that the proposed reforms will increase the prices of consumer products already on the market. Those products will experience new competition from new products created on the basis of increased research and development. These new products will include enhanced features or will be produced more efficiently given new manufacturing technologies. Thus, existing products will face competition driving the cost of these products down.

#### 3. Turn—innovation lowers prices overall – competitors drive down prices to maintain market share

Philip S. Johnson, 2024 - Chair of the Steering Committee of the Coalition for 21st Century Patent Reform, JD from Harvard. Testimony before the Intellectual Property Subcommittee of the Judiciary Committee of the United States Senate on “The Patent Eligibility Restoration Act – Restoring Clarity, Certainty, and Predictability to the U.S. Patent System,” January 23, https://www.judiciary.senate.gov/imo/media/doc/2024-01-23\_-\_testimony\_-\_johnson.pdf

Consumers Will Benefit from Patent Eligibility Reform

Consumers will be the ultimate beneficiaries of this reform, as they will benefit from the additional innovation that these changes spawn. Enhanced innovation will also benefit consumers through the creation of value-added products and/or existing products being made available at lower prices.

For an innovation to be accepted by the market it must deliver a comparable benefit at a lower cost, an increased benefit at an incremental cost that is commensurate with or less than the increased value conferred, or a combination of the two. Stated simply, consumers won’t pay for a new product or service unless its value is better than the value of other alternatives available to them.

When an innovation is one that lowers the cost of previously available goods or services, the commercialization of the innovation will tend to drive down the cost of preexisting alternatives. When the innovation provides greater benefit at prices that are attractive relative to preexisting alternatives, competitors may be prompted to lower their prices for a time while they are spurred into making further improvements to their own products to maintain or increase their market shares. Accordingly, the relative cost of a product or service cannot be fairly assessed without also assessing its benefit to the consumer. Advanced synthetic motor oils, for example, may be priced at twice the price of conventional motor oil, but last four times longer. Despite an initial higher cost, the benefits they confer may make them cheaper to consumers. The same is true across all industries.

Consumers will also benefit from the U.S. jobs that will be created in R&D and manufacturing, and in the other activities that will be needed to meet worldwide demand.

Recognizing these economic principles, the most important issue is whether the applicable policies affecting innovations encourage or discourage them. An innovation that never occurs can neither improve the benefit conferred to the consumer nor force the lowering of prices for existing products. Jurisdictions whose policies fail to encourage and reward innovation tend to perpetuate stagnant industries that become vulnerable to disruption from foreign competition. The passage of PERA will be an important step towards ensuring that the U.S. does not become such a jurisdiction.

#### 4. No internal link—the economy is resilient despite hot inflation

Aliaga-Díaz 24 (Roger Aliaga-Díaz, Ph.D., Vanguard Head of Portfolio Construction and Chief Economist, Americas. “A resilient U.S. economy continues to surprise” 3/12/2024. Accessed 6/18/2024. <https://corporate.vanguard.com/content/corporatesite/us/en/corp/articles/resilient-us-economy-continues-to-surprise.html>) wtk

The U.S. economy has proved far more resilient than anyone could have expected despite the Federal Reserve’s efforts to cool it to rein in inflation. The Goldilocks outcome of strong growth and lower inflation was achieved by a timely expansion in the supply side of the economy—mainly better-than-expected gains in the workforce and productivity. This explains our updated economic forecasts anticipating stronger growth, a sturdy labor market, stubborn inflation, and a Fed that will move cautiously toward its first rate cut—including the possibility of not being able to cut interest rates at all this year.

Supply-side forces in the driver’s seat

Given policy interest rates aimed at subduing inflation by restricting economic activity, we would not have expected GDP growth as robust as 3% in 2023. Stronger-than-expected labor supply and productivity gains more than offset the Fed’s aggressive monetary policy tightening. These favorable supply-side forces are likely to subside only gradually, boosting our outlook for 2024. We foresee economic growth around 2% for 2024 and a year-end unemployment rate around 4%.

Meanwhile, we expect demand to persist. As the economy remains resilient and with strong underlying demand, we continue to see the “last mile” of the inflation fight as the most difficult. We believe that the core Personal Consumption Expenditures price index, the Fed’s preferred measure of inflation, won’t follow a smooth path toward the Fed’s 2% goal, with the risk of staying above 2.5% for the year, higher than previously anticipated. (Core inflation excludes volatile food and energy prices.)

#### 5. No impact—there is no correlation between economic decline and war.

**Walt 20**, Robert and Renée Belfer professor of international relations at Harvard University. (Stephen M., 5/13/20, “Will a Global Depression Trigger Another World War?”, *Foreign Policy*, https://foreignpolicy.com/2020/05/13/coronavirus-pandemic-depression-economy-world-war/)

**On balance**, however, **I do not think that even** the **extraordinary economic conditions** we are witnessing today are going to **have much impact on the likelihood of war**. Why? First of all, **if depressions were a powerful cause of war, there would be a lot more of the latter.** To take one example, **the U**nited **S**tates **has suffered 40 or more recessions** since the country was founded, **yet it has fought perhaps 20 interstate wars, most of them unrelated to the state of the economy.** To paraphrase the economist Paul Samuelson’s famous quip about the stock market, **if recessions were a powerful cause of war, they would have predicted “nine out of the last five (or fewer).”**
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**The fact that each of these leaders miscalculated badly does not alter the main point: No matter what a country’s economic condition might be, its leaders will not go to war unless they think they can do so quickly, cheaply, and with a reasonable probability of success**.

Third, and most important, **the primary motivation for most wars is the desire for security, not economic gain**. For this reason, the odds of war increase when states believe the long-term balance of power may be shifting against them, when they are convinced that adversaries are unalterably hostile and cannot be accommodated, and when they are confident they can reverse the unfavorable trends and establish a secure position if they act now. The historian A.J.P. Taylor once observed that “**every war between Great Powers** [between 1848 and 1918] … **started as a preventive war, not as a war of conquest**,” and **that remains true** of most wars fought since then.

The bottom line: **Economic conditions** (i.e., a depression) may affect the broader political environment in which decisions for war or peace are made, but they **are only one factor among many and rarely the most significant**. Even if the COVID-19 pandemic has large, lasting, and negative effects on the world economy—as seems quite likely—it is not likely to affect the probability of war very much, especially in the short term.

### 2ac vs inflation da—copyright

#### 1. Non-unique—Prices will stay high despite temporary cooling

Dickler 24 (Jessica Dickler is a contributing writer and editor covering personal finance for CNBC.com. “More Americans are struggling even as inflation cools — here’s why” 7/9/2024. Accessed 7/11/2024. <https://www.cnbc.com/2024/07/09/why-more-americans-are-struggling-even-as-inflation-cools.html>) wtk

Inflation is slowing down, but prices are still high — and likely to stay that way.

That’s generally considered good news. The economy is expanding amid a lower rate of price growth and a strong job market.

However, even a broad pullback in price increases underscores another bitter reality: We’re still paying more for many goods and services with little relief in sight.

“Cooling inflation is not the same as a substantial reduction in prices,” said Mark Hamrick, senior economic analyst at Bankrate. “Elevated prices have largely persisted, which means that Americans continue to face affordability challenges on a range of things both necessary and discretionary, including homes, vehicles, car insurance, food, electricity and travel.”

#### 2. No link—the plan doesn’t spillover to other fair use industries—fair use determinations are case-by-case

Patel 24 (Nilay Patel, editor-in-chief of the Verge, “How AI copyright lawsuits could make the whole industry go extinct” 2/15/2024. Accessed 6/19/2024. <https://www.theverge.com/24062159/ai-copyright-fair-use-lawsuits-new-york-times-openai-chatgpt-decoder-podcast>) wtk

But there’s a check on all that control that copyright law provides: fair use. Fair use is written right into the Copyright Act, and it says that certain kinds of copies are okay. Since the law can’t predict what everyone might want to do, it has a four-factor test written into it that courts can use to determine if a copy is fair use.

But the legal system is not deterministic or predictable. Any court gets to run that test any way they want, and one court’s fair use determination isn’t actually precedent for the next court.

That means fair use is a very vibes-based situation, and it’s anyone’s guess how a lot of copyright lawsuits are going to go. Many of them feel like a coin flip, and when you add in the amount of hype, uncertainty, and money that comes with AI, it gets even more complicated.

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#### 5. Non-unique—multiple economic indicators prove a recession is coming now

Sor 24 (Jennifer Sor, reporter for Markets Insider. “3 signs the US economy is nearing a recession have flashed in the last week, SocGen says” 6/5/2024. Accessed 6/19/2024. <https://www.businessinsider.com/recession-outlook-hard-landing-economy-growth-spending-socgen-albert-edwards-2024-6>) wtk

The US economy is edging precariously close to a recession, and it's flashed a handful of warning signs in just the last week that suggest a downturn is on the horizon, according to Société Générale.

The European bank has warned of a recession to hit the US over the last year, despite many investors and economists remaining bullish on a soft-landing.

According to the bank's chief global strategist, Albert Edwards, stocks and the economy have flashed a number of red flags, with three worrying data points appearing over the past week.

"Even if Armageddon looms, I guarantee the investment air will be filled with the sound of bulls singing their soft-landing siren songs," Edwards said in a recent note to clients.

He pointed to three signs the economy is nearing a downturn.

1. Economic growth expectations have been cut

Atlanta Fed economists cut their expectations for second quarter GDP growth in half over the last week, down from 3.4% to 1.8% growth.

"US growth expectations have crashed in the wake of recent weaker-than-expected data," Edwards said."As GDP growth disintegrates, equity investors should be worried … that recession might yet arrive after all."

2. Manufacturing activity has slowed

Manufacturing activity, a "key indicator" of economic growth, is also slowing, Edwards said. New manufacturing orders contracted in May, and overall manufacturing activity contracted for the 18th time over the last 18 months, according to the Institute for Supply Management.

"Although many may dismiss the importance of the manufacturing sector for the overall economy, it is undeniable that overall GDP ebbs and flows closely with it. No surprise then that fear of recession is resurfacing," Edwards wrote.

### 2ac vs inflation da—trademark

#### 1. Non-unique—Prices will stay high despite temporary cooling

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#### 2. No link— Secondary liability substantially reduces enforcement costs against counterfeiting

Yassine Lefouili and Leonardo Madio, 2022 - \*Toulouse School of Economics, University of Toulouse Capitole, Toulouse, France AND \*\*Department of Economics and Management, University of Padua, Padua, Italy “The economics of platform liability” Eur J Law Econ. 2022; 53(3): 319–351. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8857911/> //DH

This example suggests that liability can also be introduced to induce some agents to take actions that stop or mitigate the harmful conduct of other players. The setting we have discussed is quite traditional, rooted around the bilateral relationship between buyers and sellers or manufacturers. In markets featuring the presence of online intermediaries, a prominent role can be played by the platform’s owner. This is especially true if direct enforcement of primary liability becomes too expensive (e.g., millions of buyers and sellers in a marketplace). One possible way to deal with this problem is to impose liability on the party that can help to prevent an accident or, in the case of illegal activities, misconduct. The law and economics literature has referred generally to these cases as secondary, indirect, or collateral liability. Most relevant for our analysis is the notion of “gatekeeper liability” (Kraakman, 1986). This is a special case of liability imposed on intermediaries whose characteristics and role enable them to disrupt misconduct by “withholding support” and prevent any infringement. Undoubtedly, platforms are nowadays key players that have developed tools and capabilities to monitor, identify, and to some extent, mitigate illegal activities and misconduct in their ecosystem.13 Moreover, introducing liability for intermediaries might lead to a considerable reduction in enforcement costs. Landes and Lichtman (2003) discussed whether a manufacturer producing a decoder box should be held liable for third parties’ infringements of copyright. According to the authors, holding the manufacturer liable would result in substantial enforcement and administrative savings for the harmed party, which would therefore directly sue the manufacturer rather than multiple infringers.14 Fagan (2020) showed instead that lawmakers’ decision about the introduction of a liability regime for platforms relative to a safe harbor provision depends on the relative size of different costs, such as the cost of enacting and enforcing a new law versus the cost of maintaining existing law.15

#### 3. Turn— the plan lowers enforcement costs—current enforcement is more costly

Gina Boone, 2021 - J.D. Candidate, Fordham University School of Law, 2022; M.P.S., Public Relations and Corporate Communications, Georgetown University, “Designing Dupes: A Legislative Proposal for Holding Online Marketplaces Contributorily Liable for Counterfeit Goods”, 31 FORDHAM INTELL. PROP. MEDIA & ENT. L.J. 1302 (2021). Hein Online, Accessed via University of Michigan //DH

In Tiffany, there were concerns about who should be responsible for finding counterfeits.149 Tiffany argued if eBay were not held liable, the ruling would require rightsholders to police online marketplaces "24 hours a day, and 365 days a year," and many rightsholders would be unable to bear this burden.1 5 ' Rightsholders have, in fact, encountered several hurdles after the Tiffany ruling. In holding online sellers accountable, existing laws tend to shield foreign counterfeiters from liability because they are often outside of U.S. jurisdiction. 15 1 Thus, rightsholders often turn to either continuously taking down listings or suing for trademark infringement.15 2 Ultimately, the burden is on rightsholders to police and report infringement, 153 creating financial and time-consuming costs.

The time-consuming burdens on rightsholders are significant. The Tiffany decision, arguably, shifted the burden away from the ecommerce platform and placed it onto the rightsholder to find and police counterfeits,154 engaging in a continuous game of whack-a-mole. 155 For example, Wish.com blocked infringement requests by legitimate owners against sellers, and Amazon, too, has denied legitimate infringement claims. 156 Additionally, when Mindy reached out to third-party sellers, she never received a response.15 7 As a result, counterfeits destroy products' quality, making it impossible for small businesses to address. 158

There are also incredible financial burdens as a result of current law. A common way to show specific instances of infringement is through test buys, where a seller buys a product to test the quality.159 However, this action can cost a significant amount of money if there are multiple listings and sellers, especially for small businesses.160 Tiffany alone spent $14 million in anti-counterfeiting efforts. 161 As a result of these financial burdens, some brands are turning to blockchain technology to certify the authenticity of their products.162 Brands have even instituted intellectual property task forces in their fight against counterfeiters, involving collaboration between major online marketplaces and well-known brands. 163 Changes should be made as many of these efforts could prove to be difficult, or even impossible, for small businesses.

Online marketplaces are feeling the effects of the counterfeit problem. For instance, in 2019, Nike pulled its products from Amazon after its short stint as a wholesaler to combat Nike fakes on the platform. 164 The successful activewear company was unable to maintain control because when Amazon removed counterfeit listings, more would appear under a different name. 165 Brands, such as Nike, attempt these preventative measures due to the Tiffany ruling, taking an "if you can't beat them, join them" approach.166 As a result, some online marketplaces are increasing their anti-counterfeiting efforts. 167

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## 1ar materials

### 1ar inflation high

#### Inflation is high—rent and housing prove

Decker 24 (Christopher Decker, Professor of Economics, University of Nebraska Omaha, “Inflation is cooling, but not fast enough for the Fed: Policymakers now expect only one rate cut in 2024” 6/12/2024. Accessed 6/18/2024. <https://theconversation.com/inflation-is-cooling-but-not-fast-enough-for-the-fed-policymakers-now-expect-only-one-rate-cut-in-2024-232333>) wtk

Why has inflation stayed above the Federal Reserve’s 2% target for so long?

Housing and rents are major reasons inflation has stayed above 2%. Rental prices are up due to higher construction and maintenance costs, as well as strong demand from people priced out of homeownership. Home prices and mortgage rates remain high, making home purchases difficult, particularly for first-time homebuyers.

The Fed held interest rates steady today, and indicated it would likely cut rates one time in 2024. But just three months ago, policymakers were mulling three rate cuts this year. What changed?

The Fed is very data-driven, and when the data changes, the Fed changes course.

It’s important to remember that the Fed has hiked rates more than 10 times since March 2022. This was done in an effort to slow economic growth and thereby rein in inflation. I think a lot of policymakers thought that would push the inflation rate down more rapidly than it did. Instead, job growth remained stronger than expected.

In many ways, the labor market is still working through COVID-related disruptions. Many workers gradually reentered the workforce. Therefore, production could increase to meet demand for goods and services. This meant that there was room for the economy to grow even with slightly higher inflation.

#### Even their low inflation numbers prove inflation is high

Lam-Balfour and Durana 24 (Tiffany Lam-Balfour is a former investing writer and spokesperson at NerdWallet. Alieza Durana joined NerdWallet as an investing basics writer in 2022. “The Current Inflation Rate is 3.3%. Here’s Why It Matters” 6/12/2024. Accessed 6/18/2024. <https://www.nerdwallet.com/article/investing/inflation>) wtk

The current U.S. inflation rate is 3.3% for the 12-month period leading up to May 2024. The consumer price index (CPI), which measures changes in prices, remained the same in May after rising 0.3% in April, according to the latest release from the Bureau of Labor Statistics[1]. The BLS notes that the declines in gasoline and energy prices offset a rise in the shelter index. The next monthly update will be released on Wednesday, July 11, 2024.

A 3.3% inflation rate may not seem like a lot, or as much as the price changes you've noticed at the grocery store. But to put inflation in context over the last few years, consumer price inflation rose 21.75% between January 2020 and May 2024, and stubbornly high housing costs persist.

#### Reject their optimism from recent data

Derby 24 (Michael S. Derby, reporter for Thomson Reuters, “Fed's policy patience warranted amid still-high inflation, Collins says” 6/18/2024. Accessed 6/18/2024. <https://www.reuters.com/markets/rates-bonds/feds-policy-patience-warranted-amid-still-high-inflation-collins-says-2024-06-18/>) wtk

Boston Federal Reserve President Susan Collins on Tuesday cautioned against getting carried away with recent inflation data that suggested price pressures may again be retreating back to the U.S. central bank's goal.

"It is too soon to determine whether inflation is durably on a path back to the 2% target," Collins said in the text of a speech to a group in Lawrence, Massachusetts. "We should not over-react to a month or two of promising news, just as it was not appropriate to take too much (of a) signal from the disappointing data at the beginning of this year," she said.

### 1ar patent—plan doesn’t cause inflation

#### No empirical evidence supports the link.

Kim R. Jessum, 2021 – Chair, ABA Section of Intellectual Property Law. Comments Re: USPTO Patent Eligibility Jurisprudence Study (PTO-P-2021-0032-0002) to the USPTO, 9/2, <https://downloads.regulations.gov/PTO-P-2021-0032-0042/attachment_1.pdf> //DH

*13. Please identify how the current state of patent eligibility jurisprudence in the United States affects the public. For example, does the jurisprudence affect, either positively or negatively, the availability, effectiveness, or cost of personalized medicine, diagnostics, pharmaceutical treatments, software, or computer-implemented inventions?*

In general, restoring patent eligibility to its gatekeeper role is likely to benefit U.S. consumers by encouraging investment in innovation in fields of endeavor that have been negatively impacted by the uncertainty and unpredictability of current eligibility jurisprudence.

We are not aware of any empirical data that addresses whether the restoration of traditional section 101 eligibility—that is, providing a more certain and predictable test for patent eligibility while enabling other sections of the patent statute to perform their roles in assessing patentability—would increase or decrease consumer prices. For example, it may be just as plausible that advances might reduce costs/prices incurred by consumers in seeking products or services in that field. Various examples of the potential for reduced costs/prices are not difficult to contemplate.

### 1ar copyright—plan doesn’t spill over

#### Fair use is legally required to be case-by-case

Brown 21 (Marissa Brown, JD from Brooklyn Law School, “NOT SO FAIR USE: THE SHORTCOMINGS OF CURRENT NOT SO FAIR USE: THE SHORTCOMINGS OF CURRENT COPYRIGHT LAW IN MUSIC SAMPLING COPYRIGHT LAW IN MUSIC SAMPLING” Brooklyn Journal of Corporate, Financial, and Commercial Law Volume 15, Issue 2, Article 5. 5/18/2021. Accessed 6/19/2024. <https://brooklynworks.brooklaw.edu/cgi/viewcontent.cgi?article=1354&context=bjcfcl>) wtk

Codified at 17 U.S.C §107, fair use is an affirmative defense to copyright infringement that permits the unlicensed use of copyright-protected work in certain circumstances. 27 According to the Supreme Court, the fair use doctrine “permits [and requires] courts to avoid rigid application of the copyright statute when, on occasion, it would stifle the very creativity which that law is designed to foster.”28 Rather than use a bright-line rule, §107 requires courts to engage in a case-by-case determination to establish whether a particular use is fair.29 To aid this case-by-case analysis, §107 provides four factors to consider when determining if an unlicensed use of a copyright-protected work is fair use.30 The factors are:

(1) the purpose and character of the use, including whether such use is of commercial nature or is for nonprofit educational purposes; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. 31

Since the doctrine is an equitable rule of reason, there can be no generally applied definition, and each case much be analyzed and determined on its facts using the four factors to aid in the analysis.32

### 1ar trademark—plan doesn’t increase costs

#### No link – plan’s standard is identical to current brick and mortar businesses – it’s not an increase in costs

Kari Kammel, 2021 - Assistant Director of Education and Outreach, Michigan State University, Center for Anti-Counterfeiting and Product Protection “REVISITING THE SHOP SAFE ACT AFTER MARKUP” <https://a-capp.msu.edu/article/revisiting-the-shop-safe-act-after-markup/> //DH

Additionally, there has been discussion that this bill would negatively impact small business owners.[26] In my opinion, this is no more burdensome, and perhaps less so, than any paperwork that might be required for a small business to operate in a brick-and-mortar setting and in the long run can protect a small business, particularly with just a few product lines or trademarks whose business line could be destroyed very quickly by counterfeits.

Finally, some argue that this bill would hurt e-commerce platforms by giving trademark owners “absolute control over online marketplaces”.[27] The current state of law for brick-and-mortar stores, malls, and flea markets requires that those making profit and creating a space for third party sellers have to exercise some responsibility toward their structures and marketplaces that they have created,[28] SHOP SAFE extends a similar and appropriate framework on e-commerce providers, not giving them control, but requiring them to have reasonable response for the safety of consumers.

The impact of this bill if signed into law should be significant to work toward a better balance of the duties and responsibilities of IP owners and online marketplaces regarding the sale of goods bearing a counterfeit trademark by third party sellers.

### 1ar trademark—plan lowers costs

#### The current liability regime passes higher costs onto consumers

Haodi Dong, 2022 - J.D., 2022, Wake Forest University School of Law. “BALANCING THE INTERESTS OF TRADEMARK OWNERS AND E-COMMERCE PLATFORMS DURING THE INTERNET AGE” Wake Forest Journal of Business & Intellectual Property Law, Spring, <https://assets.pubpub.org/fvbeyk0s/71661277775620.pdf> //DH

Yet, giving trademark owners a greater obligation to prove infringement would result in greater costs since it is often impossible to prove infringement absent direct evidence.120 Under this framework, trademark owners would likely need to buy the product first and prove that it is a counterfeit that infringes on their mark.121 They would then pass this extra cost on to the consumers in the form of higher prices.122 However, apart from trademark owners, no one has the same expertise in determining the authenticity of a product.123 Given this expertise, trademark owners need to bear at least some responsibility in spotting or proving infringement.

#### A clear liability standard drives cost reduction

Andrew Ligon Fant, 2022 - J.D. Candidate, 2023, University of Georgia School of Law. “Reconsidering the Willful Blindness Doctrine in Contributory Trademark Infringement,” 29 J. INTELL. PROP. L. 318 (2022). Available at: https://digitalcommons.law.uga.edu/jipl/vol29/iss2/3 //DH

The tension created by the Second Circuit’s application of the willful blindness doctrine, together with already-divergent standards amongst the circuit courts of appeal, causes confusion for all parties that play a role in trademark enforcement.10 This confusion increases costs, which the parties pass on to consumers.11 The lack of a clear and uniform liability standard, from either the legislature or judiciary, clouds the decision-making of both trademark registrants and online marketplace operators.12 The lack of clarity makes it difficult for companies to make decisions as to their obligations to each other, their obligations to consumers, and the resources they are each obligated or willing to devote to policing trademark infringement.13

### 1ar economy resilient to inflation

#### The past 3 years prove the economy is resilient to inflation and hikes

Soni 23 (Aruni Soni, markets fellow for Markets Insider. “Here's why the economy has been so resilient in the face of rate hikes - and why stocks aren't at risk as the Fed keeps policy tight” 11/1/2023. <https://www.businessinsider.in/stock-market/news/heres-why-the-economy-has-been-so-resilient-in-the-face-of-rate-hikes-and-why-stocks-arent-at-risk-as-the-fed-keeps-policy-tight/articleshow/104897906.cms>) wtk

The Federal Reserve has briskly raised interest rates to rein in red-hot inflation brought on during the pandemic, and investors have been on edge trying to assess the impact of the central bank's efforts.

But through it all, GDP numbers have come in hot, consumer spending has been strong, and the job market is showing few signs of weakening.

For those who are confused about why the economy has been able to weather the swiftest rate hikes in 40 years, Bank of America analysts say it's due to the long period of abnormally low-interest rates following the Great Recession that only ended in March 2022 when the Fed embarked on its inflation fight.

That's also why the outlook for equities isn't as ominous as many forecasters say — rates may feel high, but they're still pretty tame relative to history.

"A key reason for resilience is the relatively slow transmission of interest rate increases to the real economy, as a large share of households and businesses have locked in low borrowing costs and don't yet need to roll over their debt," analysts Aditya Bhave and Mark Cabana wrote in a note published Wednesday.

The Fed kept rates near zero following the 2008 crisis in order to stimulate economic activity. Both households and corporations got used to ultra-low-cost debt, making the current run-up in rates feel more painful.

But many borrowers are still locked into loans they signed when interest rates were low, so they haven't had to take on those higher costs yet.

While the impact of higher rates has yet to be felt fully, the BofA analysts say it won't spark a recession when it does hit.

"Looking ahead, we expect the economy to slow meaningfully in the coming quarters as higher front-end and long-end rates take their toll on credit conditions. However, we think there is enough momentum in the economy to avoid an outright recession." they said.

#### Savings and risk management make the economy resilient

Caldwell 24 (Preston Caldwell is senior U.S. economist for Morningstar Research Services LLC. “4 Reasons the Economy Has Been Resilient to Higher Interest Rates” 5/7/2024. Accessed 6/18/2024. <https://www.morningstar.com/economy/why-economy-has-been-so-resilient-higher-interest-rates>) wtk

The Fed’s largest and fastest rate-hike cycle in 40 years—a 5.25% fed-funds rate increase between March 2022 and July 2023—was widely expected to generate a recession in 2023. Yet, real gross domestic product growth defied expectations by accelerating to 2.5% in 2023 from 1.9% in 2022.

So why has the economy been so resilient to these higher interest rates?

We attribute it to four key factors:

1. Households accumulated excess savings during the pandemic and businesses boosted cash holdings, which are now being spent.

2. Many borrowers are locked into low rates, such as mortgages and corporate bonds, for which the interest burden remains low.

3. Risky asset prices have held firm, meaning that risky premia have compressed.

4. The reduction of risky shadow banking activities (activities outside the traditional banking sector) has rendered the financial system less vulnerable to shocks.

#### The economy could absorb even double digit inflation

Marks 22 (Gene Marks, founder of The Marks Group, a small-business consulting firm. “Why I’m not worried about inflation — and why you shouldn’t be either” 3/9/2022. Accessed 6/18/2024. <https://thehill.com/opinion/finance/597525-why-im-not-worried-about-inflation-and-why-you-shouldnt-be-either/>) wtk

This is not hyperinflation, thank goodness. It’s just a good old-fashioned double-digit across the board price increase. The same kind of inflation Americans saw in the 1970s and 1920s and throughout the 19th century, and it’s the same inflation that millions of business owners from ancient Egypt to medieval Florence saw before that.

But we’re not Venezuela. We’re the U.S., and the good news is that the U.S. economy is the largest in the world, and with that comes lots of buyers and sellers. People don’t go into caves when prices rise. They still buy and sell.

That’s all fine for business owners like me. You may ask: But what if you’re not a business owner? What if you’re an employee or on a fixed income? Should you be worried about inflation? Not really.

If you have a job – and I certainly hope you do – you’ll get cost of living increases. Why? Because employers like me don’t want to lose you in these times of tight labor. It’s not that we’re altruistic. It’s just that we understand that if we don’t pay you enough to keep up with inflation, you’ll look elsewhere. So, we will. Even so, you may decide to make a few extra bucks doing a side gig like my Uber driver. If so, then good for you.

If you’re unable to work for health or other reasons or if you’re retired or on a fixed income, the government is mandated to pay your social security and Medicare at higher rates as the cost-of-living increases. Assuming you have a good financial adviser, your savings will also grow along with interest rates, which will rise this year. Will this be enough? Probably not. But when is it ever?

Hopefully, you’ll do the same as me when it comes to expenses. Maybe you’ll spend less on frivolous things than before. Maybe you’ll wonder why you subscribe to so many streaming services (Is “Inventing Anna” really worth it?) or if it’s necessary to drive a gas-guzzling vehicle in lieu of a hybrid or electric one — or a bike. You’ll pay closer attention to your household expenses, your extracurricular expenditures (Really? A onesie for your Great Dane?) and your taxes. You’ll take more reasonable vacations and cook at home more often. (It’s still much cheaper than eating out, even with rising food prices.) You’ll be fine. You may even be happier.

If you’re smart, you’ll also make sure your savings are keeping up with inflation. As I said earlier, as prices rise so will interest rates. That’s good news. You’ll make sure any excess cash is now in a savings account earning interest. You may also decide to (finally) meet with a financial planner and better invest your money like all those rich people always do. You may even invest in mutual funds that carry stock of those Fortune 1,000 companies that will do all of the above in order to keep their shareholders happy. (And they will, trust me, they will.)

The media loves to report bad news, so you’ll inevitably read about the losers during this inflationary era. But there will be winners too. There will be people who profited and suffered thanks to the great and terrible decisions they made. There will be people who took unnecessary risks that paid off or didn’t. There will be people who were smart and people who were lazy and dumb. But those will be the exceptions, not the norm. Most of us will be paying more for the things we want, but we’ll be receiving more income too. It’s all relative. It’s just an adjustment. The price of a gallon of gas in 1950 was $0.27.So, whether you’re a business owner like me or not, please don’t worry so much about inflation. I’m not. It’s happened before, and it will happen again. Let’s just make sure that we’re smart about how we’re managing our money, that we’re paying attention to the economy and we’re watching our pennies. But then again, shouldn’t we always be doing that?

#### Economic fundamentals are too strong

Levin 24 (Jonathan Levin, columnist focused on US markets and economics. “The US Economy’s Resilience Is Now Undeniable” 3/29/2024. Accessed 6/18/2024. <https://www.bloomberg.com/opinion/articles/2024-03-29/there-s-no-denying-the-resilience-of-the-us-economy-now>) wtk

Reasonable people can disagree about whether US disinflation is actually stalling and what it might mean for Federal Reserve monetary policy. But it’s getting much harder to deny the underlying strength of the economy, suggesting central bankers can afford to wait before reducing benchmark interest rates.

New data Friday from the Bureau of Economic Analysis showed that even after adjusting for inflation, personal spending climbed 0.4% in February, comfortably exceeding the median estimate of economists surveyed by Bloomberg for a 0.1% increase. A day earlier, separate reports showed that consumer sentiment increased to the highest since July 2021, weekly initial jobless claims fell and pending home sales bounced back in February from a decline in January. In an economy that has consistently outperformed and is constantly being scoured for cracks, it’s hard to find any faults in the latest data.

### 1ar economic decline doesn’t cause war

#### Countries turn inward---prefer post-COVID evidence.

**Walt 20**, Robert and Renée Belfer professor of international relations at Harvard University. (Stephen M., 5/13/20, “Will a Global Depression Trigger Another World War?”, *Foreign Policy*, https://foreignpolicy.com/2020/05/13/coronavirus-pandemic-depression-economy-world-war/)

One familiar argument is **the** so-called **diversionary** (or “scapegoat”) **theory of war**. It **suggests** that **leaders** who are worried about their popularity at home **will** try to **divert attention** from their failures **by provoking a crisis** with a foreign power and maybe even using force against it. Drawing on this logic, **some** Americans now **worry** that President Donald **Trump** **will decide to attack** a country like **Iran or Venezuela** in the run-up to the presidential election and especially if he thinks he’s likely to lose.

**This** outcome **strikes me as unlikely, even if one ignores the logical and empirical flaws in the theory itself. War is always a gamble, and should things go badly—even a little bit—it would hammer the last nail in the coffin of Trump’s declining fortunes**. Moreover, none of the countries Trump might consider going after pose an imminent threat to U.S. security, and even **his staunchest supporters may wonder why he is wasting time and money going after Iran or Venezuela** at a moment **when thousands of Americans are dying preventable deaths** at home. **Even a successful military action won’t put Americans back to work**, **create** the sort of **testing-and-tracing** regime that competent governments around the world have been able to implement already, **or hasten** the development **of a vaccine**. **The same logic is likely to guide the decisions of other world leaders too.**

Another familiar folk theory is “military Keynesianism.” War generates a lot of economic demand, and it can sometimes lift depressed economies out of the doldrums and back toward prosperity and full employment. The obvious case in point here is World War II, which did help the U.S economy finally escape the quicksand of the Great Depression. Those who are convinced that great powers go to war primarily to keep Big Business (or the arms industry) happy are naturally drawn to this sort of argument, and they might worry that governments looking at bleak economic forecasts will try to restart their economies through some sort of military adventure.

I doubt it. **It takes a really big war to generate a significant stimulus**, and **it is hard to imagine any country launching a large-scale war**—**with all its attendant risks**—at a moment **when debt levels are already soaring**. More importantly, **there are lots of easier and more direct ways to stimulate the economy**—infrastructure spending, unemployment insurance, even “helicopter payments”—and **launching a war has to be one of the least efficient methods available**. The threat of **war usually spooks investors too, which any politician with their eye on the stock market would be loath to do.**

Economic **downturns can encourage war in some special circumstances**, especially when a war would enable a country facing severe hardships to capture something of immediate and significant value. Saddam Hussein’s decision to seize Kuwait in 1990 fits this model perfectly: The Iraqi economy was in terrible shape after its long war with Iran; unemployment was threatening Saddam’s domestic position; Kuwait’s vast oil riches were a considerable prize; and seizing the lightly armed emirate was exceedingly easy to do. Iraq also owed Kuwait a lot of money, and a hostile takeover by Baghdad would wipe those debts off the books overnight. In this case, Iraq’s parlous economic condition clearly made war more likely. Yet **I cannot think of any country in similar circumstances today. Now is hardly the time for Russia to try to grab** more of **Ukraine**—**if it even wanted to**—**or for China to make a play for Taiwan**, **because the costs of doing so would clearly outweigh the economic benefits**. **Even conquering an oil-rich country**—the sort of greedy acquisitiveness that Trump occasionally hints at—**doesn’t look attractive when there’s a vast glut on the market**. I might be worried if some weak and defenseless country somehow came to possess the entire global stock of a successful coronavirus vaccine, but that scenario is not even remotely possible.

#### Empirics prove---austerity causes threat deflation.

**Clary 15**, PhD, Assistant Professor of Political Science @ the U of Albany. (Christopher, 04/21/15, “Economic Stress and International Cooperation: Evidence from International Rivalries”, *Massachusetts Institute of Technology Political Science Department*, Research Paper No. 2015-8; pg. 4)

Why Might Economic Crisis Cause Rivalry Termination?

**Economic crises** **lead to conciliatory behavior** through five primary channels. (1) **Economic crises lead to austerity pressures, which** in turn **incent leaders to** search for ways to **cut defense expenditures**. (2) Economic **crises** also **encourage strategic reassessment**, **so** that **leaders can argue** to their peers and their publics **that defense spending can be arrested without endangering the state**. **This can lead to threat deflation**, **where elites** attempt to **downplay** **the seriousness of the threat posed by a former rival.** (3) If a state faces multiple threats, **economic crises provoke elites to consider threat prioritization**, a process that is postponed during periods of economic normalcy. (4) **Economic crises increase** **the** political and economic **benefit from international economic cooperation**. **Leaders seek** foreign **aid**, enhanced trade, **and** **increased investment from abroad during periods of economic trouble**. **This** search **is made easier if tensions are reduced with historic rivals**. (5) Finally, **during crises, elites are more prone to select leaders who are perceived as capable of resolving economic difficulties**, **permitting the emergence of leaders who hold heterodox foreign policy views**. Collectively, **these mechanisms make it much more likely that a leader will prefer conciliatory policies compared to during periods of economic normalcy**. This section reviews this causal logic in greater detail, while also providing historical examples that these mechanisms recur in practice.

### 1ar recession now

#### Recession now—yield curve inversion

Panday et al. 24 (Satyam Panday, Chief Economist in the Global Economics and Research Group at S&P Global Ratings. Shruti Galwankar, Senior Analyst at CRISIL Global Research & Risk Solutions. Debabrata Das, economic researcher. “U.S. Business Cycle Barometer: Recession Risk Remains Above Historical Norm” 6/18/2024. Accessed 6/19/2024. <https://www.spglobal.com/ratings/en/research/articles/240618-u-s-business-cycle-barometer-recession-risk-remains-above-historical-norm-13151066>) wtk

Our model implies the probability of a recession starting within the next 12 months is 25%-30% (see chart 1). The model is based on key forward-looking financial market indicators and the Organization for Economic Co-operation and Development's leading economic index through May. While the probability of a recession in the near term has fallen since last fall due to easing financial conditions, it remains elevated at twice the unconditional probability of recession (baseline comparison) since World War II. The still-high probability of a recession compared with normal times largely reflects the inverted yield curve (see The Mighty Yield Curve Is Still Inverted).

The Mighty Yield Curve Is Still Inverted

The still-elevated probability of a recession compared with normal times largely reflects the inverted yield curve (see chart 2). In the U.S., an inverted yield curve has predicted seven of the past seven recessions, with no false positives (unlike the stock market, which is well known for its false positives). A few times when the yield spread came close to inverting (for example, in 1995 and 1998), the Federal Reserve responded by preemptively cutting rates, which in hindsight appears to have helped extend the expansion.

Historically, the time between the first month of an inversion and the start of a recession has ranged from six to 18 months. However, this time may be different since this expansion is coming out of a pandemic-induced recession, rather than a more typical recession caused by the business cycle or financial markets. Fiscal policy response (much looser for longer) has been another differentiating factor. Moreover, the Fed's balance sheet policy since the global financial crisis of 2007-2009 may be distorting the usual signal through compressed term premium.

The current yield curve inversion primarily reflects investors' expectation the Fed will eventually have to cut interest rates, which in turn may reflect:

A view that the Fed will go too far and push the economy into recession, or

A view that the Fed has pushed the policy rate above its expected long-run average and that its success in bringing down inflation will allow it to later reverse course.

#### Sahm rule proves recession is likely

Cox 24 (Jeff Cox, CNBC, “The Fed is ‘playing with fire’ by not cutting rates, says creator of ‘Sahm Rule’ recession indicator” 6/18/2024. Accessed 6/19/2024. <https://www.cnbc.com/2024/06/18/economist-sahm-who-devised-recession-rule-says-the-fed-is-playing-with-fire-.html>) wtk

The Federal Reserve is risking tipping the economy into contraction by not cutting interest rates now, according to the author of a time-tested rule for when recessions happen.

Economist Claudia Sahm has shown that when the unemployment rate’s three-month average is half a percentage point higher than its 12-month low, the economy is in recession.

As the jobless level has ticked up in recent months, the “Sahm Rule” has generated increasing talk on Wall Street that what has been a strong labor market is showing cracks and pointing to potential trouble ahead. That in turn has generated speculation over when the Fed finally will start reducing interest rates.

Sahm, chief economist at New Century Advisors, said the central bank is taking a big risk by not moving now with gradual cuts: By not taking action, the Fed risks the Sahm Rule kicking in and, with it, a recession that potentially could force policymakers to take more drastic action.