# Policy Version 1AC

## Advantage 1- Investment

#### Ralls decision cuts off Chinese investments and hundreds of thousands of jobs

Alden 10/15

(Edward, Bernard L. Schwartz senior fellow at the Council on Foreign Relations (CFR), specializing in U.S. economic competitiveness, “Obama Slapdown on Chinese Wind Deal Sends Wrong Message” <http://chinausfocus.com/foreign-policy/obama-slapdown-on-chinese-wind-deal-sends-wrong-message/>, SEH)

President Obama has become the first president in 22 years to issue a formal order blocking a foreign investment into the United States on national security grounds. The decision, which denies the acquisition of a small Oregon wind farm project by a Chinese-owned company, will unfortunately be seen as yet another signal – this time from the highest possible level — that the United States does not really want Chinese investment. And for an economy still struggling to create jobs, that’s the wrong signal to send.¶ The action by Obama is the first presidential rejection of a foreign acquisition on security grounds since President George H.W. Bush blocked a Chinese aerospace company from acquiring Mamco, a Seattle maker of aerospace components. While many other potential transactions not involving Chinese companies have been withdrawn as a result of U.S. government security concerns, the formal decision by President Obama will reinforce Chinese fears that their acquisitions in the United States face an unfairly high level of scrutiny.¶ As David Marchick of the Carlyle Group wrote in a Renewing America Policy Innovation Memorandum earlier this year, “many Chinese executives believe the United States is unwelcoming of Chinese investment, even though the vast majority of Chinese investments in the United States have either been approved or have not required any approval.” The president's decision will be yet another case to add to the political firestorm that ended the Chinese National Offshore Oil Corporation's (CNOOC) effort to acquire Unocal Oil Company in 2005, or the brick wall that has greeted telecom giant Huawei’s U.S. acquisition bids.¶ The timing could hardly be worse, coming just as Chinese reluctance to enter the U.S. market seemed to have ended. Indeed, the Obama administration has tried hard to lay out the welcome mat, aware of the potential economic benefits of expanded Chinese investment. According to the Rhodium Group, Chinese investment in the United States has surged in the past three years, though from a very small base. Over the past two years, there have been roughly 100 deals worth some $5 billion, compared with an annual average of just 30 deals worth $500 million prior to 2009. In the first six month of 2012, another $3.6 billion in deals were closed, including several large acquisitions such as Sinopec’s purchase of shale gas producer Devon Energy and more recently the purchase of AMC Entertainment by Dalian Wanda, the Chinese media conglomerate.¶ According to Rhodium, U.S. affiliates of Chinese-owned companies had 27,000 employees in 2011, up from just 10,000 five years ago. If the current pace continues, Chinese investment would likely create 200,000 to 400,000 U.S. jobs by 2020.¶ The particulars of the president’s decision will probably not matter in how it is perceived. It will certainly be hard to explain just exactly how Chinese ownership of a tiny Oregon wind farm poses any national security threat. Based on claims made through a rare lawsuit, the Treasury-led, inter-agency group that reviews foreign investment on security grounds – known as the Committee on Foreign Investment in the U.S. (CFIUS) – appears to have behaved in a particularly heavy-handed way.¶ The land that was acquired by Ralls, the Chinese buyer, is near a U.S. Navy base that is used as a training site for low-level military aircraft and weapons. According to the court papers filed by Ralls, the company had already agreed at the Navy’s request earlier this year to move part of the wind farm to a new location. But then CFIUS in July abruptly ordered the company to halt all construction on the property and barred Ralls from any further access to the site. It also effectively blocked the company from selling the property to another buyer more to CFIUS's liking.¶ More details may emerge that help explain the president’s action (or may not given the secretive nature of CFIUS). But it's clear that the whole business has been handled abysmally. If the location of the wind farm did indeed pose real security concerns, the U.S. government should have worked quietly with the company to help it find a reasonable way to divest. The transaction was far too small and inconsequential to have risen to the level it did.¶ Instead, by forcing a presidential action, it becomes a big, public slapdown to another Chinese company. That is not in the economic interests of a country – the United States – that needs all the foreign investment it can get.

#### Ralls decision has a chilling effect on Chinese investments

GWEC 10/2

(Nick Juliano and John McArdle, E&E reporters, “Obama’s blocking of wind farm adds to U.S.-China tension”, October 2, 2012, <http://www.governorswindenergycoalition.org/?p=3480>, SEH)

‘National security considerations’¶ Legal experts say Ralls will face an uphill battle in court, as judges generally defer to the president when it comes to national security concerns.¶ Judge Amy Berman Jackson, who is hearing the challenge to the CFIUS decision in U.S. District Court for the District of Columbia, said at a hearing last month that she “can’t review the president’s decision if he stops it” because of the deference afforded to presidents on national security decisions, Bloomberg reported at the time¶ Ralls challenged CFIUS’s initial order under the Administrative Procedure Act, arguing that the agency’s decision was arbitrary and capricious in part because it “offers literally no evidence or explanation” for its determination that the wind farms would endanger national security.¶ Obama’s order from Friday and a statement from the Treasury Department, which chairs CFIUS, also do not specify how the projects would endanger national security, aside from their proximity to the naval facility. A Treasury Department spokeswoman, Natalie Wyeth Earnest, said she could not elaborate due to “the obvious sensitivity of national security considerations.”¶ Ralls was aiming to complete the project before the end of this year, in time to claim a $25 million investment tax credit ahead of its expiration, according to court filings. The company also claims it already had agreed to relocate some towers to accommodate concerns that had been raised by the Navy and notes that the Federal Aviation Administration had certified that the wind farms would not be a hazard to air traffic in the area.¶ The Treasury Department said last week that blocking the Oregan project was done to protect national security and doesn’t undercut the United States’ broader support for open investment in U.S. markets.¶ But China’s state news agency blasted the Obama administration in the wake of last week’s announcement for reneging on its stated commitment to maintaining free and open markets and fighting protectionism.¶ “During this election year when the U.S. economy is mired in tepid growth and high unemployment rate, both Democrats and Republicans are using China-bashing tactic to woo some blue-collar voters,” a Xinhua News article posted on China’s Ministry of Commerce website says.¶ The article says Chinese officials will take their objections to the World Trade Organization.¶ “Through consultations within the WTO trade dispute settlement mechanism, the Chinese side hopes the U.S. can correct its wrong-doing and properly deal with concerns from China,” Shen Danyang, spokesman for the Ministry of Commerce, said at a recent press briefing, according to the article.¶ Some U.S.-based observers also worry about a chilling effect from the Ralls and related cases.¶ “The decision … will unfortunately be seen as yet another signal — this time from the highest possible level — that the United States does not really want Chinese investment,” Edward Alden, a fellow at the Council on Foreign Relations, wrote in a blog post. “And for an economy still struggling to create jobs, that’s the wrong signal to send.”

#### Its tied to faith from investors

AP 10/19

(“Chinese government squares off against White House over Oregon wind farm” <http://blog.oregonlive.com/oregonatwar/2012/10/chinese_government_squares_off.html>, SEH)

Sany alleges that the U.S. investment committee and Obama have exceeded their authority and deprived Sany of its private property rights without legal procedures. It also says that U.S. officials provided no evidence to show the project threatened American national security and that they emphasized the Chinese character of Sany Group and its Ralls Corp.'s shareholders, violating "the equal rights protected by the Constitution."¶ Ralls CEO Wu said the company had incurred $20 million in direct losses.¶ "Although a relatively small case, it connects to the fundamental faith of Chinese investors who are looking forward to investing in the U.S. as well as millions of entrepreneurs all over the world," Wu said. "I firmly believe to mishandle this delicate matter will cause the U.S. thousands of lost job opportunities."

#### FDI restrictions spillover to US investors abroad

Hamilton and Quinlan 06

(Daniel, and Joseph, June, Protecting Our Prosperity Ensuring Both National Security and the Benefits of Foreign Investment in the United States, National Foundation for American Policy, online – Kurr)

Sixth, what goes around comes around. Restrictions on foreign investors in the U.S. are likely to ¶ hit U.S. investors abroad.¶ 36¶ Many nations are currently considering changes to their own investment ¶ rules, and are looking closely at the U.S. debate as a point of orientation. The European Union, for ¶ instance, is embroiled in its own foreign investment debate as France, Poland and Spain seek to check ¶ intra-European investments by their own EU fellow-members. French Prime Minister Dominique de ¶ Villepin is working to restrict foreign investment in eleven “strategic” sectors, including yogurt and casinos. ¶ Spain is taking action to prevent a German company from acquiring a Spanish energy company. Poland ¶ is taking action to block a number of Italian acquisitions of Polish companies. Canada is considering ¶ similar legislation to that of the United States. China continues to restrict investment in a number of ¶ important sectors, and Russia is considering additional restrictions, particularly in so-called “strategic” ¶ areas such as energy. In 2005 Indian telecom company Videsh Sanchar Nigam Ltd. agreed to a range of ¶ U.S. government-imposed management and shareholder restrictions when it acquired Tyco International ¶ Ltd’s fiber-optic cable unit. VSNL then pushed the Indian government to apply similar restrictions on U.S. ¶ and other investors entering the Indian telecom market.¶ 37¶ In short, efforts to target foreign firms here may ¶ wind up hitting American firms abroad.

#### FDI solves war - 4 reasons

Lee and Mitchell 2010

Hoon, Dept of Political Science – Texas Tech, and Sarah, Dept of Political Science – University of Iowa, Foreign Direct Investment and Territorial Disputes

Theoretical arguments relating FDI to interstate conflict can be categorized into¶ three broad perspectives. The first perspective asserts that FDI provides more information to states about their opponents’ capabilities and resolve and mitigates asymmetries of privately held information in dyadic bargaining (Gartzke, Li, and¶ Boehmer 2001; Gartzke and Li 2003). A second theoretical position asserts that FDI¶ increases the opportunity costs of conflict and encourages more peaceful foreign¶ policy practices (Souva 2002; Souva and Prins 2006). A third theoretical perspective¶ treats FDI as a mechanism for states to peacefully extract wealth from other countries, as opposed to extraction of resources through military conquest (Brooks 1999;¶ Rosecrance 1999).¶ Although FDI is believed to make states less likely to engage in conquest of other¶ states’ territories, few studies directly test the relationship between FDI and territorial¶ disputes. Gartzke (2006) finds that economic development increases states’ abilities¶ to fight conflicts at greater distances, while at the same time decreasing the propensity¶ for neighbors to engage in border conflicts. However, this study does not track the¶ dynamic process of territorial conflict, which is problematic considering that over half¶ of all territorial claims never experience any militarized disputes (Hensel et al. 2008).¶ Another inconsistency in the FDI–conflict literature is the assumption that¶ conflict creates opportunity costs for future investments or trade. However, there¶ is little evidence that military conflict is harmful to states’ ability to attract FDI¶ from outside investors. Some studies find that military conflict has no¶ significant effect on FDI flows (Li 2006b; Lee 2008; Li and Vashchilko¶ 2010), although US investors appear sensitive to the presence of conflict¶ (Biglaiser and DeRouen 2007). By examining the effect of FDI on the onset¶ of new border disputes, the management of preexisting disputes, and the interaction between FDI and prior conflict, we can more clearly evaluate the¶ opportunity costs assumption.¶ Scholars in international relations have focused on the process or steps to war,¶ from lower levels of disagreement to higher levels of military conflict. The¶ steps-to-war model (Vasquez 1993) is based on the assumption that war stems¶ from a long-term process of conflict escalation. Few empirical studies examining the FDI–conflict relationship focus on the dynamics of conflict processes.¶ By studying contested issues from their diplomatic beginnings to their violent¶ endings, we can test the varied roles of FDI at different stages of issue conflict¶ more fully. Theory¶ We embed our theory in the work on territorial issues (Vasquez 1993; Huth and¶ Allee 2002; Senese and Vasquez 2008; Hensel et al. 2008). Territorial claims have¶ been shown to be one of the most important causes of militarized dispute onset and¶ escalation to interstate war (Vasquez 1993, 1995; Huth 1996; Hensel 1996,¶ 2001; Huth 1996; Huth and Allee 2002; Hensel and Mitchell 2005; Senese¶ 2005; Senese and Vasquez 2003, 2008). While conflict scholars show that contiguity is an important predictor of militarized conflict (Bremer 1992), research¶ on territorial issues demonstrates why contested borders are dangerous. Border¶ issues that remain unresolved are more likely to lead states down the steps to¶ war, while contiguous states with mutually accepted borders are less likely to¶ fight each other. Realpolitik strategies of arms buildups, repeated crises, alliance¶ formation, and hawkish foreign policies significantly increase the chances that a¶ territorial dispute will result in interstate war (Vasquez 1993, 1995; Senese and¶ Vasquez 2003, 2008).¶ These patterns have also been observed in a broader set of geopolitical issues,¶ including contestation over maritime areas and cross-border rivers. Hensel et al.¶ (2008) find that territorial, maritime, and river issues are more likely to result in militarized disputes if the contested stakes are more salient to the opposing sides. Prior¶ militarization and power parity increase the risks of militarized dispute onset for all¶ three types of geopolitical disputes. By expanding our focus beyond land borders to¶ water borders, we have access to a richer set of data for evaluating the effect of FDI¶ on interstate conflict and cooperation.¶ We present our theoretical framework relating FDI to the onset and management¶ of geopolitical issue claims in Figure 1. A new issue claim begins when one state¶ challenges another state’s rights over a land or water area. Once an issue claim is¶ underway, states can employ either militarized or peaceful tools to pursue their¶ issue-related goals or do nothing and maintain the status quo. These strategies are¶ not mutually exclusive, as states often pursue both diplomatic and militarized solutions to interstate issues simultaneously. Next, we show how monadic, dyadic, and¶ systemic FDI influence states’ actions in the dynamic process of interstate competition over issues.

#### Chinese FDI key to the economy

Chamber of Commerce 10

(The American Chamber of Commerce in Shanghai, “Chinese FDI in the U.S.” <http://www.amcham-shanghai.org/ftpuploadfiles/publications/viewpoint/vp_financial.pdf>, SEH)

Chinese foreign direct investment (FDI) in ¶ the United States is an attractive and important source of investment that should ¶ be welcomed, particularly as the U.S. ¶ begins to emerge from the worst economic ¶ downturn since the Great Depression. ¶ Although sensitivities exist with respect ¶ to foreign investment in America’s most ¶ strategic sectors, overall, Chinese investment in the U.S. is fundamentally good for ¶ the U.S. economy because it creates new ¶ jobs, maintains existing ones, provides new ¶ sources of capital, develops infrastructure ¶ and ultimately serves to strengthen U.S.-¶ China commercial ties.¶ Whether driven to the U.S. for unfettered ¶ access to production and export markets ¶ in North America, because of favorable ¶ market conditions or Chinese government ¶ subsidies that support globalization initiatives, or because U.S. state and federal ¶ incentives are luring Chinese to invest in ¶ America, Chinese investment in the U.S. ¶ has the potential to change the economics ¶ of U.S. states that are pushing hard to attract new sources of investment.

#### And, economic decline causes great power war.

Royal 2010

Jedediah, Director of Cooperative Threat Reduction at the U.S. Department of Defense, “Economic Integration, Economic Signaling and the Problem of Economic Crises,” in Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, pg. 213-215)

Less intuitive is how periods of economic decline may increase the likelihood of external conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defence behaviour of interdependent states. Research in this vein has been considered at systemic, dyadic and national levels. Several notable contributions follow. First, on the systemic level, Pollins (2008) advances Modelski and Thompson's (1996) work on leadership cycle theory, finding that rhythms in the global economy are associated with the rise and fall of a pre-eminent power and the often bloody transition from one pre-eminent leader to the next. As such, exogenous shocks such as economic crises could usher in a redistribution of relative power (see also Gilpin. 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Feaver, 1995). Alternatively, even a relatively certain redistribution of power could lead to a permissive environment for conflict as a rising power may seek to challenge a declining power (Werner. 1999). Separately, Pollins (1996) also shows that global economic cycles combined with parallel leadership cycles impact the likelihood of conflict among major, medium and small powers, although he suggests that the causes and connections between global economic conditions and security conditions remain unknown. Second, on a dyadic level, Copeland's (1996, 2000) theory of trade expectations suggests that 'future expectation of trade' is a significant variable in understanding economic conditions and security behaviour of states. He argues that interdependent states are likely to gain pacific benefits from trade so long as they have an optimistic view of future trade relations. However, if the expectations of future trade decline, particularly for difficult to replace items such as energy resources, the likelihood for conflict increases, as states will be inclined to use force to gain access to those resources. Crises could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states.4 Third, others have considered the link between economic decline and external armed conflict at a national level. Blomberg and Hess (2002) find a strong correlation between internal conflict and external conflict, particularly during periods of economic downturn. They write: The linkages between internal and external conflict and prosperity are strong and mutually reinforcing. Economic conflict tends to spawn internal conflict, which in turn returns the favour. Moreover, the presence of a recession tends to amplify the extent to which international and external conflicts self-reinforce each other. (Blomberg & Hess, 2002. p. 89) Economic decline has also been linked with an increase in the likelihood of terrorism (Blomberg, Hess, & Weerapana, 2004), which has the capacity to spill across borders and lead to external tensions. Furthermore, crises generally reduce the popularity of a sitting government. "Diversionary theory" suggests that, when facing unpopularity arising from economic decline, sitting governments have increased incentives to fabricate external military conflicts to create a 'rally around the flag' effect. Wang (1996), DeRouen (1995). and Blomberg, Hess, and Thacker (2006) find supporting evidence showing that economic decline and use of force are at least indirectly correlated. Gelpi (1997), Miller (1999), and Kisangani and Pickering (2009) suggest that the tendency towards diversionary tactics are greater for democratic states than autocratic states, due to the fact that democratic leaders are generally more susceptible to being removed from office due to lack of domestic support. DeRouen (2000) has provided evidence showing that periods of weak economic performance in the United States, and thus weak Presidential popularity, are statistically linked to an increase in the use of force. In summary, recent economic scholarship positively correlates economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflictat systemic, dyadic and national levels.5 This implied connection between integration, crises and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

#### And, diversionary war theory is true- best models prove.

Pickering and Kisangani 2009

 department of political science at Kansas State, citing the International Military Intervention dataset (Jeffrey and Emizet, British Journal of Political Science, 39:483-515, “The dividends of diversion”, ProQuest)

CONCLUSIONS In his seminal review of diversionary research, Jack Levy contends that most diversionary studies are mis-specified because they are unidirectional.100 Using the GMM method, we provide properly identified models to test our argument that mature democracies are especially prone to use diversionary force and especially likely to receive domestic political and economic benefits from doing so. Our results lend considerable support to our argument, although some caveats apply. When mature democracies are studied as a single group, the empirical results support our argument. In our sample of 140 countries from 1950 to 1996, mature democracies are found to use military force for a domestic reason, namely mass unrest, even when we control for the opportunities provided by international crises and strategic rivalries. In contrast, non-democracies use force in response to the international stimuli of crises and rivalries, but not in response to domestic variables. Mature democrats also benefit domestically when they intervene militarily abroad. Levels of elite unrest and mass unrest decline both during and up to a year after the intervention, and economic growth rates increase markedly the year of the intervention as well as the following year. In stark contrast, non-democracies see levels of mass unrest increase by as much as 45 per cent when they intervene abroad, while their economic growth rates plummet by 78 per cent. Non-democratic leaders may thus refrain from using diversionary force because they have domestic policy options that leaders of mature democracies lack, as the policy availability argument contends. They may also, however, realize that using military force abroad tends to generate negative economic and political repercussions in their societies. Our results on democratic diversion and the domestic dividends that it generates thus seem unambiguous. Analysing different types of mature democracies muddies these outcomes slightly. Contrary to our expectations, majoritarian governments appear to have a propensity for diversionary behaviour, while presidential governments do not. Most types of mature democracies reap domestic rewards for using military force abroad, but not all do. In particular, domestic economic and political difficulties seem to escalate when democracies with coalition governments intervene with military force overseas. It thus seems that only certain types of mature democracies, namely majoritarian and minority governments, have a propensity to both use diversionary force and to benefit domestically from it.101 These results indicate how important it is to ‘unpack’ regime types in analyses of diversionary force. What seems like unqualified support for our argument using a time dependent measure of mature democracy becomes more nuanced when we distinguish different democratic regime types. The nuance also brings greater clarity, however, about which specific influences prompt leaders in different democratic systems to divert and the types of domestic benefits these leaders should expect from the use of force abroad. Given the broad swath of states included in our category of non-democracies, it would also be wise to ‘unpack’ these regimes to grasp their diversionary tendencies in future research more effectively. Mark Peceny, Caroline Beer and Shannon Terry-Sanchez’s analysis of different autocratic regimes may offer a useful starting point for this type of study.102 While diversionary behaviour clearly varies among democratic regime types, the general finding that mature democracies are more prone to use diversionary force than other states still holds. With the exception of coalition governments, mature democracies are also more likely to gain domestic political and economic benefits when they use military force abroad than non-democracies. Therefore, our contention that the Galtieri government’s involvement in the Malvinas/Falklands War was an aberration but the Thatcher government’s was not is supported by our results. We find that majoritarian democracies are prone to use diversionary force when they encounter domestic economic problems and elite unrest, as the Thatcher government did in 1982. The startling rise of Thatcher’s poll numbers during and after the war also correlates well with our findings of sharply declining levels of mass unrest both the year a majoritarian democracy intervenes and the following year. Though more fine-grained research on the diversionary propensities of different types of democracies clearly needs to be undertaken, this study makes clear that the most liberal, domestically egalitarian states in the international system, mature democracies, also have the greatest predilection for using diversionary force. In fact, the incentives that leaders in certain forms of mature democracy have for using diversionary force seem to increase as the democracy ages, and democratic norms and institutions become more deeply entrenched.

#### FDI key to Chinese technology innovation

Chamber of Commerce 10

(The American Chamber of Commerce in Shanghai, “Chinese FDI in the U.S.” <http://www.amcham-shanghai.org/ftpuploadfiles/publications/viewpoint/vp_financial.pdf>, SEH)

Technology and innovation¶ Developing or acquiring U.S. operations ¶ can provide access to advanced technology and a consolidated information and ¶ technology (IT) infrastructure not easily ¶ available in China. Since 1978, China has ¶ pushed for technology reform by expanding domestic IT infrastructure and encouraging FDI in high-tech research and ¶ development through tax incentives and ¶ preferential policies. Nevertheless, because ¶ of the fragmented nature of China’s IT ¶ sector, Chinese firms are increasingly considering acquiring U.S. IT companies for ¶ Chinese investors ¶ seeking new growth ¶ opportunities are ¶ looking to established ¶ markets to capitalize ¶ on fixed infrastructure ¶ networks that ¶ facilitate global trade.¶ increased access to technical innovation, ¶ know-how and advanced techniques.¶ Often, companies have found that one of ¶ the easiest ways to gain access to technology and innovation is through merger and ¶ acquisition (M&A) activity. A key ¶ example is Lenovo’s purchase ¶ of IBM’s personal computing division which ¶ not only gave Lenovo ¶ access to western ¶ markets where IBM ¶ already had a significant market share with ¶ its Thinkpad laptop ¶ brand, but also ownership of IBM technology. ¶ As a result, Lenovo instantly became a major player in the ¶ global personal computer market.

#### Chinese innovation key to stop emerging diseases- SARS proves

So and Ruiz-Esparza 10/25

(Anthony D So, Program on Global Health and Technology Access, Sanford School of Public Policy and Duke Global Health Institute, and Quentin Ruiz-Esparza, “Technology innovation for infectious diseases in the developing world” [http://www.idpjournal.com/content/1/1/2#](http://www.idpjournal.com/content/1/1/2), SEH)

Establishing collaborative norms of open innovation has deep roots in public sector funding of science. The Wellcome Trust and the U.S. National Institutes of Health (NIH) engaged leading centers involved in the Human Genome Project to agree to the Bermuda Rules, whereby investigators pledged to deposit gene sequences of every 1000 base pairs within 24 hours of completion into GenBank [45]. The intent was not only to encourage sharing of data, but also to prevent unnecessary patenting through defensive publishing. NIH has also issued guidance to grantees for the “timely release and sharing of final research data” for others to use [46] and for minimizing unnecessary encumbrances on the dissemination of publicly funded research tools [47].¶ Increasingly, the pharmaceutical sector has recognized the value of open innovation [48]. From Merck’s early efforts to place expressed sequence tags into the public domain to corporate participation in the Single Nucleotide Polymorphisms Consortium, pharmaceutical firms have understood the need to harness ideas from outside their walls to fuel in-house R&D innovation. The potential application for open innovation is most evident for emerging infectious diseases, where the patenting process might be outpaced by the speed of a spreading pandemic. The need for pooling patents on SARS to enable non-exclusive licensing anticipated the potential problems of intellectual property holdings on developing a diagnostic or treatment for the illness. However, the SARS epidemic came and went before the patent pool could be launched, highlighting the potential value of open innovation norms for emerging diseases.

#### China is key

Feng 11

(Zijian Feng1, Wenkai Li2 and Jay K. Varma, all medical doctors, work together as part of the China–United States Collaborative Program on Emerging and Re-Emerging Infectious Diseases, which is governed by an agreement between the Chinese Ministry of Health and the US Department of Health and Human Services, “Gaps Remain In China’s Ability To Detect Emerging Infectious Diseases Despite Advances Since The Onset Of SARS And Avian Flu” <http://content.healthaffairs.org/content/30/1/127.long>, SEH)

Early detection of emerging infections in China is critical to the health of the 1.3 billion Chinese people and to the world. China’s surveillance system for endemic infectious diseases has improved greatly since 2003, but the country’s ability to conduct surveillance for laboratory-confirmed infections remains underdeveloped. This is dangerous for China, the world’s most populous country, which has been the focus of global attention since outbreaks of severe acute respiratory syndrome (SARS) and avian influenza. We describe China’s public health advances since the 2003 SARS outbreak and conclude that China must now invest far more in pathogen-based surveillance. An enhanced disease-detection system in China will help prevent and contain outbreaks before they cause substantial illness and death in China and other countries.

**Human survival is at risk.**

**Fineberg 10** – Professor of Health Policy and Management @ Harvard University [HV Fineberg (President I@ nstitute of Medicine) & ME Wilson, “Emerging Infectious Diseases,” International Risk Governance Council, October 2010.

Emerging infectious diseases are one category of emerging risks that could have important¶ consequences for human populations – microbial predators are as **threatening to human survival** and¶ wellbeing as the macro-scale predators. The microbial world is defined by its tiny scale, invisible to¶ the naked eye, and embraces viruses, bacteria, archaea, fungi, prions, and protozoa, each analogous¶ to the more familiar macro-scale kingdoms of plants and animals. Although the evolutionary origin of viruses is uncertain (no fossil record), bacteria have been evolving for 4 billion years. The animal kingdom—including the recent arriviste, Homo sapiens, which first appeared about 50-100,000 years ago—has co-evolved with the microbial world from the outset of its existence.

#### Disease can wipe out species – newest study proves

Viegas ‘12

(Jennifer Viegas of Discovery News. “Christmas Island Rats Wiped Out by Disease” Nov. 5, 2008 accessed online August 26, 2012 at http://dsc.discovery.com/news/2008/11/05/rat-extinct-disease-print.html)

Disease can wipe out an entire species, reveals a new study on rats native to Australia's Christmas Island, which fell prey to "hyperdisease conditions" caused by a pathogen that led to the rodents' extinction.¶ The study, published in the latest issue of the journal PLoS One, presents the first evidence for extinction of an animal entirely because of disease.¶ The researchers say it's possible for any animal species, including humans, to die a out in a similar fashion, although a complete eradication of Homo sapiens would be unlikely.¶ "I can certainly imagine local population or even citywide 'extinction,' or population crashes due to introduced pathogens under a condition where you have a pathogen that can spread like the flu and has the pathogenicity of the 1918 flu or Ebola viruses," co-author Alex Greenwood, assistant professor of biological sciences at Old Dominion University in Norfolk, Va., told Discovery ¶

**Their takeouts will ignore the indirect fallout.**

**East West Center 12** [“World Must Wake Up to Pandemic Disease Threat, expert urges,” January 25, 2012, pg. http://tinyurl.com/92o38z5

While the media has done lots of short-term reporting on the pandemic flu threat, it has largely failed to understand the larger, and quite terrifying, consequences of rapidly spreading disease, Osterholm said. For instance, an avian flu pandemic might directly claim a relatively limited number of lives, but the fallout from a pandemic could well be catastrophic.“

Just because these are small numbers, anyone who shrugs off the seriousness of this is a **fool of history**,” Osterholm said.

The fallout from a flu pandemic, he said, could include massive energy shortages around the world, a **surge in other deadly infectious diseases**, uncounted associated deaths due to shortage of medical supplies and treatment, and more.

The **relatively fragile world health system could collapse**, he said.

What drives the possibility of these catastrophic side-effects of a flu pandemic? It is in part, Osterholm said, because the world is vastly more interconnected today than it was during previous pandemics. What happens in one place will inevitably impact another.

In addition, he said, it is because the world economy has developed a “just-in time” approach to commodities, from medical supplies to food and energy, with the result that such resources are short and they can’t be easily moved around. “Energy, food, water, transportation, communications, equipment parts, security — all will be in short supply,” he said.

\* Dr. Michael T. Osterholm - Director of the Center for Infectious Disease Research and Policy at the University of Minnesota

#### Disease increases the likelihood of war and genocide

Peterson, 3

(Susan- associate professor of Government at the College of William & Mary, Security Studies 12, no. 2 (winter 2002/3), “Epidemic Disease and National Security” http://people.wm.edu/~smpete/files/epidemic.pdf)

How might these political and economic effects produce violent conflict? ¶ Price-Smith offers two possible answers: Disease magnif[ies] both relative ¶ and absolute deprivation and hasten[s] the erosion of state capacity in seriously affected societies. Thus, infectious disease may in fact contribute to societal destabilization and to chronic low-intensity intrastate violence, and in ¶ extreme cases it may accelerate the processes that lead to state failure.¶ 83¶ Disease heightens competition among social groups and elites for scarce resources. When the debilitating and deadly effects of IDs like AIDS are concentrated among a particular socio-economic, ethnic, racial, or geographic group, ¶ the potential for conflict escalates. In many parts of Africa today, AIDS strikes ¶ rural areas at higher rates than urban areas, or it hits certain provinces harder ¶ than others. If these trends persist in states where tribes or ethnic groups are ¶ heavily concentrated in particular regions or in rural rather than urban areas, ¶ AIDS almost certainly will interact with tribal, ethnic, or national differences ¶ and make political and military conflict more likely. Price-Smith argues, moreover, that ìthe potential for intra-elite violence is also increasingly probable ¶ and may carry grave political consequences, such as coups, the collapse of governance, and planned genocides.84

#### Chinese economy requires FDI

Wall 11

(Karin, writer for innovation management, Karin has worked with information and communication in different roles, for example as editor, writer and communications manager. Her assignments have also included leading a major innovation project. “Richard Li-Hua on Innovation in China” <http://www.innovationmanagement.se/2011/11/23/richard-li-hua-on-innovation-in-china/>, SEH)

Some observers point out that the Chinese economy relies on foreign technology and FDI. Innovation represents a great leverage in creating economic value. Innovation has never been as important as today, and is closely related with the sustainability of China’s economy. China has been seeking innovation framework and implementation strategy for sustaining and upgrading its economy. China took 12.3 percent of the world total R&D spending in 2010, second only to the US. China had 200,300 patent applications in 2008, which ranks third next to Japan and the US.¶ However the accident in Wenzhou in July with the high-speed train system has put China’s innovation strategy under scrutiny. The Wall Street Journal describes China’s innovation as “paper tiger”. Clearly this is an exaggeration by western media. If you look at the product life cycle theory and the technology S curve theory, there is certain risk when a new technology is applied at the very beginning.

#### Chinese economic collapse cause nuclear war

Yee 2 — Professor of Politics and International Relations at the Hong Kong Baptist University and Storey, Lecturer in Defence Studies at Deakin University, (Herbert Yee, Professor of Politics and International Relations at the Hong Kong Baptist University and Ian Storey, Lecturer in Defence Studies at Deakin University, 2002, “The China Threat: Perceptions, Myths and Reality,” p5)

The fourth factor contributing to the perception of a China threat is the fear of political and economic collapse in the PRC, resulting in territorial fragmentation, civil war and waves of refugees pouring into neighbouring countries. Naturally, any or all of these scenarios would have a profoundly negative impact on regional stability. Today the Chinese leadership faces a raft of internal problems, including the increasing political demands of its citizens, a growing population, a shortage of natural resources and a deterioration in the natural environment caused by rapid industrialisation and pollution. These problems are putting a strain on the central government's ability to govern effectively. Political disintegration or a Chinese civil war might result in millions of Chinese refugees seeking asylum in neighbouring countries. Such an unprecedented exodus of refugees from a collapsed PRC would no doubt put a severe strain on the limited resources of China's neighbours. A fragmented China could also result in another nightmare scenario - nuclear weapons falling into the hands of irresponsible local provincial leaders or warlords.2 From this perspective, a disintegrating China would also pose a threat to its neighbours and the world.

## Advantage 2- Relations

#### Relations are on the brink.

**Dobbins 12** – Director of the International Security and Defense Policy Center @ RAND Corporation [James Dobbins (Former American Ambassador to the European Community and Assistant Secretary of State), “War with China,” Survival | vol. 54 no. 4 | August–September 2012 | pp. 7–24

Shifting the US–China relationship

A climate of mutual distrust and suspicion clouds the US–China relationship, producing a potent security dilemma. If ignored, this dynamic could spiral out of control. Altering it will require both the United States and China to fundamentally rethink their national security goals and strategic¶ assumptions in Asia and beyond. The US–China competition should not be viewed as a zero-sum game; indeed, the United States has a strong interest in changing these perceptions. As China becomes a true peer competitor, it will also potentially become a stronger partner not just in the¶ economic but in the defence field as well. At present, the United States, as¶ the world’s only superpower, bears a disproportionate burden for policing¶ the global commons, protecting international commerce and travel, and¶ maintaining international security. China, like most of the world, is a free¶ rider on these efforts. Even as the United States seeks over the next several decades to sustain its defence commitments and advance its interests in East Asia, it will also have an interest in encouraging the world’s other¶ emerging superpower to assume greater responsibility for international¶ peace and security. China’s efforts to combat piracy in the Indian Ocean,¶ and its growing interest in United Nations peacekeeping, should become the basis for enhanced US–Chinese cooperation. In the long term, the United States will want to look for other ways to leverage Chinese power as well as restrain it. This will be easier and safer to do from a position of relative strength, which argues for starting this process of cooperation sooner rather than later.

With the passage of time and the improvement of Chinese capabilities, the United States will find itself forced to shift from deterrence by denial, based on direct defence of its interests and allies in the Western Pacific, to deterrence by punishment, based on the threat of escalation, using longer range weapons and more survivable platforms. Although the United¶ States will enjoy escalation dominance for some time, assuming it is prepared¶ to conduct conventional strikes on the Chinese mainland, China will develop escalation options of its own, including anti-satellite and offensive cyber-warfare capabilities, thus increasing US risks in pursuing escalation. Improvements in China’s strategic nuclear forces, and¶ the limited stakes in the most plausible scenarios for¶ Sino-American conflict, will reduce the credibility of any US threat to use nuclear weapons. Pg. 22-24

#### Restrictions on Ralls Corp risks US/China trade war and relations conflict

Potter 10-1-12

Ben Australian Financial Review lexis

Do you think listening devices on Chinese wind turbines near a US naval facility in Oregon sound far-fetched? You haven't caught up with the latest flashpoint in US-China relations.¶ It comes as China-bashing in the US presidential election hits fever pitch, raising questions about whether the victor will be able to dust himself off when it's over and put the world's most important bilateral relationship back on an even keel.¶ On Friday President Barack Obama ordered Ralls Corp - a Delaware company controlled by Sany Group of China and two Chinese nationals - to divest all their interests in four small Oregon wind farms. The President said he'd been advised by the Committee on Foreign Investment in the US (CFIUS) that Chinese involvement in the wind farms could threaten US national security. The wind farm sites are near a naval facility where drones and EA-18G Growler electronic warfare planes are tested. ¶ It was the first use of presidential powers to block a foreign acquisition of American property on national security grounds since 1990, and it came with tough conditions. The disposals must include all project companies, intellectual property, personnel and customer contracts. Neither the Chinese nationals named in the order, nor any Sany personnel, may enter the proposed sites.¶ They have 14 days to arrange the removal, by US citizens, of concrete foundations and other structures. They must not sell the sites before they remove the structures, nor sell Sany wind turbines or other gear to any third party for use on the wind-farms. Any purchaser must be approved by the government.¶ Suspicion that Chinese companies are allowing themselves to be used as fronts for Beijing to snoop on US defence secrets is not new. Wireless communications giant Huawei has been blocked from acquiring sensitive US technology, and from bidding for national wireless networks in America (and the national broadband network in Australia). Most cases don't go to court; it's a big undertaking to sue the US government. Huawei threatened but backed down.¶ The Ralls case is unusual for having flared up in an election campaign in which the presidential candidates are vying to outdo each other on who would be toughest on China. Republican Mitt Romney is airing an ad accusing Obama of going to water on his 2008 pledge to "go to the mat" on China's trade rules-cheatin' ways. "China's stealing American ideas and technology [in everything from] computer chips to fighter jets," the ad says. "Obama's had years to stand up to China."¶ The Obama campaign retorts that it's taken two major trade actions against China this year - penalty tariffs on "surging" imports of tyres, and a World Trade Organisation action against alleged subsidies to Chinese auto parts makers, which have captured a chunk of American business.¶ More damagingly, after years of high unemployment and falling middle incomes, Obama says Romney himself profited from investing in Chinese companies in his business career. Some of them were "pioneers of outsourcing".¶ The treatment of Ralls seems clumsy. The company shifted one of the wind farms to another site after consultations with the US Navy. The fate of a legal action in which Ralls claims CFIUS's actions were arbitrary, capricious and unconstitutional is unclear. "The President's order is without justification," Ralls counsel Tim Xia said.¶ World leaders know they may be used as political footballs, and usually don't allow that to affect policy, but this seems different. It was hard to see how Ralls' ownership of four tiny wind farms could threaten US national security, said Edward Alden, a trade expert at the Council on Foreign Relations. The action against Ralls signals America doesn't want Chinese investment - the wrong message at time when America is struggling to create jobs.¶ Business fears the hawkish stance towards China could backfire, costing them opportunities in the world's second largest economy. China has a habit of retaliating when it thinks other nations have gone too far. Australia has bought into the trade scuffle by acting against Huawei. It's not clear how it will be defused, given the leadership uncertainty in China.¶ It could blow over after the US election, but that seems unlikely. The tension lends support to academic Hugh White's theory that the US and China are destined to clash if Washington doesn't cut Beijing some slack, dragging Australia into a conflict it doesn't want. The US and Australian governments dismiss this idea, but actions may speak louder than words here.

#### Ralls Corp decision perceived by China as protectionism, risks breeding nationalism, leads to trade war and crushes relations

South China Morning Post 10-11-12

Little is as damaging for a company's value and overseas expansion plans as to be singled out by a government for criticism. When it is a Chinese firm being taken to task by the world's most powerful economy, the US, and the concern is state-sponsored espionage, the matter instantly moves from business to the realm of trade and politics. The claim has been levelled at two of the biggest telecommunications equipment makers, Huawei and ZTE, just weeks after Ralls Corp was prevented by President Barack Obama from building wind farms near a military base. In the absence of evidence, we can only make assumptions - and with the American presidential election looming, political point-scoring and protectionism are immediate suspicions.

Obama and challenger Mitt Romney have often mentioned China on the campaign trail, accusing it of unfair trade practices. Twice in the past three months, the president has filed trade complaints against Chinese companies. In such an environment, his decision last month to back the Committee on Foreign Investments in the United States' recommendation to bar Ralls from acquiring four wind farms on security grounds seemed unsurprising. The latest cases appear headed for the panel after the release of the House of Representatives intelligence committee's report.

Huawei and ZTE have struck deals in dozens of countries without problems. Economic espionage is a commonly heard accusation that is rarely substantiated. It is a serious allegation, yet no charges have been filed. The rebuttals made would seem justified: that the report is political, its intention being to block competition and stymie the growth of Chinese companies.

The last time a US president blocked foreign investment in an American company was in 1990 and that also involved a Chinese firm. That was in the wake of the Tiananmen killings, but perceptions have been shifting thanks to diplomacy, trade, investment, contact and co-operation. It is disappointing that the US and Obama are acting as if nothing has changed.

Chinese companies thinking of investing in the US, particularly state-owned firms, have to clearly spell out business intentions and strategies. In a world of globalised trade, though, there is no room for protectionism. Allegations like those made can easily have serious consequences with long-lasting effects. They can breed nationalism, prompt a trade war and send diplomatic ties into a tailspin. This is not what China, the US or the world needs.

#### Retaliation from Ralls is imminent

AP 10/19

(“Chinese government squares off against White House over Oregon wind farm” <http://blog.oregonlive.com/oregonatwar/2012/10/chinese_government_squares_off.html>, SEH)

The Chinese Ministry of Commerce said Friday it supports the company suing President Barack Obama for blocking its planned wind farm projects in Oregon. The company, Ralls Corp., accused the U.S. leader and his government of discrimination Thursday and warned that the case would deter Chinese investment in the United States.¶ Last month, Obama blocked Ralls's plan to build four wind farms near a U.S. Navy base, after the Committee on Foreign Investment in the United States concluded it posed security risks. It was the first time a U.S. president stepped in to halt such a foreign business deal for national security reasons since 1990, when President George H.W. Bush scuttled the sale of a manufacturer to a Chinese agency.¶ Chinese construction machinery giant Sany denied that the project posed security risks and said U.S. officials were discriminating against the company because it was Chinese. It filed a lawsuit against the U.S. government last month and added Obama's name as a defendant later. U.S. officials have said the case has no merit and that they will "vigorously" defend against it.¶ CEO of affiliated company Ralls Corp., Wu Jialiang, said at a Beijing news conference Thursday that contained warnings that China's government could retaliate against American companies that Sany "would never do anything that threatens U.S. national security."¶ Sany said that Ralls purchased the Butter Creek wind farm project from a Greek electricity grid company with the development already approved and permits in hand.¶ Xiang Wenbo, a Sany director, said the company had agreed to transfer, relocate or remove the wind turbines after objections were raised, but they hadn't been allowed to. He said U.S. authorities had reached unfair conclusions, seized their property and assets and aren't to be reasoned with, likening their behavior to that of "thugs."¶ "It is not the first time that the U.S. Government turns down a Chinese investment for national security reasons," Ministry spokesman Shen Danyang said Friday. "It is all about political benefits when the politics poke their noses into the bilateral commercial and trade relations. It is a win-win situation for both countries, while the Chinese companies take no advantages of their American counterparts."¶ The case has handed Obama the opportunity to appear tough on Chinese interests during an U.S. election campaign in which both the president and his Republican challenger Mitt Romney have invoked China as a villain in their arguments about revitalizing the U.S. economy. Both have accused the other of policies that send jobs to China.¶ In a televised presidential debate Wednesday, Romney said he would label China a currency manipulator "on day one." Obama said he had saved 1,000 jobs by slapping levies on low-priced Chinese-made tires.¶ "In the U.S. you always treat our country as a hostile country and you believe whatever move we take undermines U.S. national security," said Xiang. This bemuses Chinese, who have "extremely favorable" impressions toward the United States and many of whom want to study and migrate there, he said, adding it was his dream to send his son to an American university.¶ Chinese investment in the United States is small but growing and reached $22.6 billion this year, according to Rhodium Group, a research firm in New York City. Most proposed Chinese investments in the United States go through with little trouble. But Chinese companies see the U.S. market as increasingly difficult due to security reviews and other regulatory hurdles.¶ To consternation in China, a U.S. governmental report last week said Chinese telecom equipment suppliers Huawei Technologies Inc. and ZTE Corp. are potential security threats and recommended regulators block them from buying U.S. companies.¶ "I don't know really what signal President Obama and his administration wish to give to investors around the world," said Mei Xinyu, of the Ministry of Commerce's Institute of International Trade and Cooperation, who spoke at the news conference. "Maybe the signal is 'Come and invest in the U.S. and then you will end up pantless and penniless.'¶ The news conference panel, which included lawyers and academics, warned that the Chinese government may be prompted to fight back by targeting U.S. companies operating on its shores.¶ "If the Chinese government chooses to intervene and retaliate on behalf of this company, for example by taking measures on national security grounds against companies like Apple and Cisco, then perhaps this will endanger the possibility of President Obama's reelection," said Zhang Guoqing, a political scientist at Chinese Academy of Social Sciences' American Studies Institute.¶ "If the United States loses the Chinese market, then it will become their biggest mistake in history," he said.¶ Zhang suggested the Chinese government and companies could exercise influence in the United States by putting pressure on large American companies operating in China to lobby Washington.¶ "In recent years, the Chinese government has exerted pressure on Boeing, and Boeing in turn returned to the U.S. to lobby Congress," he said.

#### The plan prevents collapse --- it solidifies US-China strategic cooperation.

**Conrad 11**

 – Research associates with the Global Public Policy Institute [Björn Conrad (PhD candidate @ University of Trier. His research focuses on China’s domestic climate policy. MA in Chinese Studies, Political Science and Economics from the University of Trier and a Master in Public Policy from Harvard’s Kennedy School of Government.) & Mirjam Meissner (MA in Chinese Studies, Political Science and Economics from the Free University), “Catching a Second Wind Changing the Logic of International Cooperation in China’s Wind Energy Sector,” Global Public Policy Institute, GPPi Policy Paper No. 12, February 2011

China’s wind energy sector presents a vivid case of the fundamental dilemma of climate technologies. On the one hand, the rapid development and global dissemination of climate technology is highly desirable and necessary as part of an effective strategy to tackle global climate change. On the other hand, these¶ technologies are commercial products, developed and sold by companies on¶ a fiercely competitive market. The logic of climate protection favors the open¶ exchange of technological expertise between corporations. Contrarily, the logic of the market sets narrow boundaries for the sharing of profit-making innovation. Finding ways to reconcile these two aspects will be a decisive challenge faced on¶ the way to solving the global climate crisis.¶ The case of wind energy in China presents a crucial illustration of the effects of this dilemma. The development of international cooperative structures that are able to provide innovative answers to pressing climate challenges has been hampered by the perception of today’s partners as tomorrow’s competitors in an economic zero-sum game. Chinese players tried to use partnerships as a means to gain a technological edge without an intention to grant their partners a long-term stake in its domestic market. International business actors tried to use partnerships as a means to gain access to China’s domestic wind power market without any real incentive to improve their partners’ long-term technological advancement. Ultimately, neither side got what it wanted. As a result, China’s wind sector stayed below its potential regarding its contribution to global climate protection.¶ Opportunity - International cooperation could catch a second wind in China’s renewable energy sector. China’s wind market is on the verge of a new development phase heralding a possible shift in the logic of international technology cooperation; the times of China simply “catching up” to foreign technologies are coming to an end. To maintain its growth, China’s wind sector will depend on original technological solutions to manage mounting problems of efficiency, transmission and intermittency. Current technological obstacles threaten the swift expansion of China’s wind power capacity, putting the achievement of China’s ambitious¶ renewable energy targets for the year 2020 at risk. This creates strong political pressure to explore viable solutions such as smart-grid transmission systems and offshore wind power generation. The technological bottleneck of its wind energy sector significantly increases China’s incentives to revisit structures of international cooperation as a means to create urgently needed innovation. This situation in turn opens new opportunities for foreign political actors, specifically the European Union, to promote the emergence of cooperative structures that can make a tangible contribution to global climate protection.¶ From the business perspective, the growth of complementary capabilities between¶ Chinese and international wind power companies increases the attractiveness of balanced and mutually beneficial partnerships. Chinese companies can benefit greatly from strategic alliances with international firms in their search for needed technological solutions, while foreign companies can take advantage of the uniquely favorable conditions that China offers for producing cutting-edge innovation¶ in wind power technology. At the core of this mutually beneficial cooperative¶ model lies the creation of shared innovation based on the joint exploration and joint ownership of original technological solutions. Joint development, however, requires a mode of cooperation radically different from the model of international partnerships that have characterized China’s wind sector in the past. It calls for deep working relationships and long-term strategic alliances rooted in mutual¶ interests. Looking at the sobering experiences of the past, both sides will have to radically break with the current logic of interaction in order to redefine¶ international partnerships. Pg. 8-9

#### Post-election calls proves plan uniquely important to relations

Richburg and Juan 11-7-12(Washington post China correspondent; )

Keith & Wang http://www.washingtonpost.com/blogs/worldviews/wp/2012/11/07/china-worried-by-u-s-campaign-rhetoric-relieved-at-elections-end/

In China, ordinary people closely followed the U.S. election on Internet sites. It attracted more than 6.7 million comments in 24 hours, and President Obama’s victory was the third hottest trending topic on the most popular Twitter-like microblogging site, Sina Weibo.¶ Many Chinese were hoping that Obama’s reelection would mean a continued improvement in U.S.-China relations, and an end to some of the harsh anti-China rhetoric that marked the campaign.¶ In general, Chinese have favored Republican administrations; Richard Nixon is still remembered fondly here for his opening to China, George H.W. Bush served as envoy in Beijing, and former secretary of state Henry Kissinger is still a regular visitor. But Romney’s tough language, including his repeated vow to label China “a currency manipulator” on his first day in office, drew a rare rebuke from China’s Foreign Ministry and prompted many Chinese to openly wish for the stability of an Obama second term.¶ After Obama’s win, the official Chinese news agency Xinhua — which usually reflects the official viewpoint — ran two commentaries calling for better ties between Washington and Beijing.¶ The first commentary said, “The U.S. needs China, as well, not just in terms of economic development but also in other sectors. The global financial crisis revealed how globalization has made countries so interdependent that no single country can survive in a bubble.” It concluded, “China and the U.S. have to work together for the sake of future world stability.”¶ Another Xinhua commentary said, “During the year-long presidential campaign, both Obama and his GOP rival [Mitt] Romney put a lot of energy into discrediting China, unfairly calling Beijing a trade cheater, a currency manipulator, a U.S. job stealer and a rules breaker.”¶ “Now that the most pressing task confronting America is to energize the slack economic recovery and slash stubbornly high unemployment, the new Obama administration perhaps should bear in mind that a stronger and more dynamic China-U.S. relationship, especially in trade, will not only provide U.S. investment with rich business opportunities, but also help to revive the sagging global economy,” the commentary said.¶ The commentary urged Obama, in his next term, to ease restrictions on the export of high-technology items to China, make it easier for Chinese companies to invest in the United States without concerns over possible espionage, and make sure that Obama’s announced strategic “pivot” to Asia respects China’s security interests in the Pacific.

#### That cooperation prevents transition wars.

**Lieberthal 11**

 – Senior fellow in the Foreign Policy and the Global Economy and Development Programs @ Brookings Institution [Dr. Kenneth Lieberthal (Professor of Poli Sci and Business Administration @ University of Michigan and Former senior director for Asia on the National Security Council) “The U.S. and China -- mending fences,” Los Angeles Times, [Janary 17, 2011](http://articles.latimes.com/2011/jan/17)|pg. http://tinyurl.com/8wlq833

Many Chinese believe that America is a declining No. 1 that will do anything in its power to prevent China, No. 2, from catching up. They thus bring deep suspicion to the table when they analyze American actions in Pakistan, India, the South China Sea and Northeast Asia. Put simply, while the Obama administration sees itself as reengaging fully in Asia after what it considers the relative neglect of the region under President George W. Bush, Beijing is prone to see this activity instead as an effort to mobilize the rest of Asia against China's growing legitimate interests throughout the region.¶ The United States and most nations in the region, by contrast, see China adopting a harder edge to its diplomacy after years of stressing its "peaceful development." China is also modernizing its military and now is deploying naval vessels, missiles and other capabilities that threaten America's heretofore largely unhindered military access to the Western Pacific. Tensions inevitably result.¶ In this context, Washington has taken heart that countries throughout Asia are urging the U.S. to increase its presence and activities there. Asian nations are engaging with China fully on the economic side while asking the U.S. to make sure Beijing does not convert its economic weight into lopsided diplomatic and military advantage. But America should beware: If the U.S. primarily provides muscle as China expands its economic role in the region, then Asia will be a profit center for China and a cost center for the U.S. American interests require a better-balanced outcome than that, which means we must work more effectively with China.¶ There are both security and economic measures that the upcoming summit can advance to reduce mutual distrust and enhance effective cooperation.¶ The U.S. and Chinese military establishments have habitually suspended their limited high-level contacts to show displeasure whenever significant developments occur (such as the forced landing of an American surveillance plane after a midair collision in 2001 or the U.S. arms sale offer to Taiwan in 2010). The result is military-to-military discussions that are infrequent and anemic. The two militaries are now too powerful and operate in too close proximity in Asia to permit this situation to continue.¶ Following up on Defense Secretary Robert M. Gates' trip to China last week, , the Washington summit should endorse a new era in U.S.-Chinese military contacts. This should include regular, high-level discussions on such key issues as future contingencies in North Korea and Iran and the establishment of "rules of the road" for naval activities in China's 200-mile exclusive economic zone. Both sides would benefit greatly from having junior and mid-level officers spend serious time at one another's military institutes. America already does this with many other major militaries.¶ Economically, both sides must address the sensitive issues of currency valuation, protectionism, technology transfer requirements and intellectual property rights. Major American businesses that formerly supported good U.S.-Chinese relations now harbor more pessimistic expectations of their future there. It is in Beijing's interest to provide a basis for greater confidence. With America mired in high unemployment and a weak economic recovery, and China concerned about inflation and trade protectionism abroad, both sides need to focus on improving economic and trade ties on a sustainable basis.¶ One area — cooperation on development and deployment of clean energy technologies — holds particular promise. This is a global growth area, and the two nations' capabilities are now relatively complementary. Together we can produce innovative technologies and scale them up far more rapidly and inexpensively than either side can alone. This requires carefully structured deals, but it holds out the potential of investment and job creation in both directions, substantial new sources of profit, enhanced trust based on mutual interests and significant reduction in greenhouse gas emissions.

#### US-China trade war escalates to military conflict

Landy 7

 [Ben Landy, Director of Research and Strategy at the Atlantic Media Company, publisher of the Atlantic Monthly, National Journal, and Government Executive magazines. Landy served in various research and project management positions at the Brookings Institution and Center for Strategic and International Studies, two leading public policy think tanks in Washington, D.C. Ben holds a bachelor of arts degree from Yale University. April 3, 2007, <http://chinaredux.com/2007/04/03/protectionism-and-war/#comments>,)

The greatest threat for the 21st century is that these economic flare-ups between the US and China will not be contained, but might spill over into the realm of military aggression between these two world powers. Economic conflict breeds military conflict. The stakes of trade override the ideological power of the Taiwan issue. China’s ability to continue growing at a rapid rate takes precedence, since there can be no sovereignty for China without economic growth. The United States’ role as the world’s superpower is dependent on its ability to lead economically. As many of you will know from reading this blog, I do not believe that war between the US and China is imminent, or a foregone conclusion in the future. I certainly do not hope for war. But I have little doubt that protectionist policies on both sides greatly increase the likelihood of conflict–far more than increases in military budgets and anti-satellite tests.

#### Causes nuclear world war 3

Hunkovic 9

 **–** American Military University [Lee J, 2009, “The Chinese-Taiwanese Conflict: Possible Futures of a Confrontation between China, Taiwan and the United States of America”, <http://www.lamp-method.org/eCommons/Hunkovic.pdf>]

A war between China, Taiwan and the United States has the potential **to escalate into a nuclear conflict and a third world war**, therefore, many countries other than the primary actors could be affected by such a conflict, including Japan, both Koreas, Russia, Australia, India and Great Britain, if they were drawn into the war, as well as all other countries in the world that participate in the global economy, in which the United States and China are the two most dominant members. If China were able to successfully annex Taiwan, the possibility exists that they could then plan to attack Japan and begin a policy of aggressive expansionism in East and Southeast Asia, as well as the Pacific and even into India, which could in turn create an international standoff and deployment of military forces to contain the threat. In any case, if China and the United States engage in a full-scale conflict, there are few countries in the world that will not be economically and/or militarily affected by it. However, China, Taiwan and United States are the primary actors in this scenario, whose actions will determine its eventual outcome, therefore, other countries will not be considered in this study.

#### Escalated U.S. China trade war results in economic conflicts and devastating protectionism

Wang and Li 11

(Jianhua and Yunlu—Xinhua news agency, citing Ni Feng, Vice President of the Institute of American Studies underthe Chinese Academy of Social Sciences, Zhao Jinping, vice director of the Foreign Economic Department of the Development Research Center (DRC) of the State Council “China-US trade war no good for anyone”, October 13, 2011. <http://english.peopledaily.com.cn/90780/7616581.html>

A trade war between the United States and China, each of which is the other's second largest trade partner, will lead to serious consequences, not only hurting both sides but also causing severe turbulence to the world economic system. ¶ Analysts predicted that if the trade war erupts, many exporters of both countries will operate far under their designed production capacity and then go bankrupt. Hundreds of foreign trade-related industries may become sluggish, including the land and water freight industry and the settlement industry, and bad debts may increase substantially. The number of unemployed Americans may rise by tens of thousands even millions in a short time, and the country may face a record-breaking double figure unemployment rate. At the same time, tens of thousands of migrant workers in China may be forced to return home, and household consumption may drop sharply. ¶ A trade war between the world's top two economies will exert a far-reaching impact on the global economy. The exports of Asia and Australia may drop significantly, and the mining industry may shrink rapidly in South America and Africa. The high-end manufacturing sectors of Japan, the European Union, and North America may suffer huge losses, and many Western multinational corporations may have to cut their operations abroad. Global financial markets may be plunged into prolonged turmoil, and the already severe European and U.S. debt crises may escalate rapidly. Furthermore, all countries may turn to protectionism to protect their domestic industries. ¶ Zhao said that given the enormous size of the Chinese and U.S. economies and their tremendous trade volume, a China-U.S. trade war would cause a domino effect, and lead to a sharp drop in global trade. It could cause even more damage to the world economy than the global financial crisis. ¶ The United States alone contributes about 23 percent to global economic growth, and its trade volume accounts for about 10 percent of the world's total. China's economy and trade volume both account for more than 9 percent of the world's total. ¶ The two economies are each other's second largest trading partner. The U.S. exports to China amounted to 100 billion U.S. dollars last year, up 30 percent from the previous year, making China its second largest export destination. The Chinese exports to the United States reached 280 billion U.S. dollars last year, making the United States its second largest export destination. It should be pointed out that processing trade accounts for more than 50 percent of China's total exports, and almost 60 percent of China's exports are produced by foreign-invested enterprises. ¶ "A trade war between the United States and China would be something that shakes the whole world and plunges it into disorder. If it occurs, there will be no safe bystanders in the world at all," said Ni Feng, Vice President of the Institute of American Studies under the Chinese Academy of Social Sciences.¶ Ni believes that, since the economies of the world are so closely bought, the influence brought by the trade war between the Untied States and China will be like a chain chemical reaction, which will definitely go beyond the borders of the two countries and break the global economic system.¶ In the 1930s, the severe trade protectionism once reduced the global trade volume by two-thirds and led to a great global economic depression. The Untied States was a main trade protection participator at that time. In 2010, affected by the international financial crisis, the global trade volume decreased by 12 percent, a new record after the Second World War ended. ¶ "It has been proven by the history that the trade war between economic giants will be extremely disastrous. I hope that the U.S. politicians will not take the risk for their private interests of political election," said Ni. ¶ Ni believes that if a trade war occurs between the United States and China, it will be much fiercer and destructive than the global economic depression starting in 1929 and will even lead to political and military confrontations in some sensitive regions.

#### International protectionism triggers resource wars and terrorism that escalates to nuclear war

Panzner 8

—25-year veteran of the markets who has worked for for HSBC, Soros Funds, ABN Amro, Dresdner Bank, and J.P. Morgan Chase. New York Institute of Finance faculty member and a graduate of Columbia University. (Michael, Financial Armageddon, 136-8)

Continuing calls for curbs on the flow of finance and trade will inspire the United States and other nations to spew forth protectionist legislation like the notorious Smoot-Hawley bill. Introduced at the start of the Great Depression, it triggered a series of tit-for-tat economic responses, which many commentators believe helped turn a serious economic downturn into a prolonged and devastating global disaster. But if history is any guide, those lessons will have been long forgotten during the next collapse. Eventually, fed by a mood of desperation and growing public anger, restrictions on trade, finance, investment, and immigration will almost certainly intensify. Authorities and ordinary citizens will likely scrutinize the cross-border movement of Americans and outsiders alike, and lawmakers may even call for a general crackdown on nonessential travel. Meanwhile, many nations will make transporting or sending funds to other countries exceedingly difficult. As desperate officials try to limit the fallout from decades of ill-conceived, corrupt, and reckless policies, they will introduce controls on foreign exchange. Foreign individuals and companies seeking to acquire certain American infrastructure assets, or trying to buy property and other assets on the cheap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by noncitizens. Those efforts will cause spasms to ripple across economies and markets, disrupting global payment, settlement, and clearing mechanisms. All of this will, of course, continue to undermine business confidence and consumer spending. In a world of lockouts and lockdowns, any link that transmits systemic financial pressures across markets through arbitrage or portfolio-based risk management, or that allows diseases to be easily spread from one country to the next by tourists and wildlife, or that otherwise facilitates unwelcome exchanges of any kind will be viewed with suspicion and dealt with accordingly. The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to full scale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for conflicts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more heated sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of conflicts. Some observers, like John Mearsheimer, a political scientist at the University of Chicago, have even speculated that an “intense confrontation” between the United States and China is “inevitable” at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up confl icts between Muslims and Western societies as the beginnings of a new world war.

## No Disads

#### Military already increased clean energy procurement

Miller 8/31

Amanda H., CleanEnergyAuthority.com, "Army aggressively pursues renewables," 8/31/12 [www.cleanenergyauthority.com/solar-energy-news/army-aggressively-pursues-renewables-083112](http://www.cleanenergyauthority.com/solar-energy-news/army-aggressively-pursues-renewables-083112))

Solar installers and developers are looking at huge opportunity with the Army and Corps of Engineers $7 billion request for proposals for renewable energy projects.¶ More than 600 industry representatives showed up to a pre-proposal conference in Huntsville, Ala. Last week.¶ The Corps of Engineers issued a Multiple Award Task Order Contract request for proposals that closes Oct. 5 and asks for solutions that will move the Department of Defense closer to its goal of installing three gigawatts of onsite renewable energy at all U.S. military bases by 2025. The Army's goal is one gigawatt of that total.¶ “The MATOC is another example of the Army's efforts toward an agile procurement process, said Debra Valine, chief public affairs office for the Army Engineering and Support Center in Huntsville. “This will streamline and increase our ability to advance installation energy security at an accelerated pace.”¶ The mass RFP is coming from a White House initiative announced in April to reduce energy dependence at U.S. military bases. These goals support the broader DoD goal to enhance installation energy security and reduce installation energy costs.¶ Valine said the $7 billion would support solar, wind, geothermal and biomass technologies and that the RFP applies to all U.S. Army bases without any preference given to bases that have made bigger sustainability commitments.

#### That was perceived

Grant '11

David, Liutenant Colonel, US Marine Corps, "Breaking the Inertia: Moving Beyond America's Addiction to Foreign Oil," 5/4/11 Strategy Research Project for the U.S. Army War College, Advisor Colonel Thomas Sexton, Dept of Military Strategy, Planning, and Operations, www.dtic.mil/cgi-bin/GetTRDoc?AD=ADA559875

Department of the Navy Initiatives Currently three quarters of the energy required by the U.S. Navy is used to meet operational demands. The majority of that energy is liquid based petroleum.49 The vulnerability and risk associated with oil is no longer an acceptable risk to the Naval Service as it executes its national security mission. In order to increase war fighting capability by reducing energy dependency and vulnerability, the Department of the Navy and Marine Corps is pursuing an aggressive strategy for both efficiencies and alternatives to meet their energy demands. This effort began with the Secretary of the Navy mandating change and providing specific guidance to his Service Chiefs. In his remarks to the Energy Security Forum in October 2010, Secretary of the Navy, Ray Mabus, focused on his end state: ―Energy reform and the new energy future aren‘t about politics or slogans, it‘s about protecting the lives of our troops. It‘s about making our military better and more capable fighters, it‘s about making our country more secure and more independent.‖50 By fulfilling his responsibility to ensure the Department of the Navy and Marine Corps is postured to defend the nation, now and in the future, his message provides the required vision to focus the efforts of his service chiefs. To reinforce this vision, he defined energy security for the naval service as, ―…having assured access to reliable supplies of energy and the ability to protect and deliver sufficient energy to meet operational needs afloat and ashore.‖51 Regardless of the political and economic challenges associated with this dramatic transition, he has focused the Naval Service towards success.

#### Wind production increasing.

**Jennings 9/25** - Green America’s [Clean Energy Victory Bonds](https://www.facebook.com/CleanEnergyVictoryBonds) Outreach Fellow [“Wind & Solar Are Shining Examples of US Economic Success, Potential, & Jobs (but Under Threat),” Planet Save, September 25, 2012, pg. http://tinyurl.com/94ph6dr

Recent reports from IMS Research and the Energy Department suggest that energy production from [solar](http://cleantechnica.com/2012/08/27/1h-2012-us-solar-pv-installations-grow-120-us-poised-to-be-worlds-3rd-largest-market/) and [wind](http://www.enewspf.com/latest-news/science-a-environmental/35560-energy-report-us-wind-energy-production-and-manufacturing-surges-supporting-jobs-and-diversifying-us-energy-economy-.html) in the United States are [is] set to rapidly increase in the coming years. Though China and Germany have dominated the race to create a robust clean energy sector so far, the United States has taken steps to close that gap. Tax incentives and an increased focus on sustainable energy has let the two major clean energy sectors (solar and wind) thrive.

[Solar PV installations](http://planetsave.com/2010/11/01/go-solar-going-green-tip-9/) rose more than 120% in the first 6 months of 2012, with almost 1.7 GW installed capacity added to the grid. IMS states that by the end of the year, there will be at least 3.5 GW installed, which would give the US the world’s third-largest PV market.

The wind market has been similarly successful in recent years, as it has become one of the fastest growing energy industries in the country. 32% of all electric capacity added in 2011 came from wind, which has helped keep the price of wind power at a manageable rate. The price of wind energy under long-term power purchase contracts with utilities in 2011 was 40% lower than in 2010.

#### Loan guarantees now.

**Brune 9/28** - Executive director @ [The Sierra Club](http://www.sierraclub.org/) [Michael Brune, “Mighty Wind,” The Huffington Post, Posted: 09/28/2012 5:26 pm

Did you notice that last weekend the largest onshore wind farm in America [started operation](http://green.blogs.nytimes.com/2012/09/22/wind-sprints-to-the-cliff/) in north-central Oregon? The 845 MW Shepherds Flat facility will generate an estimated 2 billion kWh each year -- enough to power 235,000 homes. On top of that, this clean power will eliminate about 1.5 million metric tons of carbon pollution annually -- the equivalent of taking approximately 260,000 cars off the road.
Who built Shepherds Flat? We, the people, did! Caithness Energy relied on more than a billion dollars in loans guaranteed by the Energy Department. With the project up and running, and with a long-term commitment from Southern California Edison to buy power, it looks like a good investment. Maybe that's why Google also kicked in $100 million.

#### PTC will pass.

**Crooks 9/27** [Ed Crooks, “Cold front gathers in US renewable energy,” Financial Times, September 27, 2012 3:02 pm, pg. http://tinyurl.com/9ugxotp

Not every Republican agrees. Chuck Grassley, the senator from Iowa, the second-largest state in the US for wind generation, is one of a group of leading figures in the party urging that the credit should be extended.

The industry has not given up hope. A one-year extension to the PTC was part of a tax package passed by the Senate finance committee last month by 19 votes to five, thanks to an intervention by Mr Grassley. The wind industry’s hopes are pinned on the possibility that enough support can be mustered to extend the credit in the potentially less acrimonious atmosphere of the “lame duck” session of Congress after the election.

## Plan

#### The United States federal government should substantially reduce its national security restrictions on production of wind power in the United States.