# Round 1

### Plan

#### Thus the plan:

#### The United States Federal Government should exclude crude oil and natural gas production from Exon-Florio reviews.

### Investment

#### Contention 1- investment

#### The United States currently submits all foreign investment deals related to oil and gas production to the Committee on Foreign Investment in the United States, known as CFIUS. These restrictions chill foreign investment and send a signal of US protectionism.

Wilson Center 5-31-12 (Chinese Investment in North American Energy, http://www.wilsoncenter.org/event/chinese-investment-north-american-energy)

While Chinese foreign energy investment is on the rise, the more notable story is China’s shift from a net importer of capital to a nation of massive capital outflows, said Adam Lysenko of the Rhodium Group. Energy investment—initially stalled in the wake of the aborted acquisition of Union Oil Company of California (UNOCAL) by China National Offshore Oil Corporation (CNOOC) in 2005—has increased exponentially with $18.3 billion in bids in 2011 alone. Learning lessons about American protectionism, Chinese firms have changed their strategies since the failed UNOCAL deal and now have made multiple smaller investments that will not attract unwanted political attention. In addition to raw materials, Chinese companies are looking to gain expertise in exploiting these resources for use at home. As for alternative energy, Chinese companies are starting to invest in North American production to get around tariffs. Currently, the Committee on Foreign Investment in the United States (CFIUS) process appears adequate, but the political environment is hurting investment unnecessarily. Lysenko added that many Chinese firms are starting new corporations in the emerging alternative energy industry to avoid CFIUS scrutiny. In order to keep Chinese investments growing, the United States has to find a way to separate national security from politics. While Chinese investment has increased exponentially in the last four years, its total impact should not be exaggerated, said Bo Kong from Johns Hopkins School of Advanced International Studies. CNOOC’s difficulty in acquiring UNOCAL jaded many Chinese investors from investing in the United States, which significantly slowed the flow of investment in the North American energy industry. Chinese companies’ hesitancy to repeat the failure of the UNOCAL deal and American companies’ concerns about both political interference and intellectual property (IP) theft have tempered Chinese investment in North America. However, smaller and more diverse investments on the part of Chinese companies and more safeguards to protect U.S. IP should help accelerate investment in the future. All three Chinese state-owned oil companies are also listed on the New York Stock Exchange, which indicates a willingness to be more transparent. Getting more Chinese companies involved in research and development will lead to a greater respect for international IP laws. Historically, Japan and South Korea were not good stewards of intellectual property, but as both nations started to develop their own technology, they began to respect IP laws. Many feel that increased investment by Chinese firms in research and development will lead to a similar evolution. While China is a resource-hungry and growing country, the real benefit to North American investment is not the energy extracted but rather the techniques and knowledge gleaned from U.S. and Canadian companies, which will allow China’s companies to better extract resources at home.

#### Scenario 1- Protectionism:

#### Global trade is on the brink of collapse- rising US protectionism risks global escalation.

Lincicome 12 (Scott, trade attorney, “Is Missing American Trade Leadership Beginning to Bear Protectionist Fruit? (Hint: Kinda Looks Like It),” June 12, http://lincicome.blogspot.com/2012/06/is-missing-american-trade-leadership.html)

Over the past few years, I and several other US trade-watchers have lamented the United States' dwindling leadership on global trade and economic issues and warned of that trend's troubling potential ramifications. It appears that at least one of our breathless predictions may finally be coming true. Starting in mid-2009 - when it became depressingly clear that the Obama administration viewed trade in mostly political terms and thus would not be advancing a robust, proactive free trade agenda - we free traders expressed grave concern that US recalcitrance could harm not only US companies and workers, but also the entire global free trade system. As I explained in a 2009 oped urging the President to adopt a robust pro-trade agenda (as outlined in this contemporary Cato Institute paper): Since the 1940s, the US has led the charge to remove international barriers to goods, services and investment. The result: a global trade explosion that has enriched American families, spurred innovation, enhanced our security and helped millions escape poverty. Every US president since Herbert Hoover has championed free trade because of its proven benefits.... Because of today's rules-based multilateral trading system and the interdependence of global markets, US fecklessness on trade shouldn't lead to devastating protectionism akin to the Smoot-Hawley-induced tariff wars of the 1930s. But it's still a problem. In 2008, global trade contracted for the first time since 1982, and protectionist pressures abound. The WTO's Doha Round is comatose, even though an ambitious deal could inject US$2 trillion into the reeling global economy. Considering the US has steered every major trade initiative in modern history, any chance for significant progress on trade will disappear without strong American leadership - in word and deed. Since that time, the President has clearly not taken free traders' advice. The WTO's Doha Round is dead, despite a pretty good opportunity to force the issue back in late 2010. The Obama administration took three years to implement already-dusty FTAs with Korea, Panama and Colombia and actually insisted on watering the deals down with new protectionist provisions in order to finally agree to move them. And while countries around the world are signing new trade agreements left and right, we've signed exactly zero and have eschewed important new participants and demanded absurd domestic protectionism in the one agreement that we are negotiating (the TPP). Meanwhile, on the home front the President has publicly championed mercantilism, as his minions quietly pursued myriad efforts to restrict import competition and consumer freedom, embraced competitive devaluation and maintained WTO-illegal policies (while publicly denouncing protectionism, of course). Pretty stark when you lay it all out like that, huh? Despite this depressing state of affairs, it did not appear that the United States' diversion from its long free trade legacy had resulted in a tangible increase in global protectionism (although the death of Doha certainly isn't a good thing). Unfortunately, a new blog post from the FT's Alan Beattie indicates that those chickens may finally be coming home to roost: One of the very few bright spots in governments’ generally grim recent performance of managing the world economy has been that trade protectionism, rampant during the Great Depression, has been relatively absent. That may no longer be the case. The WTO, fairly sanguine about the use of trade barriers over the past few years, warns today that things are getting worrying. The EU made a similar point yesterday. And this monitoring service has been pointing out for a long time that a lot of the new forms of protectionism aren’t counted under the traditional categories, thanks to gaping holes in international trade law. After glancing at the bi-partisan protectionism on display in the 2012 US presidential campaign, Beattie concludes that, on the global trade stage, "things are looking scarier than they have for a while." I'm certainly inclined to agree, and one need only look South to Brazil's frighteningly rapid transition from once-burgeoning free trade star to economically-stagnant, unabashed protectionist to see a scary example of why. And while I agree with Beattie that the world still isn't likely to descend into a 1930s-style trade war - we can thank the WTO and the proliferation of free market economics for that - the rising specter of global protectionism is undoubtedly distressing. And, of course, it has risen just as America's free trade leadership has faded away. Now, as we all know, correlation does not necessarily mean causation, and it's frankly impossible to know just how much the dearth of US trade leadership has actually affected global trade policies. But I think it's pretty safe to say that it certainly hasn't helped matters. Just ask yourself this: how can the US admonish Brazil or any other country about its distressing mercantilism when the President is himself routinely preaching - and his administration is busy implementing - similar policies? How can we decry the global "currency wars" when we're discretely advocating a similar strategy? How can we push back against nations' increasing use of market-distorting subsidies or regulatory protectionism when we're.... I think you get the idea. As I've frequently noted here, it was a Democrat - Secretary of State Cordell Hull - who over 70 years ago began a global free trade movement that until very recently had been led - in word and deed - by Republican and Democratic administrations alike. And while the distressing recent spike in global protectionism may not have been caused by a lack of American trade leadership, it is very, very likely not going to recede until the United States regains its long-held place at the front of the trade liberalization pack.

#### And, restrictions on oil and gas investments explode the scope of foreign investment CFIUS reviews. This expansion of the CFIUS process is a protectionist tool to keep out investment.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

II. Post 9/11 Application of Exon-Florio After 9/11, the CFIUS process shifted to focus more on threats from non-state actors, most noticeably by including the Department of Homeland Security (DHS) among the departments heading the CFIUS board. This shift in focus resulted in the scrutiny of several transactions that did not fit into the traditional military-based interpretation of national security, such as the Chinese purchase of an oil company and the purchase of the operation of ports by an Arab company. The change in the Exon-Florio process culminated in the passage of FINSA, which codified a much broader interpretation of national security that encompassed energy assets and other critical infrastructure. A. A Shift in Foreign Policy Perspective Unsurprisingly, the terrorist attacks of 9/11 dramatically changed the American perspective on national security, including the scrutiny of foreign investment. When Exon-Florio passed, at the end of the Cold War, U.S. foreign policy was still focused on the realist, state-based model of international relations. 86 This realist model largely envisions foreign policy as a competition between states, in which states struggle to find the proper balance between deterrence and reassurance of other governments regarding their good intentions. 87 According to traditional conceptions of realism, non-governmental actors have little or no significant role to play in international relations. 88 The end of the Cold War and the widening web of globalization broadened the spectrum of foreign policy considerations somewhat, but it was not until after 9/11 that the U.S. national security apparatus really shifted to focus more on a range of non-state security threats. 89 The very nature of the 9/11 attacks made it clear that the instruments of globalization could be used to attack the international order itself, and there was a resultant effort on the part of the United States to secure various commercial facilities, such as airports, [\*180] chemical factories, and ports 90 - exemplified in the formation of the DHS to coordinate domestic security measures against terrorism. Consistent with the realist vision of foreign policy, Exon-Florio had focused on state-based acquisitions of defense-related technologies prior to 9/11, with an emphasis on the unique capabilities acquired by foreign governments or "lost" to the United States present in each transaction. 91 As part of the general paradigm change toward considering threats from non-state actors after 9/11, President Bush added the head of the DHS to the CFIUS board in February 2003. 92 Perhaps not coincidentally, "between January 2003 and December 2005, there were six [CFIUS] investigations, and five withdrawals, more than the previous ten years combined." 93 In 2006, the CFIUS conducted seven investigations, the most ever in a single year. 94 B. The Unocal Incident: Protectionism Run Amok The response to the attempt of CNOOC to purchase Unocal, an American oil company, exemplified the tighter CFIUS approach. 95 CNOOC, a Chinese state-owned oil company, regularly purchased foreign oil companies to create joint-ventures between itself and the foreign companies. 96 The Chinese government recognized that there would be a CFIUS review under the Byrd Amendment, since CNOOC was state-owned, but felt that ultimately there was no security risk and that the transaction would pass the CFIUS review. 97 However, on June 24, 2005, 41 members of Congress from both parties wrote to President Bush urging a thorough CFIUS review of the sale. 98 The letter justified the review by raising questions about "whether CNOOC was using Chinese government funds to make the purchase and whether China [\*181] would be acquiring sensitive technology." 99 Congress followed up this letter with the introduction of a resolution in the House on June 29, 2005, that recognized oil and natural gas as strategic national assets and argued that the purchase of Unocal would allow for the oil reserves to be preferentially sent to China - instead of purchasing them on the open market - thus opening up the possibility of China utilizing the "oil weapon" against the United States. 100 China hawks 101 echoed these arguments, claiming that the deal would give China more leverage over the international oil market and that regardless of the facts of the transaction, the symbolic nature of giving into China's resource goals should be prevented at all costs. 102 Unsurprisingly, hawkish arguments toward China played a large role in congressional opposition to the deal. 103 The Bush administration kept relatively quiet during the Unocal controversy, 104 and eventually CNOOC withdrew their bid in the face of the negative publicity. 105 The most remarkable aspect of this episode was the congressional majority's attempt to implicitly redefine national security. The definition of national security was no longer limited to technologies that were at least arguably related to the national defense industrial complex. Congressional opponents of the Unocal sale used public debate surrounding the deal to include energy assets in an expanded interpretation of national security and continued the long-running congressional struggle to use Exon-Florio and the CFIUS review process as a protectionist tool to prevent foreign investment in U.S. industry. 106 Previous CFIUS reviews focused on technological acquisitions that could allow foreign countries unique access to U.S. military capabilities, 107 in contrast to energy companies, which had no [\*182] direct connection to the military. If national security can also mean "important to the United States economy," as energy assets no doubt are, then the definition of national security differs in no meaningful sense from the original "essential commerce" bill that Reagan threatened to veto in order to strip the economic security provisions.

#### And, expanding the scope of CFIUS reviews undermines US trade leadership and triggers retaliation. The impact is global wars.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

C. Economic Retaliation as a Result of CFIUS Protectionism Continued use of Exon-Florio to protect American economic security could also lead to retaliation by our trading partners. 165 The United States loses much of its credibility on global trade leadership when it caves to political pressure and blocks transactions that do not pose a clear threat to national [\*190] security, as it did during the Dubai Ports incident. 166 If the Exon-Florio power continues to widen to affect foreign investment outside of direct national defense concerns, then other countries will replicate such legislation, and protectionist trade wars will escalate. 167 In fact, France, Russia, India, and Canada have already passed, or are considering, more restrictions on foreign investment as a result of what is seen abroad as U.S. protectionism disguised as the CFIUS blocking deals for national security reasons. 168 Russian legislators directly cited the U.S. example of the CFIUS when they debated the potential restrictions on foreign investment: The government has decided to use [the] experience of the US ... where there are stringent limitations for purchase of assets by foreign investors... . In the US if a foreign company is going to buy more than 5% of shares in a company that fulfills orders of the Department of Defense, [the] permit for such [a] deal is issued by the President. 169 The Russian Economy Minister, German Gref, even made the case that the proposed Russian restrictions on foreign investment would be more liberal than the CFIUS process of the United States. 170 Similarly, India retaliated against CFIUS restrictions on one of its telecom companies by placing similar restrictions on U.S. telecom firms that were attempting to enter the Indian market. 171 The Indian government felt that it needed to exclude U.S. companies as long as the United States was restricting Indian companies' transactions with American firms. 172 Both of these incidents are illustrative of a larger point: as long as the United States restricts [\*191] foreign investment unnecessarily through the CFIUS process, other countries will do likewise, inhibiting global trade. 173 Diagnosing the benefits of free trade goes beyond the scope of this Comment, but there is virtual unanimity among economists on both the benefits of foreign direct investment and free trade to the U.S. economy. 174 Without foreign direct investment, the U.S. economy would lose nearly ten million jobs. 175 A dynamic American economy is crucial to national security because without a strong economy, there would be insufficient revenue for the military and national defense. 176 If the U.S. economy were to contract even further, there could be isolationist pressure to reduce the defense budget and withdraw from international commitments. 177 Moreover, global free trade contributes to global stability by spreading democracy, integrating national economies, and dramatically raising the cost of war. 178 Support for regulation of foreign direct investment centers around unsubstantiated fears that foreign direct investment creates economic instability. 179 According to this theory, foreign ownership of important U.S. assets gives other countries the power to destabilize the U.S. economy. 180 In reality, however, foreign direct investment aligns the interests of other [\*192] countries with the United States. 181 If another country owns substantial assets in the United States, its future is tied to the American economy, and that country would be going against its own interests to take any action that may destabilize the American economy. 182

#### And, protectionism sparks great power conflict and exacerbates all global problems.

Patrick, Senior Fellow-CFR, 09 (Stewart, senior fellow and director of the Program on International Institutions and Global Governance at the Council on Foreign Relations, “Protecting Free Trade,” National Interest, March 13, 2009, http://nationalinterest.org/article/protecting-free-trade-3060?page=show)

President Obama has committed to working with U.S. trade partners to avoid "escalating protectionism." He is wise to do so. As never before, U.S. national security requires a commitment to open trade. President Obama and his foreign counterparts should reflect on the lessons of the 1930s-and the insights of Cordell Hull. The longest-serving secretary of state in American history (1933-1944), Hull helped guide the United States through the Depression and World War II. He also understood a fundamental truth: "When goods move, soldiers don't." In the 1930s, global recession had catastrophic political consequences-in part because policymakers took exactly the wrong approach. Starting with America's own Smoot Hawley Tariff of 1930, the world's major trading nations tried to insulate themselves by adopting inward looking protectionist and discriminatory policies. The result was a vicious, self-defeating cycle of tit-for-tat retaliation. As states took refuge in prohibitive tariffs, import quotas, export subsidies and competitive devaluations, international commerce devolved into a desperate competition for dwindling markets. Between 1929 and 1933, the value of world trade plummeted from $50 billion to $15 billion. Global economic activity went into a death spiral, exacerbating the depth and length of the Great Depression. The economic consequences of protectionism were bad enough. The political consequences were worse. As Hull recognized, global economic fragmentation lowered standards of living, drove unemployment higher and increased poverty-accentuating social upheaval and leaving destitute populations "easy prey to dictators and desperadoes." The rise of Nazism in Germany, fascism in Italy and militarism in Japan is impossible to divorce from the economic turmoil, which allowed demagogic leaders to mobilize support among alienated masses nursing nationalist grievances. Open economic warfare poisoned the diplomatic climate and exacerbated great power rivalries, raising, in Hull's view, "constant temptation to use force, or threat of force, to obtain what could have been got through normal processes of trade." Assistant Secretary William Clayton agreed: "Nations which act as enemies in the marketplace cannot long be friends at the council table." This is what makes growing protectionism and discrimination among the world's major trading powers today so alarming. In 2008 world trade declined for the first time since 1982. And despite their pledges, seventeen G-20 members have adopted significant trade restrictions. "Buy American" provisions in the U.S. stimulus package have been matched by similar measures elsewhere, with the EU ambassador to Washington declaring that "Nobody will take this lying down." Brussels has resumed export subsidies to EU dairy farmers and restricted imports from the United States and China. Meanwhile, India is threatening new tariffs on steel imports and cars; Russia has enacted some thirty new tariffs and export subsidies. In a sign of the global mood, WTO antidumping cases are up 40 percent since last year. Even less blatant forms of economic nationalism, such as banks restricting lending to "safer" domestic companies, risk shutting down global capital flows and exacerbating the current crisis. If unchecked, such economic nationalism could raise diplomatic tensions among the world's major powers. At particular risk are U.S. relations with China, Washington's most important bilateral interlocutor in the twenty-first century. China has called the "Buy American" provisions "poison"-not exactly how the Obama administration wants to start off the relationship. U.S. Treasury Secretary Timothy Geithner's ill-timed comments about China's currency "manipulation" and his promise of an "aggressive" U.S. response were not especially helpful either, nor is Congress' preoccupation with "unfair" Chinese trade and currency practices. For its part, Beijing has responded to the global slump by rolling back some of the liberalizing reforms introduced over the past thirty years. Such practices, including state subsidies, collide with the spirit and sometimes the law of open trade. The Obama administration must find common ground with Beijing on a coordinated response, or risk retaliatory protectionism that could severely damage both economies and escalate into political confrontation. A trade war is the last thing the United States needs, given that China holds $1 trillion of our debt and will be critical to solving flashpoints ranging from Iran to North Korea. In the 1930s, authoritarian great-power governments responded to the global downturn by adopting more nationalistic and aggressive policies. Today, the economic crisis may well fuel rising nationalism and regional assertiveness in emerging countries. Russia is a case in point. Although some predict that the economic crisis will temper Moscow's international ambitions, evidence for such geopolitical modesty is slim to date. Neither the collapse of its stock market nor the decline in oil prices has kept Russia from flexing its muscles from Ukraine to Kyrgyzstan. While some expect the economic crisis to challenge Putin's grip on power, there is no guarantee that Washington will find any successor regime less nationalistic and aggressive. Beyond generating great power antagonism, misguided protectionism could also exacerbate political upheaval in the developing world. As Director of National Intelligence Dennis Blair recently testified, the downturn has already aggravated political instability in a quarter of the world's nations. In many emerging countries, including important players like South Africa, Ukraine and Mexico, political stability rests on a precarious balance. Protectionist policies could well push developing economies and emerging market exporters over the edge. In Pakistan, a protracted economic crisis could precipitate the collapse of the regime and fragmentation of the state. No surprise, then, that President Obama is the first U.S. president to receive a daily economic intelligence briefing, distilling the security implications of the global crisis.

#### Scenario 2- Economic Collapse:

#### Chinese FDI to the US declined sharply in 2012 but could rebound if the US takes steps to liberalize its national security FDI policy towards China.

Hanemann 12-28 (Theo, research director at the Rhodium Group and leads the firm’s cross-border investment work, Chinese FDI in the US in 2012, http://rhgroup.net/notes/chinese-direct-investmnet-in-the-u-s-in-2012-a-record-year-amid-a-gloomy-fdi-environment)

AGAINST THE GLOBAL TREND The recent growth of Chinese investment is even more remarkable in light of an otherwise bleak FDI picture in the United States. Before the global financial crisis, the United States was the world’s premier destination for foreign direct investment with annual inflows of $200-300 billion. When the crisis hit in 2009 FDI dropped by more than half. In 2010 and 2011 inflows have somewhat stabilized but declined again sharply in 2012 in light of the fragile situation in Europe (which the major source of FDI for the US) and uncertainties for the US growth outlook. Preliminary data from the Bureau of Economic Analysis shows that FDI dropped by more than 30% in the first three quarters of 2012, which indicates that the full year figure will come in at levels not seen since the crisis year 2009 (Figure 2). These trends suggest that China could follow other Asian economies in becoming an important source of FDI for the United States. China today accounts for less than 1% of total U.S. inward FDI stock, but it has become one of the few bright spots in an otherwise gloomy FDI environment. Compared to five years ago, FDI flows from European economies and Canada were down by more than 50% in the first three quarters of 2012. FDI from Asia was holding up better, and China is among the few countries that invested more in the United States than five years ago – an increase of more than 300% according to official statistics from the Bureau of Economic Analysis (Figure 3). These estimates are likely too low as the BEA Balance of Payments figures do not account for flows through offshore financial centers. Figures from Rhodium Group’s China Investment Monitor, which account for such flows, suggest that the increase was even more significant, by nearly 1,300% over five years. Growing investment from China increasingly brings benefits for local economies, for example in the form of employment. Today Chinese firms already employ 29,000 people in the United States, up from less than 10,000 just five years ago. THE RIGHT POLICY RESPONSE Developments in 2012 also underscored the political hurdles in the process of China becoming a major source of FDI for the US. Compared to other emerging FDI exporters in the past like Japan or Korea, China is not a military ally of the United States but sees itself balancing U.S. hegemony. This puts Chinese investors in the spotlight for a range of existing national security concerns related to foreign ownership, among them ownership of critical infrastructure, political and industrial espionage and ownership and proliferation of defense-relevant technologies. In addition to national security risks there are specific concerns about the economic impacts of Chinese investment due to the role of the government in China’s economy and existing asymmetries in market access between China and the United States. Unfortunately the past year was a step back for the political debate on these issues. 2012 saw little progress on substance but instead a lot of political games and populist rhetoric, for example a report by two members of the U.S. House Intelligence Committee that attacks Chinese telecommunications firms and dismisses mitigation options, or efforts by lawmakers and lobbyists to undermine a series of Chinese technology acquisitions, including Wanxiang’s purchase of A123 Systems and BGI Shenzhen’s bid for Complete Genomics. The negative headlines from such politicization are damaging the perception of the U.S. as an investment destination in China, despite U.S. openness and the hard work that is done by governors, mayors and other local officials to promote inward investment. Political games are also a distraction from advancing the debate on important questions such as the risks from Chinese investment in infrastructure or competitive neutrality of state-owned enterprises. If the United States wants to maximize benefits from China’s beginning outward FDI boom, policymakers need to stop beating the drums and instead focus on solutions that allow the US to maintain an open investment environment while addressing real concerns. Otherwise Chinese investors will carry their cash elsewhere, for the example Europe, where Chinese FDI has topped $10 billion for the second year in a row, almost double of what the United States received over the past two years (Figure 4). Europe’s greater attraction can mostly be explained by commercial opportunities including privatization programs and troubled industrial assets, but different national security sensitivities and the perception that Europe is more welcoming to Chinese investment than the United States did play a role too. It is too early to declare Europe the winner in the race for Chinese investment, but it is time for Washington to move past politics, emphasize openness and tackle structural reforms to ensure the United States remains a top destination for FDI from China and elsewhere.

#### And investment is low overall – more of it is critical to jobs and growth

Scissors and Payne 1/11/13 (Derek, Senior Research Fellow in Asia Economic Policy, and Dean Cheng is Research Fellow in Chinese Political and Security Affairs, \*Amy, research associate at the Heritage Foundation, “Morning Bell: Chinese Investment in the U.S. Shatters Records” <http://blog.heritage.org/2013/01/11/china-investment-in-the-us-2012/>)

China set a record with its investments around the world in 2012. And in the United States, China shattered its previous investment record. Before people start panicking, it’s important to know: This is not a bad thing. First, let’s put it in perspective. Chinese investment is still very, very small as compared to the size of the U.S. economy. At the national level, the stock of investment is barely $50 billion—which sounds large, but is negligible compared to a stock of American wealth of more than $60 trillion. No one’s “taking over” anything. In fact, more Chinese investment is a good thing. It creates jobs; it benefits companies, and it should be welcomed. It also gives us more leverage to push for a more open Chinese market, which continues to be a major problem. Globally, the U.S. can compete and win with China in terms of economic influence, but we have to be willing to play. We have to be willing to expand our trade and investment in both directions.

But, CFIUS is increasingly assertive over Chinese energy deals---Casting a shadow over future investment

Crooks-Financial Times-9/11/12

<http://www.ft.com/intl/cms/s/0/4f880244-f90a-11e1-945b-00144feabdc0.html#axzz26DtOgO5Z>

Oil tie-up is test for US deal-watchers

Over the latest three years for which data are publicly available, Cfius required legally binding mitigation measures from only 16 deals out of the 313 that it reviewed. However, the prospect of a review casts a shadow over any potential deal. Cfius has the authority to consider only national security, but lawyers say that this still leaves it with considerable scope for political discretion. The majority of investigations involve manufacturing and technology companies, but natural resources have risen up the committee’s agenda. The Foreign Investment and National Security Act of 2007 specified that the committee should look at “the potential effects on US critical infrastructure, including major energy assets [and] the long-term projection of US requirements for sources of energy”. Cfius also now seems to have expanded its scope to address factors such as a target’s proximity to sites related to national security. It recently opened an investigation into the acquisition of a US gold mine by a Chinese company, probably because of the site’s proximity to a US Navy air base. The Chinese group has now divested the mine. Deals involving Chinese buyers are a small minority of those reviewed by Cfius, representing only 5 per cent of the 313 looked at in 2008-10, but are often among the most sensitive cases. “Some believe that heightened Cfius scrutiny is unreasonably targeting Chinese investment in the US,” said lawyers from Vinson & Elkins in a recent memo. Paul Marquardt, a partner in the Washington office of Cleary Gottlieb, another law firm, says: “What really drove people to be worried about this was the Cnooc-Unocal deal, which was a disaster, but a political disaster.” There are signs of that political controversy being stirred up again. Charles Schumer, the Democratic senator for New York, wrote in July to Tim Geithner, the Treasury secretary, asking him the block the Nexen deal as a bargaining tactic to secure better treatment for US companies in China. On the question of government ownership, Cnooc Ltd, the bidder for Nexen, is a listed company but 64 per cent owned by Cnooc, its state-owned parent. Cfius has 75 days to come to a decision on the Cnooc bid, which would take it safely beyond the November 6 US election. However, a decision after the election could be delayed by a change of administration. Some tough talk about China from Mitt Romney, the Republican candidate for the presidency, suggests that if elected he might take a harder line. The Cfius decision is not critical to the success or failure of Cnooc’s takeover. If the committee raises objections, the Chinese group could simply dispose of the US assets. The equivalent Canadian authority, government department Industry Canada, is also reviewing the bid but generally takes a more laissez fair approach to foreign takeovers than the US does. Mr Marquardt argues that it is unlikely that Cfius will demand any asset sales. Mr Rubinoff agrees, saying: “It’s not like they are going to make the oil disappear, or affect US energy supplies. So I don’t think there are national security arguments there.” However, if the assets are large enough, then Chinese buyers probably would still be blocked. “Chinese buyers are still different,” says Steve Tredennick of Paul Hastings, another law firm. “The American public is just not ready to have a Chinese national oil company owning assets that are a big deal here in the US.”

#### And, energy restrictions destroy investor confidence, which crushes the dollar and triggers economic recession- the vague CFIUS interpretation of national security chills ALL foreign investment.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

B. National Security and Investor Uncertainty The uncertain interpretation of national security in Exon-Florio, combined with the broad sweep of terms like "energy assets" and "critical infrastructure" make the outcome of the CFIUS process nearly impossible to predict. 150 Continuing to construe the term national security broadly could have a chilling effect on all foreign investment within the United States, as it would send a [\*188] signal that the age of openness to foreign direct investment is coming to a close. 151 Broadly defining national security creates costly uncertainty for foreign investors, as even the most sophisticated legal counsel cannot predict which investments will avoid a politicized CFIUS review. 152 According to Alan Greenspan, regulatory uncertainty deters business investment. 153 Defenders of the current process may point out that presidential vetoes are rare, as there have been none issued since 1990, and some controversial transactions, such as the Alcatel Lucent merger, have recently been approved. 154 Although presidential vetoes of transactions remain relatively scarce, the broad sweep of potential investigations can deter foreign direct investment without the president ever formally vetoing a transaction, as was done in the past to CNOOC and Dubai Ports. 155 Even if the foreign enterprises do not touch upon defense technology, fear of an irrational regulatory regime may discourage deals on the margins. 156 As CFIUS reviews of foreign investment in critical infrastructure continue to be based upon mere political expediency, foreign countries may become wary of investing in the dollar if they see that Congress is willing to limit the amount of investment choices available to them. 157 While a wholesale dumping of American assets is unlikely, continual investigations of relatively innocuous foreign transactions like Unocal and Dubai Ports could lead foreigners to reconsider some of their investments. 158 [\*189] Losing foreign investment in the United States could push the dollar down against other currencies, such as the rising euro. 159 A decline in the dollar fueled by investor pullout could cause interest rates to soar, possibly even worsening the current recession. 160 In an era when the dollar is falling in relation to other currencies, and the trade deficit is continuing to widen, the United States cannot afford to discourage foreign investment. 161 Ironically, although foreign investment is one of the major factors maintaining economic growth, public backlash against such investment only deepens. 162 The housing crisis has exacerbated populist concern over the economy, 163 but while the housing crunch is ongoing, foreign investment is more vital than ever to provide liquidity to American markets. 164

#### 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 extern conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defense behavior 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 crisis could usher in a redistribution of relative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon, 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). Seperately, 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 behavious 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. Crisis could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states. 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 favor. Moreover, the presence of a recession tends to amplify the extent to which international and external conflict self-reinforce each other. (Blomberg & Hess, 2002. P. 89) Economic decline has 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 increase 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 correlated economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels. This implied connection between integration, crisis and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

#### Investment is at anemic levels slowing down all macroeconomic indicators – absent the plans infusion of capital there will be a second depression

Papola 1/30/13 (John, Contributer at Forbes, “Think Consumption Is The 'Engine' Of Our Economy? Think Again.” <http://www.forbes.com/sites/beltway/2013/01/30/think-consumption-is-the-engine-of-our-economy-think-again/>)

Have you heard that the economy is like a car? It’s the most popular analogy in financial reporting and political discourse. The American people are repeatedly told by financial pundits and politicians that consumption is an “engine” that “drives” economic growth because it makes up 70% of GDP. One notable Nobel-winning economics pundit with a penchant for bizarre growth theories even recently noted that an economy can be “based on purchases of yachts, luxury cars, and the services of personal trainers and celebrity chefs.” Conversely, other economists including Nobel-winner Joseph Stiglitz claim that our economy is stuck in “first gear” due to inequality: too much income is concentrated among too few rich people who tend to save larger share of their income and thus have a lower “marginal propensity to consume”. The Keynesian message is clear: if you want to put the economic pedal to the metal, get out there and consume! Not so fast, Speed Racer. The systematic failure by Keynesian economists and pundits to distinguish between consuming and producing value is the single most damaging fallacy in popular economic thinking. This past Christmas, we produced a playful video called “Deck the Halls with Macro Follies” exploring the history of this popular myth. If the economy were a car, consumer preferences would surely be the steering wheel, but real savings and investment would be the engine that drives it forward. A History of Macro Follies The historical record on economic growth conflicts with this consumption doctrine. Economic growth (booms) and declines (bust) have always been led by changes in business and durable goods investment, while final consumer goods spending has been relatively stable through the business cycle. Booms and busts in financial markets, heavy industry and housing have always been leading indicators of recession and recovery. The dot-com boom and bust, the Great Depression and our current crisis all exhibit the pattern. For example, during our past two decades of booms and busts, investment collapsed first, bringing employment down with it. Consumption spending actually increased throughout the 2001 recession (financed, in part, by artificially easy credit) even as employment was falling along with investment. During our continuing crisis, consumption spending returned to its all-time high in 2011–yet investment to this day remains at decade lows, producing the worst recovery in growth and employment since the Great Depression. Labor force participation hasn’t been this low since the 1980s. But why? As John Stuart Mill put it two centuries ago, “the demand for commodities is not the demand for labor.” Consumer demand does not necessarily translate into increased employment. That’s because “consumers” don’t employ people. Businesses do. Since new hires are a risky and costly investment with unknown future returns, employers must rely on their expectations about the future and weigh those decision very carefully. As economic historian Robert Higgs’ pioneering work on the Great Depression suggests, increased uncertainty can depress job growth even in the face of booming consumption. As recent years have demonstrated, consumer demand that appears to be driven by temporary or unsustainable policies is unlikely to induce businesses to hire. The past several decades in America have been marked by a collapse of real savings encouraged by artificially easy credit from the Fed, along with explosive growth in government spending. All these combined to bring about a debt-fueled spending binge, with disastrous consequences. Increased investment drives economic growth, while retrenched investment leads to recession and reduced employment–and it always has. Those who blame our stagnation on a lack of consumer demand rely on a toxic brew of dubious data and dangerous theory. Before I Can Consume, I Must Produce for Others By definition, GDP is a summary of final sales for new goods and services and not of all economic activity. Raw materials, intermediate goods and labor costs, which comprise the bulk of business spending are not treated in GDP, but are rather rolled up in the final sale price of the “consumer” spending. Only capital equipment, net inventory changes and purchase of newly constructed homes constitute “investment” according to GDP. This framing of the data makes the “consumption drives the economy” a foregone conclusion. But this is circular reasoning. Where do these “consumers” get their money to spend? Before we can consume, we need to produce and earn a paycheck. And paychecks have to flow to productive — that is value-creating — behavior, or value is simply being transferred and destroyed. Our various demands as consumers are enabled by our supply as workers/producers for others. That’s the classical “Law of Markets”, often referred to as Say’s Law, in a nutshell. For employees, those paychecks are income, but for the employers, wages represent most business’ single largest expense. Yet GDP does not treat employee wages or materials as “investment spending” — even though any business owner regards salaries as the most important and largest investment that they make. Instead, employee wages appear in GDP data as consumption when income is spent on final goods like food, clothing, gadgets, and vacations. Moreover, since GDP is an accounting summary, it adds consumption and investment spending together. But this summarizing masks the fact that these two activities are actually in opposition in the short run. In order to invest more today, we have to save more and consume less. As a result, GDP in-and-of-itself reveals nothing about what grows an economy; at best, it demonstrates how large the economy is and whether it’s growing or shrinking. Digging below the surface of GDP reveals a structure of value-adding production far more complex than the simplistic analysis given by most media reports. According to government data, more than 70% of Americans earn their incomes from employment in domestic business. Yet the retail sector of our economy, for example, only contributed 6% of GDP. Bureau of Labor Statistics (BLS) data on employment show that only about 11% of employed Americans work in “sales and related occupations”. That leaves a great deal of economic activity and employment to the “business to business” sector, which composes most of the real economy. Most of the value-adding activities occurred between a vast structure of businesses and workers starting with raw materials and blueprints and coming together over months (sometimes years when R&D is included) before a final sale can be made. At each stage, the activity is funded not by current “consumer spending” but through a combination of new investment and savings such as each company’s reinvested earnings. The farther from a final good a business’s output is, the more it relies on credit markets and the more it is subject to distortions on the savings and investment side. And since employment is spread across this time structure with relatively few working in final retail stage, savings and investment changes have dramatic impacts on employment. Organic Growth My wife Lisa and I have personal experience with dynamics that the top-down Keynesian view ignores. Several years ago we launched a side-business designing, manufacturing and selling reusable all-in-one cloth diapers to moms interested in saving money and cutting down on trash. We called them “weehuggers”. To start the business, we got a small capital contribution from my brother-in-law in exchange for equity in the company. These savings were put to use buying the raw materials, designing the diaper prints, hiring sets of skilled people both to sew the diapers and to build the website. Designing, testing and producing the product and website took over a year. Almost none of that activity was included in GDP for that year, except through the “consumer spending” of people we paid. Throughout this stage, no “product” existed for others to demand or for us to sell and generate income. The time Lisa and I spent building the company was also a very real form of investment itself. This so-called “sweat equity” is just as much of an investment as a financial contribution. When we finally began selling our product to customers, the income generated was barely enough to cover the real costs. We re-invested all of it into new inventory for the business, keeping nothing for ourselves in the hopes of improving our approach. Consumption didn’t create our output. Investment did. After an additional year of persistent re-investment, we realized that we would need even more investment to make the business viable. Our costs were too high per diaper and our local production capacity was too low to keep up with demand. Moms loved weehuggers and we struggled to keep the product in stock. Yet we felt the competition didn’t permit us to raise our prices. The only way to make the business grow would have been to secure enough capital to invest in a major manufacturing facility with higher productivity equipment and division of labor. We chose instead to focus on a business where both of us, as former MTV Networks creatives, believed we could add more value: our new media company Emergent Order. Our recent video“Macro Follies” is just one of the fruits of that decision. We followed our passion, but we were also guided through market prices and profits toward the best way for us to create value for others. Don’t Put the Shopping Cart Before the Horse There is a fundamental illogic to the notion that an economy can be grown by encouraging consumption. When a person consumes, by definition, they use things up. The very process leaves us with less than before. Growing the availability of valuable goods and services for society by using them up is not just an impossibility—it’s an absurdity. Consumption is the goal, but it is production that is the means. For most of human history, ordinary people had to spend their lives growing food. Today, we have many billions more people on the planet. And yet food is cheaper, better and of greater variety than ever before. Still, almost nobody works in agriculture. We didn’t create this wealthy, amazing world… by eating. We did it by saving our seed corn, investing and ultimately inventing our way out of farming jobs. Thank heavens we did. There are important lessons for public policy that come from these classical insights. Any program which accelerates the consumption of value, or worse, the destruction of value, ultimately make our society poorer. Despite what Keynes and his modern followers claim, Wars, natural disasters, terrorist attacks, faked alien invasions, or programs that encourage us to destroy our used cars — all make us poorer. These schemes reduce the amount of valuable goods and services available for society. Some may consider unemployment benefits to be a necessary policy on humanitarian grounds, but they by no means “stimulate” the economy. The recipient, after all, is consuming without producing any value for others. Disincentives for people to be productive, which have exploded in recent years, not only reduce employment, but reduce output and growth as well. This last point used to be widely believed by economists–including the immensely popular and polarizing economist, Paul Krugman, whose own 2009 textbook blamed extended unemployment benefits as one of the main reasons for decades of European stagnation and high “structural” unemployment. Now, I fear that a decade of Keynesian macro follies may have brought Eurosclerosis to America. Savings and investment which enable increased productivity, greater specialization and trade are the true engines of economic growth. Increasing consumption is a result of that growth, never the cause of it. If we want sound and sustainable economic growth, each of us has to discover the most valuable ways to serve others and contribute to the supply of wealth before we can take from it. Much like everyone else, even Santa Claus must produce all year long before people get to enjoy their presents.

#### And, the plan is a quick injection of capital which is critical to economic recovery.

Xu et al 12 (Ting, China and Economy consultant for Bertelsmann Stiftung, with Thieß Petersen and Tianlong Wang, Cash in Hand: Chinese Foreign Direct Investment in the U.S. and Germany, June,

http://www.bfna.org/sites/default/files/publications/Cash%20in%20Hand%20Second%20Edition%20final.pdf)

Although Chinese FDI has drawn increasing attention in the U.S. and Germany, China still holds less than 0.2 percent of the FDI stocks in both Germany and the U.S. This fact does not match up to the status of the three countries’ leading roles in the global economy. As China continues its economic development and its per-capita income grows, it will enter a new stage of foreign direct investment where its FDI in the U.S. and the EU will continue to experience strong growth. There will be profound implications to the trend, particularly given the current stage of global financial recovery. While the banking sector institutions continue to deleverage as a result of the financial crisis, unleashing investment potential from China can potentially play a much bigger role in bringing those countries that are facing a credit crunch back to growth.

### Iran

#### Removing restrictions on investment in US oil and gas production is the best way to get China to increase their support for Iran sanctions- that’s critical to effective international pressure.

Downs, China fellow at Brookings, 12 (Erica S. Downs is a fellow at the John L. Thorton China Center at The Brookings Institution, “Getting China to Turn on Iran,” July 19, http://nationalinterest.org/commentary/getting-china-turn-iran-7215)

Over the past decade, as the United States employed increasingly robust sanctions to gradually ratchet up the pressure on Iran to curb its nuclear ambitions, Washington has struggled with the question of how to elicit more cooperation from China, a major buyer of Iranian crude oil and no fan of sanctions, especially unilateral ones. On June 28, the Obama administration granted China an exemption from U.S. sanctions on the Central Bank of Iran (CBI) for significantly reducing its crude-oil purchases from the Islamic Republic. This suggests that one of the biggest carrots Washington can offer to China in exchange for greater support for the U.S. sanctions regimen is expanded opportunities for China’s national oil companies (NOCs) to invest in oil and natural-gas exploration and production in the United States. The greater the stakes that China’s NOCs have in the United States, the thinking goes, the greater the chance they will think twice about doing business in Iran.

The Chinese government responded to the new U.S. sanctions signed into law by President Obama on December 31, 2011, by saying Washington should not expect any cooperation from Beijing. Over the past six months, officials from China’s foreign ministry have repeatedly stated that China’s energy trade with—and investment in—Iran do not violate the various United Nations Security Council resolutions on Iran and that the new U.S. sanctions would not affect China-Iran energy relations. Despite Beijing’s implication that China would continue to import oil from Iran at 2011 levels (more than 550,000 barrels a day), the main Chinese buyer of Iranian crude oil, Sinopec, responded to the new U.S. sanctions by dramatically cutting its purchases from Iran by 25 percent in the first five months of 2012. At the end of every year, Chinese oil traders negotiate their supply contracts with National Iranian Oil Company (NIOC) for the following year. The commencement of their negotiations in late 2011 coincided with growing support in Washington, especially on Capitol Hill, for ratcheting up the pressure on Iran by subjecting foreign firms that do business with the CBI—the primary clearinghouse for Iranian oil transactions—to U.S. financial sanctions. When China’s oil traders sat down at the negotiating table with their Iranian counterparts, Iran’s increasing international isolation was palpable. Sinopec pushed for lower prices and a longer credit period, while NIOC insisted on higher prices and a shorter credit period. The two companies did not sign a new contract until late March 2012 (with Sinopec reportedly extracting some concessions, which have not been disclosed publicly), causing the plunge in China’s crude oil imports from Iran. Moreover, Sinopec recently revealed that it turned down offers to buy additional volumes of Iranian crude at discounted prices. After President Obama signed the new sanctions into law, there was some concern in Washington that the Chinese would undermine his tough policy by purchasing at a discount all of the crude that would otherwise have gone to European and Asian buyers in the absence of sanctions. Sinopec, however, had compelling reasons to decline the opportunity to increase its purchases from Iran; the company does not want to jeopardize its chance to expand in the United States, where it already has signed a deal to invest more than $2 billion in shale assets owned by Devon Energy and is looking to buy assets from Chesapeake Energy. The chair~~man~~ of Sinopec, Fu Chengyu, is acutely aware of how getting on the wrong side of politics in Washington can scuttle a deal; he was the chairman of China National Offshore Oil Corporation (CNOOC) when that company made its ill-fated bid for the U.S. oil company Unocal in 2005. Sinopec is not the only Chinese oil company with an incentive to choose the U.S. market over the Iranian one. Its domestic peers, CNOOC and China National Petroleum Corporation (CNPC), also find the United States to be an attractive investment destination. First, all three companies are eager to gain shale-gas technology and operational expertise through partnerships with U.S. firms. On paper, China has considerable shale-gas resources. The U.S. Energy Information Administration estimates that China’s technically recoverable shale-gas resources are 50 percent greater than those of the United States. But China’s NOCs lack the technology and operational expertise to develop them. Second, they want to expand reserves and production, and an increasing number of opportunities to do so are now in the United States, thanks to the boom in America’s unconventional oil and natural-gas production. Finally, the turmoil in Middle East and North Africa over the past two years has prompted China’s NOCs to seek less risky operating environments. Indeed, Sinopec’s domestic peers also are gravitating toward the United States and away from Iran. CNOOC, which has signed contracts committing it to invest $3.4 billion in Chesapeake Energy’s shale-gas assets in the United States, had a $15 billion contract suspended by the Iranians for lack of progress. China National Petroleum Corporation, which similarly had a $4.7 billion contract frozen by the Iranians for its failure to start work, also is looking for opportunities to partner with U.S. companies in shale-gas projects. Moreover, China’s NOCs have not “backfilled” any projects abandoned by European and Japanese oil companies after their home governments implemented tighter unilateral sanctions in 2010. It isn’t just China’s NOCs that seem to be backing away from Iran in a bid for access to the U.S. market. Consider the announcement made last year by the Chinese telecommunications firm Huawei Technologies that it was planning to scale back its operations in Iran. Although these operations complied with U.S. and European Union laws, there was at least a partial motivation to keep open prospects for doing business in the United States and Europe. The ability of the United States to secure additional Chinese cooperation may depend in part on the scale of the investments made by China’s NOCs in the United States. The more money these companies pump into the American market, the more likely they are to refrain from doing deals with Iran that might jeopardize those business prospects. Consequently, creating a more welcoming environment for Chinese investments just might have a geopolitical payoff in the form of greater Chinese compliance with Iran sanctions. Moreover, letting China’s NOCs take the lead in complying with—or at least not undercutting—U.S. sanctions on Iran is politically palatable to Beijing. Chinese officials can maintain their public opposition to U.S. sanctions while avoiding increased tensions with Washington over the Iranian nuclear issue. This dual stance is attributable to the business decisions made by China’s NOCs.

#### Allowing Chinese majority shares of US oil and gas production is critical garnering Chinese compliance on Iran. Only the signal of the plan solves Iran nuclearization.

Downs, Brookings China Fellow, October ‘12 (Erica, CHINA, IRAN AND THE NEXEN DEAL, OPTIONS POLITIQUES, http://www.irpp.org/po/archive/oct12/downs.pdf)

Meanwhile the expansion of the Chinese NOC footprint in the United States has coincided with the shrinking of their presence in Iran. CNOOC has pulled out of a $16-billion project to develop Iran’s North Pars natural gas ﬁ eld. The Iranians have frozen a $4.7-billion contract held by China National Petroleum Corporation (CNPC) for the development of Phase 11 of the South Pars natural gas ﬁ eld because of CNPC’s failure to start work. Sinopec is behind schedule in developing the Yadavaran oil ﬁ eld. Nor have China’s NOCs “backﬁlled” projects abandoned by European and Japanese oil companies after their home governments implemented tighter unilateral sanctions against Iran in 2010 and the Obama administration indicated that taking over such projects was a red line not to be crossed. It would be more than diplomatically awkward for Washington to lean on China over its projects in Iran and then block its attempts to compensate for the loss of those opportunities by investing in North America. While the Chinese oil majors’ waning enthusiasm for Iran is partially due to the country’s difﬁcult operating and investment climate, it almost certainly reﬂects their ambitions to expand here. One way for Washington — and Ottawa — to spur China’s NOCs to continue their retreat from Iran is to continue to welcome them into North America, not only as passive investors but also as owners. Rolling out the red carpet for China’s NOCs would not only generate much-needed capital for the development of North American oil and natural gas resources, but it may also pay the geopolitical dividend of increased Chinese compliance on the issue of Iran. The road to curbing Iran’s nuclear program may run through the headquarters of CNOOC, CNPC and Sinopec.

#### Iranian nuclearization makes nuclear war inevitable in the Middle East- even small conflicts could escalate to all out war.

Kahl, Senior Fellow, the Center for a New American Security, 12 (Colin, former Deputy Assistant Secretary of Defense for the Middle East and Senior Fellow, the Center for a New American Security, Iran and the Bomb, Foreign Affairs; Sep/Oct2012, Vol. 91 Issue 5, p157-162)

Waltz writes that "policymakers and citizens in the Arab world, Europe, Israel, and the United States should take comfort from the fact that history has shown that where nuclear capabilities emerge, so, too, does stability." In fact, the historical record suggests that competition between a nuclear-armed Iran and its principal adversaries would likely follow the pattern known as "the stability-instability paradox," in which the supposed stability created by mutually assured destruction generates greater instability by making provocations, disputes, and conflict below the nuclear threshold seem safe. During the Cold War, for example, nuclear deterrence prevented large-scale conventional or nuclear war between the United States and the Soviet Union. At the same time, however, the superpowers experienced several direct crises and faced off in a series of bloody proxy wars in Korea, Vietnam, Afghanistan, Angola, Nicaragua, El Salvador, and elsewhere. A recent statistical analysis by the political scientist Michael Horowitz demonstrated that inexperienced nuclear powers tend to be more crisis-prone than other types of states, and research by another political scientist, Robert Rauchhaus, has found that nuclear states are more likely to engage in low-level militarized disputes with one another, even if they are less likely to engage in full-scale war. If deterrence operates the way Waltz expects it to, a nuclear-armed Iran might reduce the risk of a major conventional war among Middle Eastern states. But history suggests that Tehran's development of nuclear weapons would encourage Iranian adventurism, leading to more frequent and intense crises in the Middle East. Such crises would entail some inherent risk of a nuclear exchange resulting from a miscalculation, an accident, or an unauthorized use -- a risk that currently does not exist at all. The threat would be particularly high in the initial period after Iran joined the nuclear club. Once the superpowers reached rough nuclear parity during the Cold War, for example, the number of direct crises decreased, and the associated risks of nuclear escalation abated. But during the early years of the Cold War, the superpowers were involved in several crises, and on at least one occasion -- the 1962 Cuban missile crisis -- they came perilously close to nuclear war. Similarly, a stable deterrent relationship between Iran, on the one hand, and the United States and Israel, on the other, would likely emerge over time, but the initial crisis-prone years would be hair-raising. Although all sides would have a profound interest in not allowing events to spiral out of control, the residual risk of inadvertent escalation stemming from decades of distrust and hostility, the absence of direct lines of communication, and organizational mistakes would be nontrivial -- and the consequences of even a low-probability outcome could be devastating.

#### Iranian nuclearization causes regional and global arms racing.

Cirincione 06 (Joseph, Sr. Assoc. & Director @ the Non-Proliferation Project @ the Carnegie Endowment for International Peace, Summer, SAIS Review, “A New Non-Proliferation Strategy”)

The danger posed by the acquisition of nuclear weapons by Iran or North Korea is not that either country would be liable to use these weapons to attack the United States, the nations of Europe, or other countries. Iran, for example, would likely decide to build nuclear weapons only as a means to defend itself from the aggression of other nations. Iranian leaders, like the leaders of other states, would be deterred from using nuclear weapons in a first strike by the certainty of swift and massive retaliation. The danger is that certain actions may be viewed by Iran as a defensive move, however they would trigger dangerous reactions from other states in the region. A nuclear reaction chain could ripple through a region and across the globe, triggering weapon decisions in several, perhaps many, other states. Such developments could weaken Iran's security, not increase it. With these rapid developments and the collapse of existing norms could come increased regional tensions, possibly leading to regional wars and to nuclear catastrophe.3 Existing regional nuclear tensions already pose serious risks. The decades-long conflict between India and Pakistan has made South Asia the region most likely to witness the first use of nuclear weapons since World War II. An active missile race is under way between the two nations, even as India and China continue their rivalry. In Northeast Asia, North Korea's nuclear capabilities remain shrouded in uncertainty but presumably continue to advance. Miscalculation or misunderstanding could bring nuclear war to the Korean peninsula. In the Middle East, Iran's declared peaceful nuclear energy program, together with Israel's nuclear arsenal and the chemical weapons of other Middle Eastern states, adds grave volatility to an already conflict-prone region. If Iran were to decide at some later date to build nuclear weapons, Egypt, Saudi Arabia, or others might initiate or revive nuclear weapon programs. It is entirely possible that the Middle East could go from a region with one nuclear weapon state, to one with two, three, or five such states within a decade-compounded by the existing political and territorial disputes still unresolved.4

#### This risks global nuclear conflict- new prolif risks theft, unauthorized use, terrorism, and crisis escalation.

Busch, Professor of Government-Christopher Newport, 04 (Nathan, “No End in Sight: The Continuing Menace of Nuclear Proliferation” p 281-314)

Summing Up: Will the Further Spread of Nuclear Weapons Be Better or Worse? This study has revealed numerous reasons to be skeptical that the spread of nuclear weapons would increase international stability by helping prevent conventional and nuclear wars. Because there is reason to suspect that emerging NWSs will not handle their nuclear weapons and fissile materials any better than current NWSs have, we should conclude that the further spread of nuclear weapons will tend to undermine international stability in a number of ways. First, because emerging NWSs will probably rely on inadequate command-and-control systems, the risks of accidental and unauthorized use will tend to be fairly high. Second, because emerging NWSs will tend to adopt systems that allow for rapid response, the risks of inadvertent war will also be high, especially during crisis situations. Third, because emerging NWSs will tend to adopt MPC&A systems that are vulnerable to overt attacks and insider thefts, the further spread of nuclear weapons could lead to rapid, destabilizing proliferation and increased opportunities for nuclear terrorism. Finally, there is reason to question whether nuclear weapons will in fact increase stability. Although nuclear weapons can cause states to be cautious about undertaking actions that can be interpreted as aggressive and can prevent states from attacking one another, this may not always be the case. While the presence of nuclear weapons did appear to help constrain U.S. and Soviet actions during the Cold War, this has generally not held true in South Asia. Many analysts conclude that Pakistan invaded Indian-controlled Kargil in 1999, at least in part, because it was confident that its nuclear weapons would deter a large-scale Indian retaliation. The Kargil war was thus in part caused by the presence of nuclear weapons in South Asia. Thus, the optimist argument that nuclear weapons will help prevent conventional war has not always held true. Moreover, this weakness in the optimist argument should also cause us to question the second part of their argument, that nuclear weapons help prevent nuclear war as well. Conventional wars between nuclear powers can run serious risks of escalating to nuclear war."5 Based on a careful examination of nuclear programs in the United States, Russia, China, India, and Pakistan, as well as preliminary studies of the programs in Iraq, North Korea, and Iran, this book concludes that the optimists' arguments about the actions that emerging NWSs will probably take are overly optimistic. While it is impossible to prove that further nuclear proliferation will necessarily precipitate nuclear disasters, the potential consequences are too severe to advocate nuclear weapons proliferation in hopes that the stability predicted by the optimists will indeed occur.

#### Sanctions work- evidence suggests they will bring Iran back to the negotiating table.

Kahl 12 (Colin, Senior Fellow at the Center for a New American Security, Not Time to Attack Iran, Foreign Affairs, 00157120, Mar/Apr2012, Vol. 91, Issue 2)

 In making the case for preventive war as the least bad option, Kroenig dismisses any prospect of finding a diplomatic solution to the U.S.-Iranian standoff. He concludes that the Obama administration's dual-track policy of engagement and pressure has failed to arrest Iran's march toward a bomb, leaving Washington with no other choice but to bomb Iran. But this ignores the severe economic strain, isolation, and technical challenges that Iran is experiencing. After years of dismissing the economic effects of sanctions, senior Iranian officials now publicly complain about the intense pain the sanctions are producing. And facing the prospect of U.S. sanctions against Iran's central bank and European actions to halt Iranian oil imports, Tehran signaled in early January some willingness to return to the negotiating table. Washington must test this willingness and, in so doing, provide Iran with a clear strategic choice: address the concerns of the international community regarding its nuclear program and see its isolation lifted or stay on its current path and face substantially higher costs. In framing this choice, Washington must be able to assert that like-minded states are prepared to implement oil-related sanctions, and the Obama administration should continue to emphasize that all options, including military action, remain on the table.

### China Gas

#### Contention \_\_ is Chinese Gas:

#### China is limiting itself to “hands off” oil and gas deals – these small partnerships don’t secure technical expertise to develop Chinese shale – this puts them decades behind gas targets

Mandel 7-17 (Jenny, Reporter for EnergyWire, a daily publication covering the unconventional oil and gas sectors, Previous positions with E&E include editing Land Letter and writing news and feature stories for Greenwire, ClimateWire, and other news outlets, “Will U.S. shale technology make the leap across the Pacific?,” EnergyWire: Tuesday, July 17, 2012, http://www.eenews.net/public/energywire/2012/07/17/1)

Modes of tech transfer Despite the challenges, the allure of a massive new domestic energy source has the Chinese government and private and state-owned companies moving cautiously toward development. Today, virtually all of the key intellectual property behind shale gas extraction lies with North American companies, and one of the first steps the Chinese have taken is to pour money into U.S. and Canadian ventures where those technologies are in use. In 2010 and 2011, China National Offshore Oil Corp. (CNOOC) paid $2.3 billion for partial stakes in plays by Chesapeake Energy Corp. in Texas, Wyoming and Colorado. Earlier this year, Sinopec bought into Oklahoma City-based Devon Energy Corp.'s holdings across Louisiana, Mississippi, Colorado, Ohio and Michigan in a $2.5 billion deal. Chinese companies have also aggressively pursued investment deals in Canadian shale projects. But Johns Hopkins' Kong said attempts by Chinese companies to negotiate North American on-the-job training have been blocked. The deal with Chesapeake, for example, limited the interaction of CNOOC personnel with sensitive technologies by restricting the company's right to send workers into gas fields, Kong said. "The Chinese companies have agreed deliberately not to send their oil workers to American gas fields and not to participate in boardroom decisions," Kong said. "The Chinese companies have agreed to this long-term, slow, gradual approach to gaining know-how in the North American energy sector." The caution stems mostly from a political firestorm that broke out when, in 2005, CNOOC tried to buy Unocal Corp. in an $18.5 billion deal that was eventually withdrawn in the face of opposition from Congress. Since then, there has been a general awareness among Chinese players of the need to move slowly and avoid raising red flags (E&ENews PM, Aug. 2, 2005). So what do Chinese investors gain from these North American investments, then, if not direct access to fracking technologies? "By investing in the U.S. ... they benefit from the spill-over effect," Kong said. They have some personnel involved with the projects, even if they're not learning the nitty-gritty of how to develop a fracking plan, and may be able to pick up some very high-level management expertise that is relevant at home. Home or away? Jane Nakano, a fellow with the Center for Strategic and International Studies' Energy and National Security program, stressed that investing in U.S. projects is not China's most effective means of technology transfer, especially given companies' failure to crack the personnel firewall. "If it's just a matter of getting profits from what comes out of each well or each project, then the amount of money they're pouring into North America does not make economic sense," she said. Rather, Nakano said Chinese gas interests would be best served by opening the domestic market to foreigners. "The most straightforward way would be for them to involve Western or non-Chinese technology holders more proactively" at home, she said. There has been limited involvement by major non-Chinese companies. In 2007, Houston-based Newfield Exploration Co. did a resource study with PetroChina. Royal Dutch Shell PLC has worked with PetroChina under a broader partnership agreement. And Exxon Mobil Corp. has had limited dealings with Sinopec. The first round of bidding on government shale gas leases, which occurred last summer, was open only to state-owned companies, and the final bids awarded parcels to just two large firms. There is speculation that the second round, which could come as early as this month, will expand participation to privately owned companies or even foreign bidders. There are other configurations that could also serve to carry the needed intellectual property into Chinese gas fields. In addition to joint ventures in North America or China with the supermajors, firms could hire foreign service companies to carry out work in China, observing their approach. Chinese companies or government interests could buy up some of the cash-strapped U.S. gas companies that are struggling to stay afloat until U.S. prices rise again and bring their expertise back to the Far East. They could buy U.S. shale resources -- even small ones like those held by individual property owners -- outright, then dictate the terms of development so as to ensure full access to the technologies used. Outside of industry, government-to-government interactions tout cooperation on shale gas, among other forms of energy that could help both U.S. and Chinese carbon emissions reduction efforts. And Chinese scientists work to develop home-grown strategies for shale gas production modeled on what has worked elsewhere. The University of Alberta's Jiang said Chinese shale interests, including both government and industry players, are undecided on how to move forward and how much to focus on domestic development versus lower-cost production overseas. "I don't think they have reached a conclusion one way or the other," he said. As a result, the country pursues "a two legs walking approach -- on the one side they want to explore domestic possibilities, on the other they want to explore possibilities with lower ... prices" elsewhere. That likely means a timeline of a decade, at a minimum, before Chinese shale gas resources are well-understood and a clear path to their development emerges, and potentially as long as two decades, observers say. In the meantime, the Chinese will continue to pursue contracts for natural gas imports to satisfy the strong and growing demand.

#### US gas companies currently negotiate passive deals for China because of CFIUS restrictions.

Knowledge @ Wharton 12 (China's Underground Race for Shale Gas, aug 21, http://knowledge.wharton.upenn.edu/arabic/article.cfm?articleid=2851)

Meanwhile, in the U.S., shale gas leaders, such as Devon Energy and Chesapeake Energy, have been reluctant to impart their technology know-how to the firms' Chinese investors, Sinopec and the China National Offshore Oil Corporation (CNOOC), respectively, notes Bo Kong, assistant research professor at the Johns Hopkins University School for Advanced International Studies (SAIS) in Washington, D.C. The Chinese and U.S. companies designed deals giving the Chinese passive, minority stakes to avoid disapproval by the Committee on Foreign Investment in the U.S. (CFIUS), which axed CNOOC's 2005 bid for Unocal. Also, the Sinopec-Devon and CNOOC-Chesapeake deals were struck at a time when the U.S. shale gas industry was at its peak. Today, with gas prices declining and companies such as Chesapeake struggling financially, Chinese companies may be able to negotiate better terms, says CATF's Sung.

#### Only the US has the expertise necessary for China to develop its shale resources- increased Chinese access to US drilling techniques and regulatory methods is critical.

Forbes, manager- Shale Gas Initiative at the World Resources Institute, 12 (Sarah, also the Senior Associate for the Climate and Energy Program at the World Resources Institute, HEARING BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION: “CHINA’S GLOBAL QUEST FOR RESOURCES AND IMPLICATIONS FOR THE UNITED STATES; CHINA’S PROSPECTS FOR SHALE GAS AND IMPLICATIONS FOR THE U.S.,” January 26, http://pdf.wri.org/testimony/forbes\_testimony\_china\_shale\_gas\_2012-01-26.pdf)

Are there risks as well as opportunities for U.S. companies? From a global perspective, the oil and gas industry is integrated; companies work together on projects all over the world, owning shares in projects and hiring service providers as required for operations. Because of the variation in geology, most of what is needed to develop any oil or gas play is local “know-how,” not technology that is subject to patents. These unique features of the globalized industry result in less dependency on intellectual property protection and the risks of sharing technologies abroad as compared with other industries. For example, while the basic drilling and fracturing technologies needed for shale gas development are relatively uniform, the extraction methodologies depend most heavily on the site-specific geological features of the shale play being developed. Horizontal drilling first occurred in the United States in 1929 and fracing has been performed since 1949 39 . Geological factors that are unique to each well site (e.g., natural gas content, natural fractures of the rock, fracturing ability of the source rock) impact the staging of the fractures, the pressure of the hydraulic fracturing, and the fracturing fluid mixture. It is the experience gained from working many drill sites, in different basins and plays, which is the driving force behind U.S. shale gas development. Chinese companies currently possess the ability to drill wells horizontally and have some experience with fracing 40 , but operators and service providers in the United States currently have a clear global advantage based on the substantial experience with drilling and fracing shales to produce gas and the know-how to use these techniques effectively to maximize output 41 . This being said, the oil industry in China is a very domestic business (especially onshore) and has historically provided international companies with very limited access to onshore resources. Any international involvement typically comes from the creation of partnerships between Chinese companies and foreign companies, which is already happening with shale plays in China, as demonstrated by the PetroChina-Shell and CNOOC-BP JVs. A key question is whether the future shale gas industry in China will be modeled after the offshore oil industry (which includes more JVs) or the onshore oil and gas industry. Future cooperation between governments and businesses should not be limited to financial investments or knowledge sharing on operational practices. Although the United States currently stands as the only country with domestic experience in large-scale shale gas development, the experiences have not been all positive. U.S. regulatory structures, information flow, and enforcement capacities have generally not kept pace with the speed of development in shale formations. Stakeholders affected by U.S. shale gas development have not reached agreement on the risks associated with fracing, although experts agree that practices and regulations should be improved in order for the United States to develop its shale gas resources in an environmentally and socially responsible manner 42 . The growing understanding within state governments of both the level of environmental risks and how to manage them are valuable experiences for Chinese regulators and industrial entities to be aware of and take into account while pursuing and designing Chinese domestic development.

#### Chinese shale development key to displace their coal use—renewables cant be scaled up fast enough.

Hanger 12 (John, Special Counsel at the law firm Eckert Seamans, and former Secretary of the Pennsylvania Department of Environmental Protection and Commissioner of the Pennsylvania Public Utility Commission, “China Gets Cracking on Fracking: The Best Environmental News Of The Year?,” Aug 14, http://johnhanger.blogspot.com/2012/08/china-gets-cracking-on-fracking-good.html)

China sits on natural gas reserves that are estimated to be 50% higher than the massive gas reserves in the USA. http://news.nationalgeographic.com/news/energy/2012/08/120808-china-shale-gas/. Despite this gargantuan gas resource, coal provides China 80% of its electricity, compared to 34% in the USA, as of May 2012. Why the difference? The shale gas boom that is now more than 10 years long in the USA is just getting started in China and so the Chinese remain heavily reliant on coal to make electricity and for their total energy. Around the world, the basic energy choice is coal or gas. China is just the biggest example of this fundamental fact. China's reliance on coal means that its economic growth brings skyrocketing carbon emissions and other air pollution. Indeed, Chinese air quality is infamous around the world, and smog has been so thick that Beijing airport has been unable to land planes for short periods. As of 2011, China was responsible for 29% of the world's carbon emissions, while the US produced 16%, even though the US economy is still considerably bigger than China's. Moreover, US carbon emissions are declining to 1992 levels, but China's emissions skyrocket. Though China is building substantial new wind, solar, and nuclear generation, those investments are not enough to cut Chinese coal consumption, given economic growth that is still 7% in what some describe as an economic slowdown. Shale gas, however, could be big enough to actually displace significant amounts of coal in China. More gas in China means less mercury, soot. lead, smog, and carbon emissions. China's energy plans call for shale gas to provide 6% of its total energy as soon as 2020. If it achieves that goal, China will avoid more than 500 million tons of carbon pollution per year or about 1.5% of today's total carbon emissions.

#### Increasing demand for Chinese coal production causes water shortages which threaten economic collapse and political instability.

Schneider 11 (Keith, senior editor for Circle of Blue-a nonprofit focusing on resource shortages founded in 2000, Choke Point: China—Confronting Water Scarcity and Energy Demand in the World’s Largest Country, Feb 15, http://www.circleofblue.org/waternews/2011/world/choke-point-china%E2%80%94confronting-water-scarcity-and-energy-demand-in-the-world%E2%80%99s-largest-country/)

By any measure, conventional and otherwise, China’s tireless advance to international economic prominence has been nothing less than astonishing. Over the last decade alone, 70 million new jobs emerged from an economy that this year, according to the World Bank and other authorities, generated the world’s largest markets for cars, steel, cement, glass, housing, energy, power plants, wind turbines, solar panels, highways, high-speed rail systems, airports, and other basic supplies and civic equipment to support a modern economy. Yet, like a tectonic fault line, underlying China’s new standing in the world is an increasingly fierce competition between energy and water that threatens to upend China’s progress. Simply put, according to Chinese authorities and government reports, China’s demand for energy, particularly for coal, is outpacing its freshwater supply. Students of Chinese history and geography, of course, understand that tight supplies of fresh water are nothing new in a nation where 80 percent of the rainfall and snowmelt occurs in the south, while just 20 percent of the moisture occurs in the mostly desert regions of the north and west. What’s new is that China’s surging economic growth is prompting the expanding industrial sector, which consumes 70 percent of the nation’s energy, to call on the government to tap new energy supplies, particularly the enormous reserves of coal in the dry north. The problem, say government officials, is that there is not enough water to mine, process, and consume those reserves, and still develop the modern cities and manufacturing centers that China envisions for the region. “Water shortage is the most important challenge to China right now, the biggest problem for future growth,” said Wang Yahua, deputy director of the Center for China Study at Tsinghua University in Beijing. “It’s a puzzle that the country has to solve.” The consequences of diminishing water reserves and rising energy demand have been a special focus of Circle of Blue’s attention for more than a year. In 2010, in our Choke Point: U.S. series, Circle of Blue found that rising energy demand and diminishing freshwater reserves are two trends moving in opposing direction across America. Moreover, the speed and force of the confrontation is occurring in the places where growth is highest and water resources are under the most stress—California, the Southwest, the Rocky Mountain West, and the Southeast. Modernization vs. Water Resources In December, we expanded our reporting to China. Circle of Blue—in collaboration with the China Environment Forum (CEF) at the Washington-based Woodrow Wilson International Center for Scholars—dispatched four teams of researchers and photographers to 10 Chinese provinces. Their assignment: to report on how the world’s largest nation and second-largest economy is achieving its swift modernization, despite scarce and declining reserves of clean fresh water. In essence, Circle of Blue and CEF completed a national tour of the extensive water circulatory system and vast energy production musculature that makes China go. The result of our reporting is Choke Point: China. In a dozen chapters—starting today and posted weekly online through April—Choke Point: China will report in text, photographs, and interactive graphics the powerful evidence of a potentially ruinous confrontation between growth, water, and fuel that is already visible across China and is virtually certain to grow more dire over the next decade. Choke Point: China, though, is not a narrative of doom. Rather, our journalists and photographers found a powerful narrative in two parts and never before told. The first important finding—left largely unsaid in and outside China—is how effectively the national and provincial governments enacted and enforced a range of water conservation and efficiency measures. Circle of Blue met the engineers, plant managers, and workers who operate China’s robust and often state-of-the-art energy and water installations. We interviewed the academics and government executives who oversee the globally significant water conservation policies and practices that have been essential to China’s new prosperity. Those policies, we found, sharply reduced waste, shifted water from agriculture to industry, and slowed the growth in national water consumption. Though China’s economy has grown almost eight-fold since the mid-1990s, water consumption has increased 15 percent, or 1 percent annually. China’s major cities, including Beijing, are retrofitting their sewage treatment systems to recycle wastewater for use in washing clothes, flushing toilets, and other grey-water applications. Here in Baotou, a desert city of 1.5 million in Inner Mongolia, the giant Baotou Iron and Steel Company plant, one of the world’s largest, produces 10 million metric tons of steel annually in a region that receives mere inches of rainfall a year. The plant—which is 49 square kilometers and employs 50,000 workers—recycles 98 percent of its water, a requirement of a 1997 law that prompted owners of industrial plants to conserve water. Three Trends Converging We also discovered a second vital narrative that most industrial executives and government authorities we interviewed were either not fully aware of or were reluctant to acknowledge: the tightening choke point between rising energy demand and declining freshwater reserves that forms the central story line of the next era of China’s unfolding development. Stripped to its essence, China’s globally significant choke point is caused by three converging trends:Production of coal has tripled since 2000 to 3.15 billion metric tons a year. Government analysts project that China’s energy companies will need to produce an additional billion metric tons of coal annually by 2020, representing a 30 percent increase. Fresh water needed for mining, processing, and consuming coal accounts for the largest share of industrial water use in China, or roughly 120 billion cubic meters a year, a fifth of all the water consumed nationally. Though national conservation policies have helped to limit increases, water consumption nevertheless has climbed to a record 599 billion cubic meters annually, which is 50 billion cubic meters (13 trillion gallons) more than in 2000. Over the next decade, according to government projections, China’s water consumption, driven in large part by increasing coal-fired power production, may reach 670 billion cubic meters annually — 71 billion cubic meters a year more than today. China’s total water resource, according to the National Bureau of Statistics, has dropped 13 percent since the start of the century. In other words China’s water supply is 350 billion cubic meters (93 trillion gallons) less than it was at the start of the century. That’s as much water lost to China each year as flows through the mouth of the Mississippi River in nine months. Chinese climatologists and hydrologists attribute much of the drop to climate change, which is disrupting patterns of rain and snowfall. “It’s just impossible, if you haven’t lived it or experienced it, to understand change in China over the past 25 years, and especially since 1992,” said Kang Wu, a senior fellow and China energy scholar at East-West Center in Hawaii. “It’s a new world. It’s a new country. The worry in China and in the rest of the world is can they sustain it? They want to double the size of the economy again in 10 years. How can they do that? It’s a paradox from an economic point of view. They need a resource balance to meet demand, short-term and long-term. If you look out 10, 20, 30 years, it just looks like it’s not possible.” Rapid GDP Growth Will Continue In interviews, national and provincial government leaders, as well as energy industry executives, said China has every intention of continuing its 10 percent annual economic growth. “We believe that this is possible and we can do this with new technology, new ways to use water and energy,” said Xiangkun Ren, who oversees the coal-to-liquids program for Shenhua Group, the largest coal company in the world. Xiangkun acknowledged that avoiding the looming choke point will not be easy. The tightening loop is already visible in the jammed rail lines, huge coal truck traffic jams, and buckling roads that Circle of Blue encountered in Inner Mongolia—the country’s largest coal producer—and which are responsible for transporting billions of tons of coal from existing mines to market. Energy prices are steadily rising, putting new inflationary pressure on the economy. Even as China has launched enormous new programs of solar, wind, hydro, and seawater-cooled nuclear power, all of which use much less fresh water, energy market conditions will get worse without new supplies of coal, the source of 70 percent of the nation’s energy. China’s economy and the new social contract with its citizens, who have come to expect rising incomes and improving opportunities, is at risk, say some authorities.

#### Chinese economic collapse causes Asian and Middle East conflict- China will turn outwardly aggressive.

Newmeyer 09 DR. JACQUELINE NEWMYER - LONG TERM STRATEGY GROUP- THE CENTER FOR NATIONAL POLICY “ECONOMIC CRISIS: IMPACT ON CHINESE MILITARY MODERNIZATION” APRIL 8, 2009, http://cnponline.org/index.php?ht=a/GetDocumentAction/i/12503

 So I think either way, either because of the insecurity that is stoked by what’s happening inside China and perceptions about economic slowdown, and/or because of demonization issues and popular discourse, I think that there’s a real chance that the Chinese leadership could feel compelled, for reasons of state security, to take actions that appear more belligerent abroad. And that could have effects leading up to possibly even military conflict or the use of military force against outside actors in addition to whatever force is used inside China to maintain stability. So I think that would be a real, kind of operational test for the PLA, a modernized force now. So, in conclusion, what struck me in thinking about and preparing for this presentation was there was less divergence between the sort of steady state and the more dramatic impact of the economic downturn scenarios than I expected. Either way, I think there is a chance, or a likelihood, of increased friction between China and other external countries, particular countries, that would affected in the case of increased arm transfers, actors in the Middle East would be affected, possibly also the U.S., and in the case of more serious concern about internal unrest in China, I think China’s relations with the West, and with India, or with Japan would be implicated there. So I think contrary to our hopes which would be that the downturn would have the effect of causing China to turn inwards and reduce the chances for any kind of external problem, I think, in fact, there’s reason to think, and to worry, that the downturn would lead to a greater chance of conflict abroad for China.

#### And, pollution from coal causes environmental protests that threaten CCP rule.

LeVine 12 (Steve, author of The Oil and the Glory, Foreign Policy contributor, CHINA The Cost of Coal , The Weekly Wrap -- Aug. 3, 2012, <http://oilandglory.foreignpolicy.com/posts/2012/08/03/the_weekly_wrap_aug_3_2012_part_i>)

China's moment of coal truth: A question that has vexed us for some time is when we will witness an inflection point in ordinary Chinese tolerance for the coal-borne pollution in their air. At that time, we have argued, we will likely also see a sharp turn away from coal consumption, and more use of cleaner natural gas -- Communist Party leaders will see to it for reasons of political survival. With this shift will come important knock-on events, including a materially smaller increase in projected global CO2 emissions. According to Bernstein Research, that tipping point may now be past. In a note to clients yesterday, Michael W. Parker and Alex Leung argue that the moment of truth became apparent to them in two pollution protests over the last month in the cities of Shifang and Qidong. In the former, violent July protests resulted in the scrapping of a planned metals plant; in the latter last week, the ax fell on a waste pipeline connected to a paper mill, again because of an agitated local citizenry. Their paper's title -- Who Are You Going to Believe: Me or Your Smog-Irritated, Burning, Weeping, Lying Eyes? -- is a reference to what the authors regard as a general outside blindness to a conspicuous new political day. One reason no one is noticing, they say, is the curse of history itself. The record of surging economies -- comparing China with, say Japan -- suggests that a burning aspiration for cleaner surroundings over economic betterment should reach critical mass in China only in about a decade. Yet, "the clear signal from Shifang and Qidong is that China has reached the point today, where the population is ready to take to the streets in protest of worsening environmental conditions," the two researchers write. They go on: Since we all agree that the Chinese government is focused on social harmony, the practical implication is that the government will do whatever is required to ensure that people aren't in the streets protesting not just food prices or lack of jobs, but also the environment. Few observers seem to classify the environment as the kind of issue that could excite the Chinese population into the street or the kind of issue that could result in changing political decision making and economic outcomes. And yet that is exactly what we are seeing.

#### Those pollution protests causes Chinese instability and CCP lashout

Nankivell 05 (Nathan, Senior Researcher @ Office of the Special Advisor Policy, Maritime Forces Pacific Headquarters, Canadian Department of National Defence, China's Pollution and the Threat to Domestic and Regional Stability, China Brief Vol: 5 Issue: 22, http://www.jamestown.org/programs/chinabrief/single/?tx\_ttnews%5Btt\_news%5D=3904&tx\_ttnews%5BbackPid%5D=195&no\_cache=1)

As the impact of pollution on human health becomes more obvious and widespread, it is leading to greater political mobilization and social unrest from those citizens who suffer the most. The latest statement from the October 2005 Central Committee meeting in Shanghai illustrates Beijing’s increasing concern regarding the correlation between unrest and pollution issues. There were more than 74,000 incidents of protest and unrest recorded in China in 2004, up from 58,000 the year before (Asia Times, November 16, 2004). While there are no clear statistics linking this number of protests, riots, and unrest specifically to pollution issues, the fact that pollution was one of four social problems linked to disharmony by the Central Committee implies that there is at least the perception of a strong correlation. For the CCP and neighboring states, social unrest must be viewed as a primary security concern for three reasons: it is creating greater political mobilization, it threatens to forge linkages with democracy movements, and demonstrations are proving more difficult to contain. These three factors have the potential to challenge the CCP’s total political control, thus potentially destabilizing a state with a huge military arsenal and a history of violent, internal conflict that cannot be downplayed or ignored. Protests are uniting a variety of actors throughout local communities. Pollution issues are indiscriminate. The effects, though not equally felt by each person within a community, impact rich and poor, farmers and businessmen, families and individuals alike. As local communities respond to pollution issues through united opposition, it is leaving Beijing with no easy target upon which to blame unrest, and no simple option for how to quell whole communities with a common grievance. Moreover, protests serve as a venue for the politically disaffected who are unhappy with the current state of governance, and may be open to considering alternative forms of political rule. Environmental experts like Elizabeth Economy note that protests afford an opportunity for the environmental movement to forge linkages with democracy advocates. She notes in her book, The River Runs Black, that several environmentalists argue that change is only possible through greater democratization and notes that the environmental and democracy movements united in Eastern Europe prior to the end of the Cold War. It is conceivable that in this way, environmentally-motivated protests might help to spread democracy and undermine CCP rule. A further key challenge is trying to contain protests once they begin. The steady introduction of new media like cell phones, email, and text messaging are preventing China’s authorities from silencing and hiding unrest. Moreover, the ability to send and receive information ensures that domestic and international observers will be made aware of unrest, making it far more difficult for local authorities to employ state-sanctioned force. The security ramifications of greater social unrest cannot be overlooked. Linkages between environmental and democracy advocates potentially challenge the Party’s monolithic control of power. In the past, similar challenges by Falun Gong and the Tiananmen protestors have been met by force and detainment. In an extreme situation, such as national water shortages, social unrest could generate widespread, coordinated action and political mobilization that would serve as a midwife to anti-CCP political challenges, create divisions within the Party over how to deal with the environment, or lead to a massive show of force. Any of these outcomes would mark an erosion or alteration to the CCP’s current power dynamic. And while many would treat political change in China, especially the implosion of the Party, as a welcome development, it must be noted that any slippage of the Party’s dominance would most likely be accompanied by a period of transitional violence. Though most violence would be directed toward dissident Chinese, a ripple effect would be felt in neighboring states through immigration, impediments to trade, and an increased military presence along the Chinese border. All of these situations would alter security assumptions in the region.

#### This causes the CCP to launch WMDs and kill billions to try to hold onto power

Renxin 05 Renxin, Journalist, 8-3-2K5 (San, “CCP Gambles Insanely to Avoid Death,” Epoch Times, www.theepochtimes.com/news/5-8-3/30931.html)

Since the Party’s life is “above all else,” it would not be surprising if the CCP resorts to the use of biological, chemical, and nuclear weapons in its attempt to postpone its life. The CCP, that disregards human life, would not hesitate to kill two hundred million Americans, coupled with seven or eight hundred million Chinese, to achieve its ends. The “speech,” free of all disguises, lets the public see the CCP for what it really is: with evil filling its every cell, the CCP intends to fight all of mankind in its desperate attempt to cling to life. And that is the theme of the “speech.” The theme is murderous and utterly evil. We did witness in China beggars who demanded money from people by threatening to stab themselves with knives or prick their throats on long nails. But we have never, until now, seen a rogue who blackmails the world to die with it by wielding biological, chemical, and nuclear weapons. Anyhow, the bloody confession affirmed the CCP’s bloodiness: a monstrous murderer, who has killed 80 million Chinese people, now plans to hold one billion people hostage and gamble with their lives. As the CCP is known to be a clique with a closed system, it is extraordinary for it to reveal its top secret on its own. One might ask: what is the CCP’s purpose to make public its gambling plan on its deathbed? The answer is: the “speech” would have the effect of killing three birds with one stone. Its intentions are the following: Expressing the CCP’s resolve that it “not be buried by either heaven or earth” (direct quote from the “speech”). But then, isn’t the CCP opposed to the universe if it claims not to be buried by heaven and earth? Feeling the urgent need to harden its image as a soft egg in the face of the Nine Commentaries. Preparing publicity for its final battle with mankind by threatening war and trumpeting violence. So, strictly speaking, what the CCP has leaked out is more of an attempt to clutch at straws to save its life rather than to launch a trial balloon. Of course, the way the “speech” was presented had been carefully prepared. It did not have a usual opening or ending, and the audience, time, place, and background related to the “speech” were all kept unidentified. One may speculate or imagine as one may, but never verify. The aim was obviously to create a mysterious setting. In short, the “speech” came out as something one finds difficult to tell whether it is false or true.

#### And, politicization of Chinese energy deals independently undermines US-China energy relations, which causes hostile Chinese naval modernization.

Lieberthal and Herberg 06 (Kenneth, Distinguished Fellow and Director for China at The William Davidson institute, and research associate of the China Center at the University of Michigan, and Mikkal, Director of the asian Energy security program at The national bureau of asian research, China’s Search for Energy Security: Implications for U.S. Policy\*, http://www.nbr.org/publications/nbranalysis/pdf/vol17no1.pdf)

Both the United States and China will benefit if they can develop a collaborative relationship on energy issues—as opposed to the current trajectory characterized by growing mistrust, suspicion, and competition. In reality, the fundamental global energy interests of China and the United states largely converge. China’s new energy security challenges mirror the United states’ own long-standing energy security challenges. Both countries share an interest in avoiding global supply disruptions, maintaining stability in the Persian Gulf, accelerating the development of new oil and gas resources, expanding the development and use of clean coal technologies, increasing global energy supply diversification, creating greater transit and fuel flexibility, expanding and improving emergency oil-sharing arrangements, and managing the environmental fallout from unrestrained fossil fuel consumption . What can the United States do to make constructive cooperation more likely? Is attaining such cooperation a feasible objective for U.S. policy? Thus far the U.S. response to China’s energy rise has been relatively ad hoc, reactive, and counterproductive. Compounded by China’s own lack of transparency, U.S. reactions have suffered from a poor understanding of China on many levels, including China’s energy dilemmas, the complex interests driving Beijing’s global energy approach, the goals and relationships that characterize Chinese energy institutions and state energy companies, and the linkages between energy and other issues in the People’s Republic of China (PRC). U.S. Congressional reaction to China National Offshore Oil Corporation’s (CNOOC) 2005 bid for Unocal both revealed how little some U.S. policymakers understand about China’s global energy push and showed how divisive these issues have become for an already strained U .s .-China relationship . The failed bid also demonstrated that, in today’s atmosphere of high energy prices and fears over long-term energy scarcity, both the United states and China are focused intently on their national energy security and tend to assume the worst of the other’s intentions. Moreover, the energy policymaking institutions of both China and the United States make effective energy cooperation very difficult. Therefore, the central question hinges on whether the United States and China will be able to reduce their existing mistrust, which is exacerbated by broader strategic tensions, and devise prudent and serious ways to begin working together to achieve mutual interests in energy . In fact, energy cooperation could actually contribute to building the trust required for potentially broader international cooperation between China and the United States. The United States and China seem to hold fundamentally different views of global energy markets. This reality makes effective dialogue on energy issues both more difficult and more necessary. China’s energy strategy currently appears rooted in a statist, mercantilist mentality among political leaders in Beijing. The United States, on the other hand, has a stated policy of relying largely on global markets to deliver energy supply security. 4 The United States does not always fully appreciate how its own colossal weight in global energy and geopolitics affects China’s concerns regarding U.S. ability to threaten China’s energy interests. Ed Morse, an expert on energy and politics, sums up the problem by asserting that, “The U.S . is mostly ‘brawn’ and limited ‘brain’ .” 5 Suspicions remain high both in Beijing and Washington regarding the other’s intentions on key energy security and supply questions. Without a more sophisticated policy response in both Washington and Beijing, the risk is that energy issues are becoming not a source of constructive cooperation but rather a deepening source of competition, misperceptions, and excuses for obstructing one another’s interests. If Beijing believes that the United States is attempting to use energy politics as an instrument to weaken and contain China, then Beijing will be more likely to use its growing energy influence to frustrate U.S. foreign and security policies. The array of negative results from such a scenario might include increasing Chinese “hoarding” of oil and natural gas fields and supplies, tying Chinese energy investments abroad ever more closely to dubious regimes, promoting security cooperation with adversarial governments, and politicizing global energy markets. Such fallout would also increase the leverage of government hard-liners in Beijing who want to develop blue-water naval capabilities to challenge U.S. control of the SLOCs through which large shares of China’s future oil and natural gas supplies will flow. 6 A wide range of other negative outcomes could be imagined. It is therefore in the best interests of both countries to try to understand each other’s energy insecurities and find new ways to work toward cooperative outcomes.

#### Chinese naval modernization causes miscalculation, risking conflict with the US.

United States-China Economic and Security Review Commission 09 (“THE IMPLICATIONS OF CHINA’S NAVAL MODERNIZATION FOR THE UNITED STATES,” HEARING BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION ONE HUNDRED ELEVENTH CONGRESS FIRST SESSION, June 11, http://www.uscc.gov/hearings/2009hearings/transcripts/09\_06\_11\_trans/09\_06\_11\_trans.pdf)

In this hearing, witnesses told the Commission that the Chinese People’s Liberation Army (PLA) is rapidly modernizing its naval forces and improving its naval capabilities. Furthermore, although the PLA Navy has been modernizing for at least two decades, the rate of modernization has increased in recent years. This naval modernization consists of two main components: a technical side and an institutional side. The technical side is primarily comprised of large-scale acquisitions of new, more advanced vessels, aircraft, weapons, and command and control systems. On the institutional side, the PLA Navy has sought to improve the quality of its personnel and its training in order to better utilize newly acquired naval platforms and weapons. Although nominally defensive, China’s strategy of naval modernization could affect how the United States and its allies deploy forces, protect bases and troops, and conduct military operations in East and Southeast Asia. In addition, as the PLA Navy continues to improve its capabilities, it will more frequently interact with other regional navies, including the U.S. Navy. As China’s recent aggressive behavior in the South China Sea demonstrates, a greater PLA Navy presence in the region could increase the potential for conflict between the United States and China over existing international maritime norms and practices. A key component of China’s naval modernization that the hearing’s expert witnesses pointed out was the technical modernization made in recent years. Since at least 2004, the PLA Navy has acquired numerous new vessels and aircraft, to include 21 submarines, eight destroyers, and 24 advanced fighters. Moreover, recent high-level remarks within the Chinese government indicate that Beijing is planning on building aircraft carriers. In addition, the PLA Navy has increased its arsenal of advanced weapons, particularly antiship cruise missiles, land attack cruise missiles, and advanced naval mines. Of particular importance for the United States is the PLA’s apparent desire to develop anti-ship ballistic missiles (ASBM), which are intended to degrade the force-multiplying effect of U.S. aircraft carriers. Finally, tying these various platforms and weapons together are advances in the PLA’s C4ISR system (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance system). The PLA Navy has also begun modernizing and improving its capabilities to use these new acquisitions. Witnesses testified that the PLA Navy has taken several important steps towards improving the quality of its personnel. These steps include raising the standards for entry and promotion for both enlisted personnel and officers, as well as creating a non-commissioned officer corps—a key requirement for a modern military. Furthermore, the PLA Navy has sought to improve the quality of its training, for both individuals and units. These changes will help the PLA develop its naval capabilities, and help to shape the PLA Navy into a modern force. Taken together, these modernization efforts have several implications for the national security of the United States and its allies. First, the Commission’s witnesses testified that China’s naval modernization increasingly allows the PLA to deny the U.S. military access to China’s littoral waters and the Western Pacific. As the PLA Navy improves its capabilities, advanced Chinese naval platforms and weapons in the hands of well-trained, professional soldiers will increase the dangers confronting U.S. forward-deployed forces, possibly requiring them to operate at a distance in order to maintain safety. For example, witnesses stated that the PLA currently deploys several types of advanced anti-ship cruise missiles that form the backbone of China’s anti-access and sea denial strategy. 1 Furthermore, PLA anti-ship ballistic missiles could become a potential “game changer” in naval warfare should they become operational. 2 It was also pointed out that although the U.S. Navy has ample forces and capabilities to deal with the PLA Navy in the near and midterms, the outcome of a naval confrontation in the long term is less certain. 3 A second implication of China’s naval modernization is the direct relationship between greater capabilities and a more robust naval presence. As the PLA Navy improves its capabilities, it is likely that its vessels will more frequently be encountered by other navies in the region and around the globe. For example, a few years ago the PLA Navy would have been unlikely to execute its on-going anti-piracy deployment in the Gulf of Aden. In addition, in recent years there has been a dramatic increase in PLA Navy port calls both within and outside of the region. An increased PLA Navy presence in the region is not by itself negative. However it could be problematic when coupled with Beijing’s failure to conform to current international maritime norms and practices in regards to Exclusive Economic Zones (EEZ). Of key importance here is the possibility for misinterpretation and inadvertent conflict arising from Beijing’s view of maritime law. According to one witness, some influential PLA scholars wrote that any military action, including freedom of navigation and overflight acts, in its EEZ could be “considered a use of force or a threat to use force”—a very liberal take on the United Nations Convention on the Law of the Sea. 4 Such an interpretation by the PRC could lead to a serious incident at sea between the PLA Navy and the U.S. or other regional navies. Furthermore, some witnesses pointed out that if the PLA feels it is the stronger of the parties involved, it may be more inclined to resort to violence. A final implication of China’s naval modernization is its potential threat to U.S. allies in the region. Besides numerical superiority, the PLA Navy also enjoys a growing qualitative superiority versus most navies in East and Southeast Asia. While the Japanese Navy is possibly the only navy (besides the U.S. Navy) that is qualitatively better than the PLA Navy, Article 9 of Japan’s constitution prohibits it from developing the power projection capability that is necessary in modern naval warfare. Complicating this dynamic is Japan’s near total reliance on overseas oil imports which travel routes within increasingly easy reach of the PLA Navy. In the South China Sea’s region Beijing clearly possesses the superior navy, with the potential development of a Chinese aircraft carrier only widening the gap between the PLA Navy and regional navies. As a consequence, a naval arms race in East Asia may ensue.

#### South China Sea war causes extinction

Wittner 11 (Wittner, Emeritus Professor of History at the State University of New York/Albany and former editor of Peace & Change, a journal of peace research, “COMMENTARY: Is a Nuclear War with China Possible?,” November 28, http://www.nytimes.com/2012/06/13/opinion/avoiding-a-us-china-war.html)

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries national conflicts have led to wars, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon. The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.” But need this lead to nuclear war? Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.” Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists. Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan. At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might? Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China. But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “nuclear winter” around the globe—destroying agriculture, creating worldwide famine, and generating chaos and destruction. Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars “modernizing” its nuclear weapons and nuclear production facilities over the next decade. To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to improve U.S.-China relations. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

## 2AC- Round 1

### AT: Ralls/Wind Case

#### The wind case doesn’t take out any of the aff because it was a LEGITIMATE national security issue. A Chinese company wanted to build windmills in the restricted air space of an Air Force base. LEGITIMATE security restrictions don’t cause chilling or hurt relations because all countries understand there are some legitimate exceptions- China has them too

#### Ralls was limited- it seen as a legitimate national security concern because of proximity to an air force base.

Rosen and Hanemann 10-5-12 (Daniel and Thilo, Ralls vs. CFIUS: What Are the Implications for Chinese Investment?, Council on Foreign Relations, http://rhgroup.net/articles/ralls-vs-cfius-what-are-the-implications-for-chinese-investment)

Last week President Obama issued an Executive Order requiring Chinese-controlled Ralls Corporation to abandon a wind farm project near a military base in Oregon and divest all related assets. This is only the second time a U.S. President has formally blocked a foreign acquisition, and the first since 1990. Ralls presents an interesting case, but there are a lot of misperceptions about the motivations for the decision to block the deal, and about the implications. First, this was not a political move by the President to position himself as tough on China, as suggested by some. The timeline of the review through the Committee on Foreign Investment in the United States (CFIUS) and the Presidential decision is set by law and the fact that the President was forced to make a decision resulted from Ralls’ refusal to walk away from the investment after the negative CFIUS decision, as firms commonly would. Having made news, the deal could well enter the campaign now, given Ralls’ decision to try suing the President and CFIUS, but no one in Washington set out to make this a political game. Second, and most importantly, the decision does not signal a more restrictive U.S. policy towards Chinese investment. Rather it demonstrates continuity with regard to espionage concerns related to geographic proximity of assets to defense installations. Several previous Chinese investments have been stalled for the exact same reason (see Northwest Nonferrous-Firstgold, TCIC-Emcore, Far East Golden Resources -Nevada Gold). Chinese firms have not had trouble acquiring and equipping U.S. wind farms more distant from such sensitive areas – see Goldwind’s Shady Oaks Project in Illinois or Sany’s other wind farm in Texas, for example. Neither is this a case of retaliation by the U.S. government to punish Sany for its protectionist stance toward the attempted takeover of Xugong by Carlyle in 2006. The United States continues to be open to Chinese investment while screening for a narrow set of national security concerns.

#### Obama blocking the Ralls wind deal is just uniqueness for the aff- the US is trying to say its open to China but they are still skeptical about oil deals.

LeVine and Lichfield 9-28-12 (Steve LeVine, adjunct professor in Georgetown University’s Security Studies Program in the Graduate School of Foreign Service. He is a Schwartz Fellow at the New America Foundation, and Gideon Lichfield, global news editor at Quartz, Why the US-Chinese row over wind farms is (mostly) a lot of hot air, http://qz.com/9776/the-us-chinese-row-over-wind-farms-is-mostly-a-lot-of-hot-air/)

Chinese interest in American assets has been a touchy subject for a while, but today a new milestone was passed: for the first time in in 22 years, an American president has invoked national security privileges to block a foreign commercial deal. Still, it would be “unwise to read too much into this one case”, says Nathaniel Ahrens of the Center for Strategic and International Studies in Washington. The proposed purchase by Ralls Corporation, a Chinese wind-farm developer, of four sites in the state of Oregon for building wind turbines, raised rather obvious red flags over national security. The sites are near the Naval Weapons Systems Training Facility in Oregon; one of the sites is within restricted military airspace, while the others are not far away from it. The Committee for Foreign Investment in the United States (CFIUS), a panel of government officials that scrutinizes foreign deals, had told Ralls to suspend its projects, in response to which Ralls filed a lawsuit earlier this month. Barack Obama has now ordered Ralls to give up on the development and sell the sites. It didn’t help, Ahrens points out, that in addition to choosing a very sensitive location for its wind farms, Ralls had failed to notify CFIUS when it bought the land. But in general, he says, “it certainly shouldn’t be seen as a change in the US attitude towards welcoming Chinese direct investment.” A report from the Rhodium Group, a research firm in New York, points out that in the last couple of years, Chinese foreign direct investment (FDI) in the United States has increased rapidly, growing from an annual average of around 30 deals worth less than $500 million before 2009 to almost 100 deals worth about $5 billion in 2010 and 2011. It is true that in 2005, CNOOC, a big Chinese state oil firm, withdrew an $18.5 billion bid to buy Unocal after stiff domestic US opposition. But in 2010 the firm paid $1.1 billion to Chesapeake Energy for shale oil acreage in Texas, and the following year paid $1.3 billion, again to Chesapeake, for shale reserves in Colorado. Also in 2011, China’s Sinopec bought $2.5 billion in shale acreage from Devon Energy. Currently, CNOOC is seeking to buy Canada’s Nexen for $15 billion, and as Nexen has assets in the Gulf of Mexico, CFIUS is looking at that deal too. Josh Zive, a lobbyist with Bracewell Patterson, a Washington law firm, concurs that Obama’s decision on Ralls “is not surprising given the facts leading up to it.” But, he warns, there are implications “that are difficult to predict.” Chinese investors are “increasingly sensitive” to what they perceive as a hostile American atmosphere toward Chinese investment, particularly in oil, and this decision could confirm their suspicions.

### BIT

#### NI

Rosen and Hanemann-Rhodium Group-11 (An American Open Door? Maximizing the Benefits of Chinese Foreign Direct Investment, http://www.ogilvypr.com/files/anamericanopendoor\_china\_fdi\_study.pdf)

However, we recommend realism in our expectations. Reform in China is not going to happen overnight, but it is important to understand that it has, in fact, happened over the decades. Similarly, China has opened much of its own economy to foreign investors, but there remains much to be done. We generally take the stance that the United States should not base its own investment review system on questions of reciprocity, but Chinese policy makers must be aware that such considerations play an important role in the domestic debate in the United States about openness to foreign investment, and that an acceleration of reforms would strengthen the position of those in the United States advocating investment openness.

#### BIT locks in congressional meddling-domestic political considerations would move the goal post for Chinese compliance

Harvard International Law Journal 10 (The Harvard International Law Journal is the oldest and most-cited student-edited journal of international and comparative law, What Would a U.S.-China Bilateral Investment Treaty Mean?, March, http://www.harvardilj.org/2010/03/what-would-a-u-s-china-bilateral-investment-treaty-mean/)

A BIT typically permits aggrieved foreign investors to seek compensation for unfair or inequitable regulatory treatment in arbitration instead of host country domestic courts. Such an agreement with China would mark the first time that the United States has signed a BIT with a substantial foreign investor and opened the possibility of litigating American regulatory decisions before international arbitrators. With large scale regulatory reform on the horizon, particularly in the financial sector which has substantial Chinese investment, this possibility raises complex sovereignty questions. In addition, arbitration of American regulatory disputes raises the tricky question of compliance with an adverse decision. The United States has typically treated BIT’s as self-executing treaties, but Congress would have to approve the payment of adverse judgments. Domestic political considerations would make such authorization unpalatable, and any failure to pay could jeopardize the overall BIT framework. As of now, the parties have reached no agreement, and the U.S. Senate would have to ratify any BIT before it took effect. But, as several commentators have noted, the issues surrounding a U.S.-China BIT merit careful scrutiny.

### T-Restriction

---we meet-foreign investment restrictions on production

Hirsch-former senior energy program adviser for Science Applications International Corporation-11 Commentary: Restrictions on world oil production

<http://www.energybulletin.net/stories/2011-03-28/commentary-restrictions-world-oil-production>

Restrictions on world oil production can be divided into four categories: 1. Geology 2. Legitimate National Interests 3. Mismanagement 4. Political Upheaval Consider each in reverse order: Political upheaval is currently rampant across the Middle East, resulting in a major spike in world oil prices. No one knows how far the impacts will go or how long it will take to reach some kind of stability and what that stability will mean to oil production in the Middle Eastern countries that produce oil. We are thus relegated to best guesses, which span weeks, months, or years before there are clear resolutions. One pre-Middle East chaos country limited by political upheaval is Iraq, which is believed to have the oil reserves to produce at a much higher level, but Iraqi government chaos has severely limited oil production expansion. In another long-standing case, Nigeria has been plagued by internal political strife, which has negatively impacted its oil production. Mismanagement of oil production within a country can be due to a variety of factors, all of which mean lower oil production than would otherwise be the case. Venezuela is the poster child of national mismanagement. The country has huge resources of heavy oil that could be produced at much higher rates. Underproduction is due to the government syphoning off so much cash flow that oil production operations are starved for needed funds. In addition, Venezuela has made it extremely difficult, if not impossible for foreign oil companies to operate in the country. Another example of mismanagement is Mexico, where government confiscation of oil revenues, substandard technology, and restrictions on foreign investment has led to significant Mexican oil production decline.

-xxx--We-meet-the plan reduces restrictions that block, delay, and alter foreign investment in energy production

Inside Energy with Federal Lands 4/12/10 (Herman Wang, HEADLINE: Foreign energy investments spark security concerns)

Foreign firms appear to be increasingly interested in investing in US oil companies, electric utilities and other parts of the US energy infrastructure, as they are seeking to profit from America's appetite for oil, coal and other commodities, as well as the Obama administration's emphasis on renewable power. But with those deals will come scrutiny from a little-known federal panel that has the power to block the transactions for national security reasons, through a review process that industry insiders say is sometimes inconsistent, politically driven and opaque. The Committee on Foreign Investment in the United States is an inter-agency panel that gave the Energy Department a permanent seat in 2007 to help it investigate business transactions in which foreign governments or companies seek to acquire "major energy assets" in the US. But some experts say CFIUS does not offer enough up-front guidance to US companies that are being acquired by foreign interests, wasting time and money. "We face situations where we tell our clients we see no security risk," said Billy Vigdor, a Washington-based partner with law firm Vinson & Elkins. "And then we spend hours trying to figure out whether we should file [a disclosure] because the government might think it is, in fact, a security risk. The last thing you want is to have a contract in place, and you think you're going to close in 30 days, and then CFIUS calls and says you need a filing." Companies being acquired by a foreign-owned firm can voluntarily notify CFIUS of the transaction, but the committee also has the power to investigate all transactions it sees fit to review. Representatives from 16 federal departments and agencies, headed by the Treasury Department, comprise the committee. Those investigations can leave foreign companies feeling unfairly targeted, potentially discouraging needed foreign investment in US energy infrastructure, said Al Troner, president of Houston-based Asia Pacific Energy Consulting. Troner said CFIUS' rulings on what constitutes a security threat can be arbitrary and inconsistent. Even when the committee determines there is no security risk for a transaction, politics can sometimes trump the ruling, Troner said. Troner cited CFIUS' approval in 2006 of a deal by a Dubai-based company to manage several US ports, only to have the company back out after many lawmakers cried foul due to fears of terrorism. "We want investment, but we want 'safe' investments, even though we can't define what is safe," Troner said. "So a big problem in all this is uncertainty, which makes this a funny market to invest in. [Foreign firms] don't feel treated fairly as to what the criteria are for energy security. If you don't know what you're getting into, at a certain point, you ask if this is worth it." Steven Cuevas, who was DOE's director of investment security in 2007 when the department gained a seat on CFIUS, said the committee makes its decisions apolitically. CFIUS, originally established in 1975, received a legislative mandate in 2007 to tighten its oversight of foreign transactions, including defining critical infrastructure as an asset so vital that its incapacity or destruction would severely impact national security. A bill signed by then-President George W. Bush, sparked in large part because of the uproar over the Dubai Ports World deal, formalized CFIUS' review process, which until then had been loosely defined and applied. That same bill also gave DOE its seat on CFIUS. The committee reviews about 150 to 200 foreign business deals a year. "We left politics at the door," Cuevas said. "As with any national security program, you really need to look at the issues in national security and not worry about politics. It's not a situation where there's a bright-line rule. You have to look at each transaction by itself. The standard is, does this transaction, by itself, pose a risk to national security?" Richard Oehler, a Seattle-based partner with law firm Perkins Cole, said prior to the 2007 legislation, CFIUS primarily concerned itself with defense contracting and other issues related to defense and intelligence. The legislation, however, with its definition of critical infrastructure, put an increased focus on US energy assets. "They were not focused on energy, until the politicians redefined [CFIUS]," Oehler said. Cuevas, now a renewable-energy lobbyist with French-owned nuclear company Areva, was a Bush administration political appointee assigned the task of setting up DOE's new role on CFIUS. He said he could not disclose, for confidentiality reasons, how many transactions DOE reviewed during his time working on the committee. Cuevas left his DOE post in 2009 with inauguration of the Obama administration. "When we started the CFIUS program at DOE, we had no processes in place," he said. "There was no record keeping. I spent the last year and a half with the department trying to standardize those steps of review, who signs off on transaction, who tracks them. We were simply trying to keep up with the transactions. We set the foundation, and the folks that are there now are fleshing it out." Last month, DOE issued a draft policy outlining its role on CFIUS that is similar to the Bush administration's policy. The policy, signed by DOE Deputy Secretary Daniel Poneman, prescribes that the department's risk analyses must consider the "criticality and/or vulnerability of the US assets being acquired" and "the threat to those assets posed by the acquiring entity and the consequences to national security if the threat is realized." Each transaction must also be reviewed on whether it involves critical infrastructure and technology, as well as how the transaction would impact long-term projections of US energy consumption. In addition, if a foreign government-owned entity is involved in the transaction, DOE will assess "the adherence of the subject country to nonproliferation control regimes, including treaties and multilateral supply guidelines," the draft policy states. After the review, DOE can clear the transaction with no further action; refer it to CFIUS for a 45-day national security investigation; clear the case conditionally, pending the creation of a "mitigation" plan to resolve security concerns; or recommend to the president to block the deal. Energy Secretary Steven Chu is DOE's primary representative to CFIUS, but much of the department's responsibilities on the committee are delegated to Jonathan Elkind, DOE's principal deputy assistant secretary for policy and international affairs. Elkin was not available for comment. Cliff Vrielink, a Houston-based partner with Vinson & Elkins, said CFIUS can sometimes give US companies pause when seeking to be acquired by a foreign firm. "CFIUS presents a hurdle for a foreign buyer that a domestic buyer doesn't have," Vrielink said. "When someone as an asset they want to sell, and they have an auction where multiple companies have put in bids, the foreign buyer has the uncertain timing of a CFIUS filing, which can be a significant factor." Complicating matters for foreign companies is the fact that CFIUS reviews are not based on a clear set of guidelines and regulations outlining, for instance, how much of a US company a foreign firm can acquire without triggering an investigation. "We, as Americans, are fortunate in that in so many areas, we have bright-letter law, and I think that's one thing that's always been an attraction for foreign investment, that we have the sanctity of contracts and bright-letter law," Vrielink said.

---Mitigation measures block, delay, and alter deaks, even if they aren’t blocked

Marchick 07 (David, partner at Covington & Burling, where he advises

companies on the CFIUS process, “Swinging the Pendulum too Far: An Analysis of the CFIUS Process Post-Dubai Ports World,” Jan, http://www.nfap.net/researchactivities/studies/NFAPPolicyBriefCFIUS0107.pdf)

In the 18 years that Exon-Florio has been in force, there have been slightly more than 1700 CFIUS filings. Only one transaction has formally been blocked by the President — a 1990 aerospace investment by a Chinese company. From the data, one would think that CFIUS has merely been a rubber stamp, approving 99.9 percent of the acquisitions. The data belie actual practice, since tough restrictions are imposed by CFIUS as a condition for approval — typically through “mitigation” or “national security” agreements. In addition, parties typically will abandon a transaction in the face of a possible rejection rather than force the President to formally block a proposed acquisition. The public relations damage to a company if a President were to block an acquisition would be substantial.

#### ---Production deals with a high level of scrutiny are considered “restricted”.

Vinson & Elkins LLP 12 (V&E China Practice Update E-communication, “China Amends Foreign Investment Policy: New Foreign Investment Industry Guidance Catalogue,” January 13, http://www.velaw.com/resources/pub\_detail.aspx?id=20405)

The Catalogue classifies foreign direct investments in the various Chinese industry sectors as “encouraged,” “restricted,” “permitted,” or “prohibited,” and sets out specific industries in which foreign investment is either “encouraged,” “restricted,” or “prohibited.” Activities not listed are, in the absence of other rules to the contrary, considered to be “permitted” for foreign investments. Foreign investment in “encouraged” industries may enjoy certain tax benefits and is often subject to less strict administrative requirements from approval authorities. The “restricted” category includes industries into which foreign investment is subject to a higher level of scrutiny, stricter administrative requirements, and may be denied at the discretion of the approval authorities. Foreign investment is not permitted in industries categorized as “prohibited.”

#### ---C/I

#### Restrictions mean qualification on production

Wright v. Magellan Behavioral Health, Inc., 2007 U.S. Dist. LEXIS 48718  2007

In the instant case, the Court is required to interpret the word "restriction" as used by the parties in the Agreement. The parties apparently agree that the legal definition of restriction--"a limitation or qualification," Black's Law Dictionary 1341 (8th ed. 1999)--is a good place to start. Thus, the Court must determine whether the board's supervision requirement falls within this definition.

#### That means conditions on production not just prohibitions

Google Dictionary

qual·i·fi·ca·tion

noun /ˌkwäləfəˈkāSHən/

qualifications, plural

A quality or accomplishment that makes someone suitable for a particular job or activity

- only one qualification required—fabulous sense of humor

The action or fact of becoming qualified as a practitioner of a particular profession or activity

- an opportunity for student teachers to share experiences before qualification

A condition that must be fulfilled before a right can be acquired; an official requirement

- the five-year residency qualification for presidential candidates

#### ---Their interpretation is bad

#### A. Over limits-Their interpretation limits the topic to drill baby drill which is bad ground. SQ production is sky high which means better debates on the topic should be about things other than ANWR or the offshore drilling moratorium.

#### B. Capital key-Future oil and gas production will depend on foreign capital. That’s Ellis-Vinson-That capital is intrinsically tied to energy production proves it should be core affirmative ground.

#### ---Reasonability-Competing interpretations encourage a race to the bottom. Limits for limits sake have destroyed affirmative ground on the last several topics. You should err affirmative if our interpretation is proven debatable.

### CP

#### perm do both

#### links to politics

#### perm do plan covertly- solves links to politics- justified bc perming a part of CP

#### “Covert” fiat = illigetimate. not in plan and it’s a goal not an action= no aff ground and not in lit. makes debate terrible.

#### Shale initiative now= no solve

#### perm- plan and shale

#### perm- plan and attack

#### Shale no solve

Masters and Turner 11 (Peter V. Masters and Jennifer L. Turner, Director- China Environment Forum, Cooperative Competitors: potential of U.s.-China Clean energy Cooperation, China Environment Forum Brief, Oct 27, http://www.wilsoncenter.org/sites/default/files/Cooperative%20Competitors-English.pdf)

High-level forums and on-the-ground projects on clean energy between the United States and China have focused heavily on low-carbon technologies. However, simply building wind turbines, PV arrays, carbon capture facilities, and nuclear reactors is not enough. Without pricing and pollution control policies to curb electricity demand growth, the benefits of even a massive build-out of low-carbon technologies will be limited. In the absence of a regulatory system that fosters transparent and cost-reflective energy pricing, rising costs may doom new technologies before they can make it onto the grid. Moreover, opportunities for developing new forms of energy, such as expanding natural gas generation, may be missed. Despite the obvious importance of dialogue between the United States and China on electricity issues, the understanding both countries have of each other’s electricity sectors is surprisingly inadequate. Promising new initiatives on technical cooperation in clean energy are likely to have limited success until the similarities and differences in engineering, economic, and political challenges facing each country’s electricity sectors are better appreciated. With improved understanding, there is a large untapped potential for joint research and problem solving.

Doesn’t solve – we don’t know where they are

Sokolski 6 (Henry-, Executive Director @ The Nonproliferation Policy Education Center, March 16, “U.S. - European Cooperation on the Iranian Nuclear Program”, http://www.scribd.com/doc/292626/CFR-PreparingIran)

Certainly, targeting Iran's nuclear facilities risks leaving other covert facilities and Iran's nuclear cadre of technicians untouched. More important, any overt military attack would give Tehran a cases belli either to withdraw from the Nuclear Nonproliferation Treaty (NPT) or to rally Islamic Jihadists to wage war against the U.S. and its allies more directly. Whatever might be gained in technically delaying Iran's completion of having a bomb option, then, would have to be weighed against what might be lost in Washington's long-term effort to encourage more moderate Islamic rule in Iran and the Middle East; to synchronize allied policies against nuclear proliferation; and to deflate Iran's rhetorical demonstrations against U.S. and allied hostility. Meanwhile; merely bluffing an attack against Iran -- sometimes urged as a way around these difficulties - would only aggravate matters: The bluff would eventually be exposed and so only embolden Iran and weaken U.S. and allied credibility further.

#### ---Conditionality is illegitimate and a voting issue. Time constraints and the no risk nature of conditionality undermine 2AC strategy. Independently, conditionality undermines the value of debate by causing superficial exploration of competing policy options.

#### CFIUS reform entrenches positive US-China relations.

Gordon 2012

David F., Head of Research and Director, Global Macro Analysis Eurasia Group, February 15, 2012, The Competitive Challenges Posed by China’s State-Owned Enterprises http://www.uscc.gov/hearings/2012hearings/written\_testimonies/12\_02\_15/12\_2\_15\_gordon\_testimony.pdf

The nascent policy dilemma surrounding all of these issues is what role China’s SOEs will seek and be allowed to play in the US domestic market. The US, despite recent economic weakness, still maintains the world’s largest and most attractive consumer market. We have robust domestic energy and commodity resources with positive growth prospects, like coal and unconventional hydrocarbons, that present enormous potential profits for the companies involved in extraction. Our open capital markets and regulatory structures underpin and support our attractiveness as an investment destination for foreign firms. Chinese SOE investment in the US remains nascent. Available data from private research firms shows just $10 billion of cumulative SOE investment into the US market—a paltry sum mostly focused on fossil fuels and financial services. Over the last decade, reputational risk, especially the possibility of running afoul of the Committee on Foreign Investment in the United States (CFIUS), has deterred would-be Chinese investment. Yet many Chinese SOEs, in a wider array of industries, are cash-rich. The goods they produce are becoming globally competitive. These firms will seek opportunities within US borders, and US household and corporate consumers will be interested in their products. As Chinese SOEs look increasingly to the US market, the US government will face a difficult balancing act between conflicting priorities. On the one hand, very real energy and broader national security concerns are at play—and these concerns have been the principal obstacles for Chinese SOEs seeking investments in the US in the past, as in CNOOC’s failed 2005 effort to acquire Unocal. On the other hand, SOE investment into the US economy would bring much-needed new capital and job growth that would have appreciable positive economic—and political—ramifications across the US. Two broad scenarios are possible. The US and China may find ways to effectively manage Chinese investment into the US. Beijing, for its part, must provide more transparency about the investment, funding, and even accounting practices of China’s SOEs. This would help to assuage national security concerns in the US over Chinese investment. In Washington, policymakers must also work to complement the largely depoliticized CFIUS vetting mechanism with more public and high-level political support and perhaps even investment incentives for Chinese firms interested in the US market. The Obama administration will surely seek to provide some such support while China’s Vice President Xi Jinping visits the US this week. Of course, coming to full agreement on these terms is impossible, but progress is certainly possible. Such progress would help to entrench bilateral investment as a tangible underpinning of a largely stable US-China relationship. The other scenario is one in which the flow of Chinese SOE investments into the US remains largely stalled. This scenario would assuage US energy and national security concerns in the near-term. But it would actually aggravate national security concerns over the long run by setting up a structurally more conflicted US/China relationship. In my view, that would be a mistake. Within its borders the US does and will maintain a position of strength in relation to China’s SOEs. Given our robust IPR protection regime and our national-security investment review processes, we have sizable levers to encourage job-generating investment here while protecting our domestic security interests and protecting our own firms from unfair competition or intellectual property theft.

#### Extinction

Wittner 2011

Lawrence, Professor of History emeritus at SUNY/Albany, Is a Nuclear War With China Possible?, Huffington Post, http://www.huffingtonpost.com/lawrence-wittner/nuclear-war-china\_b\_1116556.html

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries international conflicts have led to wars, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon. The gathering tension between the United States and China is clear enough. Disturbed by China's growing economic and military strength, the U.S. government recently challenged China's claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was "asserting our own position as a Pacific power." But need this lead to nuclear war? Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during their conflict over the future of China's offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would "be used just exactly as you would use a bullet or anything else." Of course, China didn't have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists. Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven't been very many -- at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan's foreign secretary threatened that, if the war escalated, his country felt free to use "any weapon" in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan. At the least, though, don't nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn't feel deterred, for, throughout the Cold War, NATO's strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing "Star Wars" and its modern variant, national missile defense. Why are these vastly expensive -- and probably unworkable -- military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might? Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over 5,000 nuclear warheads, while the Chinese government has a total inventory of roughly 300. Moreover, only about 40 of these Chinese nuclear weapons can reach the United States. Surely the United States would "win" any nuclear war with China. But what would that "victory" entail? An attack with these Chinese nuclear weapons would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a "nuclear winter" around the globe -- destroying agriculture, creating worldwide famine, and generating chaos and destruction. Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars "modernizing" its nuclear weapons and nuclear production facilities over the next decade. To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to improve U.S.-China relations. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

### Politics

#### No aging crisis – current immigration rates and high fertility solve

**Howe and Jackson 9** - Researchers at the Center for Strategic and International Studies and co-authors of "The Graying of the Great Powers: Demography and Geopolitics in the 21st Century.", “ (Neil and Richard, The World Won't Be Aging Gracefully. Just the Opposite.”, Washington Post, Jan 4, <http://www.washingtonpost.com/wp-dyn/content/article/2009/01/02/AR2009010202231.html>)

An important but limited exception to hyperaging is the United States. Yes, America is also graying, but to a lesser extent. We are the only developed nation with replacement-rate fertility (2.1 children per couple). By 2030, our median age, now 36, will rise to only 39. Our working-age population, according to both U.N. and census projections, will continue to grow throughout the 21st century because of our higher fertility rate and substantial immigration -- which we assimilate better than most other developed countries. By 2015, for the first time ever, the majority of developed-world citizens will live in English-speaking countries.

#### Won’t pass – Judiciary hearing proves GOP opposition to amnesty

Calderon 2/6/13 (Sara Ines, staffwriter, “House GOP Splitting on Immigration Reform” <http://politic365.com/2013/02/06/house-gop-splitting-on-immigration-reform/>)

It was an interesting turn of events, especially given the fact that another faction of the House GOP continued along the hard core, anti-immigration reform road yesterday as well. They characterized a pathway to citizenship for undocumented immigrants as “toxic” and “extreme” while questioning San Antonio Mayor and Democratic surrogate for President Obama in the last campaign Julián Castro during the Judiciary Committee hearing. Representative Robert Goodlatte, the Republican Chair of the House Judiciary Committe, asked if options other than mass deportations and full citizenship would be considered, “Are there options that we should consider between the extremes of mass deportation and a pathway to citizenship for those not lawfully present in the United States?” This question, along with a statement by Congressman Raúl Labrador (R-Idaho) about exploring policy solutions without an insistence on a pathway to citizenship, indicates that the Republicans are attempting to find way toward legalization without full-fledged citizenship. Essentially, while some notable Republicans, like Arizona Senator John McCain, make the case that the GOP needs to change their stance and rhetoric on immigration reform, only some of the leadership and membership of the right wing is willing to make these changes. Other conservatives who have previously supported immigration reform, like McCain, are back on the immigration reform bus in recent weeks, too, specifically Lindsey Graham and Marco Rubio. While Cantor’s capitulation is significant, as he is a party leader and voted against the DREAM Act just a few years ago, it’s going to take more House Republicans to pass any kind of comprehensive immigration bill. There’s also room for caution in Cantor’s changing position, however. Republicans are much more enthusiastic to pass piecemeal reform — such as the DREAM Act and STEM visas — rather than completely overhaul the system. And even when discussion about comprehensive reform comes up, it takes on the character of enforcement and border security.

#### Obama not key to immigration – can’t negotiate

Cost 2-11-13

Jay, a staff writer at The Weekly Standard, Obama the Bargainer; How to lose friends and alienate Congress The Weekly Standard

But presidential power the ability to persuade has many sources, some external, some internal. The external sources are all reducible to the political context. How many seats does the president's party control in Congress? What is the status of the opposition party? What was the relative strength of the president and his party in the last election? What is his job approval rating? And so on. All of these factors set the boundaries for how easily the president can persuade others. In 2009 and 2010, President Obama enjoyed a very favorable political context. Today, the political context is more favorable to him than it was in 2011, but markedly diminished from the heady days of 2009. So, for instance, President Obama can call for action on climate change until he is blue (or, perhaps, green) in the face, but the political environment including arguably the most conservative House of Representatives since the 1920s means he lacks the power to make it happen. The internal sources of strength are the president's political skills, which he deploys in particular circumstances. So the question becomes: How good is he at persuading others, given the political context? If political context is the science of presidential power, quantifiable in electoral results and congressional voting scores, persuasive skill is the art. Here, we must put down the American Political Science Review and pick up Machiavelli's Prince. As for President Obama's first term, no other incoming president in recent history had such a surplus of political capital and misused it so terribly. The reason? He lacks important skills that are integral in the exercise of presidential power. All presidents are unique, each possessing or lacking skills useful to a chief executive. Obama is notable in that he has mastered some vital skills better than any recent predecessor, but he exhibits virtually no facility with others. His strengths have been enumerated extensively by a fawning press corps. His favorable coverage is due not only to the media's ideological commitment to his policy goals, but also to his natural gifts. He awes the press, and many other groups in society, by his very presence. Moreover, he knows he has this power over them. This ability, more than any other, made him president and remains his single greatest source of power. Yet though he affects some people intensely, he himself seems largely unaffected by others. This helps explain why he has used his speaking ability so unevenly: He is wont to misread people, and therefore situations. His Tucson speech, for instance, after the shooting of Rep. Gabrielle Giffords, was a political stroke of genius. He intuited what the moment called for and delivered it perfectly. By contrast, his 2009 speech to the International Olympic Committee pitching Chicago was a waste of time and made him look small. Similarly, he has time and again left business leaders feeling nonplussed, inviting them to the White House mainly to serve as window dressing for another teleprompter performance. It is on Capitol Hill that Obama seems most out of touch with his audience. In particular, he does not understand what the key players in Congress expect, yet he is convinced he knows them better than they know themselves. What's more, he gives little and inconsistent guidance as to what he expects from them. That goes for both Republicans and Democrats. For Republicans, the warning signs appeared early, on the stimulus bill passed in the president's first month in office. Obama and his team were supremely confident that they could get a $900 billion package through Congress with solid Republican support, so much so that when House minority whip Eric Cantor warned that they would receive no backing from House Republicans, they told him not to embarrass himself with such an absurd prediction. Team Obama failed to anticipate how turned off the congressional GOP would be by the spending side of the package: Democratic appropriators were unloading a wish list that had accumulated during more than a decade of Republican governance. The White House also thought the Republicans would be attracted to the tax cuts that constituted roughly one-third of the package. But the White House did not understand how Republicans view taxes specifically, the difference between tax credits, which the stimulus favored heavily, and rate cuts, which Republicans prefer. None of this should have come as a surprise to anyone who had done any homework on the congressional GOP. After all, Republicans killed a 1993 stimulus bill that was qualitatively similar, but less than a tenth the size of the 2009 package. What did Team Obama surmise when its predictions fell flat? It certainly did not take time to gauge the congressional GOP more carefully, to build a more nuanced picture of Republicans' motives and expectations. Instead, it adopted the cartoonish caricature one finds in a Paul Krugman column: Republicans are contemptible knaves, willing to let the economy go down the drain to embarrass the president. The stimulus also featured another theme of presidential-congressional relations under Obama: mixed messages from the White House. Early in the negotiations over the bill, President Obama told House minority leader John Boehner and Cantor that he was interested in their ideas. He did not want to play partisan games; he just wanted to jump-start the economy. Yet when Cantor presented the president a list of suggestions, Obama brought the dialogue to an icy conclusion by infamously declaring, I won, so I think I trump you on that. During the deliberations on the bill, the president's chief of staff, Rahm Emanuel, was known to respond to other GOP suggestions by shouting, We have the votes. F 'em! For the first two years of Obama's tenure, congressional Republicans did not register with the White House at all. Contact was so sparse that when the GOP took control of the House of Representatives, the White House did not even have Boehner's cell phone number so the president could place a congratulatory call. The case of Michigan Republican Dave Camp is illustrative. According to Bob Woodward in The Price of Politics, During the debt ceiling battle of 2011, the president again exhibited cluelessness about the motivations of congressional Republicans. Precious time during the month of July was wasted as Obama insisted again and again on decoupling the Bush-era tax cuts, making permanent the cuts for those making under $250,000, and letting the cuts in the high-end rates expire. His argument was that the congressional GOP could avoid the wrath of Grover Norquist because it would not actually have to vote to increase taxes. It seemed never to cross his mind that tax rate increases such as he was proposing were anathema to congressional Republicans. The bigger problem during the debt ceiling fight, and probably the biggest contributor to the near-default of the country that summer, was Obama's failure to heed Boehner's warning that $800 billion in additional tax revenue was his red line, above which he could not go. The justification for that figure was that it was all that could be squeezed out of tax reform (and even that was optimistic according to many analysts); beyond that, tax rates would have to be raised in order to bring in more revenue. In late July, after Boehner had made a grand bargain offer that included $800 billion in new revenue, Obama asked for another $400 billion. Memories diverge on exactly who said what Boehner is convinced Obama said he had to have the extra money, while Obama believes he only suggested it. This ambiguity might have been avoided if Obama had not made the rookie mistake of making such a big request over the phone instead of in person. And, anyway, he should have known not to ask, given Boehner's previous warnings about his red line. Unsurprisingly, the deal blew up shortly afterwards. It boils down to the difference between listening and waiting to talk. With congressional Republicans, Obama always seems to do the latter. So, once again, he was left disappointed, and once again he assumed the worst of his negotiating partners. He surmised that there were simply too many extreme Tea Party Republicans who were prepared to breach the debt ceiling, and that Boehner lacked control of his caucus. Again, a basic understanding of Republican history would have corrected this notion. Like Newt Gingrich and Denny Hastert before him, Boehner is responsible to a majority of the Republican caucus, which for generations has opposed the kinds of rate increases that $1.2 trillion in new revenue would have required. Not only did Obama fail to listen during the debt ceiling struggle, he consistently sent the other side mixed messages. A case in point: Obama's demagogic April 2011 speech blasted Paul Ryan's budget as leaving seniors at the mercy of the insurance industry and abandoning the fundamental commitment this country has kept for generations. In private, however, Obama had praised Ryan for offering a serious proposal and emphasized that both sides had to avoid scaring the elderly for political points. Worse, he had held a bipartisan summit that very day to encourage the two sides to come together on a plan. Obama's problems communicating with Congress are not limited to the right side of the aisle. Although Democrats need not worry about White House demagoguery or fret that Obama fails to understand their concerns, he has nevertheless done a poor job of engaging them in dialogue. In particular, the White House has often cut congressional Democrats out of the loop, inhibiting interbranch coordination and angering leaders by what they feel is trampling on their institutional rights. Indeed, the president's signature achievement Obamacare almost did not happen because of this. The process by which the health care bill was written was chaotic, to say the least. At one point five bills were circulating on Capitol Hill, three in the House and two in the Senate. Each differed, sometimes dramatically, in how to expand coverage and how to pay for it. And yet the White House did virtually nothing in 2009 to coordinate these efforts. In fact, White House aides privately thought the final House bill was a liberal fantasy, and they had worked out a deal with medical providers that did not include the so-called public option. Yet the president never came out against that proposal, or any other, for that matter. After multiple calls over the summer of 2009 for President Obama to set some ground rules on what he expected, he gave a speech in early September that, though his aides promised specificity, was once again vague. Finally, in early January, when the two chambers had passed their bills and it came time to work out the finer points, President Obama actually stormed out of a meeting after Nancy Pelosi tartly expressed her frustration with his lack of leadership. It was left to Emanuel to finish the negotiations. Worse, the needless delays due to the lack of presidential leadership sapped public support for the reform effort, led to Scott Brown's victory in the Senate race in Massachusetts that January, and eventually forced Democrats to pass a gratuitously slipshod and ill-conceived bill that otherwise never would have become law. After the 2010 midterms, House Democrats lost their majority, but not all of their clout. It would have been virtually impossible for Boehner to pass a compromise debt ceiling plan through the House in 2011 without at least some Democratic support, so it was appropriate for Pelosi and her leadership team to be kept in the loop. For a while, they were, but as Boehner and Obama approached a grand bargain, House Democrats were excluded. Amazingly, so was Harry Reid. Any deal would obviously have to bear the imprimatur of the Senate majority leader, yet he was cut out of the final talks. It was only after the New York Times scooped the Boehner-Obama grand bargain that the White House brought Senate Democrats into the loop. Unsurprisingly, they were apoplectic, believing that the deal extracted too little from the congressional GOP, and feeling that they had been ignored. In fact, it was the outrage of the Senate Democrats that prompted the White House to go back to Boehner at the last minute to ask for more tax revenue, scuttling the big deal once and for all. All of these stories point in the same direction: This president does not have a solid congressional outreach program, does not have a steady grasp of the expectations of legislators in either party, and does a notably poor job of communicating to them what he expects. Thus, a drifting and listless policy process, finally given direction by some power player outside the White House, often acting to avert imminent disaster, has marked almost every major deal during his tenure. There is little reason to expect anything different in the next four years. In the end, President Obama simply does not spend enough time talking to members of Congress. He is too aloof, and most accounts suggest he dislikes the seemingly petty, parochial nature of Capitol Hill. In an interview with journalist Ron Suskind, President Obama articulated what he believes to be the core of a president's job, and what he learned from the troubles of his first term: While this statement would surely make the republicans of the founding generation turn over in their graves, it does encapsulate the job of the modern president, but only in part. Yes, he is to stand, almost godlike, above the political process and tell a story, but the modern presidential deity is not in line with the watchmaker God of the 18th-century rationalists. It is not enough to put the pieces in motion, then stand back. Instead, a president must be more like the God of the Old and New Testaments, above the world and sovereign over it, but also intimately involved in it, guiding, encouraging, cajoling, and threatening people to make the right choices. The ideal modern president, to borrow a phrase from Theodore Roosevelt, is one actually in the arena, whose face is marred by dust and sweat and blood. President Obama does not much care for the arena, and his successes came despite this distaste, not because of it. In fact, Nancy Pelosi probably deserves most of the credit for the legislative victories of 2009-2010. She functioned as a de facto prime minister, with her eyes always on big, national projects while she dealt with the provincial concerns of this committee chair or that subcommittee member. She, not Obama, was the one in the arena. What this means is that major breakthroughs on legislation in the next four years are likely to depend on political actors outside the White House. Pelosi's power is only a fraction of what it was, but policy success will still depend on congressional entrepreneurs as long as the White House remains disengaged. Thus, a whole host of issues will likely go unaddressed, above all, the looming entitlement crisis. One issue that could see movement is immigration reform, a topic of discussion where there is overlap between the parties and there are potential leaders in Congress, like Marco Rubio, who could help in whipping his party and negotiating a compromise with the other side. But little such progress will be due to President Obama. It is highly unlikely that he will act as the collective bargainer Neustadt envisioned. He will not be the one to help hammer out policy differences between Senate Democrats and House Republicans, such as illegal immigrants' status under Obamacare, or help the appropriators find the money needed for enforcement, or create a political space where both parties can declare victory. Sure enough, last week's campaign-style speech in Las Vegas on immigration reform was classic Obama. Not only did it do nothing to advance the ball on the sensitive negotiations in Congress, but the president demanded immediate amnesty, something to which Republicans will never agree. He also said he would insist that Congress vote on his proposal if it did not act in a timely fashion. That captures Obama's problem in a nutshell. Insisting that Congress do something is a good way to make sure nothing happens. Instead, as Harry Truman once said, the president must spend his time flattering, kissing, and kicking people to get them to do what they are supposed to do anyway. Barack Obama does not do this. He thinks it beneath him. After four years in office, he still fails to grasp the essence of modern presidential power.

#### The plan is guidance not legislation

Jackson 10 (James K. Jackson, CRS Specialist in International Trade and Finance, Foreign Investment, CFIUS, and Homeland Security: An Overview, February 4, http://fpc.state.gov/documents/organization/138597.pdf)

While CFIUS’s activities often seem to be quite opaque, the Committee is not free to establish an independent approach to reviewing foreign investment transactions, but operates under the authority of the President and reflects his attitudes and policies. As a result, any discretion CFIUS uses to review and to investigate foreign investment cases reflects policy guidance from the President. Foreign investors are also constrained by legislation that bars foreign direct investment in such industries as maritime, aircraft, banking, resources and power. 7 Generally, these sectors were closed to foreign investors prior to passage of the Exon-Florio provision in order to prevent public services and public interest activities from falling under foreign control, primarily for national defense purposes.

#### That means no link

Hamilton and Schroeder 1994 [James T. Hamilton is an assistant Professor of Public Policy, Economics and Political Science at Duke University, Christopher H. Schroeder is a Professor of Law at Duke University School of Law “Strategic Regulators and the Choice of Rulemaking Procedures: The Selection of Formal vs. Informal Rules in Regulating Hazardous Waste http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=4229&context=lcp]

3. As the regulatory costs imposed on parties increase, the more likely the parties will resist and, hence, the more likely the agency is to use informal rulemaking. Industry interest groups may attempt to weaken costly formal rules by commenting on them during the formal rulemaking process or by challenging them in court. Similarly, environmentalists may attempt to strengthen provisions through submissions and court challenges. Regulatory costs for industry include expenditures arising from compliance and enforcement actions, while costs for environmentalists may relate to the potential environmental damages posed by the activity regulated. The more at stake for regulated parties and other intervenors, the more likely the agency may be to issue the rule informally. Issuing a costly rule through the informal process has several advantages for the agency: it makes input from interest groups less likely than under the formal process; reduces the ease with which Congress may monitor agency performance and hence lessens the ability of interest groups to "pull the fire alarm" on agency actions; lessens the probability that an interest group will be able to challenge the rule in court as informal rules lack the long administrative records of formally published rules; and enables the agency to alter costs of compliance for particular parties since informal rules may be applied with more discretion than formal rules.

#### Tsunami of unpopular regulations and executive action immediately following election

Ellis 11/1/12 (Ashton, Lame Duck Will Be Very Active Center for Individual Freedom

<http://cfif.org/v/index.php/commentary/54-state-of-affairs/1637-lame-duck-will-be-very-active>)

Aside from new taxes, there’s the specter of several new and expensive regulations being unleashed on the economy after the election. This past April, the Obama Administration’s Office of Management and Budget failed to publish a legally required report spelling out the new regulations it is considering. The deadline to give notice came and went, giving businesses yet another reason to freeze hiring and other expansion projects for fear of new compliance costs. The backlog is about to burst. Richard Rahn of the Cato Institute [notes](http://www.cato.org/publications/commentary/coming-regulatory-tsunami) that rules have been stalled in the pipeline for review much longer than the historic 60-day average. In fact, according to a regulatory expert Rahn cites, “over 70 percent of the regulations under review have been sitting at OIRA [Office or Information and Regulatory Affairs] for longer than 90 days.” That is the default review time required by executive order. The Obama Administration’s motivation is both obvious and cynical. Like most of the taxes and mandates in ObamaCare, the rules being delayed are politically unpopular. Because implementing them before the election could very well cost President Obama votes, his administration seems to be gearing up to unleash a tsunami of regulations soon after Americans cast their ballots. If he is reelected, Obama can push forward on his “We Can’t Wait” agenda by circumventing Congress with administrative rules. If Romney wins, Obama can seriously harm the victor’s first 100 days by ramming through last minute rules that will take months or even years to unwind. A lame duck Congress would do Americans a favor by spotlighting the Obama Administration’s abuse of the rulemaking process, and use the issue to galvanize support for reform ideas like the REINS Act and other measures that would return the lawmaking function to the lawmaking body.

#### The GOP will backlash to CFIUS not Obama- A123 proves.

The Hill 1-29 (Sale of stimulus-backed energy firm approved despite GOP concerns, http://thehill.com/blogs/e2-wire/e2-wire/279819-a123-sale-approve-despite-gop-national-security-concerns)

Chinese firm Wanxiang America has been given the go-ahead to buy a U.S. clean-energy firm despite Republican concerns that the sale could harm national security, the company announced Tuesday.

The Committee on Foreign Investment in the United States (CFIUS) approved Wanxiang America’s purchase of A123 Systems’ automotive, energy storage and commercial operations for $256.6 million.

“The future is bright for A123. It is a company with exceptional talent and potential, and Wanxiang America is committed to its long-term success and the continuance of its U.S. operations,” Pin Ni, president of Wanxiang America, said in a statement. CFIUS, an interagency panel led by the Treasury Department, has the power to negate deals with foreign firms if they harm national security. Some GOP lawmakers worried that was the case with the bid for Waltham, Mass.-based A123, and they lobbied CFIUS to block the transaction.

#### China FDI popular – economic considerations and China lobby

Schatz 10-5-12 (Joseph, POLITICO Pro’s tax editor. Before joining POLITICO, Schatz spent nearly a decade at Congressional Quarterly, covering politics and economics on Capitol Hill. Most recently, he was CQ's senior economic writer for four years, covering everything from the Wall Street bailout and the debt ceiling crisis to trade and the U.S.-China relationship, for which he received the National Press Club’s Sandy Hume award in 2010, “China politics aren't black and white,” Politico.com October 5, 2012, lexis)

Mitt Romney's hard-hitting ads claim President Barack Obama needs to "stand up" to China. Paul Ryan has fanned out across the industrial Midwest, saying that Beijing is treating Obama "like a doormat." The president, of course, is in on the act as well -- an Obama television spot accuses Romney of supporting "sweatshop conditions" through an old Bain Capital investment in China. Yet amid all the campaign tough talk about China, three of Romney's most prominent GOP surrogates were down in Texas last week, begging Chinese investors to set up shop in their states. "We're all here talking to them about why they should come to each of our states, and why for sure they should come to our country," Florida Gov. Rick Scott told FOX News as he, Rick Perry of Texas, Scott Walker of Wisconsin gathered at Cowboys Stadium in Arlington, Texas to meet with a traveling contingent from China touring the United States for nine days, looking for places to park their cash. It just goes to show: Black-and-white campaign slogans don't easily translate into economic policy, including the exquisitely complex U.S.-China economic relationship. For one thing, most economic experts doubt that Romney would really wrangle with the United States's biggest creditor, given the risks of a trade war. Indeed, the former Massachusetts governor's tone in the first presidential debate Oct. 3 already seemed a bit softer, as he promised to "crack down on China, if and when they cheat." But the dynamics are even more complicated when it comes to rapidly rising Chinese investment in the United States, particularly at the state and local level, where government officials of both parties are eagerly courting Chinese investments in waterfront rehabilitation plans, energy deals, greenfield projects and auto manufacturing. There are plenty of hiccups and failed deals, like Obama's high-profile decision to block the acquisition of four Oregon wind farms by Chinese-affiliated Ralls Corp., last week, on national security grounds. With China, you never quite know whether a firm is truly "private," or an arm of the state. But Chinese investment is way up in recent years, and Congress, which helped sink the Chinese purchase of Unocal Corp. in 2005, has been largely quiet on a broad range of Chinese acquisitions. That's in part because the U.S. economy badly needs the investment -- attracting foreign investment is going to be a major theme in any tax reform debate next year -- and in part because Chinese firms have gotten smarter about lobbying, and have won friends in Washington. Kevin G. Nealer, a partner at the Scowcroft Group, says that the scale of China's investments have changed the equation. Nealer was a Senate leadership staffer in the 1980s, when Japan's sudden emergency as a car and technology powerhouse provoked rage on Capitol Hill -- and when that fury started abating. "I saw the inflection point in trade neuralgia come when Japanese firms started making major investments here, building factories and hiring American workers at Toyota and Honda plants by the thousands," Nealer says. Business groups and analysts say that's already beginning to happen, though the level of investment is still small compared to countries like Germany. While China is the U.S. government's biggest creditor, with $1.15 trillion in Treasury securities, it still has relatively little money invested in elsewhere in the U.S. economy. In a report last week, Thilo Hanemann and Adam Lysenko of the Rhodium Group, an investment firm that closely tracks Chinese investment, said that before 2008, Chinese firms were responsible for very few jobs in the United States. "One of the most important questions is how Chinese investment affects U.S. employment," the authors note. While the figure is still small, it now stands at about 27,000, they said, as China has rapidly ramped up its investments "from an annual average of around 30 deals worth less than $500 million before 2009 to almost 100 deals worth about $5 billion in 2010 and 2011." Investment in the first half of 2012 alone totaled $3.6 billion, led by big Chinese acquisitions in the U.S. energy and banking sectors, like the Industrial & Commercial Bank of China Ltd.'s purchase of an 80 percent stake in the Bank of East Asia's U.S. subsidiary, a move that required approval by the Federal Reserve. For state and local governments, it's all about jobs. U.S. governors from both parties regularly go to China to solicit investment. And Michael Bell, the Democratic mayor of Toledo, Ohio -- exactly the region where Romney and Ryan are directing some of their harshest China attacks -- has drawn attention for attracting $200 million in Chinese property development investment. It's one of the chief reasons that China weathered the failed 2005 attempt by state-owned China National Offshore Oil Company Ltd. (CNOOC) to purchase Unocal. "To a degree, all politics are local," said one D.C. lawyer who has worked with Chinese investors. "If you're able to do it the right way, in a way that benefits someone's local district, that helps tamp down some of the concerns." U.S. lawmakers revamped the Committee on Foreign Investment in the United States (CFIUS), the Treasury-based group that last week recommended that Obama block the Ralls sale. And they still raise criticisms about many proposed deals in the sensitive telecom and Internet sectors, where a Chinese firm with government ties could pose a security threat. In July, Chinese telecommunication companies Huawei and ZTE were grilled by members of the House Intelligence Committee about the companies' relationship with the Chinese government. But some Chinese firms have become savvier. They've hired lobbyists at Hill and Knowlton, Patton Boggs and other D.C. shops to press their cases in the corridors of power in Washington. Still, notes Scowcroft's Nealer, some Chinese investors, coming from a culture of government control, can't believe that the U.S. investment process is largely free and open. The U.S. Chamber of Commerce circulated a report in July touting Chinese investment success stories in the United States. The Obama administration has also made efforts to link Chinese firms with American companies.

## 1ar- Round 1

### 2AC Political Capital Not Key

#### Obama’s capital is not a thing – he won’t or can’t successfully negotiate with Congress. The 2ac cost evidence indicates that

#### Ideology determines votes, not the president. Our evidence is specific to Obama’s second term.

Chait 2013

Jonathan, commentator for New York magazine, Obama’s Second Term Not Really Up to Him, 1-21-13 http://nymag.com/daily/intelligencer/2013/01/obamas-second-term-not-really-up-to-him.html

There is nothing quite like a presidential inauguration to bring to full bloom the cult of the presidency. We fuss over the pageantry and the ritual and the First Lady’s attire like the tittering royal subjects we fought a war to stop being. The cult of the presidency is not merely excessive deference to the president as a figure. Sometimes, as when we expect the president to do things beyond the powers of his office and rage at his failure, it is not even that. The cult of the presidency is a pervasive assumption that public life is a drama revolving around the president. The current debate swirling around President Obama’s second term embodies that misconception. Obama is approaching the outset of his second term differently than his first, and also differently than the outset of his second two years, when he first confronted the Republican-controlled Congress. He is occupying popular centrist terrain, using his office to define the debate, and daring Republicans to oppose him. What will the outcome be? Some say Obama is treating the Republicans too meanly. Others think he has to be meaner. But the prosaic reality is that Obama’s disposition isn’t the issue here. The main question is what the Republicans in Congress decide to do. The legislative results of Obama’s second term lie almost entirely in their hands. Obama may be the central figure in the national political drama, but the choice is being played out offstage. None of this is to deny the enormous power vested within the president. Obama has a great latitude to select the terms of the debate. The second term will revolve, at least at the outset, over deficit reduction, immigration reform, and gun control. Those are the issues he picked. His position on all of them is relatively clear. There’s a deal on the table, and Republicans can either take it or not. Nobody knows or cares whether John Boehner's wife has bangs. Obama can increase the political pressure on them, but the calculation that will determine their decision is almost entirely internal. The most likely issue for a successful deal is immigration — the national party has determined that its low standing with Latino and Asian voters is so low it cannot afford a high profile fight against reform. On guns, the Republican base fiercely opposes any meaningful action, but elements of Obama’s proposals poll well enough that there is some chance they will budge. (Still less than 50-50, I’d hazard.) On the deficit, the party has shown no sign of willingness to trade higher tax revenue for cuts to social spending, so stalemate appears most likely. Kind of dissatisfying, isn’t it? We like our presidential dramas. We want the Obama era to revolve around Obama and produce a character narrative that will eventually produce grist for 800-page tomes that will be Father’s Day gifts decades into the future. Obama has done his job extremely well, by my reckoning. But that is all he is — the head of one, equal branch of government, a man we have hired to do a job. Our need to elevate him into a monarchial figure not only causes us to persistently misunderstand the world around us, but is also detrimental to the habits of self-government.

#### Obama will pass the buck to Biden.

Kamarck 2013

Elaine, senior fellow in the Governance Studies program at Brookings and the Director of the Management and Leadership Initiative at Brookings, Reflections on President Obama’s Inaugural Address, His Second Term and Presidential Leadership Style, January 22 2013, http://www.brookings.edu/blogs/up-front/posts/2013/01/22-presidential-leadership-kamarck

Presidential leadership exists in a special, charmed section of the universe where substance and style intersect. It’s no secret that Obama’s first term leadership drove both his friends and his enemies to distraction on both counts. From time to time, the left wing of the Democratic Party was beside itself, convinced that what they were getting was Clintonism without the love. And from time to time, the centrists in the party were convinced that he was an old fashioned liberal in high-tech clothing. Among his enemies, especially on Capitol Hill, his detachment from the intimate, personal, in-your-face persuasion of politics made it easy for them to demonize him as some kind of alien elitist whose existence was dangerous to the Republic. In terms of style, the President’s second term promises to be much better but not because the President himself has changed. In spite of President Lincoln’s recent adulation (Obama took the oath of office on Lincoln’s Inaugural Bible), Obama is not likely to lead a team of rivals, cutting one deal after another with members of the opposite party in order to pass legislation. Then again, he doesn’t really have to. Obama has discovered, perhaps belatedly, that his very own Vice President can cut these deals in a way that Obama himself cannot or will not. For the third time in Obama’s Presidency, Vice President Biden was able to cut a deal on fiscal issues with the Republicans when everyone else in the Administration had failed. No wonder the Economist called Biden “the McConnell Whisperer” for his ability to succeed with the Republican leaders when all others have failed.

### Guidance

#### The GOP will backlash to CFIUS not Obama- A123 proves.

The Hill 1-29 (Sale of stimulus-backed energy firm approved despite GOP concerns, http://thehill.com/blogs/e2-wire/e2-wire/279819-a123-sale-approve-despite-gop-national-security-concerns)

Chinese firm Wanxiang America has been given the go-ahead to buy a U.S. clean-energy firm despite Republican concerns that the sale could harm national security, the company announced Tuesday.

The Committee on Foreign Investment in the United States (CFIUS) approved Wanxiang America’s purchase of A123 Systems’ automotive, energy storage and commercial operations for $256.6 million.

“The future is bright for A123. It is a company with exceptional talent and potential, and Wanxiang America is committed to its long-term success and the continuance of its U.S. operations,” Pin Ni, president of Wanxiang America, said in a statement. CFIUS, an interagency panel led by the Treasury Department, has the power to negate deals with foreign firms if they harm national security. Some GOP lawmakers worried that was the case with the bid for Waltham, Mass.-based A123, and they lobbied CFIUS to block the transaction.

#### Tsunami of unpopular regulations and executive action immediately following election

Ellis 11/1/12 (Ashton, Lame Duck Will Be Very Active Center for Individual Freedom

<http://cfif.org/v/index.php/commentary/54-state-of-affairs/1637-lame-duck-will-be-very-active>)

Aside from new taxes, there’s the specter of several new and expensive regulations being unleashed on the economy after the election. This past April, the Obama Administration’s Office of Management and Budget failed to publish a legally required report spelling out the new regulations it is considering. The deadline to give notice came and went, giving businesses yet another reason to freeze hiring and other expansion projects for fear of new compliance costs. The backlog is about to burst. Richard Rahn of the Cato Institute [notes](http://www.cato.org/publications/commentary/coming-regulatory-tsunami) that rules have been stalled in the pipeline for review much longer than the historic 60-day average. In fact, according to a regulatory expert Rahn cites, “over 70 percent of the regulations under review have been sitting at OIRA [Office or Information and Regulatory Affairs] for longer than 90 days.” That is the default review time required by executive order. The Obama Administration’s motivation is both obvious and cynical. Like most of the taxes and mandates in ObamaCare, the rules being delayed are politically unpopular. Because implementing them before the election could very well cost President Obama votes, his administration seems to be gearing up to unleash a tsunami of regulations soon after Americans cast their ballots. If he is reelected, Obama can push forward on his “We Can’t Wait” agenda by circumventing Congress with administrative rules. If Romney wins, Obama can seriously harm the victor’s first 100 days by ramming through last minute rules that will take months or even years to unwind. A lame duck Congress would do Americans a favor by spotlighting the Obama Administration’s abuse of the rulemaking process, and use the issue to galvanize support for reform ideas like the REINS Act and other measures that would return the lawmaking function to the lawmaking body.

### A/T FDI Link

#### China FDI popular – economic considerations and China lobby

Schatz 10-5-12 (Joseph, POLITICO Pro’s tax editor. Before joining POLITICO, Schatz spent nearly a decade at Congressional Quarterly, covering politics and economics on Capitol Hill. Most recently, he was CQ's senior economic writer for four years, covering everything from the Wall Street bailout and the debt ceiling crisis to trade and the U.S.-China relationship, for which he received the National Press Club’s Sandy Hume award in 2010, “China politics aren't black and white,” Politico.com October 5, 2012, lexis)

Mitt Romney's hard-hitting ads claim President Barack Obama needs to "stand up" to China. Paul Ryan has fanned out across the industrial Midwest, saying that Beijing is treating Obama "like a doormat." The president, of course, is in on the act as well -- an Obama television spot accuses Romney of supporting "sweatshop conditions" through an old Bain Capital investment in China. Yet amid all the campaign tough talk about China, three of Romney's most prominent GOP surrogates were down in Texas last week, begging Chinese investors to set up shop in their states. "We're all here talking to them about why they should come to each of our states, and why for sure they should come to our country," Florida Gov. Rick Scott told FOX News as he, Rick Perry of Texas, Scott Walker of Wisconsin gathered at Cowboys Stadium in Arlington, Texas to meet with a traveling contingent from China touring the United States for nine days, looking for places to park their cash. It just goes to show: Black-and-white campaign slogans don't easily translate into economic policy, including the exquisitely complex U.S.-China economic relationship. For one thing, most economic experts doubt that Romney would really wrangle with the United States's biggest creditor, given the risks of a trade war. Indeed, the former Massachusetts governor's tone in the first presidential debate Oct. 3 already seemed a bit softer, as he promised to "crack down on China, if and when they cheat." But the dynamics are even more complicated when it comes to rapidly rising Chinese investment in the United States, particularly at the state and local level, where government officials of both parties are eagerly courting Chinese investments in waterfront rehabilitation plans, energy deals, greenfield projects and auto manufacturing. There are plenty of hiccups and failed deals, like Obama's high-profile decision to block the acquisition of four Oregon wind farms by Chinese-affiliated Ralls Corp., last week, on national security grounds. With China, you never quite know whether a firm is truly "private," or an arm of the state. But Chinese investment is way up in recent years, and Congress, which helped sink the Chinese purchase of Unocal Corp. in 2005, has been largely quiet on a broad range of Chinese acquisitions. That's in part because the U.S. economy badly needs the investment -- attracting foreign investment is going to be a major theme in any tax reform debate next year -- and in part because Chinese firms have gotten smarter about lobbying, and have won friends in Washington. Kevin G. Nealer, a partner at the Scowcroft Group, says that the scale of China's investments have changed the equation. Nealer was a Senate leadership staffer in the 1980s, when Japan's sudden emergency as a car and technology powerhouse provoked rage on Capitol Hill -- and when that fury started abating. "I saw the inflection point in trade neuralgia come when Japanese firms started making major investments here, building factories and hiring American workers at Toyota and Honda plants by the thousands," Nealer says. Business groups and analysts say that's already beginning to happen, though the level of investment is still small compared to countries like Germany. While China is the U.S. government's biggest creditor, with $1.15 trillion in Treasury securities, it still has relatively little money invested in elsewhere in the U.S. economy. In a report last week, Thilo Hanemann and Adam Lysenko of the Rhodium Group, an investment firm that closely tracks Chinese investment, said that before 2008, Chinese firms were responsible for very few jobs in the United States. "One of the most important questions is how Chinese investment affects U.S. employment," the authors note. While the figure is still small, it now stands at about 27,000, they said, as China has rapidly ramped up its investments "from an annual average of around 30 deals worth less than $500 million before 2009 to almost 100 deals worth about $5 billion in 2010 and 2011." Investment in the first half of 2012 alone totaled $3.6 billion, led by big Chinese acquisitions in the U.S. energy and banking sectors, like the Industrial & Commercial Bank of China Ltd.'s purchase of an 80 percent stake in the Bank of East Asia's U.S. subsidiary, a move that required approval by the Federal Reserve. For state and local governments, it's all about jobs. U.S. governors from both parties regularly go to China to solicit investment. And Michael Bell, the Democratic mayor of Toledo, Ohio -- exactly the region where Romney and Ryan are directing some of their harshest China attacks -- has drawn attention for attracting $200 million in Chinese property development investment. It's one of the chief reasons that China weathered the failed 2005 attempt by state-owned China National Offshore Oil Company Ltd. (CNOOC) to purchase Unocal. "To a degree, all politics are local," said one D.C. lawyer who has worked with Chinese investors. "If you're able to do it the right way, in a way that benefits someone's local district, that helps tamp down some of the concerns." U.S. lawmakers revamped the Committee on Foreign Investment in the United States (CFIUS), the Treasury-based group that last week recommended that Obama block the Ralls sale. And they still raise criticisms about many proposed deals in the sensitive telecom and Internet sectors, where a Chinese firm with government ties could pose a security threat. In July, Chinese telecommunication companies Huawei and ZTE were grilled by members of the House Intelligence Committee about the companies' relationship with the Chinese government. But some Chinese firms have become savvier. They've hired lobbyists at Hill and Knowlton, Patton Boggs and other D.C. shops to press their cases in the corridors of power in Washington. Still, notes Scowcroft's Nealer, some Chinese investors, coming from a culture of government control, can't believe that the U.S. investment process is largely free and open. The U.S. Chamber of Commerce circulated a report in July touting Chinese investment success stories in the United States. The Obama administration has also made efforts to link Chinese firms with American companies.

### At india

#### India relations resilient---immigration fights don’t spill over

Shari B. Hochberg 12, Pace University School of Law, Winter 2012, “United States-India Relations: Reconciling the H-1B Visa Hike and Framework for Cooperationon Trade and Investment,” Pace International Law Review, Vol. 24, No. 1, http://digitalcommons.pace.edu/cgi/viewcontent.cgi?article=1324&context=pilr

The United States and India share common interests, from international security to the free flow of commerce. India has joined the United States in becoming a major world power, and over the last decade, the two countries have worked together to strategize capitalizing on each other’s growth. Ties have strengthened between the nations. However, much of that relationship rests on a flawed system of immigration and inconsistent international employment standards.

The United States and India signed the Framework, and only five months later, the United States passed legislation to increase fees on the H-1B visa, most frequently utilized by Indian businesses. Additionally, the state of Ohio made a statement in banning outsourcing within a week after the visa fee hike. The United States is sending mixed messages to India as well as to the rest of the world.

So long as the United States Administration keeps dialogue open and assuages the fears of the Indian business sector, the fierce debate will remain calm in the short-term. In the long run, however, the United States must overhaul its current immigration law, starting with the H-1B visa program. Eventually, a multilateral trade treaty should be reached, exponentially expanding the global marketplace, while allowing member countries to protect their own domestic interests.

US-Indian relations low but will never collapse

**Padukone 12** (Neil Padukone is the Felow for geopolitics at the Takshashila Institution, 6/19/2012, "Natural Allies?", pragati.nationalinterest.in/2012/06/natural-allies/)

In the late 1990s, the United States and India embarked on a partnership based largely on three strategic issues: markets, counter-terrorism, and balancing China. With the opening of India’s economy in 1991, the United States saw India’s billion-strong population as a massive market for its businesses. In the wake of 9/11, Washington came to see India’s travails against Islamist militants in Kashmir and Afghanistan through the lens of its War on Terror and increased counter-terrorism cooperation with New Delhi. And as India’s and China’s strategic spaces began to overlap, managing China’s rise became a common concern for both New Delhi and Washington. With that in mind, the United States and India reversed decades of enmity and, through the 2006 nuclear deal, embarked upon a symbolic commitment to what heads of state of both countries have called a “natural alliance.” Yet with all the fanfare- particularly after U.S. President Barack Obama voiced his support for a permanent Indian seat on the UN Security Council in his 2010 Lok Sabha speech- bilateral ties have recently been marked by considerable drift: India has not fallen in line on the issue of Iran, Washington is only slowly coming around on Pakistani militancy, the countries’ UN voting records do not mesh, and trade disagreements abound. Questions have been raised over why U.S.-India relations have cooled, or whether they were over hyped in the first place. The U.S. Department of Defense’s “strategic pivot” toward Asia is one way to shore up relations and realign the Indo-U.S. partnership. India’s geostrategic location at the centre of the Indian Ocean- along with its naval expansion toward the southern Indian Ocean and its Port Blair naval base at the Andaman Islands- enable New Delhi to manage China’s presence in the region. Indeed, India and America’s navies have been more coordinated than any other bureaucracy since 2000. But the implications of this shared Beijing-centric orientation will only come about in the medium-term. One dimension of these ties, the sale of defence technologies, is another place where India has not yet delivered: the recent Medium Multi-Role Combat Aircraft (MMRCA) competition failed to award contracts to American companies. And in the middle of a global recession in which all countries are hunkering down, and domestic inflation and unemployment- not to mention concerns over doing business in India, such as retroactive taxation and tax avoidance measures- have grown, economic reforms that would further open India’s markets have slowed. U.S. Secretary of State Hillary Clinton’s recent visit to Kolkata was largely an effort to encourage India to increase the speed of its market liberalisation, particularly in the retail sector. This may be a prospect for the future, but is doubtful today given India’s economic slowdown and the attendant drop in employment. Yet perhaps the main reason for this strategic drift is that America’s key concern in South Asia these days is Afghanistan. President Obama delivered on his campaign promise to refocus efforts on the war in that country, and from 2009, his administration’s “AfPak” strategy took a regional perspective that originally sought to bring India into the equation. The thinking behind this, as Amitai Etzioni writes, is that “for Pakistanis, conflict (with India) poses an ominous existential challenge that drives their behaviour on all things,” including “their approach to the West and the war in Afghanistan… If the India-Pakistan confrontation could be settled, chances for progress on other fronts would be greatly enhanced.” The implication was that Washington ought to hyphenate India and Pakistan, to see the two as part of the same regional tussle, and try to settle the Kashmir dispute in order to make progress in Afghanistan. This was something New Delhi vehemently opposed and in fact, it sought de-hyphenation from Pakistan – engagement with New Delhi and Islamabad on separate and unconnected tracks. So when the office of the late US Special Adviser on Pakistan and Afghanistan Richard Holbrooke sought to include India and Kashmir in its purview, New Delhi successfully lobbied against it. This effort served one of India’s aims, insofar as it keeps Kashmir out of America’s area of direct intervention. Yet it also takes India, its assets, and its clout out of the broader Afghan resolution. Among these assets is the Indian-constructed Chabahar Road that connects Iran’s eastern Chabahar Port on the Gulf of Oman to western Afghanistan. The road ends Pakistan’s monopoly on seaborne trade to Afghanistan, which has long allowed Islamabad’s pernicious dominance of Kabul’s economic and political life. In light of America’s confrontation with Iran and efforts to sanction the latter’s energy sector, however, Washington opposes India’s use of Chabahar, particularly to import Iranian oil and natural gas. Indeed another goal of Secretary Clinton’s visit was to try to shore up India’s support for sanctions against Iran- to which end India is reducing its dependence on Iranian energy as it awaits an exemption on sanctions from the US State Department. But when New Delhi recently used its Chabahar road to send 100,000 tons of wheat to Kabul, its full potential vis-à-vis Afghanistan became evident. And this food aid was on top of India’s additional commitments to Afghanistan: constructing the Zaranj-Delaram highway in western Afghanistan that connects Chabahar to the Afghan ring road, the development of the Ayni Air base in Tajikistan (originally designed to treat wounded Afghan soldiers), building Afghanistan’s parliament building, exploring the Hajigak iron mine, and even commitments to train the Afghan National Police and Army- all of which amount to pledges of over $1 billion since 2001. Washington has been wary of encouraging India’s presence in Afghanistan citing Islamabad’s fear of encirclement. But, even without American attention, a refutation of Pakistan’s “India Threat” narrative is already underway. In order to remain focused on strategic horizons beyond South Asia, India is reorienting its defence apparatus away from Pakistan and towards China and the southern Indian Ocean; even the Ayni Base and Chabahar Road can be seen as elements of this strategic shift beyond the subcontinent. Together with Pakistan’s focus on the Durand Line and events within its own borders, political breathing space between Islamabad and New Delhi has opened up. India-Pakistan talks have already produced a number of important breakthroughs that portend better bilateral days to come: the granting of Most-Favoured Nation status, enhanced trade measures, as well as discussions on the specific parameters of a Kashmir peace based on economic integration. Specifically regarding the Indo-Pak dynamic in Afghanistan, things are less zero-sum than they appear. Important as the Chabahar route is, the combination of road, sea, and even rail links still comes with massive transport costs for India-Afghanistan trade. As S Verma, chairman of Steel Authority of India and the head of a consortium of Indian industries engaged in Afghanistan’s Hajigak iron mine, put it, “over the longer term,” transporting Afghan minerals over Pakistani territory “will be a productive investment. Not just for us, but others in the region including Pakistan. There are license fees, logistics, and so forth.” Meanwhile, Kaustav Chakrabarti of the Observer Research Foundation has suggested “deploying joint Indo-Pak nation building teams” in Afghanistan that include advisors, military trainers, bureaucrats, developments experts, medical crews and NGOs. These teams would “provide additional resources, bridge political polarities, foster cooperation between India and Pakistan and devise means to verify each other’s role, and ultimately, present a long-term mechanism,” guaranteed by India and Pakistan’s geographic proximity, “to ensure Afghanistan’s neutrality.” He cites as a precedent the collaboration between Indian and Pakistani armed forces in “UN peacekeeping missions in hot spots like Somalia.” Full realisation of any Indo-Pak promise will require more space, and time, between the two countries. The interim period, meanwhile, may indeed take a cooling period between the United States and India, who are unlikely to become allies in the fullest sense due to differing tactical approaches. But the strategic fundamentals of the Indo-American rapport- balancing China, expanding trade, and stabilising South Asia- remain intact.

#### Immigration issues don’t spill over to broader relations and public backlash against Indian workers makes the impact inevitable

Singh 10 – Sinderpal Singh, Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute at the National University of Singapore, August 26, 2010, “H1B Visa Fee Hike: Will Indo-US Ties be Affected?,” ISAS Brief, No. 169

Third, there is the issue of how and to what extent this specific development will impact India-US relations in the near to middle future. Besides official protests to the Obama administration over the implications of this bill for India-based companies, the Indian Government now seems to be contemplating referring the matter to the World Trade Organization (WTO). In a statement on 17 August 2010, India’s Commerce Secretary Rahul Khullar, was quoted as saying that the visa fee hike ‘is WTO incompatible’ and that ‘if the US wishes to put up its protectionist barriers to hurt itself let them do it but where a measure is specifically targeting my commercial interest I cannot keep quiet’.13 The Obama administration meanwhile seems aware of the depth of India’s grievances on the matter and has attempted to address Indian concerns.14 With the US-India trade policy forum planned in three to four weeks time and Obama’s scheduled visit to India in November 2010, there are indications that the US might make certain adjustments in implementing the visa hike in the light of Indian concerns. Reflecting this optimism, Indian officials were recently quoted as saying that they were ‘hopeful of a quick solution’ before the two sides met for their trade policy forum.15

On the whole, it is still not clear if any solution satisfactory to both sides can be found on this issue at this stage or how long it would take to arrive at such a solution. Although it is evident that this issue has created some friction in Indo-US ties, it is unlikely to unravel the multilayered links that both countries have increasingly developed since Obama assumed office. This incident, however, does point to a larger potential irritant for future Indo-US ties. This irritant originates from the various domestic pressures on the Obama administration that could impact US foreign relations with India. More specifically, as the American public increasingly embraces protectionist postures espoused by US politicians, in tandem with the shrill debate over immigration, an anti-immigration protectionist discourse is emerging within the US with foreign knowledge workers an important target.16 Indian knowledge workers in this regard would be one of the hardest hit. So might the Indo-US relations in the longer term.

### 1NC No Bioweapons Impacts

**Delivery fails**

**Newhouse, CDI Senior Fellow, 2 –** senior fellow at the Center for Defense Information. Former senior policy advisor on European Affairs to secretary of state. Former director of the U.S. Arms Control and Disarmament Agency. (John, World Policy Journal 7/31 V.XIX; N.2 p. 21)

Temperature, sunlight, wind, and moisture can all prevent effective delivery of chemical weapons. Biological pathogens are living organisms and thus more fragile than chemical agents. Chlorine in the water supply can kill them. Munitions can as easily vaporize an agent as dispense one. If released from a bomb or warhead, explosive effects would destroy all but 1-2 percent of the agent. 31

**Empirical evidence and studies prove bioweapons have no impact—conventional war outweighs**

**O’Neill 4** O’Neill 8/19/2004 [Brendan, “Weapons of Minimum Destruction” http://www.spiked-online.com/Articles/0000000CA694.htm]

David C Rapoport, professor of political science at University of California, Los Angeles and editor of the Journal of Terrorism and Political Violence, has examined what he calls 'easily available evidence' relating to the historic use of chemical and biological weapons. He found something surprising - such weapons do not cause mass destruction. Indeed, whether used by states, terror groups or dispersed in industrial accidents, they tend to be far less destructive than conventional weapons. 'If we stopped speculating about things that might happen in the future and looked instead at what has happened in the past, we'd see that our fears about WMD are misplaced', he says. Yet such fears remain widespread. Post-9/11, American and British leaders have issued dire warnings about terrorists getting hold of WMD and causing mass murder and mayhem. President George W Bush has spoken of terrorists who, 'if they ever gained weapons of mass destruction', would 'kill hundreds of thousands, without hesitation and without mercy' (1). The British government has spent £28million on stockpiling millions of smallpox vaccines, even though there's no evidence that terrorists have got access to smallpox, which was eradicated as a natural disease in the 1970s and now exists only in two high-security labs in America and Russia (2). In 2002, British nurses became the first in the world to get training in how to deal with the victims of bioterrorism (3). The UK Home Office's 22-page pamphlet on how to survive a terror attack, published last month, included tips on what to do in the event of a 'chemical, biological or radiological attack' ('Move away from the immediate source of danger', it usefully advised). Spine-chilling books such as Plague Wars: A True Story of Biological Warfare, The New Face of Terrorism: Threats From Weapons of Mass Destruction and The Survival Guide: What to Do in a Biological, Chemical or Nuclear Emergency speculate over what kind of horrors WMD might wreak. TV docudramas, meanwhile, explore how Britain might cope with a smallpox assault and what would happen if London were 'dirty nuked' (4). The term 'weapons of mass destruction' refers to three types of weapons: nuclear, chemical and biological. A chemical weapon is any weapon that uses a manufactured chemical, such as sarin, mustard gas or hydrogen cyanide, to kill or injure. A biological weapon uses bacteria or viruses, such as smallpox or anthrax, to cause destruction - inducing sickness and disease as a means of undermining enemy forces or inflicting civilian casualties. We find such weapons repulsive, because of the horrible way in which the victims convulse and die - but they appear to be less 'destructive' than conventional weapons. 'We know that nukes are massively destructive, there is a lot of evidence for that', says Rapoport. But when it comes to chemical and biological weapons, 'the evidence suggests that we should call them "weapons of minimum destruction", not mass destruction', he says. Chemical weapons have most commonly been used by states, in military warfare. Rapoport explored various state uses of chemicals over the past hundred years: both sides used them in the First World War; Italy deployed chemicals against the Ethiopians in the 1930s; the Japanese used chemicals against the Chinese in the 1930s and again in the Second World War; Egypt and Libya used them in the Yemen and Chad in the postwar period; most recently, Saddam Hussein's Iraq used chemical weapons, first in the war against Iran (1980-1988) and then against its own Kurdish population at the tail-end of the Iran-Iraq war. In each instance, says Rapoport, chemical weapons were used more in desperation than from a position of strength or a desire to cause mass destruction. 'The evidence is that states rarely use them even when they have them', he has written. 'Only when a military stalemate has developed, which belligerents who have become desperate want to break, are they used.' (5) As to whether such use of chemicals was effective, Rapoport says that at best it blunted an offensive - but this very rarely, if ever, translated into a decisive strategic shift in the war, because the original stalemate continued after the chemical weapons had been deployed. He points to the example of Iraq. The Baathists used chemicals against Iran when that nasty trench-fought war had reached yet another stalemate. As Efraim Karsh argues in his paper 'The Iran-Iraq War: A Military Analysis': 'Iraq employed [chemical weapons] only in vital segments of the front and only when it saw no other way to check Iranian offensives. Chemical weapons had a negligible impact on the war, limited to tactical rather than strategic [effects].' (6) According to Rapoport, this 'negligible' impact of chemical weapons on the direction of a war is reflected in the disparity between the numbers of casualties caused by chemicals and the numbers caused by conventional weapons. It is estimated that the use of gas in the Iran-Iraq war killed 5,000 - but the Iranian side suffered around 600,000 dead in total, meaning that gas killed less than one per cent. The deadliest use of gas occurred in the First World War but, as Rapoport points out, it still only accounted for five per cent of casualties. Studying the amount of gas used by both sides from1914-1918 relative to the number of fatalities gas caused, Rapoport has written: 'It took a ton of gas in that war to achieve a single enemy fatality. Wind and sun regularly dissipated the lethality of the gases. Furthermore, those gassed were 10 to 12 times as likely to recover than those casualties produced by traditional weapons.' (7) Indeed, Rapoport discovered that some earlier documenters of the First World War had a vastly different assessment of chemical weapons than we have today - they considered the use of such weapons to be preferable to bombs and guns, because chemicals caused fewer fatalities. One wrote: 'Instead of being the most horrible form of warfare, it is the most humane, because it disables far more than it kills, ie, it has a low fatality ratio.' (8) 'Imagine that', says Rapoport, 'WMD being referred to as more humane'. He says that the contrast between such assessments and today's fears shows that actually looking at the evidence has benefits, allowing 'you to see things more rationally'. According to Rapoport, even Saddam's use of gas against the Kurds of Halabja in 1988 - the most recent use by a state of chemical weapons and the most commonly cited as evidence of the dangers of 'rogue states' getting their hands on WMD - does not show that unconventional weapons are more destructive than conventional ones. Of course the attack on Halabja was horrific, but he points out that the circumstances surrounding the assault remain unclear. 'The estimates of how many were killed vary greatly', he tells me. 'Some say 400, others say 5,000, others say more than 5,000. The fighter planes that attacked the civilians used conventional as well as unconventional weapons; I have seen no study which explores how many were killed by chemicals and how many were killed by firepower. We all find these attacks repulsive, but the death toll may actually have been greater if conventional bombs only were used. We know that conventional weapons can be more destructive.' Rapoport says that terrorist use of chemical and biological weapons is similar to state use - in that it is rare and, in terms of causing mass destruction, not very effective. He cites the work of journalist and author John Parachini, who says that over the past 25 years only four significant attempts by terrorists to use WMD have been recorded. The most effective WMD-attack by a non-state group, from a military perspective, was carried out by the Tamil Tigers of Sri Lanka in 1990. They used chlorine gas against Sri Lankan soldiers guarding a fort, injuring over 60 soldiers but killing none. The Tamil Tigers' use of chemicals angered their support base, when some of the chlorine drifted back into Tamil territory - confirming Rapoport's view that one problem with using unpredictable and unwieldy chemical and biological weapons over conventional weapons is that the cost can be as great 'to the attacker as to the attacked'. The Tigers have not used WMD since.

# Round 3

## 1AC

### Contention One --- Chinese WMPs

#### ---In the summer of 2005, Congress erupted in outrage at the possibility of Chinese investment in American oil and natural gas. Citing the apocalyptic threat of Sino “weapons of mass production,” Congress passed the Exon-Florio amendment empowering the Council on Foreign Investment in the United States (CFIUS) to severely restrict foreign energy investors.

Carroll 2009

James, Emory International Law Review, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167

The Unocal Incident: Protectionism Run Amok The response to the attempt of CNOOC to purchase Unocal, an American oil company, exemplified the tighter CFIUS approach. 95 CNOOC, a Chinese state-owned oil company, regularly purchased foreign oil companies to create joint-ventures between itself and the foreign companies. 96 The Chinese government recognized that there would be a CFIUS review under the Byrd Amendment, since CNOOC was state-owned, but felt that ultimately there was no security risk and that the transaction would pass the CFIUS review. 97 However, on June 24, 2005, 41 members of Congress from both parties wrote to President Bush urging a thorough CFIUS review of the sale. 98 The letter justified the review by raising questions about "whether CNOOC was using Chinese government funds to make the purchase and whether China [\*181] would be acquiring sensitive technology." 99 Congress followed up this letter with the introduction of a resolution in the House on June 29, 2005, that recognized oil and natural gas as strategic national assets and argued that the purchase of Unocal would allow for the oil reserves to be preferentially sent to China - instead of purchasing them on the open market - thus opening up the possibility of China utilizing the "oil weapon" against the United States. 100 China hawks 101 echoed these arguments, claiming that the deal would give China more leverage over the international oil market and that regardless of the facts of the transaction, the symbolic nature of giving into China's resource goals should be prevented at all costs. 102 Unsurprisingly, hawkish arguments toward China played a large role in congressional opposition to the deal. 103 The Bush administration kept relatively quiet during the Unocal controversy, 104 and eventually CNOOC withdrew their bid in the face of the negative publicity. 105 The most remarkable aspect of this episode was the congressional majority's attempt to implicitly redefine national security. The definition of national security was no longer limited to technologies that were at least arguably related to the national defense industrial complex. Congressional opponents of the Unocal sale used public debate surrounding the deal to include energy assets in an expanded interpretation of national security and continued the long-running congressional struggle to use Exon-Florio and the CFIUS review process as a protectionist tool to prevent foreign investment in U.S. industry. 106 Previous CFIUS reviews focused on technological acquisitions that could allow foreign countries unique access to U.S. military capabilities, 107 in contrast to energy companies, which had no [\*182] direct connection to the military. If national security can also mean "important to the United States economy," as energy assets no doubt are, then the definition of national security differs in no meaningful sense from the original "essential commerce" bill that Reagan threatened to veto in order to strip the economic security provisions.

#### ---Fear of foreign control over oil and natural gas subverts the Exon-Florio process, resulting in racially politicized threat construction.

Carroll 2009

James, Emory International Law Review, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167

Fear of foreign control has always politicized the Exon-Florio process. The tide of popular perception that the Japanese were purchasing large portions of the American economy largely drove the passage of the original Exon-Florio bill in 1988. Similarly, economic competition from a rising China and acquisitions from oil-rich Middle Eastern states have driven Exon-Florio investigations in the 2000s. In the 1980s, the continual investigations of Japanese acquisitions hindered U.S. foreign policy goals of maintaining good relations with a crucial ally in the Cold War and major trading partner. In the twenty-first century, maintaining good relations with China and cultivating ties to moderate Arab states are important elements of U.S. foreign policy. Once again, protectionist forces are using Exon-Florio as a political tool and outlet of public unrest, regardless of diplomatic concerns. The political pressures inherent in the Exon-Florio investigations prevent the CFIUS from accurately balancing security concerns because the definition of national security changes with the popular perception of threats. Unease about high oil prices torpedoed a relatively innocuous Chinese acquisition of a U.S. oil company. Just as in the 1980s and 90s, with the scare over Japanese acquisitions, many national security experts agree that there is no true threat in many of the recent proposed acquisitions. Nevertheless, the vague interpretation of national security allows politicians to grandstand and manipulate the CFIUS process by appealing to public fears of high oil prices or Muslims. Instead of a careful consideration of all of the different national security factors driving the CFIUS process, Exon-Florio investigations are driven by the political winds in Congress.

#### ---Specifically, the policy of energy security review places Chinese oil investment as part of a larger homogenous strategy for global domination. Corporate action that would otherwise be widely considered business as usual is securitized & presented as evidence of China’s coordinated global assault on the American way of life.

Pan 2009

Chengxin, Senior Lecturer in International Relations at Deakin University, What is Chinese about Chinese Businesses? Locating the ‘rise of China’ in global production networks, Journal of Contemporary China, 18(58), January, 7–25

While many foreign businesses are moving their operations to China, many Chinese businesses, following a ‘going global’ strategy, seem to have begun rapid expansion abroad. A recent example is that in 2005 China’s oil company CNOOC launched a bid to buy the California-based oil company Unocal. American economist and commentator Paul Krugman compared it with the Japanese challenge in the 1990s, but his conclusions were notably different. He wrote: Fifteen years ago, when Japanese companies were busily buying up chunks of corporate America, I was one of those urging Americans not to panic . . . But the Chinese challenge—highlighted by the bids for Maytag and Unocal—looks a lot more serious than the Japanese challenge ever did.5 Republican congressman Dana Rohrabacher was less circumspect, labeling the Unocal bid as ‘part of [China’s] long-term strategy for domination’. He insisted that the greatest threat to America’s freedom and prosperity ‘is not radical Islam [but] a China that is emerging on the scene that is belligerent to everything we stand for as a people’.6 Importantly, these views were echoed strongly among the American public: an opinion poll at the time found that 73% of Americans opposed the CNOOC– Unocal deal, with half of the respondents going as far as perceiving the Chinese as an adversary.7 According to Peter Navarro, the author of The Coming China Wars, China’s ‘unfair, mercantilist trading practices’ such as the China price, the ‘going global’ strategy, and its voracious appetite for energy and resources constitute what he calls ‘weapons of mass production’. Testifying before the Congress-mandated US–China Economic and Security Review Commission in early 2007, the University of California business professor charged that these ‘weapons of mass production’ have been allowing China to ‘conquer one new export market after another’.8 In this context, many security analysts and practitioners agree that the economic challenge will have far-reaching military and foreign policy implications. The Pentagon argues that the performance of China’s economy is a main driving force behind its domestic defense expenditures, foreign acquisitions, and indigenous defense industrial developments.9 Indeed, the emergence of Chinese businesses has been seen as a harbinger of the beginning of a historic power transition from the US to China. Like previous power transitions in the international system, it is argued that the rise of China does not bode well for international peace and stability.10 For Navarro, coordinated centrally by the Chinese government, the mercantilist practices of Chinese businesses do not just help China gain increasing economic and financial advantage over US businesses, but also contribute to China’s rapid military modernization and lay the groundwork for the ‘coming China wars’.11 At this juncture, what is remarkable about these analyses of Chinese businesses and business practices is not so much their attention to the aspect of economic and military threat. Rather, for the purpose of this essay, it is their grounding of Chinese businesses in an unproblematic, fixed, and more or less coherent actor called China, whereby Chinese businesses acquire their Chineseness. For example, the China price is believed to be produced ‘in the unique stew of China’s evolving business culture’,12 and the conquest of the global market by Chinese products is often traced back to the Chinese government. In the words of Hornig and Wagner, the ‘desk drawers of party strategists are filled with detailed plans promoting national industries from automaking to biotechnology’.13 Indeed, frequently the assumption of the Chineseness about Chinese businesses goes so far as to conjure up a scenario of a whole country engaged in concerted efforts of building national greatness through sustained economic development and aggressive business strategies. To illustrate this point, it helps to refer to a ‘bill’ metaphor used by some commentators, with the bill symbolizing the costs incurred by the US as a result of the influx of ‘Chinese’ cheap imports. On the bill, as the metaphor goes, the costs for America, apart from the big trade deficits with China, also include ‘domestic layoffs, the relocation of entire industries, cutbacks for research and development and the downfall of the oncealmighty dollar’. And the ‘payee’? ‘A population of billions’.14 In other words, what is behind Chinese businesses is nothing short of the whole Chinese nation.

#### ---Visualizing Chinese businesses as a coherent whole enables racial violence. The characterization of Chinese oil investment as a national security threat provides an economic scapegoat provoking a murderous public backlash to preserve American national identity.

Pan 2007

Chengxin, School of International and Political Studies, Faculty of Arts, Deakin University, What Is Chinese About Chinese Business? Implications for U.S. Responses to China’s Rise, Asia Research Centre, CBS, Copenhagen Discussion Papers

Secondly and more importantly, this construction of Otherness is prescriptive in practical and policy terms. While explaining where faults and problems lie, the perceptions of Chinese business as a closed national category are often able, even if they are not intended, to mobilise public support and influence policy-making on China. Only when Chinese businesses and their practices are cast in national terms, can their alleged ‘victims’ suitably take on similar national significance in terms of, for example, American national interest, national security, national competitiveness, or national identity. And when the national interest, security and national identity are thought to be at stake, any measures that are allegedly able to safeguard these interests would be more easily legitimatised and implemented. For example, without doubt, it is American perceptions of a Chinese takeover that helped to mobilise politicians and the public to foil Haier’s attempt to buy Maytag and CNOOC’s high-profile bids to buy Unocal in 2005. With U.S. national security believed to be at stake, the fact that ‘Unocal’s oil and gas reserves were mostly located in Asia to begin with, and played a negligible role in satisfying US energy demand, made little difference to those who voted against CNOOC’ (Klare 2006:183). More importantly, by visualising Chinese business as something of a coherent whole, unified around a single centre, this construction not only obscures the changing dynamics of Chinese business in the complex global economic networks, but also informs a zero-sum approach to China and justifies otherwise unjustifiable actions against this perceived national security threat. For example, Souchou Yao notes that the prevalent images of ‘Chinese economic success’ in Southeast Asia, with the unquestioned Chineseness at their core, were in many ways complicit in the murderous race riots in Malaysia during May 1969 and the violent anti-Chinese riots in Indonesia in the wake of Suharto’s downfall (Yao 2002:4). In times of economic and political volatility, the equation of specific Chinese businesses with such totalising categories as race and class conveniently but often violently shifted the target of public outrage away from the relevant regime and onto ethnic Chinese populations as a whole. Though with less disastrous consequences, **similar episodes were replayed** in Spain in September 2004, when local footwear manufacturers, chanting ‘Chinese out,’ burned two Chinese-owned warehouses in revenge for their business losses from ‘unfair Chinese competition.’

#### ---This nationalist frame locks in global inequality, presenting an impossible choice to the impoverished residence; either silently accept worsening economic conditions or embrace destructive nationalism based on racial superiority.

Hart-Landsberg & Burkett 2006

Martin, Professor of Economics and Director of the Political Economy Program at Lewis and Clark College, Paul, professor of economics at Indiana State University, China and the Dynamics of Transnational Accumulation: Causes and Consequences of Global Restructuring, Historical Materialism, volume 14:3 (3–43)

Our analysis of contemporary dynamics also highlights the fact that this transnational capitalist restructuring, within which China plays such a critical role, is generating tensions and imbalances. For example, East-Asian growth is increasingly dependent on ever-greater US trade deﬁcits. This trend cannot continue forever. In saying this, we do not mean to predict that capitalism has reached some ﬁnal crisis. Rather, our point is that these imbalances will have to be corrected, and insofar as the logic of capitalist competition goes unchallenged, governments can be expected to manage the resulting economic instabilities with policies that will only further worsen living and working conditions. In fact, they are likely to generate explanations for the necessity of such policies that will deliberately foment racism and a destructive nationalism. Whether workers can develop a response to this situation remains to be seen. Clearly, the dynamic nature of the system and the fact that wealth is being created tends to mask the destructive nature of the system. So does the mainstream perspective on the Chinese experience. We need to challenge that perspective and demystify the transnational capitalist processes that are reshaping different countries’ economies, in order to reveal the capitalist roots of the growing social problems faced by workers around the world and the structural imbalances that threaten yet further immiseration. Finally, we need to translate this understanding into a programme of action that can assist the birth of national, regional, and global movements for change that can enable working people to reclaim control over their lives.

#### ---The impact is global militarism & violence against millions --- Maintaining oil and natural gas within the frame of national security makes effective policy-making impossible.

Hillyard et. al. 12

Hildyard Lohmann & Sexton 2012-Nicholas, founder and Director of The Corner House, Larry, author of the book “Carbon Trading: A Critical Conversation on Climate Change, Privatization and Power” & works at the British NGO The Corner House, Sarah, a director of The Corner House, Energy Security For What? For Whom? The Corner House, http://www.thecornerhouse.org.uk/resource/energy-security-whom-what

Mainstream policy responses to such issues are largely framed in terms of “energy security”. The focus is on “securing” new and continued supplies of oil, coal and gas, building nuclear plants and even translating renewables into a massive export system; energy efficiency is accorded a lower priority, but transition away from fossil fuels is nowhere to be seen at all. Climate change objectives, though once at the forefront of policy responses, are increasingly relegated as concerns about “keeping the lights on” predominate. Yet, instead of making energy supplies more secure, such policies are triggering a cascade of new insecurities for millions of people – whether as a result of the everyday violence that frequently accompanies the development of frontier oil and gas reserves, or because the pursuit of “energy security” through market-based policies denies many people access to the energy produced. Indeed, the more that the term “energy security” is invoked, the less clear it is just what is being “secured”. Like many other political buzzwords, “energy security” has become a plastic phrase used by a range of different interest groups to signify many often contradictory goals. For many individuals, energy security may simply mean being able to afford heating in the depths of a cold winter or having access to a means of cooking – a “logic of subsistence”. For political parties in government, it may mean ensuring that a nation’s most important corporations have reliable contracts with guaranteed fuel suppliers until the next election. For exporting countries, it may mean making certain that their customers maintain their demand for their oil or gas via long-term contracts. The multiple meanings of “energy security” have become an obstacle to clear thinking and good policymaking. They are also an open invitation for deception and demagoguery, making it easy for politicians and their advisers to use fear to push regressive, militaristic social and environmental programmes: “Energy security is a concept notorious for its vague and slippery nature, no less so because it is bound to mean different things at different times to different actors within the international energy system.” This multi-faceted nature makes it difficult, if not impossible, to come up with a definition that is accepted by all, which is hardly surprising given that no single term can capture realities on the ground involving different histories and materialities.

#### ---The dominant frame of Chinese oil and natural gas investment as an act of national aggression makes American security policy a self-fulfilling prophecy.

Pan 2007

Chengxin, School of International and Political Studies, Faculty of Arts, Deakin University, What Is Chinese About Chinese Business? Implications for U.S. Responses to China’s Rise, Asia Research Centre, CBS, Copenhagen Discussion Papers

From the global production network perspective, not only does the assumption of a zero-sum game between China and the United States become problematic, but the notion of the so-called ‘Chinese business practices’ becomes problematic, as what is often termed as ‘Chinese business practices’ may be seen as a product of the interactions between Chinese and transnational companies, including U.S. companies. For instance, the Unocal bids by CNOOC, a state-owned company in China, has been seen as a proof of China’s sinister business strategy to undermine U.S. national security. Yet, what is less well-known is that Goldman Sachs, whose CEO Henry Paulson is currently U.S. Treasury Secretary, was involved in financing the aborted CNOOC-Unocal deal (Hawkins 2006). In this sense, Chinese companies’ acquisitions of natural resources in various parts of the world, while drawing much alarm and criticism in the U.S. and elsewhere, are nothing uniquely Chinese. As Michael Klare explains, the United States, Britain, France, Japan, and other Western oil-importing countries have long competed among themselves for drilling rights in overseas producing areas…. China may be a newcomer to this contest, but is not behaving noticeably differently from the other oil-seekers. Indeed, the “National Energy Policy” announced by President George W. Bush on May 17, 2001, calls for US officials to conduct the same sort of diplomatic quest in pursuit of foreign energy as that now being undertaken by Chinese officials (Klare 2006:182). Understood this way, threatening to retaliate against ‘China’ is not only unlikely to eliminate those ‘Chinese’ business practices, but it could in fact provide further impetus to them. It is in this sense that I consider the policies based on a unitary Chinese economic Other counterproductive and potentially dangerous. Again take the American nationalistic responses to CNOOC’s Unocal for example. By effectively declaring to the Chinese that North America is off limits, American policy-makers sent ‘precisely the wrong message to China’s modernizing managerial class and encourage highly damaging … tendencies in China, including nationalism, mercantilism and distrust of the international markets’ Harding et al 2006:64). Similarly, Hadar notes that ‘by taking steps to derail the Unocal-CNOOC deal, Washington is helping set in motion what could be only described as a self-fulfilling prophecy’ (2005). Since no amount of U.S. legislation would be able to reduce the global production demand for energy in China, China would seem to ‘have no choice in light of the US policies but to form special economic or foreign policy relationships’ with the so-called ‘rogue states’ (Hadar 2005). Of course, this in turn could confirm the suspicion of China many Americans have long held, thereby giving rise to a vicious cycle of mutual suspicion and hostility. Starting out with the image of a homogeneous Chinese Other and consistently acting upon it, hawkish policy-makers in Washington could well succeed in bringing out a more unified rival in China down the road.

#### ---These systems of nationalist paranoia risk catastrophic war.

Pan 2004

Chengxin, Department of Political Science and International Relations, Faculty of Arts, at Deakin University, August, Discourses Of ‘China’ In International Relations: A Study in Western Theory as (IR) Practice, p. 43-44

Like the liberal construction of Other touched on above, this largely realist framing of Other carries with it some profound implications in practice. That is, when the Other is depicted as a fixed geopolitical threat, waging a war (or at least preparing for war) to destroy it often becomes the only rational option to fulfilling the universal self. In this regard, Robert Young notes that “war constitutes the [Western] philosophical concept of being itself. For being is always defined as the appropriation of either difference into identity, or of identities into a greater order…. War, then, is another form of the appropriation of the other….”33 In this context, not surprisingly, war has figured prominently in U.S. foreign relations: War is always violent, bloody, and destructive. But American wars are fought for great and good ends, and they result in good for America. The Revolution created freedom, independence, and democracy. The Civil War resulted in the expansion of freedom, the destruction of slavery, the growth of industrial might and wealth, and the formation of a unified, powerful nation.34 Insofar as both liberal and realist framings of Other are derived from the same particular American self-construction, their different approaches to understanding global politics in general and China in particular are basically mutually complementary, rather than mutually exclusive. Recently, this relationship of mutual complement is particularly striking in the emergence of a ‘two worlds’ theory, and its various incarnations such as the new imperialism, liberal imperialism, the New Wilsonianism, and neo-conservatism.35 As neoconservative commentators William Kristol and Robert Kagan put it, both ‘moral clarity’ and ‘military strength’ are essential if Americans are to continue to be proud of their leading role in world affairs.36

#### ---So called “objective” security claims must be analyzed at the level of knowledge production. The identification of a ‘China Threat’ cannot be separated from the colonial desires they satisfy and military powers they benefit.

Pan 2013

Chengxin, Senior Lecturer in International Relations, Deakin University, Australia, Knowledge, Desire and Power in Global Politics Western Representations of China’s Rise, pg. 82-83

Consequently, for all the claims of the 'China threat’ paradigm to be scientific knowledge and objective truth, it has its roots in power and is well-suited to the service of power. By taking note of the power/knowledge nexus in the construction and function of the China threat knowledge. I do not suggest that every single piece of work in the 'China threat' genre is written under the decree of the Pentagon in exchange for funding and/or political patronage. As noted above, the nexus often takes multiple forms, some of which are subtler, less visible and less direct than others. Indeed, it is in the interest of both knowledge and power that their liaison be kept as covert as possible. This is what I-oucaull means by the "subtle mechanisms' in the production of knowledge where the exercise of power 'becomes capillary".'" In his account of the relationship between the state, the foundations, and international and area studies during the Cold War, Cumings used the term 'going capillary' to describe how, through small, everyday and local avenues, such as decisions on who gets tenure, who edits prestigious journals, which research project gets funded, and which textbooks are adopted, power was able to maintain its presence so that "people do things without being told, and often without knowing the influences on their behavior". 3 Also, once taking on a life of its own, knowledge can span an intertextual, disciplinary and institutional web within which it can self-generate, ostensibly removing itself a step further from power. Thus far, I have critically examined the power/know ledge/desire nexus in the case of the 'China threat1 paradigm. In doing so, I do not imply that the solution lies in the pursuit of pure knowledge and neutral scholarship on the part of those China watchers, who should shun government agencies, which in tuni should stop funding social science research altogether. In the fields of social sciences at least, there is no such thing as pure knowledge, disconnected totally from desire and power. Indeed, as examined at the beginning of this book, pure social knowledge is neither possible nor even desirable. I am not against the power/knowledge/desire nexus per se; rather, my point is that we, as producers of knowledge, should guard against the possibility of being misused and abused by power which often serves special interests. We should be self-conscious and sensitive to the consequences—however unintended or even well-intended—of our knowledge as practice. If all knowledge is linked to power in one way or another, it may beg the question of why the "China threat\* paradigm has been singled out here for criticism. The reason, I submit, is that not all knowledge/power nexuses arc equal in terms of their intertcxtual influence or practical and moral implications. As noted above, associated with the 'China threat' knowledge has been a particular kind of political economy of fear. It not only lays the discursive foundation for military Keynesianism, but also has profound and even dangerous repercussions for Sino-Western relations in general and US-China relations in particular. When acted upon by foreign policy-makers, the "China threat' paradigm runs the risk of turning into a self-fulfilling prophecy, an issue which will be examined in the next chapter.

### Thus the plan --- The United States federal government should end Exon-Florio reviews for crude oil and natural gas production.

### Contention Two --- Global Production Networks

#### ---Voting affirmative embraces a view of oil production as part of global production networks that transforms and deconstructs the nationalist economic lens. Such a move embodies a politics of international solidarity creating the space for pan-national connections between workers in China and the United States necessary to challenge and reshape both discourse & economic structure.

Hart-Landsberg & Burkett 2006

Martin, Professor of Economics and Director of the Political Economy Program at Lewis and Clark College, Paul, professor of economics at Indiana State University, China and the Dynamics of Transnational Accumulation: Causes and Consequences of Global Restructuring, Historical Materialism, volume 14:3 (3–43)

The data does indeed show that China has achieved unprecedented rates of growth and that its economic transformation has greatly inﬂuenced the nature and organisation of economic activity in other countries. However, we reject the mainstream understanding of the Chinese experience highlighted above and the commonly derived political conclusions. To begin with, we do not believe that China’s economic experience or the resulting restructuring of other economies can be understood in national or even inter-national terms, as if China’s gains create opportunities for policy makers in other countries to promote their own national restructuring in ways that beneﬁt their respective working-class majorities. Rather, we see China’s post-reform economic activity and changes in production processes in other countries being linked and collectively shaped by broader transnational capitalist dynamics, in particular by the establishment and intensiﬁcation of transnational corporate-controlled cross-border production networks. And, far from beneﬁting working people, these dynamics are increasing international imbalances and instabilities as well as heightening competitive pressures that work against the interests of workers in all the countries affected by them, including China. In short, we believe that the conventional wisdom on China presents a ﬂawed picture of global capitalist dynamics and the tensions they generate, one that leaves workers with a set of political options largely limited to passive acceptance of their worsening conditions or a declaration of economic war against their counterparts in other countries, especially China. In contrast, by focusing on the nature and logic of the new transnational accumulation dynamics that are reshaping economic activity in China and other countries, it becomes easier to see the destructive nature of capitalism itself, and the need to build international solidarity and nationally complementary strategies to oppose and overcome it.

#### ---The problem is one of framing. Reinterpreting energy investment actions as specific business interests working within transnational production networks rather than as aggression from a rising Chinese behemoth is transformative, exposing elite economic interests & challenging populist nationalism.

Pan 2007

Chengxin, School of International and Political Studies, Faculty of Arts, Deakin University, What Is Chinese About Chinese Business? Implications for U.S. Responses to China’s Rise, Asia Research Centre, CBS, Copenhagen Discussion Papers

While such anti-China rhetoric and policies are lent credibility and urgency by the frightening image of a rising Chinese behemoth, I argue that these nationalistic economic policies are frequently unjustified, misguided, and even dangerous. To begin with, those policies do not necessarily serve America’s national interests as alleged. More often than not, as the U.S. Chamber of Commerce admitted, industry-specific or region-specific interests have been ‘miscast as homeland security or national security imperatives’ (Hawkins 2006:7). For example, the interests that the Schumer-Graham bill would best serve are more likely those of the textile industry in South Carolina, Graham’s home state. Similarly, it cannot just be pure coincidence that the author of a House resolution demanding a national security review of CNOOC’s bids of Unocal, House Resources Committee Chairman Richard Pombo, is from the district where the headquarters of Chevron, CNOOC’s rival bidder, are located (Weisman 2005:D1). Should these ‘China’ problems be framed in terms of specific business issues, which I think they are, they would have lost much of their galvanising impact on the government or the general public.

#### **---The elimination of investment restrictions is a critical challenge to American economic unilateralism. The elimination of Exon-Florio restrictions is not an affirmation of free trade systems but rather a strategic move to avoid the assimilation of leftist politics into the Pentagon’s efforts at “containing” China.**

Bello & Mittal 2000

Walden, Anuradha, Dangerous Liaisons: Progressives, the Right, and the Anti-China Trade Campaign, Institute for Food and Development Policy/Food First, May, http://www.tni.org/archives/archives\_bello\_china

A coalition of forces seeks to deprive China of permanent normal trading relations (PNTR) as a means of obstructing that country's entry into the World Trade Organization (WTO). We do not approve of the free-trade paradigm that underpins NTR status. We do not support the WTO; we believe, in fact, that it would be a mistake for China to join it. But the real issue in the China debate is not the desirability or undesirability of free trade and the WTO. The real issue is whether the United States has the right to serve as the gatekeeper to international organizations such as the WTO. More broadly, it is whether the United States government can arrogate to itself the right to determine who is and who is not a legitimate member of the international community. The issue is unilateralism-the destabilizing thrust that is Washington's oldest approach to the rest of the world. The unilateralist anti-China trade campaign enmeshes many progressive groups in the US in an unholy alliance with the right wing that, among other things, advances the Pentagon's grand strategy to contain China. It splits a progressive movement that was in the process of coming together in its most solid alliance in years. It is, to borrow Omar Bradley's characterization of the Korean War, "the wrong war at the wrong place at the wrong time".

#### ---Locating oil and natural gas investment from Chinese businesses within global production networks creates greater sensitivity to the uneven distribution of value and power in the global production processes and is a prerequisite to challenging inequality.

Pan 2009

Chengxin, Senior Lecturer in International Relations at Deakin University, What is Chinese about Chinese Businesses? Locating the ‘rise of China’ in global production networks, Journal of Contemporary China, 18(58), January, 7–25

The complexities of the identity of Chinese businesses are reflected in both the extensive intermingling of ‘non-local’ or ‘non-Chinese’ businesses with their ‘Chinese’ counterparts and, as a result of such processes, the fragmentation of the apparently ‘homogeneous’ Chinese businesses. As a consequence, the conventional assumption of their exclusive Chineseness seems no longer able to do justice to these complexities. Relying on the nation-state as the primary unit of analysis, the statecentric assumption is not only prone to a blindness to the transnational dimension of the Chinese economy, but also tends to exaggerate Chinese power in the global political economy,25 or even mistake China for a model for national economic development. As Hart-Landsberg and Burkett point out, China’s economic experience cannot be understood ‘in national or even inter-national terms, as if China’s gains create opportunities for policy makers in other countries to promote their own national restructuring in ways that benefit their respective working-class majorities’.26 In other words, economic development in China, far from being predominantly a national phenomenon, has a distinctively transnational or global dimension. This transnationality is characteristic of many sectors of the Chinese economy, but the main focus here will be on manufacturing, not least because this sector, directly linked to the ‘Made in China’ phenomenon, has attracted most attention in mainstream media and scholarship. The paper utilizes the global production networks (GPN) framework to examine the transnational characteristics of Chinese manufacturing businesses. Global production networks are a form of contemporary capitalist development that increasingly involves ‘the detailed disaggregation of stages of production and consumption across national boundaries, under the organizational structure of densely networked firms or enterprises’.27 Leading the way of this development are modern multinational companies, whose strategies, as Kenichi Ohmae argues, ‘are no longer shaped and conditioned by reasons of state but, rather, by the desire—and the need—to serve attractive markets wherever they exist and to tap attractive pools of resources wherever they sit’.28 Not surprisingly, these strategies lead to the continued expansion of the capitalist production networks to a global scale. As a result, the social origins and production of various production materials, labor, capital, information, technology, design, management, marketing, and consumption are no longer rigidly tied to fixed, singular localities or nationalities, thus making it increasingly difficult and problematic, if not impossible, to identify businesses and their practices in exclusively national terms. With its emphasis on production and its transnational processes, the GPN framework allows a better understanding of the ‘intricate links—horizontal, diagonal, as well as vertical’ that form ‘multidimensional, multi-layered lattices of economic activity’.29 In doing so, the GPN framework adopted here does not endorse a neoliberal rosy picture of globalization as a worldwide process of economic and cultural convergence. Quite the contrary, it allows greater sensitivity to the uneven distribution of value and power across nations, regions, and classes in global production processes. As far as the organization of economic activities is concerned, national boundary, ethnicity, and domestic political governance are far from disappearing or becoming totally irrelevant. It is just that the whole spectrum of economic activities is becoming less neatly confined to those traditional boundaries. To the extent that power and production (particularly in its conventional sense of manufacturing) often do not coincide or converge on the same geographical space, separate national categories are no longer so useful in the face of the multiple, unstable identities of businesses and economies.

## 2AC

### Impact Analysis --- 2ac WMP Aff

#### ---Case outweighs --- CIFIUS exclusion of Chinese oil and gas investment artificially envisions a homogenized Chinese business interest that informs America’s policy --- Two Impacts

#### (1.) First, is war – conflation of business interests with a monolithic conception of China results in aggressive military and political strategies that create the conditions for miscalculation and nuclear conflict between the U.S. and China – that’s Pan

#### ---The prevention of nuclear war has to come first --- The potential to end all life for all time means it takes precedence.

Kateb 1992

George, Professor of Politics at Princeton University, “The Inner Ocean” pg. 111-112

Schell’s work attempts to force on us an acknowledgment that sounds far-fetched and even ludicrous, an acknowledgment hat the possibility of extinction is carried by any use of nuclear weapons, no matter how limited or how seemingly rational or seemingly morally justified. He himself acknowledges that there is a difference between possibility and certainty. But in a matter that is more than a matter, more than one practical matter in a vast series of practical matters, in the “matter” of extinction, we are obliged to treat a possibility-a genuine possibility-as a certainty. Humanity is not to take any step that contains even the slightest risk of extinction. The doctrine of no-use is based on the possibility of extinction. Schell’s perspective transforms the subject. He takes us away from the arid stretches of strategy and asks us to feel continuously, if we can, and feel keenly if only for an instant now and then, how utterly distinct the nuclear world is. Nuclear discourse must vividly register that distinctiveness. It is of no moral account that extinction may be only a slight possibility. No one can say how great the possibility is, but no one has yet credibly denied that by some sequence or other a particular use of nuclear weapons may lead to human and natural extinction. If it is not impossible it must be treated as certain: the loss signified by extinction nullifies all calculations of probability as it nullifies all calculations of costs and benefits. Abstractly put, the connections between any use of nuclear weapons and human and natural extinction are several. Most obviously, a sizable exchange of strategic nuclear weapons can, by a chain of events in nature, lead to the earth’s uninhabitability, to “nuclear winter,” or to Schell’s “republic of insects and grass.” But the consideration of extinction cannot rest with the possibility of a sizable exchange of strategic weapons. It cannot rest with the imperative that a sizable exchange must not take place. A so-called tactical or “theater” use, or a so-called limited use, is also prohibited absolutely, because of the possibility of immediate escalation into a sizable exchange or because, even if there were not an immediate escalation, the possibility of extinction would reside in the precedent for future use set by any use whatever in a world in which more than one power possesses nuclear weapons. Add other consequences: the contagious effect on nonnuclear powers who may feel compelled by a mixture of fear and vanity to try to acquire their own weapons, thus increasing the possibility of use by increasing the number of nuclear powers; and the unleashed emotions of indignation, retribution, and revenge which, if not acted on immediately in the form of escalation, can be counted on to seek expression later. Other than full strategic uses are not confined, no matter how small the explosive power: each would be a cancerous transformation of the world. All nuclear roads lead to the possibility of extinction. It is true by definition, but let us make it explicit: the doctrine of no-use excludes any first or retaliatory or later use, whether sizable or not. No-use is the imperative derived from the possibility of extinction. By containing the possibility of extinction, any use is tantamount to a declaration of war against humanity. It is not merely a war crime or a single crime against humanity. Such a war is waged by the user of nuclear weapons against every human individual as individual (present and future), not as citizen of this or that country. It is not only a war against the country that is the target. To respond with nuclear weapons, where possible, only increases the chances of extinction and can never, therefore, be allowed. The use of nuclear weapons establishes the right of any person or group, acting officially or not, violently or not, to try to punish those responsible for the use. The aim of the punishment is to deter later uses and thus to try to reduce the possibility of extinction, if, by chance, the particular use in question did not directly lead to extinction. The form of the punishment cannot be specified. Of course the chaos ensuing from a sizable exchange could make punishment irrelevant. The important point, however, is to see that those who use nuclear weapons are qualitatively worse than criminals, and at the least forfeit their offices. John Locke, a principal individualist political theorist, says that in a state of nature every individual retains the right to punish transgressors or assist in the effort to punish them, whether or not one is a direct victim. Transgressors convert an otherwise tolerable condition into a state of nature which is a state of war in which all are threatened. Analogously, the use of nuclear weapons, by containing in an immediate or delayed manner the possibility of extinction, is in Locke’s phrase “a trespass against the whole species” and places the users in a state of war with all people. And people, the accumulation of individuals, must be understood as of course always indefeasibly retaining the right of selfpreservation, and hence as morally allowed, perhaps enjoined, to take the appropriate preserving steps.

#### (2.) CFIUS locks in structural & economic systems of oppression --- Extend Pan --- Fear of unified Chinese economic efforts have empirically lead to murderous anti-Chinese race riots and targeted violence because Chinese investment becomes identified as a threat to the American way of life itself. Additionally, this form of economic scapegoating allows corporate interests to demonize any workers rights or union efforts as anti-American surrender to Chinese economic dominance while masking the collusion between economic elites in both countries to exploit impoverished minorities. Only the affirmative which instead locates these interests as part of larger global interlocking networks of production removes the illusions that inhibit effective challenges to oppressive structure.

### Framework --- 2ac WMP Aff

#### ---The role of the ballot is to assess the desirability of a topical affirmative through the evaluation of mutually exclusive dialectic confrontation advanced by the negative.

#### ---This is the only predictable basis for clash --- The resolution is the only location all debaters have equal access to both construct through topicality definitions and participation in the topic selection process.

Zwarensteyn 2012

Ellen C., Masters Candidate in Communications at Grand Valley State University, High School Policy Debate as an Enduring Pathway to Political Education: Evaluating Possibilities for Political Learning, Masters Theses. Paper 35, <http://scholarworks.gvsu.edu/theses/35>

Galloway (2007) also advances an argument concerning the privileging of the resolution as a basis for debating. Galloway (2007) cites three pedagogical advantages to seeing the resolution and the first affirmative constructive as an invitation to dialogue. “First, all teams have equal access to the resolution. Second, teams spend the entire year preparing approaches for and against the resolution. Finally, the resolution represents a community consensus of worthwhile and equitably debatable topics rooted in a collective history and experience of debate” (p. 13). An important starting point for conversation, the resolution helps frame political conversations humanely. It preserves basic means for equality of access to base research and argumentation. Having a year-long stable resolution invites depth of argument and continuously rewards adaptive research once various topics have surfaced through practice or at debate tournaments.

#### ---This is superior to their role of the ballot --- Political clash precedes everything --- The lack of transcendent basis for truth claims means social representations, discourse, epistemology and ontology are produced and defined by politics --- Not the other way around.

Swyngedouw 2009

Erik, School of Environment and Development, Manchester University, The Antinomies of the Postpolitical City: In Search of a Democratic Politics of Environmental Production, International Journal of Urban and Regional Research, Volume 33, Issue 3, pages 601–620

Political struggles are central in shaping alternative or different trajectories of socio-metabolic change and the construction of new and emancipatory urban environmental geographies. All manner of critical social-theoretical analyses have been mobilized to account for these processes. Marxist and post-Marxist perspectives, environmental justice arguments, deconstructionist and poststructural musings, science/technology studies, complexity theory, postcolonial, feminist and Latourian views, among others, have attempted to produce what I would ultimately be tempted to call a ‘sociological’ analysis of urban political-ecological transformations. What they share, despite their different — and often radically opposed — ontological and epistemological claims, is the view that critical social theory will offer an entry into strategies, mechanisms, technologies of resistance, transformation and emancipatory political tactics. In other words, the implicit assumption of this sociological edifice is that ‘the political’ is instituted by the social, that political configurations, arrangements and tactics arise out of the social condition or process or, in other words, that the social colonizes ‘the political’ (Arendt, 1968). The properly political moment is assumed to flow from this ‘sociological’ understanding or analysis of the process. Or in other words, the ‘political’ emerges, both theoretically and practically, from the social process, a process that only knowledge has access to. Put differently, most urban political ecological perspectives assume the political to arise from analysis, but neither theorizes nor operationalizes the properly political within a political ecological analysis. This opens a theoretical and practical gap as the properly political is evacuated from the theoretical considerations that have shaped (urban) political ecology thus far. This ‘retreat of the political’ (Lefort, 1988; Lacoue-Labarthe and Nancy, 1997) requires urgent attention. This retreat of the properly political as a theoretical and practical object stands in strange contrast to the insistence of urban political ecology that urban socio-environmental conditions and processes are profoundly political ones and that, consequently, the production of different socio-environmental urban trajectories is a decidedly political process. Considering the properly political is indeed all the more urgent as environmental politics increasingly express a postpolitical consensual naturalization of the political. As argued by Swyngedouw (2007a), Žižek (2002 [1992]) and Debruyne (2007), among others, the present consensual vision that the environmental condition presents a clear and present danger that requires urgent techno-managerial re-alignments and a change in the practices of governance and of regulation, also annuls the properly political moment and contributes to what these and other authors have defined as the emergence and consolidation of a postpolitical condition. These will be the key themes I shall develop in this contribution. First, I shall explore what might be meant by the ‘properly’ political. In conversation with, and taking my cue from, political philosophers and theorists like Slavoj Žižek, Jacques Rancière, Alain Badiou, Etienne Balibar, Claude Lefort, David Crouch, Mustafa Dikeç, Chantalle Mouffe and Peter Hallward, I attempt to theorize and re-centre the political as a key moment in political-ecological processes. What these perspectives share is not only the refusal to accept the social as the foundation of the political, but, more profoundly, the view that the absence of a foundation for the social (or, in other words, the ‘social’ being constitutively split, inherently incoherent, ruptured by all manner of tensions and conflicts) calls into being ‘the political’ as the instituting moment of the social (see, e.g., Marchart, 2007; Stavrakakis, 2007). Put differently, it is through the political that ‘society’ comes into being, achieves a certain coherence and ‘sustainability’. Prioritizing ‘the political’ as the foundational gesture that permits ‘the social’ maintains ‘absolutely the separation of science and politics, of analytic description and political prescription’ (Badiou, quoted in Hallward, 2003a: 394). This is not to say, of course, that politics and science are not enmeshed (on the contrary, they are and increasingly so), but rather that obilizati the science/politics imbroglios (as pursued by, among others, critical sociologies of science, science and technology studies, science-discourse analysis and the like) does not in itself permit opening up either the notion or the terrain of the political. The aim of this article, in contrast, is to recover the notion of the political and of the political polis from the debris of contemporary obsessions with governing, management, urban polic(y)ing and its associated technologies (Lacoue-Labarthe and Nancy, 1997).

#### ---Privileging philosophical theory over material discussions of Chinese policy destroys researching skills and generates racially essentialist representations that turn the critique.

Vukovich 2010

Daniel, teaches postcolonial, PRC, literary, and theoretical studies at Hong Kong University, in the School of Humanities, China in Theory: The Orientalist Production of Knowledge in the Global Economy, Cultural Critique 76, Fall

Now my point here is not just that Žižek would benefit from reading, say, Gao Mobo (1999, 2008), Chris Bramall, or Han Dongping on the socioeconomic achievements of the Cultural Revolution, or Wang Zheng and others’ affirmative, feminist analyses of growing up during the Mao era. Nor that Žižek’s parallel between Mao dissolving the Shanghai Commune and Lacan’s closing his École Freudienne is less clever than Xippant (and all wrong chronologically). The point is that such intellectual labor would involve a research paradigm beyond theoretical “application” to casually posited “facts” about China. It would be of a different type than that embarked upon by Žižek or the others examined here, particularly when they write about the obilizati world. Surely, then, there could be no better illustration of the use of theory as a labor-saving operation. The abstract form of the China knowledge reXected in such work indexes not just the orientalist common sense about China at work in the world, but again a certain economism. The use of China as something already known and ready-to-hand saves time. But at what cost to the concrete history of China? The simpler, “vulgar” question of reading bears scrutiny. What is striking in the positions adopted by heterodox thinkers is that even in the sphere of left cultural theory, many of our theorists content themselves with received notions about China taken largely from the Western media. Ironically, we need not be limited to such knowledge due to Chinese state censorship, for there is now a signiWcant body of work that offers alternative, complex knowledge of the PRC. There is no evidence at all, in fact, that radical theory has read or digested the views of their counterparts in China or abroad, whose own heterodoxy would throw new light on the problem of an imputed totalitarianism and the “known” realities of the PRC.

#### ---Additionally, resolution based policy debate foster critical thinking skills that empirically solve their offense by undermining the ideological basis for Exceptionalist American consumption.

Zwarensteyn 2012

Ellen C., Masters Candidate in Communications at Grand Valley State University, High School Policy Debate as an Enduring Pathway to Political Education: Evaluating Possibilities for Political Learning, Masters Theses. Paper 35, http://scholarworks.gvsu.edu/theses/35

The background of many conversations relating to secondary education concerns the appropriateness of teaching politics. As referenced in chapter two, Daily (2006) and White (2009) stress the importance of early political identity formation. While the American polity recognizes the necessity of a political education both in the home and in the schools, the education received may not be as authentic as perceived. One immense benefit to the policy debate experience may relate to the time and space given to political identity formation (for those without an identity), re-formation (for those with a dissonant identity), or solidification of an existing identity (for those with a consistent identity). Switch-side debating combined with the personal distance from argument, provides a relatively safe space for playing with argumentation. Policy debate participation may uniquely answer White’s (2009) concern regarding the indoctrination of unquestioned patriotism, religiosity, and militarism in American schools. Participation in policy debate forces an intelligent academic defense, unraveling, or navigation through these concerns. Many debaters unlearn their ‘America can do no wrong’ perspective and develop an ability to understand and qualify American policy decisions both at home and abroad. This practice is inherently and genuinely political. As Colby (2008) concurs, political leaning does not compromise one’s political ideology but rather aids in intellectual integrity and clear critical thinking (p. 6). Revisiting Galloway (2007) emphasis on dialogue, debate helps students realize positions outside their own have meaning. This practice opens students up to new intellectual and academic perspectives and values. Overall, this study finds debate may help aid the development of an authentic political identity. “Evaluating competing arguments in this way causes students to think harder about things they have previously taken for granted” (Colby, Beaumont, Ehrlich, and Corngold, 2007, p. 115).

#### ---Err affirmative --- Numerous empirical examples where policy debaters grew up to become interested leftist activists and policymakers that effectively challenged structural oppression in America.

English et al 2007

Eric English, Stephen Llano, Gordon R. Mitchell, Catherine E. Morrison, John Rief and Carly Woods, Communications—University of Pittsburg “Debate as a Weapon of Mass Destruction,” Communication and Critical/Cultural Studies, Volume 4, Number 2, June, http://www.pitt.edu/~gordonm/JPubs/EnglishDAWG.pdf

It is our position, however, that rather than acting as a cultural technology expanding American exceptionalism, switch-side debating originates from a civic attitude that serves as a bulwark against fundamentalism of all stripes. Several prominent voices reshaping the national dialogue on homeland security have come from the academic debate community and draw on its animating spirit of critical inquiry. For example, Georgetown University law professor Neal Katyal served as lead plaintiff ’s counsel in Hamdan , which challenged post-9/11 enemy combat defini- tions.12 The foundation for Katyal’s winning argument in Hamdan was laid some four years before, when he collaborated with former intercollegiate debate champion Laurence Tribe on an influential Yale Law Journal addressing a similar topic.13 Tribe won the National Debate Tournament in 1961 while competing as an undergraduate debater for Harvard University. Thirty years later, Katyal represented Dartmouth College at the same tournament and finished third. The imprint of this debate training is evident in Tribe and Katyal’s contemporary public interventions, which are characterized by meticulous research, sound argumentation, and a staunch commitment to democratic principles. Katyal’s reflection on his early days of debating at Loyola High School in Chicago’s North Shore provides a vivid illustration. ‘‘I came in as a shy freshman with dreams of going to medical school. Then Loyola’s debate team opened my eyes to a different world: one of argumentation and policy.’’ As Katyal recounts, ‘‘the most important preparation for my career came from my experiences as a member of Loyola’s debate team.’’14 The success of former debaters like Katyal, Tribe, and others in challenging the dominant dialogue on homeland security points to the efficacy of academic debate as a training ground for future advocates of progressive change. Moreover, a robust understanding of the switch-side technique and the classical liberalism which underpins it would help prevent misappropriation of the technique to bolster suspect homeland security policies. For buried within an inner-city debater’s files is a secret threat to absolutism: the refusal to be classified as ‘‘with us or against us,’’ the embracing of intellectual experimentation in an age of orthodoxy, and reflexivity in the face of fundamentalism. But by now, the irony of our story should be apparent \*the more effectively academic debating practice can be focused toward these ends, the greater the proclivity of McCarthy’s ideological heirs to brand the activity as a ‘‘weapon of mass destruction.’’

#### ---The political education offered by policy debate is a prerequisite to an interrogation of individual consumption. If you don’t understand the federal structures that organize the economic structure of your life, you can’t accurately speak about the politics of your consumptive practices.

Zwarensteyn 2012

Ellen C., Masters Candidate in Communications at Grand Valley State University, High School Policy Debate as an Enduring Pathway to Political Education: Evaluating Possibilities for Political Learning, Masters Theses. Paper 35, <http://scholarworks.gvsu.edu/theses/35>

An important point of consensus and departure from the PEP findings, is that policy debaters a) share a belief in the primacy of considering one’s self political and not partisan and b) do not walk away thinking that electoral politics on the national level is imposing. This study suggests debaters share a sense of being aware of issues – a distinctively different characteristic than being partisan. While many debates do align themselves or work on behalf of partisan groups, most first identify as political. Conversely, most high school debate students feel more connected to national politics. Debaters, motivated by competition, follow the news and interact with the ramifications of national political decisions on a daily or – during debate tournaments –minute-by-minute basis. In fact, most debaters suggest there is a more intimate relationship to politics at the national and even international levels than at the local or state level. Thus, it is useful to see policy debate as a way of broadening the definition of what is political. While the mechanical/structural debate routine is relatively unchanging, expression, phrasing, and representations of debate continue to evolve. Participation in policy debate may aid in understanding how discussing issues of social location and privilege are intrinsically tied to a political awareness. Consistent with the analysis done by Warner and Brushke (2001), debate does broaden one’s self-concept as a social actor. This study may suggest an additional benefit in including analysis of social location as a form of what is political. One participant in particular identified this concept as political – his experience in an urban debate league made him the political activist he is today. He began the journey of analyzing himself relative to institutions of power surrounding him which may have otherwise curtailed his academic potential. Identifying one’s social location was identified as a politically transformative act for him and many others.

### A2 Consumption/Global Local --- 2ac WMP Aff

#### ---The Affirmative is a prerequisite to the critique.

#### Individual focus fuels economic nationalism --- CFIUS politicization means every local problem will be blamed on China & foreign investment.

Bello & Mittal 2000

Walden, Anuradha, Dangerous Liaisons: Progressives, the Right, and the Anti-China Trade Campaign, Institute for Food and Development Policy/Food First, May, <http://www.tni.org/archives/archives_bello_china>

Sixth, the anti-China trade campaign is dishonest. It invokes concern about the rights of Chinese workers and the rights of the Chinese people, but its main objective is to protect American jobs against cheap imports from China. This is cloaking self-interest with altruistic rhetoric. What the campaign should be doing is openly acknowledging that its overriding goal is to protect jobs, which is a legitimate concern and goal. And what it should be working for is not invoking sanctions on human rights grounds, but working out solutions such as managed trade, which would seek to balance the need of American workers to protect their jobs while allowing the market access that allows workers in other countries to keep their jobs and their countries to sustain a certain level of growth while they move to change their development model. (13) Instead, what the rhetoric of the anti-China trade campaign does is to debase human rights and democratic rights language with its hypocrisy while delegitimizing the objective of protecting jobs-which is a central social and economic right-by concealing it.

#### (B.) The alternative locks workers in the forced choice between accepting structural inequality and hating their foreign counterparts.

Hart-Landsberg & Burkett 2006

Martin, Professor of Economics and Director of the Political Economy Program at Lewis and Clark College, Paul, professor of economics at Indiana State University, China and the Dynamics of Transnational Accumulation: Causes and Consequences of Global Restructuring, Historical Materialism, volume 14:3 (3–43)

Although China’s National Bureau of Statistics has concluded, based on survey research, that only 5 per cent of the country’s population can currently be considered middle-class, the government is conﬁdent that its economic policies will raise this to 45 per cent by 2020. However, such a prediction ﬂies in the face of the lived experiences of Chinese working people. As a Hong Kong Confederation of Trade Unions report explains, ‘globalisation’ has left Chinese workers: isolated in a global equation in which job insecurity and poverty award employers with the upper hand in what has become known as the race to the bottom. Workers in developed countries are told that they must accept lower wages and ﬂexible working conditions to stop their bosses moving production abroad. Meanwhile, workers in SOEs in China are told they must accept a decline in conditions and welfare or be replaced by migrant workers from the countryside. And migrant workers, especially in the coastal Special Economic Zones, are told that they must accept wage arrears and lax health and safety or the boss will move to a more investor-friendly environment further inland.

#### ---The alternative fractures the left --- Rejecting the plan’s [global/production] focus unites the alternative with right wing china bashers and fractures opposition to the Pentagon’s militarist china policy.

Bello & Mittal 2000

Walden, Anuradha, Dangerous Liaisons: Progressives, the Right, and the Anti-China Trade Campaign, Institute for Food and Development Policy/Food First, May, <http://www.tni.org/archives/archives_bello_china>

A coalition of forces seeks to deprive China of permanent normal trading relations (PNTR) as a means of obstructing that country’s entry into the World Trade Organization (WTO). We do not approve of the free-trade paradigm that underpins NTR status. We do not support the WTO; we believe, in fact, that it would be a mistake for China to join it. But the real issue in the China debate is not the desirability or undesirability of free trade and the WTO. The real issue is whether the United States has the right to serve as the gatekeeper to international organizations such as the WTO. More broadly, it is whether the United States government can arrogate to itself the right to determine who is and who is not a legitimate member of the international community. The issue is unilateralism-the destabilizing thrust that is Washington’s oldest approach to the rest of the world. The unilateralist anti-China trade campaign enmeshes many progressive groups in the US in an unholy alliance with the right wing that, among other things, advances the Pentagon’s grand strategy to contain China. It splits a progressive movement that was in the process of coming together in its most solid alliance in years. It is, to borrow Omar Bradley’s characterization of the Korean War, “the wrong war at the wrong place at the wrong time”.

#### ---It’s try or die --- Even if they win a long term inevitability claim, the alternative has zero mechanism for resolving our <> advantage(s) which happen <timeframe>. The permutation is the only option that allows people to survive long enough to implement the alternative.

#### ---Permutation Do Both --- <Engage in local consumption analysis> & <Aff>

#### ---Scapegoating government restrictions are good --- Even if it falsely distributes blame, it’s a prerequisite to the alternative’s critical knowledge production.

Lohmann 2012

Larry, FINANCIALIZATION, COMMODIFICATIONAND CARBON:THE CONTRADICTIONS OFNEOLIBERAL CLIMATE POLICY, SOCIALIST REGISTER, <http://thecornerhouse.org.uk/sites/thecornerhouse.org.uk/files/Socialist%20Register%20Neoliberal%20Climate%20Policy%20Contradictions.pdf>

Scapegoating ideology, however, is as double-edged as its cynical variety, or as the climate commodification process itself. Depending on political circumstances, calls for ‘better regulation’ or ‘crackdowns on corruption’ can intersect fruitfully with the more strategic, long-term campaigns for decommodification of the earth’s carbon-cycling capacity being undertaken by grassroots movements and groups such as Via Campesina, the California Movement for Environmental Justice, and movements in Ecuador, Canada and Nigeria opposing fossil fuel extraction.37 Useful information on patterns of subsidies provided to fossil fuel polluters by the EU ETS, or on the perverse incentives associated with HFC-23 projects, often come from groups clinging to the fetish of reform, and important analyses of the contradictions of the climate commodity from Wall Street consultants who would be horrified at the extent to which their contributions are aiding the understanding of radical movements against the trade. Thus while frank discussion of the consequences of the continuing unfolding of the contradiction between exchange-value and use-value in carbon markets is more politically productive when undertaken with affected publics than with fetish-constrained state officials and technocrats, or in the pages of the financial press, political spaces for breaking the trance that carbon markets have imposed on climate policy can be, and are being, opened at many levels.

#### ---The alternative fails --- Collective structures are responsible for an overwhelming majority of consumption.

Jensen 2009

Derrick, activist and the author of many books, most recently What We Leave Behind and Songs of the Dead, Forget Shorter Showers, Orion Magazine, <http://www.orionmagazine.org/index.php/articles/article/4801/>

WOULD ANY SANE PERSON think dumpster diving would have stopped Hitler, or that composting would have ended slavery or brought about the eight-hour workday, or that chopping wood and carrying water would have gotten people out of Tsarist prisons, or that dancing naked around a fire would have helped put in place the Voting Rights Act of 1957 or the Civil Rights Act of 1964? Then why now, with all the world at stake, do so many people retreat into these entirely personal “solutions”? Part of the problem is that we’ve been victims of a campaign of systematic misdirection. Consumer culture and the capitalist mindset have taught us to substitute acts of personal consumption (or enlightenment) for organized political resistance. An Inconvenient Truth helped raise consciousness about global warming. But did you notice that all of the solutions presented had to do with personal consumption—changing light bulbs, inflating tires, driving half as much—and had nothing to do with shifting power away from corporations, or stopping the growth economy that is destroying the planet? Even if every person in the United States did everything the movie suggested, U.S. carbon emissions would fall by only 22 percent. Scientific consensus is that emissions must be reduced by at least 75 percent worldwide. Or let’s talk water. We so often hear that the world is running out of water. People are dying from lack of water. Rivers are dewatered from lack of water. Because of this we need to take shorter showers. See the disconnect? Because I take showers, I’m responsible for drawing down aquifers? Well, no. More than 90 percent of the water used by humans is used by agriculture and industry. The remaining 10 percent is split between municipalities and actual living breathing individual humans. Collectively, municipal golf courses use as much water as municipal human beings. People (both human people and fish people) aren’t dying because the world is running out of water. They’re dying because the water is being stolen. Or let’s talk energy. Kirkpatrick Sale summarized it well: “For the past 15 years the story has been the same every year: individual consumption—residential, by private car, and so on—is never more than about a quarter of all consumption; the vast majority is commercial, industrial, corporate, by agribusiness and government [he forgot military]. So, even if we all took up cycling and wood stoves it would have a negligible impact on energy use, global warming and atmospheric pollution.” Or let’s talk waste. In 2005, per-capita municipal waste production (basically everything that’s put out at the curb) in the U.S. was about 1,660 pounds. Let’s say you’re a die-hard simple-living activist, and you reduce this to zero. You recycle everything. You bring cloth bags shopping. You fix your toaster. Your toes poke out of old tennis shoes. You’re not done yet, though. Since municipal waste includes not just residential waste, but also waste from government offices and businesses, you march to those offices, waste reduction pamphlets in hand, and convince them to cut down on their waste enough to eliminate your share of it. Uh, I’ve got some bad news. Municipal waste accounts for only 3 percent of total waste production in the United States. I want to be clear. I’m not saying we shouldn’t live simply. I live reasonably simply myself, but I don’t pretend that not buying much (or not driving much, or not having kids) is a powerful political act, or that it’s deeply revolutionary. It’s not. Personal change doesn’t equal social change.

#### ---Individual local strategies fail to adapt to the inevitability of global concerns and guarantees a world dominated by violence.

Monbiot 2004

George, journalist, academic, and political and environmental activist, Manifesto for a New World Order, p. 11-13

The quest for global solutions is difficult and divisive. Some members of this movement are deeply suspicious of all institutional power at the global level, fearing that it could never be held to account by the world’s people. Others are concerned that a single set of universal prescriptions would threaten the diversity of dissent. A smaller faction has argued that all political programmes are oppressive: our task should not be to replace one form of power with another, but to replace all power with a magical essence called ‘anti-power’. But most of the members of this movement are coming to recognize that if we propose solutions which can be effected only at the local or the national level, we remove ourselves from any meaningful role in solving precisely those problems which most concern us. Issues such as cli­mate change, international debt, nuclear proliferation, war, peace and the balance of trade between nations can be addressed only globally or internationally. Without global measures and global institutions, it is impossible to see how we might distribute wealth from rich nations to poor ones, tax the mobile rich and their even more mobile money, control the shipment of toxic waste, sustain the ban on landmines, prevent the use of nuclear weapons, broker peace between nations or prevent powerful states from forcing weaker ones to trade on their terms. If we were to work only at the local level, we would leave these, the most critical of issues, for other people to tackle. Global governance will take place whether we participate in it or not. Indeed, it must take place if the issues which concern us are not to be resolved by the brute force of the powerful. That the international institutions have been designed or captured by the dictatorship of vested interests is not an argument against the existence of international institutions, but a reason for overthrowing them and re­placing them with our own. It is an argument for a global political system which holds power to account. In the absence of an effective global politics, moreover, local solutions will always be undermined by communities of interest which do not share our vision. We might, for example, manage to persuade the people of the street in which we live to give up their cars in the hope of preventing climate change, but unless everyone, in all communities, either shares our politics or is bound by the same rules, we simply open new road space into which the neighbouring communities can expand. We might declare our obiliza­hood nuclear-free, but unless we are simultaneously work­ing, at the international level, for the abandonment of nuclear weapons, we can do nothing to prevent ourselves and everyone else from being threatened by people who are not as nice as we are. We would deprive ourselves, in other words, of the power of restraint. By first rebuilding the global politics, we establish the political space in which our local alternatives can flourish. If, by contrast, we were to leave the governance of the necessary global institutions to others, then those institutions will pick off our local, even our national, solutions one by one. There is little point in devising an alternative economic policy for your nation, as Luis Inacio ‘Lula’ da Silva, now president of Brazil, once advocated, if the International Monetary Fund and the financial speculators have not first been overthrown. There is little point in fighting to protect a coral reef from local pollution, if nothing has been done to prevent climate change from destroying the conditions it requires for its survival.

#### ---The alternative reifies constructed Western notions of the ‘local’ that collapses autonomy and masks oppression.

Escobar 1995

Arturo, Associate professor of Anthropology @ UMASS, Encountering Development: The Making and Unmaking of the Third World, pg. 170

As Ana Maria Alonso (1992) remarked in the context of another peasant struggle at another historical moment, one must be careful not to naturalize “traditional” worlds, that is, valorize as innocent and “natural” an order produced by history (such as the Andean world in PRATEC’s case or many of the grassroots alternative spoken about by activists in various countries). These orders can also be interpreted in terms of specific effects of power and meaning. The “local,” moreover, is neither unconnected nor unconstructed, as it is thought at times. The temptation to “consume” grassroots experiences in the market for “alternatives” in Western academe should also be avoided. As Rey Chow warns (1922), one must resist participating in the reification of Third World experiences that often takes place under such rubrics as multiculturalism and cultural diversity. This reification hides other mechanisms; The apparent receptiveness of our curricula to the Third World, as receptiveness that makes full use of non-Western human specimens as instruments for articulation, is something we have to practice and deconstruct at once…We [must] find a resistance to the liberal illusion of the autonomy and independence we can “give” the other. It shows that social knowledge (and the responsibility that this knowledge entails) is not simply a matter of empathy or identification with “the other” whose sorrows and frustrations are being made part of the spectacle…This means that *our* attempts to “explore the ‘other’ point of view” and “to give it a chance to speak for itself,” as the passion of many current discourse goes, must always be distinguished from the other’s struggles, no matter how enthusiastically we assume the nonexistence of that distinction. (111,112)

## 1AR

### Roelofs

#### Aesthetics is a link to the workers da

Bennett 1996

Jane, Goucher College, Political Theory, Vol. 24, No. 4, jstor

Stephen Best and Douglas Kellner place their objections to aestheticization in a slightly different frame, more Marxist than Habermasian. For them, the aesthetic turn in ethics is a feeble response to the cultural condition of capitalist colonization. Those like Foucault—who have rejected “traditional rationalist politics based on ideology critique, the overcoming of false consciousness, the subordination of art to politics, and a pragmatic concern with the serious business of seizing power”—can respond to the fact that we are “libidinally bound” to capitalism only by analyzing the structure of desire.26 Having banished themselves from the politics of reason, pragmatics, and seizure, they seek refuge in a “micropolitics of desire.” But such an “aesthetic”—that is, concerning sensual images that while superficial are also powerful and seductive—response to capitalist hegemony has, say Best and Kellner, no counter-hegemonic force. Its focus on individually desiring subjects deflects attention from the shared economic and social conditions of colonization, the very conditions that must be the target of collective reformation. Alex Callinicos, in Against Postmodernzsm, concurs: Foucault. asks why “everyone’s life couldn’t become a work of art?” The answer, of course, is that most people’s lives are still. shaped by their lack of access to productive resources and their consequent need to sell their labour-power in order to live. To invite a hospital porter in Birmingham, a car-worker in San Paolo, a social secunty clerk in Chicago, or a street child in Bombay to make a work of art of their lives would be an insult—unless linked to precisely the kind of strategy for global social change which poststructuralism rejects.27

# Round 6

## 1AC

### Plan

#### Thus the plan:

#### The United States Federal Government should exclude crude oil and natural gas production from Exon-Florio reviews.

### Investment

#### Contention 1- investment

#### The United States currently submits all foreign investment deals related to oil and gas production to the Committee on Foreign Investment in the United States, known as CFIUS. These restrictions chill foreign investment and send a signal of US protectionism.

Wilson Center 5-31-12 (Chinese Investment in North American Energy, http://www.wilsoncenter.org/event/chinese-investment-north-american-energy)

While Chinese foreign energy investment is on the rise, the more notable story is China’s shift from a net importer of capital to a nation of massive capital outflows, said Adam Lysenko of the Rhodium Group. Energy investment—initially stalled in the wake of the aborted acquisition of Union Oil Company of California (UNOCAL) by China National Offshore Oil Corporation (CNOOC) in 2005—has increased exponentially with $18.3 billion in bids in 2011 alone. Learning lessons about American protectionism, Chinese firms have changed their strategies since the failed UNOCAL deal and now have made multiple smaller investments that will not attract unwanted political attention. In addition to raw materials, Chinese companies are looking to gain expertise in exploiting these resources for use at home. As for alternative energy, Chinese companies are starting to invest in North American production to get around tariffs. Currently, the Committee on Foreign Investment in the United States (CFIUS) process appears adequate, but the political environment is hurting investment unnecessarily. Lysenko added that many Chinese firms are starting new corporations in the emerging alternative energy industry to avoid CFIUS scrutiny. In order to keep Chinese investments growing, the United States has to find a way to separate national security from politics. While Chinese investment has increased exponentially in the last four years, its total impact should not be exaggerated, said Bo Kong from Johns Hopkins School of Advanced International Studies. CNOOC’s difficulty in acquiring UNOCAL jaded many Chinese investors from investing in the United States, which significantly slowed the flow of investment in the North American energy industry. Chinese companies’ hesitancy to repeat the failure of the UNOCAL deal and American companies’ concerns about both political interference and intellectual property (IP) theft have tempered Chinese investment in North America. However, smaller and more diverse investments on the part of Chinese companies and more safeguards to protect U.S. IP should help accelerate investment in the future. All three Chinese state-owned oil companies are also listed on the New York Stock Exchange, which indicates a willingness to be more transparent. Getting more Chinese companies involved in research and development will lead to a greater respect for international IP laws. Historically, Japan and South Korea were not good stewards of intellectual property, but as both nations started to develop their own technology, they began to respect IP laws. Many feel that increased investment by Chinese firms in research and development will lead to a similar evolution. While China is a resource-hungry and growing country, the real benefit to North American investment is not the energy extracted but rather the techniques and knowledge gleaned from U.S. and Canadian companies, which will allow China’s companies to better extract resources at home.

#### Scenario 1- Protectionism:

#### Global trade is on the brink of collapse- rising US protectionism risks global escalation.

Lincicome 12 (Scott, trade attorney, “Is Missing American Trade Leadership Beginning to Bear Protectionist Fruit? (Hint: Kinda Looks Like It),” June 12, http://lincicome.blogspot.com/2012/06/is-missing-american-trade-leadership.html)

Over the past few years, I and several other US trade-watchers have lamented the United States' dwindling leadership on global trade and economic issues and warned of that trend's troubling potential ramifications. It appears that at least one of our breathless predictions may finally be coming true. Starting in mid-2009 - when it became depressingly clear that the Obama administration viewed trade in mostly political terms and thus would not be advancing a robust, proactive free trade agenda - we free traders expressed grave concern that US recalcitrance could harm not only US companies and workers, but also the entire global free trade system. As I explained in a 2009 oped urging the President to adopt a robust pro-trade agenda (as outlined in this contemporary Cato Institute paper): Since the 1940s, the US has led the charge to remove international barriers to goods, services and investment. The result: a global trade explosion that has enriched American families, spurred innovation, enhanced our security and helped millions escape poverty. Every US president since Herbert Hoover has championed free trade because of its proven benefits.... Because of today's rules-based multilateral trading system and the interdependence of global markets, US fecklessness on trade shouldn't lead to devastating protectionism akin to the Smoot-Hawley-induced tariff wars of the 1930s. But it's still a problem. In 2008, global trade contracted for the first time since 1982, and protectionist pressures abound. The WTO's Doha Round is comatose, even though an ambitious deal could inject US$2 trillion into the reeling global economy. Considering the US has steered every major trade initiative in modern history, any chance for significant progress on trade will disappear without strong American leadership - in word and deed. Since that time, the President has clearly not taken free traders' advice. The WTO's Doha Round is dead, despite a pretty good opportunity to force the issue back in late 2010. The Obama administration took three years to implement already-dusty FTAs with Korea, Panama and Colombia and actually insisted on watering the deals down with new protectionist provisions in order to finally agree to move them. And while countries around the world are signing new trade agreements left and right, we've signed exactly zero and have eschewed important new participants and demanded absurd domestic protectionism in the one agreement that we are negotiating (the TPP). Meanwhile, on the home front the President has publicly championed mercantilism, as his minions quietly pursued myriad efforts to restrict import competition and consumer freedom, embraced competitive devaluation and maintained WTO-illegal policies (while publicly denouncing protectionism, of course). Pretty stark when you lay it all out like that, huh? Despite this depressing state of affairs, it did not appear that the United States' diversion from its long free trade legacy had resulted in a tangible increase in global protectionism (although the death of Doha certainly isn't a good thing). Unfortunately, a new blog post from the FT's Alan Beattie indicates that those chickens may finally be coming home to roost: One of the very few bright spots in governments’ generally grim recent performance of managing the world economy has been that trade protectionism, rampant during the Great Depression, has been relatively absent. That may no longer be the case. The WTO, fairly sanguine about the use of trade barriers over the past few years, warns today that things are getting worrying. The EU made a similar point yesterday. And this monitoring service has been pointing out for a long time that a lot of the new forms of protectionism aren’t counted under the traditional categories, thanks to gaping holes in international trade law. After glancing at the bi-partisan protectionism on display in the 2012 US presidential campaign, Beattie concludes that, on the global trade stage, "things are looking scarier than they have for a while." I'm certainly inclined to agree, and one need only look South to Brazil's frighteningly rapid transition from once-burgeoning free trade star to economically-stagnant, unabashed protectionist to see a scary example of why. And while I agree with Beattie that the world still isn't likely to descend into a 1930s-style trade war - we can thank the WTO and the proliferation of free market economics for that - the rising specter of global protectionism is undoubtedly distressing. And, of course, it has risen just as America's free trade leadership has faded away. Now, as we all know, correlation does not necessarily mean causation, and it's frankly impossible to know just how much the dearth of US trade leadership has actually affected global trade policies. But I think it's pretty safe to say that it certainly hasn't helped matters. Just ask yourself this: how can the US admonish Brazil or any other country about its distressing mercantilism when the President is himself routinely preaching - and his administration is busy implementing - similar policies? How can we decry the global "currency wars" when we're discretely advocating a similar strategy? How can we push back against nations' increasing use of market-distorting subsidies or regulatory protectionism when we're.... I think you get the idea. As I've frequently noted here, it was a Democrat - Secretary of State Cordell Hull - who over 70 years ago began a global free trade movement that until very recently had been led - in word and deed - by Republican and Democratic administrations alike. And while the distressing recent spike in global protectionism may not have been caused by a lack of American trade leadership, it is very, very likely not going to recede until the United States regains its long-held place at the front of the trade liberalization pack.

#### And, restrictions on oil and gas investments explode the scope of foreign investment CFIUS reviews. This expansion of the CFIUS process is a protectionist tool to keep out investment.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

II. Post 9/11 Application of Exon-Florio After 9/11, the CFIUS process shifted to focus more on threats from non-state actors, most noticeably by including the Department of Homeland Security (DHS) among the departments heading the CFIUS board. This shift in focus resulted in the scrutiny of several transactions that did not fit into the traditional military-based interpretation of national security, such as the Chinese purchase of an oil company and the purchase of the operation of ports by an Arab company. The change in the Exon-Florio process culminated in the passage of FINSA, which codified a much broader interpretation of national security that encompassed energy assets and other critical infrastructure. A. A Shift in Foreign Policy Perspective Unsurprisingly, the terrorist attacks of 9/11 dramatically changed the American perspective on national security, including the scrutiny of foreign investment. When Exon-Florio passed, at the end of the Cold War, U.S. foreign policy was still focused on the realist, state-based model of international relations. 86 This realist model largely envisions foreign policy as a competition between states, in which states struggle to find the proper balance between deterrence and reassurance of other governments regarding their good intentions. 87 According to traditional conceptions of realism, non-governmental actors have little or no significant role to play in international relations. 88 The end of the Cold War and the widening web of globalization broadened the spectrum of foreign policy considerations somewhat, but it was not until after 9/11 that the U.S. national security apparatus really shifted to focus more on a range of non-state security threats. 89 The very nature of the 9/11 attacks made it clear that the instruments of globalization could be used to attack the international order itself, and there was a resultant effort on the part of the United States to secure various commercial facilities, such as airports, [\*180] chemical factories, and ports 90 - exemplified in the formation of the DHS to coordinate domestic security measures against terrorism. Consistent with the realist vision of foreign policy, Exon-Florio had focused on state-based acquisitions of defense-related technologies prior to 9/11, with an emphasis on the unique capabilities acquired by foreign governments or "lost" to the United States present in each transaction. 91 As part of the general paradigm change toward considering threats from non-state actors after 9/11, President Bush added the head of the DHS to the CFIUS board in February 2003. 92 Perhaps not coincidentally, "between January 2003 and December 2005, there were six [CFIUS] investigations, and five withdrawals, more than the previous ten years combined." 93 In 2006, the CFIUS conducted seven investigations, the most ever in a single year. 94 B. The Unocal Incident: Protectionism Run Amok The response to the attempt of CNOOC to purchase Unocal, an American oil company, exemplified the tighter CFIUS approach. 95 CNOOC, a Chinese state-owned oil company, regularly purchased foreign oil companies to create joint-ventures between itself and the foreign companies. 96 The Chinese government recognized that there would be a CFIUS review under the Byrd Amendment, since CNOOC was state-owned, but felt that ultimately there was no security risk and that the transaction would pass the CFIUS review. 97 However, on June 24, 2005, 41 members of Congress from both parties wrote to President Bush urging a thorough CFIUS review of the sale. 98 The letter justified the review by raising questions about "whether CNOOC was using Chinese government funds to make the purchase and whether China [\*181] would be acquiring sensitive technology." 99 Congress followed up this letter with the introduction of a resolution in the House on June 29, 2005, that recognized oil and natural gas as strategic national assets and argued that the purchase of Unocal would allow for the oil reserves to be preferentially sent to China - instead of purchasing them on the open market - thus opening up the possibility of China utilizing the "oil weapon" against the United States. 100 China hawks 101 echoed these arguments, claiming that the deal would give China more leverage over the international oil market and that regardless of the facts of the transaction, the symbolic nature of giving into China's resource goals should be prevented at all costs. 102 Unsurprisingly, hawkish arguments toward China played a large role in congressional opposition to the deal. 103 The Bush administration kept relatively quiet during the Unocal controversy, 104 and eventually CNOOC withdrew their bid in the face of the negative publicity. 105 The most remarkable aspect of this episode was the congressional majority's attempt to implicitly redefine national security. The definition of national security was no longer limited to technologies that were at least arguably related to the national defense industrial complex. Congressional opponents of the Unocal sale used public debate surrounding the deal to include energy assets in an expanded interpretation of national security and continued the long-running congressional struggle to use Exon-Florio and the CFIUS review process as a protectionist tool to prevent foreign investment in U.S. industry. 106 Previous CFIUS reviews focused on technological acquisitions that could allow foreign countries unique access to U.S. military capabilities, 107 in contrast to energy companies, which had no [\*182] direct connection to the military. If national security can also mean "important to the United States economy," as energy assets no doubt are, then the definition of national security differs in no meaningful sense from the original "essential commerce" bill that Reagan threatened to veto in order to strip the economic security provisions.

#### And, expanding the scope of CFIUS reviews undermines US trade leadership and triggers retaliation. The impact is global wars.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

C. Economic Retaliation as a Result of CFIUS Protectionism Continued use of Exon-Florio to protect American economic security could also lead to retaliation by our trading partners. 165 The United States loses much of its credibility on global trade leadership when it caves to political pressure and blocks transactions that do not pose a clear threat to national [\*190] security, as it did during the Dubai Ports incident. 166 If the Exon-Florio power continues to widen to affect foreign investment outside of direct national defense concerns, then other countries will replicate such legislation, and protectionist trade wars will escalate. 167 In fact, France, Russia, India, and Canada have already passed, or are considering, more restrictions on foreign investment as a result of what is seen abroad as U.S. protectionism disguised as the CFIUS blocking deals for national security reasons. 168 Russian legislators directly cited the U.S. example of the CFIUS when they debated the potential restrictions on foreign investment: The government has decided to use [the] experience of the US ... where there are stringent limitations for purchase of assets by foreign investors... . In the US if a foreign company is going to buy more than 5% of shares in a company that fulfills orders of the Department of Defense, [the] permit for such [a] deal is issued by the President. 169 The Russian Economy Minister, German Gref, even made the case that the proposed Russian restrictions on foreign investment would be more liberal than the CFIUS process of the United States. 170 Similarly, India retaliated against CFIUS restrictions on one of its telecom companies by placing similar restrictions on U.S. telecom firms that were attempting to enter the Indian market. 171 The Indian government felt that it needed to exclude U.S. companies as long as the United States was restricting Indian companies' transactions with American firms. 172 Both of these incidents are illustrative of a larger point: as long as the United States restricts [\*191] foreign investment unnecessarily through the CFIUS process, other countries will do likewise, inhibiting global trade. 173 Diagnosing the benefits of free trade goes beyond the scope of this Comment, but there is virtual unanimity among economists on both the benefits of foreign direct investment and free trade to the U.S. economy. 174 Without foreign direct investment, the U.S. economy would lose nearly ten million jobs. 175 A dynamic American economy is crucial to national security because without a strong economy, there would be insufficient revenue for the military and national defense. 176 If the U.S. economy were to contract even further, there could be isolationist pressure to reduce the defense budget and withdraw from international commitments. 177 Moreover, global free trade contributes to global stability by spreading democracy, integrating national economies, and dramatically raising the cost of war. 178 Support for regulation of foreign direct investment centers around unsubstantiated fears that foreign direct investment creates economic instability. 179 According to this theory, foreign ownership of important U.S. assets gives other countries the power to destabilize the U.S. economy. 180 In reality, however, foreign direct investment aligns the interests of other [\*192] countries with the United States. 181 If another country owns substantial assets in the United States, its future is tied to the American economy, and that country would be going against its own interests to take any action that may destabilize the American economy. 182

#### And, protectionism sparks great power conflict and exacerbates all global problems.

Patrick, Senior Fellow-CFR, 09 (Stewart, senior fellow and director of the Program on International Institutions and Global Governance at the Council on Foreign Relations, “Protecting Free Trade,” National Interest, March 13, 2009, http://nationalinterest.org/article/protecting-free-trade-3060?page=show)

President Obama has committed to working with U.S. trade partners to avoid "escalating protectionism." He is wise to do so. As never before, U.S. national security requires a commitment to open trade. President Obama and his foreign counterparts should reflect on the lessons of the 1930s-and the insights of Cordell Hull. The longest-serving secretary of state in American history (1933-1944), Hull helped guide the United States through the Depression and World War II. He also understood a fundamental truth: "When goods move, soldiers don't." In the 1930s, global recession had catastrophic political consequences-in part because policymakers took exactly the wrong approach. Starting with America's own Smoot Hawley Tariff of 1930, the world's major trading nations tried to insulate themselves by adopting inward looking protectionist and discriminatory policies. The result was a vicious, self-defeating cycle of tit-for-tat retaliation. As states took refuge in prohibitive tariffs, import quotas, export subsidies and competitive devaluations, international commerce devolved into a desperate competition for dwindling markets. Between 1929 and 1933, the value of world trade plummeted from $50 billion to $15 billion. Global economic activity went into a death spiral, exacerbating the depth and length of the Great Depression. The economic consequences of protectionism were bad enough. The political consequences were worse. As Hull recognized, global economic fragmentation lowered standards of living, drove unemployment higher and increased poverty-accentuating social upheaval and leaving destitute populations "easy prey to dictators and desperadoes." The rise of Nazism in Germany, fascism in Italy and militarism in Japan is impossible to divorce from the economic turmoil, which allowed demagogic leaders to mobilize support among alienated masses nursing nationalist grievances. Open economic warfare poisoned the diplomatic climate and exacerbated great power rivalries, raising, in Hull's view, "constant temptation to use force, or threat of force, to obtain what could have been got through normal processes of trade." Assistant Secretary William Clayton agreed: "Nations which act as enemies in the marketplace cannot long be friends at the council table." This is what makes growing protectionism and discrimination among the world's major trading powers today so alarming. In 2008 world trade declined for the first time since 1982. And despite their pledges, seventeen G-20 members have adopted significant trade restrictions. "Buy American" provisions in the U.S. stimulus package have been matched by similar measures elsewhere, with the EU ambassador to Washington declaring that "Nobody will take this lying down." Brussels has resumed export subsidies to EU dairy farmers and restricted imports from the United States and China. Meanwhile, India is threatening new tariffs on steel imports and cars; Russia has enacted some thirty new tariffs and export subsidies. In a sign of the global mood, WTO antidumping cases are up 40 percent since last year. Even less blatant forms of economic nationalism, such as banks restricting lending to "safer" domestic companies, risk shutting down global capital flows and exacerbating the current crisis. If unchecked, such economic nationalism could raise diplomatic tensions among the world's major powers. At particular risk are U.S. relations with China, Washington's most important bilateral interlocutor in the twenty-first century. China has called the "Buy American" provisions "poison"-not exactly how the Obama administration wants to start off the relationship. U.S. Treasury Secretary Timothy Geithner's ill-timed comments about China's currency "manipulation" and his promise of an "aggressive" U.S. response were not especially helpful either, nor is Congress' preoccupation with "unfair" Chinese trade and currency practices. For its part, Beijing has responded to the global slump by rolling back some of the liberalizing reforms introduced over the past thirty years. Such practices, including state subsidies, collide with the spirit and sometimes the law of open trade. The Obama administration must find common ground with Beijing on a coordinated response, or risk retaliatory protectionism that could severely damage both economies and escalate into political confrontation. A trade war is the last thing the United States needs, given that China holds $1 trillion of our debt and will be critical to solving flashpoints ranging from Iran to North Korea. In the 1930s, authoritarian great-power governments responded to the global downturn by adopting more nationalistic and aggressive policies. Today, the economic crisis may well fuel rising nationalism and regional assertiveness in emerging countries. Russia is a case in point. Although some predict that the economic crisis will temper Moscow's international ambitions, evidence for such geopolitical modesty is slim to date. Neither the collapse of its stock market nor the decline in oil prices has kept Russia from flexing its muscles from Ukraine to Kyrgyzstan. While some expect the economic crisis to challenge Putin's grip on power, there is no guarantee that Washington will find any successor regime less nationalistic and aggressive. Beyond generating great power antagonism, misguided protectionism could also exacerbate political upheaval in the developing world. As Director of National Intelligence Dennis Blair recently testified, the downturn has already aggravated political instability in a quarter of the world's nations. In many emerging countries, including important players like South Africa, Ukraine and Mexico, political stability rests on a precarious balance. Protectionist policies could well push developing economies and emerging market exporters over the edge. In Pakistan, a protracted economic crisis could precipitate the collapse of the regime and fragmentation of the state. No surprise, then, that President Obama is the first U.S. president to receive a daily economic intelligence briefing, distilling the security implications of the global crisis.

#### Scenario 2- Economic Collapse:

#### Chinese FDI to the US declined sharply in 2012 but could rebound if the US takes steps to liberalize its national security FDI policy towards China.

Hanemann 12-28 (Theo, research director at the Rhodium Group and leads the firm’s cross-border investment work, Chinese FDI in the US in 2012, http://rhgroup.net/notes/chinese-direct-investmnet-in-the-u-s-in-2012-a-record-year-amid-a-gloomy-fdi-environment)

AGAINST THE GLOBAL TREND The recent growth of Chinese investment is even more remarkable in light of an otherwise bleak FDI picture in the United States. Before the global financial crisis, the United States was the world’s premier destination for foreign direct investment with annual inflows of $200-300 billion. When the crisis hit in 2009 FDI dropped by more than half. In 2010 and 2011 inflows have somewhat stabilized but declined again sharply in 2012 in light of the fragile situation in Europe (which the major source of FDI for the US) and uncertainties for the US growth outlook. Preliminary data from the Bureau of Economic Analysis shows that FDI dropped by more than 30% in the first three quarters of 2012, which indicates that the full year figure will come in at levels not seen since the crisis year 2009 (Figure 2). These trends suggest that China could follow other Asian economies in becoming an important source of FDI for the United States. China today accounts for less than 1% of total U.S. inward FDI stock, but it has become one of the few bright spots in an otherwise gloomy FDI environment. Compared to five years ago, FDI flows from European economies and Canada were down by more than 50% in the first three quarters of 2012. FDI from Asia was holding up better, and China is among the few countries that invested more in the United States than five years ago – an increase of more than 300% according to official statistics from the Bureau of Economic Analysis (Figure 3). These estimates are likely too low as the BEA Balance of Payments figures do not account for flows through offshore financial centers. Figures from Rhodium Group’s China Investment Monitor, which account for such flows, suggest that the increase was even more significant, by nearly 1,300% over five years. Growing investment from China increasingly brings benefits for local economies, for example in the form of employment. Today Chinese firms already employ 29,000 people in the United States, up from less than 10,000 just five years ago. THE RIGHT POLICY RESPONSE Developments in 2012 also underscored the political hurdles in the process of China becoming a major source of FDI for the US. Compared to other emerging FDI exporters in the past like Japan or Korea, China is not a military ally of the United States but sees itself balancing U.S. hegemony. This puts Chinese investors in the spotlight for a range of existing national security concerns related to foreign ownership, among them ownership of critical infrastructure, political and industrial espionage and ownership and proliferation of defense-relevant technologies. In addition to national security risks there are specific concerns about the economic impacts of Chinese investment due to the role of the government in China’s economy and existing asymmetries in market access between China and the United States. Unfortunately the past year was a step back for the political debate on these issues. 2012 saw little progress on substance but instead a lot of political games and populist rhetoric, for example a report by two members of the U.S. House Intelligence Committee that attacks Chinese telecommunications firms and dismisses mitigation options, or efforts by lawmakers and lobbyists to undermine a series of Chinese technology acquisitions, including Wanxiang’s purchase of A123 Systems and BGI Shenzhen’s bid for Complete Genomics. The negative headlines from such politicization are damaging the perception of the U.S. as an investment destination in China, despite U.S. openness and the hard work that is done by governors, mayors and other local officials to promote inward investment. Political games are also a distraction from advancing the debate on important questions such as the risks from Chinese investment in infrastructure or competitive neutrality of state-owned enterprises. If the United States wants to maximize benefits from China’s beginning outward FDI boom, policymakers need to stop beating the drums and instead focus on solutions that allow the US to maintain an open investment environment while addressing real concerns. Otherwise Chinese investors will carry their cash elsewhere, for the example Europe, where Chinese FDI has topped $10 billion for the second year in a row, almost double of what the United States received over the past two years (Figure 4). Europe’s greater attraction can mostly be explained by commercial opportunities including privatization programs and troubled industrial assets, but different national security sensitivities and the perception that Europe is more welcoming to Chinese investment than the United States did play a role too. It is too early to declare Europe the winner in the race for Chinese investment, but it is time for Washington to move past politics, emphasize openness and tackle structural reforms to ensure the United States remains a top destination for FDI from China and elsewhere.

#### And investment is low overall – more of it is critical to jobs and growth

Scissors and Payne 1/11/13 (Derek, Senior Research Fellow in Asia Economic Policy, and Dean Cheng is Research Fellow in Chinese Political and Security Affairs, \*Amy, research associate at the Heritage Foundation, “Morning Bell: Chinese Investment in the U.S. Shatters Records” <http://blog.heritage.org/2013/01/11/china-investment-in-the-us-2012/>)

China set a record with its investments around the world in 2012. And in the United States, China shattered its previous investment record. Before people start panicking, it’s important to know: This is not a bad thing. First, let’s put it in perspective. Chinese investment is still very, very small as compared to the size of the U.S. economy. At the national level, the stock of investment is barely $50 billion—which sounds large, but is negligible compared to a stock of American wealth of more than $60 trillion. No one’s “taking over” anything. In fact, more Chinese investment is a good thing. It creates jobs; it benefits companies, and it should be welcomed. It also gives us more leverage to push for a more open Chinese market, which continues to be a major problem. Globally, the U.S. can compete and win with China in terms of economic influence, but we have to be willing to play. We have to be willing to expand our trade and investment in both directions.

But, CFIUS is increasingly assertive over Chinese energy deals---Casting a shadow over future investment

Crooks-Financial Times-9/11/12

<http://www.ft.com/intl/cms/s/0/4f880244-f90a-11e1-945b-00144feabdc0.html#axzz26DtOgO5Z>

Oil tie-up is test for US deal-watchers

Over the latest three years for which data are publicly available, Cfius required legally binding mitigation measures from only 16 deals out of the 313 that it reviewed. However, the prospect of a review casts a shadow over any potential deal. Cfius has the authority to consider only national security, but lawyers say that this still leaves it with considerable scope for political discretion. The majority of investigations involve manufacturing and technology companies, but natural resources have risen up the committee’s agenda. The Foreign Investment and National Security Act of 2007 specified that the committee should look at “the potential effects on US critical infrastructure, including major energy assets [and] the long-term projection of US requirements for sources of energy”. Cfius also now seems to have expanded its scope to address factors such as a target’s proximity to sites related to national security. It recently opened an investigation into the acquisition of a US gold mine by a Chinese company, probably because of the site’s proximity to a US Navy air base. The Chinese group has now divested the mine. Deals involving Chinese buyers are a small minority of those reviewed by Cfius, representing only 5 per cent of the 313 looked at in 2008-10, but are often among the most sensitive cases. “Some believe that heightened Cfius scrutiny is unreasonably targeting Chinese investment in the US,” said lawyers from Vinson & Elkins in a recent memo. Paul Marquardt, a partner in the Washington office of Cleary Gottlieb, another law firm, says: “What really drove people to be worried about this was the Cnooc-Unocal deal, which was a disaster, but a political disaster.” There are signs of that political controversy being stirred up again. Charles Schumer, the Democratic senator for New York, wrote in July to Tim Geithner, the Treasury secretary, asking him the block the Nexen deal as a bargaining tactic to secure better treatment for US companies in China. On the question of government ownership, Cnooc Ltd, the bidder for Nexen, is a listed company but 64 per cent owned by Cnooc, its state-owned parent. Cfius has 75 days to come to a decision on the Cnooc bid, which would take it safely beyond the November 6 US election. However, a decision after the election could be delayed by a change of administration. Some tough talk about China from Mitt Romney, the Republican candidate for the presidency, suggests that if elected he might take a harder line. The Cfius decision is not critical to the success or failure of Cnooc’s takeover. If the committee raises objections, the Chinese group could simply dispose of the US assets. The equivalent Canadian authority, government department Industry Canada, is also reviewing the bid but generally takes a more laissez fair approach to foreign takeovers than the US does. Mr Marquardt argues that it is unlikely that Cfius will demand any asset sales. Mr Rubinoff agrees, saying: “It’s not like they are going to make the oil disappear, or affect US energy supplies. So I don’t think there are national security arguments there.” However, if the assets are large enough, then Chinese buyers probably would still be blocked. “Chinese buyers are still different,” says Steve Tredennick of Paul Hastings, another law firm. “The American public is just not ready to have a Chinese national oil company owning assets that are a big deal here in the US.”

#### And, energy restrictions destroy investor confidence, which crushes the dollar and triggers economic recession- the vague CFIUS interpretation of national security chills ALL foreign investment.

Carroll-Emory International Law Review-09 (James, COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY, 23 Emory Int'l L. Rev. 167)

B. National Security and Investor Uncertainty The uncertain interpretation of national security in Exon-Florio, combined with the broad sweep of terms like "energy assets" and "critical infrastructure" make the outcome of the CFIUS process nearly impossible to predict. 150 Continuing to construe the term national security broadly could have a chilling effect on all foreign investment within the United States, as it would send a [\*188] signal that the age of openness to foreign direct investment is coming to a close. 151 Broadly defining national security creates costly uncertainty for foreign investors, as even the most sophisticated legal counsel cannot predict which investments will avoid a politicized CFIUS review. 152 According to Alan Greenspan, regulatory uncertainty deters business investment. 153 Defenders of the current process may point out that presidential vetoes are rare, as there have been none issued since 1990, and some controversial transactions, such as the Alcatel Lucent merger, have recently been approved. 154 Although presidential vetoes of transactions remain relatively scarce, the broad sweep of potential investigations can deter foreign direct investment without the president ever formally vetoing a transaction, as was done in the past to CNOOC and Dubai Ports. 155 Even if the foreign enterprises do not touch upon defense technology, fear of an irrational regulatory regime may discourage deals on the margins. 156 As CFIUS reviews of foreign investment in critical infrastructure continue to be based upon mere political expediency, foreign countries may become wary of investing in the dollar if they see that Congress is willing to limit the amount of investment choices available to them. 157 While a wholesale dumping of American assets is unlikely, continual investigations of relatively innocuous foreign transactions like Unocal and Dubai Ports could lead foreigners to reconsider some of their investments. 158 [\*189] Losing foreign investment in the United States could push the dollar down against other currencies, such as the rising euro. 159 A decline in the dollar fueled by investor pullout could cause interest rates to soar, possibly even worsening the current recession. 160 In an era when the dollar is falling in relation to other currencies, and the trade deficit is continuing to widen, the United States cannot afford to discourage foreign investment. 161 Ironically, although foreign investment is one of the major factors maintaining economic growth, public backlash against such investment only deepens. 162 The housing crisis has exacerbated populist concern over the economy, 163 but while the housing crunch is ongoing, foreign investment is more vital than ever to provide liquidity to American markets. 164

#### 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 extern conflict. Political science literature has contributed a moderate degree of attention to the impact of economic decline and the security and defense behavior 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 crisis could usher in a redistribution of relative power (see also Gilpin, 1981) that leads to uncertainty about power balances, increasing the risk of miscalculation (Fearon, 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). Seperately, 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 behavious 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. Crisis could potentially be the trigger for decreased trade expectations either on its own or because it triggers protectionist moves by interdependent states. 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 favor. Moreover, the presence of a recession tends to amplify the extent to which international and external conflict self-reinforce each other. (Blomberg & Hess, 2002. P. 89) Economic decline has 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 increase 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 correlated economic integration with an increase in the frequency of economic crises, whereas political science scholarship links economic decline with external conflict at systemic, dyadic and national levels. This implied connection between integration, crisis and armed conflict has not featured prominently in the economic-security debate and deserves more attention.

#### Investment is at anemic levels slowing down all macroeconomic indicators – absent the plans infusion of capital there will be a second depression

Papola 1/30/13 (John, Contributer at Forbes, “Think Consumption Is The 'Engine' Of Our Economy? Think Again.” <http://www.forbes.com/sites/beltway/2013/01/30/think-consumption-is-the-engine-of-our-economy-think-again/>)

Have you heard that the economy is like a car? It’s the most popular analogy in financial reporting and political discourse. The American people are repeatedly told by financial pundits and politicians that consumption is an “engine” that “drives” economic growth because it makes up 70% of GDP. One notable Nobel-winning economics pundit with a penchant for bizarre growth theories even recently noted that an economy can be “based on purchases of yachts, luxury cars, and the services of personal trainers and celebrity chefs.” Conversely, other economists including Nobel-winner Joseph Stiglitz claim that our economy is stuck in “first gear” due to inequality: too much income is concentrated among too few rich people who tend to save larger share of their income and thus have a lower “marginal propensity to consume”. The Keynesian message is clear: if you want to put the economic pedal to the metal, get out there and consume! Not so fast, Speed Racer. The systematic failure by Keynesian economists and pundits to distinguish between consuming and producing value is the single most damaging fallacy in popular economic thinking. This past Christmas, we produced a playful video called “Deck the Halls with Macro Follies” exploring the history of this popular myth. If the economy were a car, consumer preferences would surely be the steering wheel, but real savings and investment would be the engine that drives it forward. A History of Macro Follies The historical record on economic growth conflicts with this consumption doctrine. Economic growth (booms) and declines (bust) have always been led by changes in business and durable goods investment, while final consumer goods spending has been relatively stable through the business cycle. Booms and busts in financial markets, heavy industry and housing have always been leading indicators of recession and recovery. The dot-com boom and bust, the Great Depression and our current crisis all exhibit the pattern. For example, during our past two decades of booms and busts, investment collapsed first, bringing employment down with it. Consumption spending actually increased throughout the 2001 recession (financed, in part, by artificially easy credit) even as employment was falling along with investment. During our continuing crisis, consumption spending returned to its all-time high in 2011–yet investment to this day remains at decade lows, producing the worst recovery in growth and employment since the Great Depression. Labor force participation hasn’t been this low since the 1980s. But why? As John Stuart Mill put it two centuries ago, “the demand for commodities is not the demand for labor.” Consumer demand does not necessarily translate into increased employment. That’s because “consumers” don’t employ people. Businesses do. Since new hires are a risky and costly investment with unknown future returns, employers must rely on their expectations about the future and weigh those decision very carefully. As economic historian Robert Higgs’ pioneering work on the Great Depression suggests, increased uncertainty can depress job growth even in the face of booming consumption. As recent years have demonstrated, consumer demand that appears to be driven by temporary or unsustainable policies is unlikely to induce businesses to hire. The past several decades in America have been marked by a collapse of real savings encouraged by artificially easy credit from the Fed, along with explosive growth in government spending. All these combined to bring about a debt-fueled spending binge, with disastrous consequences. Increased investment drives economic growth, while retrenched investment leads to recession and reduced employment–and it always has. Those who blame our stagnation on a lack of consumer demand rely on a toxic brew of dubious data and dangerous theory. Before I Can Consume, I Must Produce for Others By definition, GDP is a summary of final sales for new goods and services and not of all economic activity. Raw materials, intermediate goods and labor costs, which comprise the bulk of business spending are not treated in GDP, but are rather rolled up in the final sale price of the “consumer” spending. Only capital equipment, net inventory changes and purchase of newly constructed homes constitute “investment” according to GDP. This framing of the data makes the “consumption drives the economy” a foregone conclusion. But this is circular reasoning. Where do these “consumers” get their money to spend? Before we can consume, we need to produce and earn a paycheck. And paychecks have to flow to productive — that is value-creating — behavior, or value is simply being transferred and destroyed. Our various demands as consumers are enabled by our supply as workers/producers for others. That’s the classical “Law of Markets”, often referred to as Say’s Law, in a nutshell. For employees, those paychecks are income, but for the employers, wages represent most business’ single largest expense. Yet GDP does not treat employee wages or materials as “investment spending” — even though any business owner regards salaries as the most important and largest investment that they make. Instead, employee wages appear in GDP data as consumption when income is spent on final goods like food, clothing, gadgets, and vacations. Moreover, since GDP is an accounting summary, it adds consumption and investment spending together. But this summarizing masks the fact that these two activities are actually in opposition in the short run. In order to invest more today, we have to save more and consume less. As a result, GDP in-and-of-itself reveals nothing about what grows an economy; at best, it demonstrates how large the economy is and whether it’s growing or shrinking. Digging below the surface of GDP reveals a structure of value-adding production far more complex than the simplistic analysis given by most media reports. According to government data, more than 70% of Americans earn their incomes from employment in domestic business. Yet the retail sector of our economy, for example, only contributed 6% of GDP. Bureau of Labor Statistics (BLS) data on employment show that only about 11% of employed Americans work in “sales and related occupations”. That leaves a great deal of economic activity and employment to the “business to business” sector, which composes most of the real economy. Most of the value-adding activities occurred between a vast structure of businesses and workers starting with raw materials and blueprints and coming together over months (sometimes years when R&D is included) before a final sale can be made. At each stage, the activity is funded not by current “consumer spending” but through a combination of new investment and savings such as each company’s reinvested earnings. The farther from a final good a business’s output is, the more it relies on credit markets and the more it is subject to distortions on the savings and investment side. And since employment is spread across this time structure with relatively few working in final retail stage, savings and investment changes have dramatic impacts on employment. Organic Growth My wife Lisa and I have personal experience with dynamics that the top-down Keynesian view ignores. Several years ago we launched a side-business designing, manufacturing and selling reusable all-in-one cloth diapers to moms interested in saving money and cutting down on trash. We called them “weehuggers”. To start the business, we got a small capital contribution from my brother-in-law in exchange for equity in the company. These savings were put to use buying the raw materials, designing the diaper prints, hiring sets of skilled people both to sew the diapers and to build the website. Designing, testing and producing the product and website took over a year. Almost none of that activity was included in GDP for that year, except through the “consumer spending” of people we paid. Throughout this stage, no “product” existed for others to demand or for us to sell and generate income. The time Lisa and I spent building the company was also a very real form of investment itself. This so-called “sweat equity” is just as much of an investment as a financial contribution. When we finally began selling our product to customers, the income generated was barely enough to cover the real costs. We re-invested all of it into new inventory for the business, keeping nothing for ourselves in the hopes of improving our approach. Consumption didn’t create our output. Investment did. After an additional year of persistent re-investment, we realized that we would need even more investment to make the business viable. Our costs were too high per diaper and our local production capacity was too low to keep up with demand. Moms loved weehuggers and we struggled to keep the product in stock. Yet we felt the competition didn’t permit us to raise our prices. The only way to make the business grow would have been to secure enough capital to invest in a major manufacturing facility with higher productivity equipment and division of labor. We chose instead to focus on a business where both of us, as former MTV Networks creatives, believed we could add more value: our new media company Emergent Order. Our recent video“Macro Follies” is just one of the fruits of that decision. We followed our passion, but we were also guided through market prices and profits toward the best way for us to create value for others. Don’t Put the Shopping Cart Before the Horse There is a fundamental illogic to the notion that an economy can be grown by encouraging consumption. When a person consumes, by definition, they use things up. The very process leaves us with less than before. Growing the availability of valuable goods and services for society by using them up is not just an impossibility—it’s an absurdity. Consumption is the goal, but it is production that is the means. For most of human history, ordinary people had to spend their lives growing food. Today, we have many billions more people on the planet. And yet food is cheaper, better and of greater variety than ever before. Still, almost nobody works in agriculture. We didn’t create this wealthy, amazing world… by eating. We did it by saving our seed corn, investing and ultimately inventing our way out of farming jobs. Thank heavens we did. There are important lessons for public policy that come from these classical insights. Any program which accelerates the consumption of value, or worse, the destruction of value, ultimately make our society poorer. Despite what Keynes and his modern followers claim, Wars, natural disasters, terrorist attacks, faked alien invasions, or programs that encourage us to destroy our used cars — all make us poorer. These schemes reduce the amount of valuable goods and services available for society. Some may consider unemployment benefits to be a necessary policy on humanitarian grounds, but they by no means “stimulate” the economy. The recipient, after all, is consuming without producing any value for others. Disincentives for people to be productive, which have exploded in recent years, not only reduce employment, but reduce output and growth as well. This last point used to be widely believed by economists–including the immensely popular and polarizing economist, Paul Krugman, whose own 2009 textbook blamed extended unemployment benefits as one of the main reasons for decades of European stagnation and high “structural” unemployment. Now, I fear that a decade of Keynesian macro follies may have brought Eurosclerosis to America. Savings and investment which enable increased productivity, greater specialization and trade are the true engines of economic growth. Increasing consumption is a result of that growth, never the cause of it. If we want sound and sustainable economic growth, each of us has to discover the most valuable ways to serve others and contribute to the supply of wealth before we can take from it. Much like everyone else, even Santa Claus must produce all year long before people get to enjoy their presents.

#### And, the plan is a quick injection of capital which is critical to economic recovery.

Xu et al 12 (Ting, China and Economy consultant for Bertelsmann Stiftung, with Thieß Petersen and Tianlong Wang, Cash in Hand: Chinese Foreign Direct Investment in the U.S. and Germany, June,

http://www.bfna.org/sites/default/files/publications/Cash%20in%20Hand%20Second%20Edition%20final.pdf)

Although Chinese FDI has drawn increasing attention in the U.S. and Germany, China still holds less than 0.2 percent of the FDI stocks in both Germany and the U.S. This fact does not match up to the status of the three countries’ leading roles in the global economy. As China continues its economic development and its per-capita income grows, it will enter a new stage of foreign direct investment where its FDI in the U.S. and the EU will continue to experience strong growth. There will be profound implications to the trend, particularly given the current stage of global financial recovery. While the banking sector institutions continue to deleverage as a result of the financial crisis, unleashing investment potential from China can potentially play a much bigger role in bringing those countries that are facing a credit crunch back to growth.

### Iran

#### Removing restrictions on investment in US oil and gas production is the best way to get China to increase their support for Iran sanctions- that’s critical to effective international pressure.

Downs, China fellow at Brookings, 12 (Erica S. Downs is a fellow at the John L. Thorton China Center at The Brookings Institution, “Getting China to Turn on Iran,” July 19, http://nationalinterest.org/commentary/getting-china-turn-iran-7215)

Over the past decade, as the United States employed increasingly robust sanctions to gradually ratchet up the pressure on Iran to curb its nuclear ambitions, Washington has struggled with the question of how to elicit more cooperation from China, a major buyer of Iranian crude oil and no fan of sanctions, especially unilateral ones. On June 28, the Obama administration granted China an exemption from U.S. sanctions on the Central Bank of Iran (CBI) for significantly reducing its crude-oil purchases from the Islamic Republic. This suggests that one of the biggest carrots Washington can offer to China in exchange for greater support for the U.S. sanctions regimen is expanded opportunities for China’s national oil companies (NOCs) to invest in oil and natural-gas exploration and production in the United States. The greater the stakes that China’s NOCs have in the United States, the thinking goes, the greater the chance they will think twice about doing business in Iran.

The Chinese government responded to the new U.S. sanctions signed into law by President Obama on December 31, 2011, by saying Washington should not expect any cooperation from Beijing. Over the past six months, officials from China’s foreign ministry have repeatedly stated that China’s energy trade with—and investment in—Iran do not violate the various United Nations Security Council resolutions on Iran and that the new U.S. sanctions would not affect China-Iran energy relations. Despite Beijing’s implication that China would continue to import oil from Iran at 2011 levels (more than 550,000 barrels a day), the main Chinese buyer of Iranian crude oil, Sinopec, responded to the new U.S. sanctions by dramatically cutting its purchases from Iran by 25 percent in the first five months of 2012. At the end of every year, Chinese oil traders negotiate their supply contracts with National Iranian Oil Company (NIOC) for the following year. The commencement of their negotiations in late 2011 coincided with growing support in Washington, especially on Capitol Hill, for ratcheting up the pressure on Iran by subjecting foreign firms that do business with the CBI—the primary clearinghouse for Iranian oil transactions—to U.S. financial sanctions. When China’s oil traders sat down at the negotiating table with their Iranian counterparts, Iran’s increasing international isolation was palpable. Sinopec pushed for lower prices and a longer credit period, while NIOC insisted on higher prices and a shorter credit period. The two companies did not sign a new contract until late March 2012 (with Sinopec reportedly extracting some concessions, which have not been disclosed publicly), causing the plunge in China’s crude oil imports from Iran. Moreover, Sinopec recently revealed that it turned down offers to buy additional volumes of Iranian crude at discounted prices. After President Obama signed the new sanctions into law, there was some concern in Washington that the Chinese would undermine his tough policy by purchasing at a discount all of the crude that would otherwise have gone to European and Asian buyers in the absence of sanctions. Sinopec, however, had compelling reasons to decline the opportunity to increase its purchases from Iran; the company does not want to jeopardize its chance to expand in the United States, where it already has signed a deal to invest more than $2 billion in shale assets owned by Devon Energy and is looking to buy assets from Chesapeake Energy. The chair~~man~~ of Sinopec, Fu Chengyu, is acutely aware of how getting on the wrong side of politics in Washington can scuttle a deal; he was the chairman of China National Offshore Oil Corporation (CNOOC) when that company made its ill-fated bid for the U.S. oil company Unocal in 2005. Sinopec is not the only Chinese oil company with an incentive to choose the U.S. market over the Iranian one. Its domestic peers, CNOOC and China National Petroleum Corporation (CNPC), also find the United States to be an attractive investment destination. First, all three companies are eager to gain shale-gas technology and operational expertise through partnerships with U.S. firms. On paper, China has considerable shale-gas resources. The U.S. Energy Information Administration estimates that China’s technically recoverable shale-gas resources are 50 percent greater than those of the United States. But China’s NOCs lack the technology and operational expertise to develop them. Second, they want to expand reserves and production, and an increasing number of opportunities to do so are now in the United States, thanks to the boom in America’s unconventional oil and natural-gas production. Finally, the turmoil in Middle East and North Africa over the past two years has prompted China’s NOCs to seek less risky operating environments. Indeed, Sinopec’s domestic peers also are gravitating toward the United States and away from Iran. CNOOC, which has signed contracts committing it to invest $3.4 billion in Chesapeake Energy’s shale-gas assets in the United States, had a $15 billion contract suspended by the Iranians for lack of progress. China National Petroleum Corporation, which similarly had a $4.7 billion contract frozen by the Iranians for its failure to start work, also is looking for opportunities to partner with U.S. companies in shale-gas projects. Moreover, China’s NOCs have not “backfilled” any projects abandoned by European and Japanese oil companies after their home governments implemented tighter unilateral sanctions in 2010. It isn’t just China’s NOCs that seem to be backing away from Iran in a bid for access to the U.S. market. Consider the announcement made last year by the Chinese telecommunications firm Huawei Technologies that it was planning to scale back its operations in Iran. Although these operations complied with U.S. and European Union laws, there was at least a partial motivation to keep open prospects for doing business in the United States and Europe. The ability of the United States to secure additional Chinese cooperation may depend in part on the scale of the investments made by China’s NOCs in the United States. The more money these companies pump into the American market, the more likely they are to refrain from doing deals with Iran that might jeopardize those business prospects. Consequently, creating a more welcoming environment for Chinese investments just might have a geopolitical payoff in the form of greater Chinese compliance with Iran sanctions. Moreover, letting China’s NOCs take the lead in complying with—or at least not undercutting—U.S. sanctions on Iran is politically palatable to Beijing. Chinese officials can maintain their public opposition to U.S. sanctions while avoiding increased tensions with Washington over the Iranian nuclear issue. This dual stance is attributable to the business decisions made by China’s NOCs.

#### Allowing Chinese majority shares of US oil and gas production is critical garnering Chinese compliance on Iran. Only the signal of the plan solves Iran nuclearization.

Downs, Brookings China Fellow, October ‘12 (Erica, CHINA, IRAN AND THE NEXEN DEAL, OPTIONS POLITIQUES, http://www.irpp.org/po/archive/oct12/downs.pdf)

Meanwhile the expansion of the Chinese NOC footprint in the United States has coincided with the shrinking of their presence in Iran. CNOOC has pulled out of a $16-billion project to develop Iran’s North Pars natural gas ﬁ eld. The Iranians have frozen a $4.7-billion contract held by China National Petroleum Corporation (CNPC) for the development of Phase 11 of the South Pars natural gas ﬁ eld because of CNPC’s failure to start work. Sinopec is behind schedule in developing the Yadavaran oil ﬁ eld. Nor have China’s NOCs “backﬁlled” projects abandoned by European and Japanese oil companies after their home governments implemented tighter unilateral sanctions against Iran in 2010 and the Obama administration indicated that taking over such projects was a red line not to be crossed. It would be more than diplomatically awkward for Washington to lean on China over its projects in Iran and then block its attempts to compensate for the loss of those opportunities by investing in North America. While the Chinese oil majors’ waning enthusiasm for Iran is partially due to the country’s difﬁcult operating and investment climate, it almost certainly reﬂects their ambitions to expand here. One way for Washington — and Ottawa — to spur China’s NOCs to continue their retreat from Iran is to continue to welcome them into North America, not only as passive investors but also as owners. Rolling out the red carpet for China’s NOCs would not only generate much-needed capital for the development of North American oil and natural gas resources, but it may also pay the geopolitical dividend of increased Chinese compliance on the issue of Iran. The road to curbing Iran’s nuclear program may run through the headquarters of CNOOC, CNPC and Sinopec.

#### Iranian nuclearization makes nuclear war inevitable in the Middle East- even small conflicts could escalate to all out war.

Kahl, Senior Fellow, the Center for a New American Security, 12 (Colin, former Deputy Assistant Secretary of Defense for the Middle East and Senior Fellow, the Center for a New American Security, Iran and the Bomb, Foreign Affairs; Sep/Oct2012, Vol. 91 Issue 5, p157-162)

Waltz writes that "policymakers and citizens in the Arab world, Europe, Israel, and the United States should take comfort from the fact that history has shown that where nuclear capabilities emerge, so, too, does stability." In fact, the historical record suggests that competition between a nuclear-armed Iran and its principal adversaries would likely follow the pattern known as "the stability-instability paradox," in which the supposed stability created by mutually assured destruction generates greater instability by making provocations, disputes, and conflict below the nuclear threshold seem safe. During the Cold War, for example, nuclear deterrence prevented large-scale conventional or nuclear war between the United States and the Soviet Union. At the same time, however, the superpowers experienced several direct crises and faced off in a series of bloody proxy wars in Korea, Vietnam, Afghanistan, Angola, Nicaragua, El Salvador, and elsewhere. A recent statistical analysis by the political scientist Michael Horowitz demonstrated that inexperienced nuclear powers tend to be more crisis-prone than other types of states, and research by another political scientist, Robert Rauchhaus, has found that nuclear states are more likely to engage in low-level militarized disputes with one another, even if they are less likely to engage in full-scale war. If deterrence operates the way Waltz expects it to, a nuclear-armed Iran might reduce the risk of a major conventional war among Middle Eastern states. But history suggests that Tehran's development of nuclear weapons would encourage Iranian adventurism, leading to more frequent and intense crises in the Middle East. Such crises would entail some inherent risk of a nuclear exchange resulting from a miscalculation, an accident, or an unauthorized use -- a risk that currently does not exist at all. The threat would be particularly high in the initial period after Iran joined the nuclear club. Once the superpowers reached rough nuclear parity during the Cold War, for example, the number of direct crises decreased, and the associated risks of nuclear escalation abated. But during the early years of the Cold War, the superpowers were involved in several crises, and on at least one occasion -- the 1962 Cuban missile crisis -- they came perilously close to nuclear war. Similarly, a stable deterrent relationship between Iran, on the one hand, and the United States and Israel, on the other, would likely emerge over time, but the initial crisis-prone years would be hair-raising. Although all sides would have a profound interest in not allowing events to spiral out of control, the residual risk of inadvertent escalation stemming from decades of distrust and hostility, the absence of direct lines of communication, and organizational mistakes would be nontrivial -- and the consequences of even a low-probability outcome could be devastating.

#### Iranian nuclearization causes regional and global arms racing.

Cirincione 06 (Joseph, Sr. Assoc. & Director @ the Non-Proliferation Project @ the Carnegie Endowment for International Peace, Summer, SAIS Review, “A New Non-Proliferation Strategy”)

The danger posed by the acquisition of nuclear weapons by Iran or North Korea is not that either country would be liable to use these weapons to attack the United States, the nations of Europe, or other countries. Iran, for example, would likely decide to build nuclear weapons only as a means to defend itself from the aggression of other nations. Iranian leaders, like the leaders of other states, would be deterred from using nuclear weapons in a first strike by the certainty of swift and massive retaliation. The danger is that certain actions may be viewed by Iran as a defensive move, however they would trigger dangerous reactions from other states in the region. A nuclear reaction chain could ripple through a region and across the globe, triggering weapon decisions in several, perhaps many, other states. Such developments could weaken Iran's security, not increase it. With these rapid developments and the collapse of existing norms could come increased regional tensions, possibly leading to regional wars and to nuclear catastrophe.3 Existing regional nuclear tensions already pose serious risks. The decades-long conflict between India and Pakistan has made South Asia the region most likely to witness the first use of nuclear weapons since World War II. An active missile race is under way between the two nations, even as India and China continue their rivalry. In Northeast Asia, North Korea's nuclear capabilities remain shrouded in uncertainty but presumably continue to advance. Miscalculation or misunderstanding could bring nuclear war to the Korean peninsula. In the Middle East, Iran's declared peaceful nuclear energy program, together with Israel's nuclear arsenal and the chemical weapons of other Middle Eastern states, adds grave volatility to an already conflict-prone region. If Iran were to decide at some later date to build nuclear weapons, Egypt, Saudi Arabia, or others might initiate or revive nuclear weapon programs. It is entirely possible that the Middle East could go from a region with one nuclear weapon state, to one with two, three, or five such states within a decade-compounded by the existing political and territorial disputes still unresolved.4

#### This risks global nuclear conflict- new prolif risks theft, unauthorized use, terrorism, and crisis escalation.

Busch, Professor of Government-Christopher Newport, 04 (Nathan, “No End in Sight: The Continuing Menace of Nuclear Proliferation” p 281-314)

Summing Up: Will the Further Spread of Nuclear Weapons Be Better or Worse? This study has revealed numerous reasons to be skeptical that the spread of nuclear weapons would increase international stability by helping prevent conventional and nuclear wars. Because there is reason to suspect that emerging NWSs will not handle their nuclear weapons and fissile materials any better than current NWSs have, we should conclude that the further spread of nuclear weapons will tend to undermine international stability in a number of ways. First, because emerging NWSs will probably rely on inadequate command-and-control systems, the risks of accidental and unauthorized use will tend to be fairly high. Second, because emerging NWSs will tend to adopt systems that allow for rapid response, the risks of inadvertent war will also be high, especially during crisis situations. Third, because emerging NWSs will tend to adopt MPC&A systems that are vulnerable to overt attacks and insider thefts, the further spread of nuclear weapons could lead to rapid, destabilizing proliferation and increased opportunities for nuclear terrorism. Finally, there is reason to question whether nuclear weapons will in fact increase stability. Although nuclear weapons can cause states to be cautious about undertaking actions that can be interpreted as aggressive and can prevent states from attacking one another, this may not always be the case. While the presence of nuclear weapons did appear to help constrain U.S. and Soviet actions during the Cold War, this has generally not held true in South Asia. Many analysts conclude that Pakistan invaded Indian-controlled Kargil in 1999, at least in part, because it was confident that its nuclear weapons would deter a large-scale Indian retaliation. The Kargil war was thus in part caused by the presence of nuclear weapons in South Asia. Thus, the optimist argument that nuclear weapons will help prevent conventional war has not always held true. Moreover, this weakness in the optimist argument should also cause us to question the second part of their argument, that nuclear weapons help prevent nuclear war as well. Conventional wars between nuclear powers can run serious risks of escalating to nuclear war."5 Based on a careful examination of nuclear programs in the United States, Russia, China, India, and Pakistan, as well as preliminary studies of the programs in Iraq, North Korea, and Iran, this book concludes that the optimists' arguments about the actions that emerging NWSs will probably take are overly optimistic. While it is impossible to prove that further nuclear proliferation will necessarily precipitate nuclear disasters, the potential consequences are too severe to advocate nuclear weapons proliferation in hopes that the stability predicted by the optimists will indeed occur.

#### Sanctions work- evidence suggests they will bring Iran back to the negotiating table.

Kahl 12 (Colin, Senior Fellow at the Center for a New American Security, Not Time to Attack Iran, Foreign Affairs, 00157120, Mar/Apr2012, Vol. 91, Issue 2)

 In making the case for preventive war as the least bad option, Kroenig dismisses any prospect of finding a diplomatic solution to the U.S.-Iranian standoff. He concludes that the Obama administration's dual-track policy of engagement and pressure has failed to arrest Iran's march toward a bomb, leaving Washington with no other choice but to bomb Iran. But this ignores the severe economic strain, isolation, and technical challenges that Iran is experiencing. After years of dismissing the economic effects of sanctions, senior Iranian officials now publicly complain about the intense pain the sanctions are producing. And facing the prospect of U.S. sanctions against Iran's central bank and European actions to halt Iranian oil imports, Tehran signaled in early January some willingness to return to the negotiating table. Washington must test this willingness and, in so doing, provide Iran with a clear strategic choice: address the concerns of the international community regarding its nuclear program and see its isolation lifted or stay on its current path and face substantially higher costs. In framing this choice, Washington must be able to assert that like-minded states are prepared to implement oil-related sanctions, and the Obama administration should continue to emphasize that all options, including military action, remain on the table.

#### Obama will strike Iran this year if diplomacy fails---economic and military constraints won’t deter

Hurst-The Associated Press 2/4/13

HEADLINE: Analysis: Economy, military shape US Iran strategy Lexis

President Barack Obama may have to decide this year whether to use military force to fulfill his vow to prevent Iran from being able to build nuclear weapons, foreign policy experts say. But America's economic and military realities argue intensely against attacking the Islamic republic and for muddling through by, perhaps, further tightening sanctions that have cut deeply into Tehran's economy. Americans are weary of war after more than a decade of military involvement in Iraq and Afghanistan. The U.S. economy, while recovering from the Great Recession, still is weak. The military could face deep cuts this year as Congress considers massive reductions in government spending. What's more, Iran is far stronger militarily than either Iraq or Afghanistan and would undoubtedly strike back by hitting Israel and attacking U.S. soldiers in neighboring Afghanistan. Also, Iran has put much of its nuclear program deep under ground, making it uncertain how much damage could be done by American airstrikes. Beyond that, the prime advocate for attacking Iran, Israeli Prime Minister Benjamin Netanyahu, just suffered a significant setback in elections and is in a weakened position. Even before the Israeli election, Obama had rebuffed Netanyahu's calls for an attack, saying there's still time for a diplomatic solution. But time is running out. Experts say Iran has uranium enriched to 20 percent, a level from which it can be converted to weapons-grade fairly quickly. The U.N. International Atomic Energy Agency says the Iranians are preparing to install faster centrifuges that would speed the process. "Many people think 2013 is the year of decision as to the question of whether to go to war or strike a conclusive deal to end Iran's nuclear ambitions," said Suzanne Maloney, senior fellow at the Brookings Institution's Saban Center for Middle East Policy. A new report by scholars at the Center for Strategic and International Studies think tank warns that "the current limited crisis ... may well escalate to a major conflict or a new form of Cold War." During Obama's first term, the U.S. and its allies imposed damaging economic sanctions on Tehran, but so far the leadership there has shown no willingness to talk seriously about altering a uranium enrichment program that could provide fuel for nuclear weapons. Iran denies it wants to build a bomb, insisting it is creating fuel for electricity-generating reactors and medical research. Iran has been reluctant to engage, refusing to set a location for a new round of talks that were to have taken place in January, until it announced it would meet on Feb. 25 in Kazakhstan with the U.S., Britain, France, Russia, China and Germany. That group is known as the P-5 + 1, short for the five permanent members of the U.N. Security Council and Germany. It has been trying to convince Iran to give up its nuclear activities. Israel, which Iran has vowed to wipe off the map, sees a nuclear-armed Iran as a threat to its existence and has threatened to unilaterally launch a first strike again Tehran's nuclear facilities. Such an attack would almost certainly draw the United States into another military conflict in the region. But Obama and most Americans have shown no appetite for another war, a fact shown by the president's reluctance to act militarily now and his refusal to involve U.S. forces in the Syrian civil war. Syria has proven a major distraction for Tehran. If President Bashar Assad is driven from power, Iran could lose its foothold in the Arab world. It uses Syria to funnel arms and money to the anti-Israeli Hezbollah organization that controls southern Lebanon along Israel's northern border and Hamas, the Palestinian faction that controls the Gaza Strip on the south. But Israel's Netanyahu is also distracted after last month's elections, which saw moderate politicians replace some right-wingers in parliament. "I think that Netanyahu has been sufficiently weakened so that he won't be able to successfully lobby the United States for a green light to attack," said Chris Dolan, a political scientist at Lebanon Valley College in Pennsylvania. Karim Sadjadpour, an Iran specialist at the Carnegie Endowment for International Peace, said Israeli pressure is no longer, if it ever was, driving Obama's decision-making. "Our policy toward Iran's nuclear program has been defined by Obama's red lines, not Netanyahu's, meaning that the U.S. isn't likely to use military force unless and until it's clear that Iran is taking active steps to weaponize its program," he said. He was referring to Netanyahu's U.N. speech in September in which he said Iran had already crossed the red line that required military action. Also, Obama realizes that Iran will have a new president after elections in June, a fact that possibly is causing Iran to drag its feet. The next president will replace hard-liner Mahmoud Ahmadinejad who denies the World War II Holocaust in which Hitler's Germany killed 6 million Jews. But in Iran, real power is in the hands of supreme leader Ayatollah Ali Khamenei. Students of Iran believe that Khamenei is undecided on using the country's nuclear fuel to build a nuclear weapon. He has said such a weapon was in conflict with Iran's Islamic foundations. Any future talks will hang on Iran's demand for specific guarantees about easing sanctions in return for dialing back its nuclear program. Sadjadpour said the outlines of a deal are clear to both sides. He said the unspoken U.S. position is: "You can have a nuclear program which includes uranium enrichment, but not a weapon. If you don't go for the bomb, we won't bomb you." But, he said, sanctions will not be eased without meaningful compromises. "The problem is that there remains a very large gap in our respective definitions of the word `meaningful.'" And that could be very dangerous, said Maloney, should there be a deal that goes bad. If that happens Obama "will be forced to put his money where his mouth is," meaning he would be forced to launch a military strike to make good on his vow to prevent Iran from obtaining a nuclear weapon.

#### And, tightening sanctions on Iranian oil staves off an Israeli strike on Iran.

National Journal 12 (Sara Sorcher, Insiders: New Sanctions on Iran Stave Off Need for Military Action, Jan 31, http://www.nationaljournal.com/nationalsecurity/insiders-new-sanctions-on-iran-stave-off-need-for-military-action-20120130)

Now that the European Union has agreed to impose a ban on oil purchases from Iran and the U.S. has signed new sanctions against its central bank into law, 60 percent of National Journal’s National Security Insiders said the tough measures are likely to isolate Iran and stave off the necessity of a military response. “Years — and even months — ago, no one imagined that the EU, racked by institutional and financial challenges, would take such a tough position,” one Insider said. “Iran has also miscalculated in thinking that the West would not dare threaten its oil exports and that its [Persian] Gulf rivals would not step into the breach if the West did.” Several Insiders said the West’s coordinated pressure is likely to succeed in preventing Iran from acquiring a nuclear weapon. “[Iranian President Mahmoud] Ahmadinejad could not risk a military conflict. But U.S. sanctions, standing alone, could also strengthen his political hold,” one said. “EU intervention was key. Now he risks political as well as economic isolation. Sanctions should now succeed.” Still, some Insiders advised that there are still more avenues to explore to tighten the economic noose around Tehran. “We have a better chance of forcing Iran to capitulate if we truly choke off Iran’s ability to sell oil,” one Insider said. Sanctions can only succeed if “wedded to vigorous and comprehensive diplomacy,” one Insider said. Another cautioned that outside pressure won’t be enough to force Iran to give up its nuclear program, stressing that momentum from street protests inside the country are needed for change to take effect: “More robust political opposition in Iran may be required to force an end to Iran’s determined effort to obtain nuclear weapons.” In Israel, where a flurry of media reports indicated some leaders were pushing to launch a preemptive strike on Iran’s nuclear sites, Prime Minister Benjamin Netanyahu insisted that even tougher measures are necessary to curb Tehran's nuclear program. Netanyahu's comments appeared inconsistent, though, coming days after he voiced support for the current raft of sanctions and said there are signs Iran is beginning to fold for the first time. “Sanctions may succeed in putting off an Israeli preemptive strike against Iran that would draw the U.S. into yet another military adventure with disastrous consequences,” one Insider said. Sanctions would prevent a military response, according to another Insider, “as long as Israel doesn’t act first.”

#### Israel strikes on Iran cause multiple scenarios for nuclear war, CBW use and terrorist attacks.

Russell 09 (James A. Russell, managing editor of Strategic Insights, the quarterly ejournal published by the Center for Contemporary Conflict at the Naval Postgraduate School, Spring 2009, Strategic Stability Reconsidered: Prospects for Escalation and Nuclear War in the Middle East, Security Studies Center)

Iran’s response to what would initially start as a sustained stand-off bombardment (Desert Fox Heavy) could take a number of different forms that might lead to escalation by the United States and Israel, surrounding states, and non-state actors. Once the strikes commenced, it is difficult to imagine Iran remaining in a Saddam-like quiescent mode and hunkering down to wait out the attacks. Iranian leaders have unequivocally stated that any attack on its nuclear sites will result in a wider war81 – a war that could involve regional states on both sides as well as non-state actors like Hamas and Hezbollah. While a wider regional war need not lead to escalation and nuclear use by either Israel or the United States, wartime circumstances and domestic political pressures could combine to shape decision-making in ways that present nuclear use as an option to achieve military and political objectives. For both the United States and Israel, Iranian or proxy use of chemical, biological or radiological weapons represent the most serious potential escalation triggers. For Israel, a sustained conventional bombardment of its urban centers by Hezbollah rockets in Southern Lebanon could also trigger an escalation spiral. Assessing relative probability of these scenarios is very difficult and beyond the scope of this article. Some scenarios for Iranian responses that could lead to escalation by the United States and Israel are: Terrorist-type asymmetric attacks on either the U.S. or Israeli homelands by Iran or its proxies using either conventional or unconventional (chemical, biological, or radiological) weapons. Escalation is more likely in response to the use of unconventional weapons in populated urban centers. The potential for use of nuclear retaliation against terrorist type attacks is problematic, unless of course the sponsoring country takes official responsibility for them, which seems highly unlikely. Asymmetric attacks by Iran or its proxies using unconventional weapons against U.S. military facilities in Iraq and the Gulf States (Kuwait, Bahrain, UAE, Qatar); • Long-range missile strikes by Iran attacking Israel and/or U.S. facilities in Iraq and the Gulf States: • Conventional missile strikes in and around the Israeli reactor at Dimona • Airbursts of chemical or radiological agents in Israeli urban areas; • Missile strikes using non-conventional weapons against US Gulf facilities such as Al Udeid in Qatar, Al Dhafra Air Base in the UAE, and the 5th Fleet Headquarters in Manama, Bahrain. Under all scenarios involving chemical/biological attacks on its forces, the United States has historically retained the right to respond with all means at its disposal even if the attacks come from a non-nuclear weapons state.82 • The involvement of non-state actors as part of ongoing hostilities between Iran, the United States, and Israel in which Hezbollah and/or Hamas became engaged presents an added dimension for conflict escalation. While tactically allied with Iran and each other, these groups have divergent interests and objectives that could affect their involvement (or non-involvement in a wider regional war) – particularly in ways that might prompt escalation by Israel and the United States. Hezbollah is widely believed to have stored thousands of short range Iranian-supplied rockets in southern Lebanon. Attacking Israel in successive fusillades of missiles over time could lead to domestic political demands on the Israeli military to immediately stop these external attacks – a mission that might require a wide area-denial capability provided by nuclear weapons and their associated PSI overpressures, particularly if its conventional ground operations in Gaza prove in the mid- to longterms as indecisive or strategic ambiguous as its 2006 operations in Lebanon. • Another source of uncertainty is the Iran Revolutionary Guard Corps (IRGC) – referred to here as “quasi-state” actor. The IRGC manages the regime’s nuclear, chemical and missile programs and is responsible for “extraterritorial” operations outside Iran. The IRGC is considered as instrument of the state and reports directly to Supreme Leader Ayatollah Khamenei. So far, the IRGC has apparently refrained from providing unconventional weapons to its surrogates. The IRGC also, however arms and funds various Shiite paramilitary groups in Iraq and Lebanon that have interests and objectives that may or may not directly reflect those of the Iranian supreme leader. Actions of these groups in a wartime environment are another source of strategic uncertainty that could shape crisis decision-making in unhelpful ways. • The most likely regional state to be drawn into a conflict on Iran’s side in a wider regional war is Syria, which is widely reported to have well developed missile and chemical warfare programs. Direct Syrian military involvement in an Israeli-U.S./Iranian war taking the form of missile strikes or chemical attacks on Israel could serve as another escalation trigger in a nuclear-use scenario, in particular if chemical or bio-chem weapons are used by the Syrians, technically crossing the WMD-chasm and triggering a retaliatory strike using any category of WMD including nuclear weapons. • The last – and perhaps most disturbing – of these near-term scenarios is the possible use by Iran of nuclear weapons in the event of conventional strikes by the United States and Israel. This scenario is built on the assumption of a U.S. and/or Israeli intelligence failure to detect Iranian possession of a nuclear device that had either been covertly built or acquired from another source. It is possible to foresee an Iranian “demonstration” use of a nuclear weapon in such a scenario in an attempt to stop an Israeli/U.S. conventional bombardment. A darker scenario would be a direct nuclear attack by Iran on Israel, also precipitated by conventional strikes, inducing a “use them or lose them” response. In turn, such a nuclear strike would almost certainly prompt an Israeli and U.S. massive response – a potential “Armageddon” scenario.

#### And, strikes don’t solve prolif and make escalation inevitable- Iran’s command-and-control weakness risks unauthorized escalation.

Kahl 12 (Colin, Senior Fellow at the Center for a New American Security, Not Time to Attack Iran, Foreign Affairs, 00157120, Mar/Apr2012, Vol. 91, Issue 2)

Kroenig's discussion of timing is not the only misleading part of his article; so is his contention that the United States could mitigate the "potentially devastating consequences" of a strike on Iran by carefully managing the escalation that would ensue. His picture of a clean, calibrated conflict is a mirage. Any war with Iran would be a messy and extraordinarily violent affair, with significant casualties and consequences. According to Kroenig, Iran would not respond to a strike with its "worst forms of retaliation, such as closing the Strait of Hormuz or launching missiles at southern Europe" unless its leaders felt that the regime's "very existence was threatened." To mitigate this risk, he claims, the United States could "make clear that it is interested only in destroying Iran's nuclear program, not in overthrowing the government." But Iranian leaders have staked their domestic legitimacy on resisting international pressure to halt the nuclear program, and so they would inevitably view an attack on that program as an attack on the regime itself. Decades of hostility and perceived U.S. efforts to undermine the regime would reinforce this perception. And when combined with the emphasis on anti-Americanism in the ideology of the supreme leader and his hard-line advisers, as well as their general ignorance about what drives U.S. decision-making, this perception means that there is little prospect that Iranian leaders would believe that a U.S. strike had limited aims. Assuming the worst about Washington's intentions, Tehran is likely to overreact to even a surgical strike against its nuclear facilities. Kroenig nevertheless believes that the United States could limit the prospects for escalation by warning Iran that crossing certain "redlines" would trigger a devastating U.S. counter-response. Ironically, Kroenig believes that a nuclear-armed Iran would be deeply irrational and prone to miscalculation yet somehow maintains that under the same leaders, Iran would make clear-eyed decisions in the immediate aftermath of a U.S. strike. But the two countries share no direct and reliable channels for communication, and the inevitable confusion brought on by a crisis would make signaling difficult and miscalculation likely. To make matters worse, in the heat of battle, Iran would face powerful incentives to escalate. In the event of a conflict, both sides would come under significant pressure to stop the fighting due to the impact on international oil markets. Since this would limit the time the Iranians would have to reestablish deterrence, they might choose to launch a quick, all-out response, without care for redlines. Iranian fears that the United States could successfully disrupt its command-and-control infrastructure or preemptively destroy its ballistic missile arsenal could also tempt Iran to launch as many missiles as possible early in the war And the decentralized nature of Iran's Islamic Revolutionary Guard Corps, especially its navy, raises the prospect of unauthorized responses that could rapidly expand the fighting in the crowded waters of the Persian Gulf. Controlling escalation would be no easier on the U.S. side. In the face of reprisals by Iranian proxies, "token missile strikes against U.S. bases and ships," or "the harassment of commercial and U.S. naval vessels," Kroenig says that Washington should turn the other cheek and constrain its own response to Iranian counterattacks. But this is much easier said than done. Just as Iran's likely expectation of a short war might encourage it to respond disproportionately early in the crisis, so the United States would also have incentives to move swiftly to destroy Iran's conventional forces and the infrastructure of the Revolutionary Guard Corps. And if the United States failed to do so, proxy attacks against U.S. civilian personnel in Lebanon or Iraq, the transfer of lethal rocket and portable air defense systems to Taliban fighters in Afghanistan, or missile strikes against U.S. facilities in the Gulf could cause significant U.S. casualties, creating irresistible political pressure in Washington to respond. Add to this the normal fog of war and the lack of reliable communications between the United States and Iran, and Washington would have a hard time determining whether Tehran's initial response to a strike was a one-off event or the prelude to a wider campaign. If it were the latter, a passive U.S. approach might motivate Iran to launch even more dangerous attacks -- and this is a risk Washington may choose not to take. The sum total of these dynamics would make staying within Kroenig's proscribed limits exceedingly difficult. Even if Iran did not escalate, purely defensive moves that would threaten U.S. personnel or international shipping in the Strait of Hormuz -- the maritime chokepoint through which nearly 20 percent of the world's traded oil passes -- would also create powerful incentives for Washington to preemptively target Iran's military. Of particular concern would be Iran's "anti-access/area-denial" capabilities, which are designed to prevent advanced navies from operating in the shallow waters of the Persian Gulf. These systems integrate coastal air defenses, shore-based long-range artillery and anti-ship cruise missiles, Kilo-class and midget submarines, remote-controlled boats and unmanned kamikaze aerial vehicles, and more than 1,000 small attack craft equipped with machine guns, multiple-launch rockets, anti-ship missiles, torpedoes, and rapid-mine-laying capabilities. The entire 120-mile-long strait sits along the Iranian coastline, within short reach of these systems. In the midst of a conflict, the threat to U.S. forces and the global economy posed by Iran's activating its air defenses, dispersing its missiles or naval forces, or moving its mines out of storage would be too great for the United States to ignore; the logic of preemption would compel Washington to escalate. Some analysts, including Afshin Molavi and Michael Singh, believe that the Iranians are unlikely to attempt to close the strait due to the damage it would inflict on their own economy. But Tehran's saber rattling has already intensified in response to the prospect of Western sanctions on its oil industry. In the immediate aftermath of a U.S. strike on Iran's nuclear program, Iranian leaders might perceive that holding the strait at risk would encourage international pressure on Washington to end the fighting, possibly deterring U.S. escalation. In reality, it would more likely have the opposite effect, encouraging aggressive U.S. efforts to protect commercial shipping. The U.S. Navy is capable of keeping the strait open, but the mere threat of closure could send oil prices soaring, dealing a heavy blow to the fragile global economy. The measures that Kroenig advocates to mitigate this threat, such as opening up the U.S. Strategic Petroleum Reserve and urging Saudi Arabia to boost oil production, would be unlikely to suffice, especially since most Saudi crude passes through the strait. Ultimately, if the United States and Iran go to war, there is no doubt that Washington will win in the narrow operational sense. Indeed, with the impressive array of U.S. naval and air forces already deployed in the Gulf, the United States could probably knock Iran's military capabilities back 20 years in a matter of weeks. But a U.S.-Iranian conflict would not be the clinical, tightly controlled, limited encounter that Kroenig predicts. SPILLOVER Keeping other states in the region out of the fight would also prove more difficult than Kroenig suggests. Iran would presume Israeli complicity in a U.S. raid and would seek to drag Israel into the conflict in order to undermine potential support for the U.S. war effort among key Arab regimes. And although it is true, as Kroenig notes, that Israel remained on the sidelines during the 1990-91 Gulf War, the threat posed by Iran's missiles and proxies today is considerably greater than that posed by Iraq two decades ago. If Iranian-allied Hezbollah responded to the fighting by firing rockets at Israeli cities, Israel could launch an all-out war against Lebanon. Syrian President Bashar al-Assad might also try to use the moment to divert attention from the uprising in his country, launching his own assault on the Jewish state. Either scenario, or their combination, could lead to a wider war in the Levant. Even in the Gulf, where U.S. partners are sometimes portrayed as passive, Iranian retaliation might draw Saudi Arabia and the United Arab Emirates into the conflict. The Saudis have taken a much more confrontational posture toward Iran in the past year, and Riyadh is unlikely to tolerate Iranian attacks against critical energy infrastructure. For its part, the UAE the most hawkish state in the Gulf, might respond to missiles raining down on U.S. forces at its Al Dhafra Air Base by attempting to seize Abu Musa, Greater Tunb, and Lesser Tunb, three disputed Gulf islands currently occupied by Iran. A strike could also set off wider destabilizing effects. Although Kroenig is right that some Arab leaders would privately applaud a U.S. strike, many on the Arab street would reject it. Both Islamist extremists and embattled elites could use this opportunity to transform the Arab Spring's populist anti-regime narrative into a decidedly anti-American one. This would rebound to Iran's advantage just at the moment when political developments in the region, chief among them the resurgence of nationalism in the Arab world and the upheaval in Syria, are significantly undermining Iran's influence. A U.S. strike could easily shift regional sympathies back in Tehran's favor by allowing Iran to play the victim and, through its retaliation, resuscitate its status as the champion of the region's anti-Western resistance. THE COST OF BUYING TIME Even if a U.S. strike went as well as Kroenig predicts, there is little guarantee that it would produce lasting results. Senior U.S. defense officials have repeatedly stated that an attack on Iran's nuclear facilities would stall Tehran's progress for only a few years. Kroenig argues that such a delay could become permanent. "Those countries whose nuclear facilities have been attacked -- most recently Iraq and Syria," he writes, "have proved unwilling or unable to restart their programs." In the case of Iraq, however, Saddam Hussein restarted his clandestine nuclear weapons program after the 1981 Israeli attack on the Osirak nuclear reactor, and it required the Gulf War and another decade of sanctions and intrusive inspections to eliminate it. Iran's program is also more advanced and dispersed than were Iraq's and Syria's, meaning it would be easier to reconstitute. A U.S. strike would damage key Iranian facilities, but it would do nothing to reverse the nuclear knowledge Iran has accumulated or its ability to eventually build new centrifuges. A U.S. attack would also likely rally domestic Iranian support around nuclear hard-liners, increasing the odds that Iran would emerge from a strike even more committed to building a bomb. Kroenig downplays the "rally round the flag" risks by noting that hard-liners are already firmly in power and suggesting that an attack might produce increased internal criticism of the regime. But the nuclear program remains an enormous source of national pride for the majority of Iranians. To the extent that there is internal dissent over the program, it is a discussion about whether the country should acquire nuclear weapons or simply pursue civilian nuclear technology. By demonstrating the vulnerability of a non-nuclear-armed Iran, a U.S. attack would provide ammunition to hard-liners who argue for acquiring a nuclear deterrent. Kroenig suggests that the United States should essentially ignore "Iran's domestic political tussles" when pursuing "its vital national security interest in preventing Tehran from developing nuclear weapons." But influencing Iranian opinion about the strategic desirability of nuclear weapons might ultimately offer the only enduring way of keeping the Islamic Republic on a peaceful nuclear path. Finally, if Iran did attempt to restart its nuclear program after an attack, it would be much more difficult for the United States to stop it. An assault would lead Iran to distance itself from the IAEA and perhaps to pull out of the Nuclear Non-proliferation Treaty altogether. Without inspectors on the ground, the international community would struggle to track or slow Tehran's efforts to rebuild its program.

#### Chinese support for sanctions is the best way to prevent Israel strikes.

Wuthnow 12 (Joel, fellow at the China and the World Program at the Woodrow Wilson School at Princeton University, Will China Stop Iran?, March 05, http://thediplomat.com/2012/03/05/will-china-stop-iran/)

What might China be asked to do? During Vice President Xi Jinping’s visit to the U.S. in February, a bipartisan group of retired senior U.S. officials wrote an open letter to Xi calling on China to consider several options. These include reducing purchases of Iranian crude, increasing bilateral diplomatic pressure, and more actively enforcing the four current U.N. Security Council resolutions on the Iranian nuclear issue. Beijing might also “make its investments contingent on Tehran’s willingness to cooperate with the international community on its nuclear program.” Of course, it’s uncertain that any steps China takes to convince Iran to cooperate with the International Atomic Energy Agency, and with the international community at large, will be sufficient to dissuade Tel Aviv from taking action. But it’s a safe bet that if Beijing does nothing, the chances of a strike – and all the strife that would entail – may well be much worse.

### China Gas

#### Contention \_\_ is Chinese Gas:

#### China is limiting itself to “hands off” oil and gas deals – these small partnerships don’t secure technical expertise to develop Chinese shale – this puts them decades behind gas targets

Mandel 7-17 (Jenny, Reporter for EnergyWire, a daily publication covering the unconventional oil and gas sectors, Previous positions with E&E include editing Land Letter and writing news and feature stories for Greenwire, ClimateWire, and other news outlets, “Will U.S. shale technology make the leap across the Pacific?,” EnergyWire: Tuesday, July 17, 2012, http://www.eenews.net/public/energywire/2012/07/17/1)

Modes of tech transfer Despite the challenges, the allure of a massive new domestic energy source has the Chinese government and private and state-owned companies moving cautiously toward development. Today, virtually all of the key intellectual property behind shale gas extraction lies with North American companies, and one of the first steps the Chinese have taken is to pour money into U.S. and Canadian ventures where those technologies are in use. In 2010 and 2011, China National Offshore Oil Corp. (CNOOC) paid $2.3 billion for partial stakes in plays by Chesapeake Energy Corp. in Texas, Wyoming and Colorado. Earlier this year, Sinopec bought into Oklahoma City-based Devon Energy Corp.'s holdings across Louisiana, Mississippi, Colorado, Ohio and Michigan in a $2.5 billion deal. Chinese companies have also aggressively pursued investment deals in Canadian shale projects. But Johns Hopkins' Kong said attempts by Chinese companies to negotiate North American on-the-job training have been blocked. The deal with Chesapeake, for example, limited the interaction of CNOOC personnel with sensitive technologies by restricting the company's right to send workers into gas fields, Kong said. "The Chinese companies have agreed deliberately not to send their oil workers to American gas fields and not to participate in boardroom decisions," Kong said. "The Chinese companies have agreed to this long-term, slow, gradual approach to gaining know-how in the North American energy sector." The caution stems mostly from a political firestorm that broke out when, in 2005, CNOOC tried to buy Unocal Corp. in an $18.5 billion deal that was eventually withdrawn in the face of opposition from Congress. Since then, there has been a general awareness among Chinese players of the need to move slowly and avoid raising red flags (E&ENews PM, Aug. 2, 2005). So what do Chinese investors gain from these North American investments, then, if not direct access to fracking technologies? "By investing in the U.S. ... they benefit from the spill-over effect," Kong said. They have some personnel involved with the projects, even if they're not learning the nitty-gritty of how to develop a fracking plan, and may be able to pick up some very high-level management expertise that is relevant at home. Home or away? Jane Nakano, a fellow with the Center for Strategic and International Studies' Energy and National Security program, stressed that investing in U.S. projects is not China's most effective means of technology transfer, especially given companies' failure to crack the personnel firewall. "If it's just a matter of getting profits from what comes out of each well or each project, then the amount of money they're pouring into North America does not make economic sense," she said. Rather, Nakano said Chinese gas interests would be best served by opening the domestic market to foreigners. "The most straightforward way would be for them to involve Western or non-Chinese technology holders more proactively" at home, she said. There has been limited involvement by major non-Chinese companies. In 2007, Houston-based Newfield Exploration Co. did a resource study with PetroChina. Royal Dutch Shell PLC has worked with PetroChina under a broader partnership agreement. And Exxon Mobil Corp. has had limited dealings with Sinopec. The first round of bidding on government shale gas leases, which occurred last summer, was open only to state-owned companies, and the final bids awarded parcels to just two large firms. There is speculation that the second round, which could come as early as this month, will expand participation to privately owned companies or even foreign bidders. There are other configurations that could also serve to carry the needed intellectual property into Chinese gas fields. In addition to joint ventures in North America or China with the supermajors, firms could hire foreign service companies to carry out work in China, observing their approach. Chinese companies or government interests could buy up some of the cash-strapped U.S. gas companies that are struggling to stay afloat until U.S. prices rise again and bring their expertise back to the Far East. They could buy U.S. shale resources -- even small ones like those held by individual property owners -- outright, then dictate the terms of development so as to ensure full access to the technologies used. Outside of industry, government-to-government interactions tout cooperation on shale gas, among other forms of energy that could help both U.S. and Chinese carbon emissions reduction efforts. And Chinese scientists work to develop home-grown strategies for shale gas production modeled on what has worked elsewhere. The University of Alberta's Jiang said Chinese shale interests, including both government and industry players, are undecided on how to move forward and how much to focus on domestic development versus lower-cost production overseas. "I don't think they have reached a conclusion one way or the other," he said. As a result, the country pursues "a two legs walking approach -- on the one side they want to explore domestic possibilities, on the other they want to explore possibilities with lower ... prices" elsewhere. That likely means a timeline of a decade, at a minimum, before Chinese shale gas resources are well-understood and a clear path to their development emerges, and potentially as long as two decades, observers say. In the meantime, the Chinese will continue to pursue contracts for natural gas imports to satisfy the strong and growing demand.

#### US gas companies currently negotiate passive deals for China because of CFIUS restrictions.

Knowledge @ Wharton 12 (China's Underground Race for Shale Gas, aug 21, http://knowledge.wharton.upenn.edu/arabic/article.cfm?articleid=2851)

Meanwhile, in the U.S., shale gas leaders, such as Devon Energy and Chesapeake Energy, have been reluctant to impart their technology know-how to the firms' Chinese investors, Sinopec and the China National Offshore Oil Corporation (CNOOC), respectively, notes Bo Kong, assistant research professor at the Johns Hopkins University School for Advanced International Studies (SAIS) in Washington, D.C. The Chinese and U.S. companies designed deals giving the Chinese passive, minority stakes to avoid disapproval by the Committee on Foreign Investment in the U.S. (CFIUS), which axed CNOOC's 2005 bid for Unocal. Also, the Sinopec-Devon and CNOOC-Chesapeake deals were struck at a time when the U.S. shale gas industry was at its peak. Today, with gas prices declining and companies such as Chesapeake struggling financially, Chinese companies may be able to negotiate better terms, says CATF's Sung.

#### Only the US has the expertise necessary for China to develop its shale resources- increased Chinese access to US drilling techniques and regulatory methods is critical.

Forbes, manager- Shale Gas Initiative at the World Resources Institute, 12 (Sarah, also the Senior Associate for the Climate and Energy Program at the World Resources Institute, HEARING BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION: “CHINA’S GLOBAL QUEST FOR RESOURCES AND IMPLICATIONS FOR THE UNITED STATES; CHINA’S PROSPECTS FOR SHALE GAS AND IMPLICATIONS FOR THE U.S.,” January 26, http://pdf.wri.org/testimony/forbes\_testimony\_china\_shale\_gas\_2012-01-26.pdf)

Are there risks as well as opportunities for U.S. companies? From a global perspective, the oil and gas industry is integrated; companies work together on projects all over the world, owning shares in projects and hiring service providers as required for operations. Because of the variation in geology, most of what is needed to develop any oil or gas play is local “know-how,” not technology that is subject to patents. These unique features of the globalized industry result in less dependency on intellectual property protection and the risks of sharing technologies abroad as compared with other industries. For example, while the basic drilling and fracturing technologies needed for shale gas development are relatively uniform, the extraction methodologies depend most heavily on the site-specific geological features of the shale play being developed. Horizontal drilling first occurred in the United States in 1929 and fracing has been performed since 1949 39 . Geological factors that are unique to each well site (e.g., natural gas content, natural fractures of the rock, fracturing ability of the source rock) impact the staging of the fractures, the pressure of the hydraulic fracturing, and the fracturing fluid mixture. It is the experience gained from working many drill sites, in different basins and plays, which is the driving force behind U.S. shale gas development. Chinese companies currently possess the ability to drill wells horizontally and have some experience with fracing 40 , but operators and service providers in the United States currently have a clear global advantage based on the substantial experience with drilling and fracing shales to produce gas and the know-how to use these techniques effectively to maximize output 41 . This being said, the oil industry in China is a very domestic business (especially onshore) and has historically provided international companies with very limited access to onshore resources. Any international involvement typically comes from the creation of partnerships between Chinese companies and foreign companies, which is already happening with shale plays in China, as demonstrated by the PetroChina-Shell and CNOOC-BP JVs. A key question is whether the future shale gas industry in China will be modeled after the offshore oil industry (which includes more JVs) or the onshore oil and gas industry. Future cooperation between governments and businesses should not be limited to financial investments or knowledge sharing on operational practices. Although the United States currently stands as the only country with domestic experience in large-scale shale gas development, the experiences have not been all positive. U.S. regulatory structures, information flow, and enforcement capacities have generally not kept pace with the speed of development in shale formations. Stakeholders affected by U.S. shale gas development have not reached agreement on the risks associated with fracing, although experts agree that practices and regulations should be improved in order for the United States to develop its shale gas resources in an environmentally and socially responsible manner 42 . The growing understanding within state governments of both the level of environmental risks and how to manage them are valuable experiences for Chinese regulators and industrial entities to be aware of and take into account while pursuing and designing Chinese domestic development.

#### Chinese shale development key to displace their coal use—renewables cant be scaled up fast enough.

Hanger 12 (John, Special Counsel at the law firm Eckert Seamans, and former Secretary of the Pennsylvania Department of Environmental Protection and Commissioner of the Pennsylvania Public Utility Commission, “China Gets Cracking on Fracking: The Best Environmental News Of The Year?,” Aug 14, http://johnhanger.blogspot.com/2012/08/china-gets-cracking-on-fracking-good.html)

China sits on natural gas reserves that are estimated to be 50% higher than the massive gas reserves in the USA. http://news.nationalgeographic.com/news/energy/2012/08/120808-china-shale-gas/. Despite this gargantuan gas resource, coal provides China 80% of its electricity, compared to 34% in the USA, as of May 2012. Why the difference? The shale gas boom that is now more than 10 years long in the USA is just getting started in China and so the Chinese remain heavily reliant on coal to make electricity and for their total energy. Around the world, the basic energy choice is coal or gas. China is just the biggest example of this fundamental fact. China's reliance on coal means that its economic growth brings skyrocketing carbon emissions and other air pollution. Indeed, Chinese air quality is infamous around the world, and smog has been so thick that Beijing airport has been unable to land planes for short periods. As of 2011, China was responsible for 29% of the world's carbon emissions, while the US produced 16%, even though the US economy is still considerably bigger than China's. Moreover, US carbon emissions are declining to 1992 levels, but China's emissions skyrocket. Though China is building substantial new wind, solar, and nuclear generation, those investments are not enough to cut Chinese coal consumption, given economic growth that is still 7% in what some describe as an economic slowdown. Shale gas, however, could be big enough to actually displace significant amounts of coal in China. More gas in China means less mercury, soot. lead, smog, and carbon emissions. China's energy plans call for shale gas to provide 6% of its total energy as soon as 2020. If it achieves that goal, China will avoid more than 500 million tons of carbon pollution per year or about 1.5% of today's total carbon emissions.

#### Increasing demand for Chinese coal production causes water shortages which threaten economic collapse and political instability.

Schneider 11 (Keith, senior editor for Circle of Blue-a nonprofit focusing on resource shortages founded in 2000, Choke Point: China—Confronting Water Scarcity and Energy Demand in the World’s Largest Country, Feb 15, http://www.circleofblue.org/waternews/2011/world/choke-point-china%E2%80%94confronting-water-scarcity-and-energy-demand-in-the-world%E2%80%99s-largest-country/)

By any measure, conventional and otherwise, China’s tireless advance to international economic prominence has been nothing less than astonishing. Over the last decade alone, 70 million new jobs emerged from an economy that this year, according to the World Bank and other authorities, generated the world’s largest markets for cars, steel, cement, glass, housing, energy, power plants, wind turbines, solar panels, highways, high-speed rail systems, airports, and other basic supplies and civic equipment to support a modern economy. Yet, like a tectonic fault line, underlying China’s new standing in the world is an increasingly fierce competition between energy and water that threatens to upend China’s progress. Simply put, according to Chinese authorities and government reports, China’s demand for energy, particularly for coal, is outpacing its freshwater supply. Students of Chinese history and geography, of course, understand that tight supplies of fresh water are nothing new in a nation where 80 percent of the rainfall and snowmelt occurs in the south, while just 20 percent of the moisture occurs in the mostly desert regions of the north and west. What’s new is that China’s surging economic growth is prompting the expanding industrial sector, which consumes 70 percent of the nation’s energy, to call on the government to tap new energy supplies, particularly the enormous reserves of coal in the dry north. The problem, say government officials, is that there is not enough water to mine, process, and consume those reserves, and still develop the modern cities and manufacturing centers that China envisions for the region. “Water shortage is the most important challenge to China right now, the biggest problem for future growth,” said Wang Yahua, deputy director of the Center for China Study at Tsinghua University in Beijing. “It’s a puzzle that the country has to solve.” The consequences of diminishing water reserves and rising energy demand have been a special focus of Circle of Blue’s attention for more than a year. In 2010, in our Choke Point: U.S. series, Circle of Blue found that rising energy demand and diminishing freshwater reserves are two trends moving in opposing direction across America. Moreover, the speed and force of the confrontation is occurring in the places where growth is highest and water resources are under the most stress—California, the Southwest, the Rocky Mountain West, and the Southeast. Modernization vs. Water Resources In December, we expanded our reporting to China. Circle of Blue—in collaboration with the China Environment Forum (CEF) at the Washington-based Woodrow Wilson International Center for Scholars—dispatched four teams of researchers and photographers to 10 Chinese provinces. Their assignment: to report on how the world’s largest nation and second-largest economy is achieving its swift modernization, despite scarce and declining reserves of clean fresh water. In essence, Circle of Blue and CEF completed a national tour of the extensive water circulatory system and vast energy production musculature that makes China go. The result of our reporting is Choke Point: China. In a dozen chapters—starting today and posted weekly online through April—Choke Point: China will report in text, photographs, and interactive graphics the powerful evidence of a potentially ruinous confrontation between growth, water, and fuel that is already visible across China and is virtually certain to grow more dire over the next decade. Choke Point: China, though, is not a narrative of doom. Rather, our journalists and photographers found a powerful narrative in two parts and never before told. The first important finding—left largely unsaid in and outside China—is how effectively the national and provincial governments enacted and enforced a range of water conservation and efficiency measures. Circle of Blue met the engineers, plant managers, and workers who operate China’s robust and often state-of-the-art energy and water installations. We interviewed the academics and government executives who oversee the globally significant water conservation policies and practices that have been essential to China’s new prosperity. Those policies, we found, sharply reduced waste, shifted water from agriculture to industry, and slowed the growth in national water consumption. Though China’s economy has grown almost eight-fold since the mid-1990s, water consumption has increased 15 percent, or 1 percent annually. China’s major cities, including Beijing, are retrofitting their sewage treatment systems to recycle wastewater for use in washing clothes, flushing toilets, and other grey-water applications. Here in Baotou, a desert city of 1.5 million in Inner Mongolia, the giant Baotou Iron and Steel Company plant, one of the world’s largest, produces 10 million metric tons of steel annually in a region that receives mere inches of rainfall a year. The plant—which is 49 square kilometers and employs 50,000 workers—recycles 98 percent of its water, a requirement of a 1997 law that prompted owners of industrial plants to conserve water. Three Trends Converging We also discovered a second vital narrative that most industrial executives and government authorities we interviewed were either not fully aware of or were reluctant to acknowledge: the tightening choke point between rising energy demand and declining freshwater reserves that forms the central story line of the next era of China’s unfolding development. Stripped to its essence, China’s globally significant choke point is caused by three converging trends:Production of coal has tripled since 2000 to 3.15 billion metric tons a year. Government analysts project that China’s energy companies will need to produce an additional billion metric tons of coal annually by 2020, representing a 30 percent increase. Fresh water needed for mining, processing, and consuming coal accounts for the largest share of industrial water use in China, or roughly 120 billion cubic meters a year, a fifth of all the water consumed nationally. Though national conservation policies have helped to limit increases, water consumption nevertheless has climbed to a record 599 billion cubic meters annually, which is 50 billion cubic meters (13 trillion gallons) more than in 2000. Over the next decade, according to government projections, China’s water consumption, driven in large part by increasing coal-fired power production, may reach 670 billion cubic meters annually — 71 billion cubic meters a year more than today. China’s total water resource, according to the National Bureau of Statistics, has dropped 13 percent since the start of the century. In other words China’s water supply is 350 billion cubic meters (93 trillion gallons) less than it was at the start of the century. That’s as much water lost to China each year as flows through the mouth of the Mississippi River in nine months. Chinese climatologists and hydrologists attribute much of the drop to climate change, which is disrupting patterns of rain and snowfall. “It’s just impossible, if you haven’t lived it or experienced it, to understand change in China over the past 25 years, and especially since 1992,” said Kang Wu, a senior fellow and China energy scholar at East-West Center in Hawaii. “It’s a new world. It’s a new country. The worry in China and in the rest of the world is can they sustain it? They want to double the size of the economy again in 10 years. How can they do that? It’s a paradox from an economic point of view. They need a resource balance to meet demand, short-term and long-term. If you look out 10, 20, 30 years, it just looks like it’s not possible.” Rapid GDP Growth Will Continue In interviews, national and provincial government leaders, as well as energy industry executives, said China has every intention of continuing its 10 percent annual economic growth. “We believe that this is possible and we can do this with new technology, new ways to use water and energy,” said Xiangkun Ren, who oversees the coal-to-liquids program for Shenhua Group, the largest coal company in the world. Xiangkun acknowledged that avoiding the looming choke point will not be easy. The tightening loop is already visible in the jammed rail lines, huge coal truck traffic jams, and buckling roads that Circle of Blue encountered in Inner Mongolia—the country’s largest coal producer—and which are responsible for transporting billions of tons of coal from existing mines to market. Energy prices are steadily rising, putting new inflationary pressure on the economy. Even as China has launched enormous new programs of solar, wind, hydro, and seawater-cooled nuclear power, all of which use much less fresh water, energy market conditions will get worse without new supplies of coal, the source of 70 percent of the nation’s energy. China’s economy and the new social contract with its citizens, who have come to expect rising incomes and improving opportunities, is at risk, say some authorities.

#### Chinese economic collapse causes Asian and Middle East conflict- China will turn outwardly aggressive.

Newmeyer 09 DR. JACQUELINE NEWMYER - LONG TERM STRATEGY GROUP- THE CENTER FOR NATIONAL POLICY “ECONOMIC CRISIS: IMPACT ON CHINESE MILITARY MODERNIZATION” APRIL 8, 2009, http://cnponline.org/index.php?ht=a/GetDocumentAction/i/12503

 So I think either way, either because of the insecurity that is stoked by what’s happening inside China and perceptions about economic slowdown, and/or because of demonization issues and popular discourse, I think that there’s a real chance that the Chinese leadership could feel compelled, for reasons of state security, to take actions that appear more belligerent abroad. And that could have effects leading up to possibly even military conflict or the use of military force against outside actors in addition to whatever force is used inside China to maintain stability. So I think that would be a real, kind of operational test for the PLA, a modernized force now. So, in conclusion, what struck me in thinking about and preparing for this presentation was there was less divergence between the sort of steady state and the more dramatic impact of the economic downturn scenarios than I expected. Either way, I think there is a chance, or a likelihood, of increased friction between China and other external countries, particular countries, that would affected in the case of increased arm transfers, actors in the Middle East would be affected, possibly also the U.S., and in the case of more serious concern about internal unrest in China, I think China’s relations with the West, and with India, or with Japan would be implicated there. So I think contrary to our hopes which would be that the downturn would have the effect of causing China to turn inwards and reduce the chances for any kind of external problem, I think, in fact, there’s reason to think, and to worry, that the downturn would lead to a greater chance of conflict abroad for China.

#### And, politicization of Chinese energy deals independently undermines US-China energy relations, which causes hostile Chinese naval modernization.

Lieberthal and Herberg 06 (Kenneth, Distinguished Fellow and Director for China at The William Davidson institute, and research associate of the China Center at the University of Michigan, and Mikkal, Director of the asian Energy security program at The national bureau of asian research, China’s Search for Energy Security: Implications for U.S. Policy\*, http://www.nbr.org/publications/nbranalysis/pdf/vol17no1.pdf)

Both the United States and China will benefit if they can develop a collaborative relationship on energy issues—as opposed to the current trajectory characterized by growing mistrust, suspicion, and competition. In reality, the fundamental global energy interests of China and the United states largely converge. China’s new energy security challenges mirror the United states’ own long-standing energy security challenges. Both countries share an interest in avoiding global supply disruptions, maintaining stability in the Persian Gulf, accelerating the development of new oil and gas resources, expanding the development and use of clean coal technologies, increasing global energy supply diversification, creating greater transit and fuel flexibility, expanding and improving emergency oil-sharing arrangements, and managing the environmental fallout from unrestrained fossil fuel consumption . What can the United States do to make constructive cooperation more likely? Is attaining such cooperation a feasible objective for U.S. policy? Thus far the U.S. response to China’s energy rise has been relatively ad hoc, reactive, and counterproductive. Compounded by China’s own lack of transparency, U.S. reactions have suffered from a poor understanding of China on many levels, including China’s energy dilemmas, the complex interests driving Beijing’s global energy approach, the goals and relationships that characterize Chinese energy institutions and state energy companies, and the linkages between energy and other issues in the People’s Republic of China (PRC). U.S. Congressional reaction to China National Offshore Oil Corporation’s (CNOOC) 2005 bid for Unocal both revealed how little some U.S. policymakers understand about China’s global energy push and showed how divisive these issues have become for an already strained U .s .-China relationship . The failed bid also demonstrated that, in today’s atmosphere of high energy prices and fears over long-term energy scarcity, both the United states and China are focused intently on their national energy security and tend to assume the worst of the other’s intentions. Moreover, the energy policymaking institutions of both China and the United States make effective energy cooperation very difficult. Therefore, the central question hinges on whether the United States and China will be able to reduce their existing mistrust, which is exacerbated by broader strategic tensions, and devise prudent and serious ways to begin working together to achieve mutual interests in energy . In fact, energy cooperation could actually contribute to building the trust required for potentially broader international cooperation between China and the United States. The United States and China seem to hold fundamentally different views of global energy markets. This reality makes effective dialogue on energy issues both more difficult and more necessary. China’s energy strategy currently appears rooted in a statist, mercantilist mentality among political leaders in Beijing. The United States, on the other hand, has a stated policy of relying largely on global markets to deliver energy supply security. 4 The United States does not always fully appreciate how its own colossal weight in global energy and geopolitics affects China’s concerns regarding U.S. ability to threaten China’s energy interests. Ed Morse, an expert on energy and politics, sums up the problem by asserting that, “The U.S . is mostly ‘brawn’ and limited ‘brain’ .” 5 Suspicions remain high both in Beijing and Washington regarding the other’s intentions on key energy security and supply questions. Without a more sophisticated policy response in both Washington and Beijing, the risk is that energy issues are becoming not a source of constructive cooperation but rather a deepening source of competition, misperceptions, and excuses for obstructing one another’s interests. If Beijing believes that the United States is attempting to use energy politics as an instrument to weaken and contain China, then Beijing will be more likely to use its growing energy influence to frustrate U.S. foreign and security policies. The array of negative results from such a scenario might include increasing Chinese “hoarding” of oil and natural gas fields and supplies, tying Chinese energy investments abroad ever more closely to dubious regimes, promoting security cooperation with adversarial governments, and politicizing global energy markets. Such fallout would also increase the leverage of government hard-liners in Beijing who want to develop blue-water naval capabilities to challenge U.S. control of the SLOCs through which large shares of China’s future oil and natural gas supplies will flow. 6 A wide range of other negative outcomes could be imagined. It is therefore in the best interests of both countries to try to understand each other’s energy insecurities and find new ways to work toward cooperative outcomes.

#### Chinese naval modernization causes miscalculation, risking conflict with the US.

United States-China Economic and Security Review Commission 09 (“THE IMPLICATIONS OF CHINA’S NAVAL MODERNIZATION FOR THE UNITED STATES,” HEARING BEFORE THE U.S.-CHINA ECONOMIC AND SECURITY REVIEW COMMISSION ONE HUNDRED ELEVENTH CONGRESS FIRST SESSION, June 11, http://www.uscc.gov/hearings/2009hearings/transcripts/09\_06\_11\_trans/09\_06\_11\_trans.pdf)

In this hearing, witnesses told the Commission that the Chinese People’s Liberation Army (PLA) is rapidly modernizing its naval forces and improving its naval capabilities. Furthermore, although the PLA Navy has been modernizing for at least two decades, the rate of modernization has increased in recent years. This naval modernization consists of two main components: a technical side and an institutional side. The technical side is primarily comprised of large-scale acquisitions of new, more advanced vessels, aircraft, weapons, and command and control systems. On the institutional side, the PLA Navy has sought to improve the quality of its personnel and its training in order to better utilize newly acquired naval platforms and weapons. Although nominally defensive, China’s strategy of naval modernization could affect how the United States and its allies deploy forces, protect bases and troops, and conduct military operations in East and Southeast Asia. In addition, as the PLA Navy continues to improve its capabilities, it will more frequently interact with other regional navies, including the U.S. Navy. As China’s recent aggressive behavior in the South China Sea demonstrates, a greater PLA Navy presence in the region could increase the potential for conflict between the United States and China over existing international maritime norms and practices. A key component of China’s naval modernization that the hearing’s expert witnesses pointed out was the technical modernization made in recent years. Since at least 2004, the PLA Navy has acquired numerous new vessels and aircraft, to include 21 submarines, eight destroyers, and 24 advanced fighters. Moreover, recent high-level remarks within the Chinese government indicate that Beijing is planning on building aircraft carriers. In addition, the PLA Navy has increased its arsenal of advanced weapons, particularly antiship cruise missiles, land attack cruise missiles, and advanced naval mines. Of particular importance for the United States is the PLA’s apparent desire to develop anti-ship ballistic missiles (ASBM), which are intended to degrade the force-multiplying effect of U.S. aircraft carriers. Finally, tying these various platforms and weapons together are advances in the PLA’s C4ISR system (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance system). The PLA Navy has also begun modernizing and improving its capabilities to use these new acquisitions. Witnesses testified that the PLA Navy has taken several important steps towards improving the quality of its personnel. These steps include raising the standards for entry and promotion for both enlisted personnel and officers, as well as creating a non-commissioned officer corps—a key requirement for a modern military. Furthermore, the PLA Navy has sought to improve the quality of its training, for both individuals and units. These changes will help the PLA develop its naval capabilities, and help to shape the PLA Navy into a modern force. Taken together, these modernization efforts have several implications for the national security of the United States and its allies. First, the Commission’s witnesses testified that China’s naval modernization increasingly allows the PLA to deny the U.S. military access to China’s littoral waters and the Western Pacific. As the PLA Navy improves its capabilities, advanced Chinese naval platforms and weapons in the hands of well-trained, professional soldiers will increase the dangers confronting U.S. forward-deployed forces, possibly requiring them to operate at a distance in order to maintain safety. For example, witnesses stated that the PLA currently deploys several types of advanced anti-ship cruise missiles that form the backbone of China’s anti-access and sea denial strategy. 1 Furthermore, PLA anti-ship ballistic missiles could become a potential “game changer” in naval warfare should they become operational. 2 It was also pointed out that although the U.S. Navy has ample forces and capabilities to deal with the PLA Navy in the near and midterms, the outcome of a naval confrontation in the long term is less certain. 3 A second implication of China’s naval modernization is the direct relationship between greater capabilities and a more robust naval presence. As the PLA Navy improves its capabilities, it is likely that its vessels will more frequently be encountered by other navies in the region and around the globe. For example, a few years ago the PLA Navy would have been unlikely to execute its on-going anti-piracy deployment in the Gulf of Aden. In addition, in recent years there has been a dramatic increase in PLA Navy port calls both within and outside of the region. An increased PLA Navy presence in the region is not by itself negative. However it could be problematic when coupled with Beijing’s failure to conform to current international maritime norms and practices in regards to Exclusive Economic Zones (EEZ). Of key importance here is the possibility for misinterpretation and inadvertent conflict arising from Beijing’s view of maritime law. According to one witness, some influential PLA scholars wrote that any military action, including freedom of navigation and overflight acts, in its EEZ could be “considered a use of force or a threat to use force”—a very liberal take on the United Nations Convention on the Law of the Sea. 4 Such an interpretation by the PRC could lead to a serious incident at sea between the PLA Navy and the U.S. or other regional navies. Furthermore, some witnesses pointed out that if the PLA feels it is the stronger of the parties involved, it may be more inclined to resort to violence. A final implication of China’s naval modernization is its potential threat to U.S. allies in the region. Besides numerical superiority, the PLA Navy also enjoys a growing qualitative superiority versus most navies in East and Southeast Asia. While the Japanese Navy is possibly the only navy (besides the U.S. Navy) that is qualitatively better than the PLA Navy, Article 9 of Japan’s constitution prohibits it from developing the power projection capability that is necessary in modern naval warfare. Complicating this dynamic is Japan’s near total reliance on overseas oil imports which travel routes within increasingly easy reach of the PLA Navy. In the South China Sea’s region Beijing clearly possesses the superior navy, with the potential development of a Chinese aircraft carrier only widening the gap between the PLA Navy and regional navies. As a consequence, a naval arms race in East Asia may ensue.

#### South China Sea war causes extinction

Wittner 11 (Wittner, Emeritus Professor of History at the State University of New York/Albany and former editor of Peace & Change, a journal of peace research, “COMMENTARY: Is a Nuclear War with China Possible?,” November 28, http://www.nytimes.com/2012/06/13/opinion/avoiding-a-us-china-war.html)

While nuclear weapons exist, there remains a danger that they will be used. After all, for centuries national conflicts have led to wars, with nations employing their deadliest weapons. The current deterioration of U.S. relations with China might end up providing us with yet another example of this phenomenon. The gathering tension between the United States and China is clear enough. Disturbed by China’s growing economic and military strength, the U.S. government recently challenged China’s claims in the South China Sea, increased the U.S. military presence in Australia, and deepened U.S. military ties with other nations in the Pacific region. According to Secretary of State Hillary Clinton, the United States was “asserting our own position as a Pacific power.” But need this lead to nuclear war? Not necessarily. And yet, there are signs that it could. After all, both the United States and China possess large numbers of nuclear weapons. The U.S. government threatened to attack China with nuclear weapons during the Korean War and, later, during the conflict over the future of China’s offshore islands, Quemoy and Matsu. In the midst of the latter confrontation, President Dwight Eisenhower declared publicly, and chillingly, that U.S. nuclear weapons would “be used just exactly as you would use a bullet or anything else.” Of course, China didn’t have nuclear weapons then. Now that it does, perhaps the behavior of national leaders will be more temperate. But the loose nuclear threats of U.S. and Soviet government officials during the Cold War, when both nations had vast nuclear arsenals, should convince us that, even as the military ante is raised, nuclear saber-rattling persists. Some pundits argue that nuclear weapons prevent wars between nuclear-armed nations; and, admittedly, there haven’t been very many—at least not yet. But the Kargil War of 1999, between nuclear-armed India and nuclear-armed Pakistan, should convince us that such wars can occur. Indeed, in that case, the conflict almost slipped into a nuclear war. Pakistan’s foreign secretary threatened that, if the war escalated, his country felt free to use “any weapon” in its arsenal. During the conflict, Pakistan did move nuclear weapons toward its border, while India, it is claimed, readied its own nuclear missiles for an attack on Pakistan. At the least, though, don’t nuclear weapons deter a nuclear attack? Do they? Obviously, NATO leaders didn’t feel deterred, for, throughout the Cold War, NATO’s strategy was to respond to a Soviet conventional military attack on Western Europe by launching a Western nuclear attack on the nuclear-armed Soviet Union. Furthermore, if U.S. government officials really believed that nuclear deterrence worked, they would not have resorted to championing “Star Wars” and its modern variant, national missile defense. Why are these vastly expensive—and probably unworkable—military defense systems needed if other nuclear powers are deterred from attacking by U.S. nuclear might? Of course, the bottom line for those Americans convinced that nuclear weapons safeguard them from a Chinese nuclear attack might be that the U.S. nuclear arsenal is far greater than its Chinese counterpart. Today, it is estimated that the U.S. government possesses over five thousand nuclear warheads, while the Chinese government has a total inventory of roughly three hundred. Moreover, only about forty of these Chinese nuclear weapons can reach the United States. Surely the United States would “win” any nuclear war with China. But what would that “victory” entail? A nuclear attack by China would immediately slaughter at least 10 million Americans in a great storm of blast and fire, while leaving many more dying horribly of sickness and radiation poisoning. The Chinese death toll in a nuclear war would be far higher. Both nations would be reduced to smoldering, radioactive wastelands. Also, radioactive debris sent aloft by the nuclear explosions would blot out the sun and bring on a “nuclear winter” around the globe—destroying agriculture, creating worldwide famine, and generating chaos and destruction. Moreover, in another decade the extent of this catastrophe would be far worse. The Chinese government is currently expanding its nuclear arsenal, and by the year 2020 it is expected to more than double its number of nuclear weapons that can hit the United States. The U.S. government, in turn, has plans to spend hundreds of billions of dollars “modernizing” its nuclear weapons and nuclear production facilities over the next decade. To avert the enormous disaster of a U.S.-China nuclear war, there are two obvious actions that can be taken. The first is to get rid of nuclear weapons, as the nuclear powers have agreed to do but thus far have resisted doing. The second, conducted while the nuclear disarmament process is occurring, is to improve U.S.-China relations. If the American and Chinese people are interested in ensuring their survival and that of the world, they should be working to encourage these policies.

### Extra Time

#### And, Chinese pollution causes nuclear war with Russia

Nankivell 05 (Nathan, Senior Researcher @ Office of the Special Advisor Policy, Maritime Forces Pacific Headquarters, Canadian Department of National Defence, China's Pollution and the Threat to Domestic and Regional Stability, China Brief Vol: 5 Issue: 22, http://www.jamestown.org/programs/chinabrief/single/?tx\_ttnews%5Btt\_news%5D=3904&tx\_ttnews%5BbackPid%5D=195&no\_cache=1)

In addition to the concerns already mentioned, pollution, if linked to a specific issue like water shortage, could have important geopolitical ramifications. China’s northern plains, home to hundreds of millions, face acute water shortages. Growing demand, a decade of drought, inefficient delivery methods, and increasing water pollution have reduced per capita water holdings to critical levels. Although Beijing hopes to relieve some of the pressures via the North-South Water Diversion project, it requires tens of billions of dollars and its completion is, at best, still several years away and, at worst, impossible. Yet just to the north lies one of the most under-populated areas in Asia, the Russian Far East. While there is little agreement among scholars about whether resource shortages lead to greater cooperation or conflict, either scenario encompasses security considerations. Russian politicians already allege possible Chinese territorial designs on the region. They note Russia’s falling population in the Far East, currently estimated at some 6 to 7 million, and argue that the growing Chinese population along the border, more than 80 million, may soon take over. While these concerns smack of inflated nationalism and scare tactics, there could be some truth to them. The method by which China might annex the territory can only be speculated upon, but would surely result in full-scale war between two powerful, nuclear-equipped nations.

#### And, shale development key to Chinese energy security.

Downs 00 (Erica, China Fellow @ Brookings, CHINA’S ENERGY SECURITY ACTIVITIES, http://www.rand.org/content/dam/rand/pubs/monograph\_reports/MR1244/MR1244.ch3.pdf)

The Chinese government can also improve China’s energy security through development of the country’s natural gas industry. Greater use of natural gas in China has been hindered by the absence of a bureaucratic champion for gas, the remote location of China’s gas reserves, an inadequate pipeline infrastructure, lack of a well developed market, and insufficient funding. However, over the past few years, the Chinese government has expanded the role of natural gas in China’s energy structure, primarily as a result of concern over China’s growing dependency on oil imports and widespread environmental degradation caused by coal. Other reasons for the high priority placed on natural gas development include chronic energy shortages and imbalances, increasingly competitive prices for natural gas vis-à-vis coal, and greater competition among China’s stateowned oil companies for shares of the natural gas market—a result of industrial reform. Fertilizer and chemical plants currently consume most of China’s natural gas, but the government has targeted the urban industrial and residential sectors and the transportation sector for greater natural gas use. 74 The Chinese government has stepped up its efforts to develop domestic gas reserves. The participation of foreign oil companies in gas development projects is encouraged because of the technological and financial constraints faced by China’s oil companies and the government’s desire to bring reserves on line as quickly as possible. CNPC and Shell recently signed a letter of intent to develop the Changbei natural gas field at the border of northern China’s Shaanxi Province and the Inner Mongolia autonomous region. It is projected that after this US$3 billion project is completed in 2004, it will annually supply 105.9 tcf of gas to eastern China within 20 years. 75 The Chinese government has also approved a proposed natural gas pipeline from the Xinjiang autonomous region to Shanghai municipality. Construction is expected to begin in 2001 at an estimated cost of US$7.23 billion for the pipeline alone and an additional US$6 billion for gas exploration in Xinjiang. CNPC plans to be the dominant shareholder. Foreign participation in the project is welcome. However, according to a Chinese official, foreign investors will not be granted access to the project’s operations because of energy security concerns—possibly a fear of foreign control over China’s gas resources. 76

#### The impact is China-India energy wars.

Clement 12 (Nicholas, China and India Vie for Energy Security, May 25, http://www.2point6billion.com/news/2012/05/25/china-and-india-vie-for-energy-security-11177.html)

The competitive relationship between China and India has become a defining feature of the strategic environment across emerging Asia. While both nations are currently not in direct conflict, there are several areas of strategic interest which could potentially be clashing points in the future. Energy security is one such point; and while escalation between China and India is unlikely, it is important to note that the energy policies of each nation are largely based on geopolitical considerations. First, it is important to recognize that energy cooperation between China and India over the past decade has been increasing. In January 2006, for example, both nations signed a memorandum of cooperation in the field of oil and natural gas which encouraged collaboration between their enterprises, including joint exploration and development of hydrocarbon resources. Escalations in global energy prices and political uncertainties in the Middle East, however, have resulted in both countries looking for long-term arrangements. As China and India are increasingly forced to rely on the global oil market to meet their energy demands, they are more susceptible to supply disruptions and price fluctuations. In response, both countries have partly followed geopolitical energy policies, based on notions of traditional security. Ultimately, what we see is the arrival of military and political planning in trying to solve the issue of natural resource shortages. Energy security is of utmost strategic importance to China and India if they hope to continue to expand their economies. Rapid growth rates in both countries have grown in tandem with increased demand for energy. By 2020, it is estimated that China and India combined will account for roughly one-third of the world’s GDP and, as such, will require vast amounts of energy to fuel their economies. As such, the competition for energy resources such as oil and natural gas will only become fiercer. An important aspect of energy security is maritime control in the Asia-Pacific oceans. The sea lines of communication that run through Asia effectively act as the vital arteries for both countries. Maritime security is thus of major national interest for both China and India, and is directly linked to their energy security. Recent military modernization within China has been focused towards upgrading its naval capabilities, and ultimately moving towards creating a strong and powerful blue-water navy. India’s drive for maritime dominance has resulted in its naval budget increasing from US$1.3 billion in 2001 to US$3.5 billion in 2006, with plans to further increase naval spending 40 percent by 2014. China’s thirst for oil has doubled over the last decade, and is only predicted to rise. Similarly, India relies on the energy shipped through maritime regions to fund its own industrialization. India continues to state its maritime goals in pure geopolitical terms, even explicitly acknowledging in their 2004 Maritime Doctrine that “control of the choke points would be useful as a bargaining chip in the international power game, where the currency of military power remains a stark reality.” Thus it is clear that energy security has been directly translated into a national security issue, which has both political and military implications. The geopolitical rivalry in Myanmar between China and India provides great insight into their adversarial energy relationship. In Myanmar, both Chinese and Indian geopolitical and geoeconomic interests collide, and as such, may become a point of contention between China and India. Myanmar holds vast strategic importance for both China and India due to its location and abundance of natural resources. It has vast reserves of natural gas, so for both China and India it is presented as a source of energy free from the geopolitical risks of the Middle East. There has thus been major competition between China and India for access to the market. India has signed a US$40 billion deal with Myanmar for the transfer of natural gas, and has also had frequent discussions about building a pipeline from Myanmar to India. However, China has increasingly gained the most from Myanmar’s available resources. In 2005, for example, Myanmar reneged on a deal with India, and instead signed a 30-year contract with China for the sale of 6.5 trillion cubic liters of natural gas. For China, Myanmar is also important as it provides a land route to the Indian Ocean that vital resources could be shipped through in place of the Strait of Malacca. The potential for the Malacca Strait to be blockaded by a rival is of great concern to China, since as much as 85 percent of China’s oil is shipped through the region. For India, Myanmar is also of a strategic importance due to its location. China is already on friendly terms with Pakistan and has been expanding its presence in the Indian Ocean, thus giving India a feeling of Chinese encirclement. India’s interest in Myanmar directly relates to the growing presence and influence of China in the region. China’s “string of pearls” strategy refers to attempts to negotiate basing rights along the sea route linking the Middle East with China, including creating strong diplomatic ties with important states in the region. Not only does this contain India’s naval projection of power, it also directly threatens India’s energy access and the regional balance of power. While military confrontation between China and India remains unlikely, it is important to recognize that China and India’s energy policies revolve around traditional ideas of security, which highlight military and political balancing. Their energy policies are largely based on geopolitical and security considerations, and not just with regards to the global oil market. As such, it is critical for there to be ongoing diplomatic engagement between China and India to avoid unnecessary or accidental escalation.

#### Participating in oil joint ventures boosts US-China energy coop, allowing them to learn from us and control air pollution and environmental degradation.

Wu, Brookings Visiting Fellow, 08 (Richard Weixing Hu, Advancing Sino-U.S. Energy Cooperation Amid Oil Price Hikes, March, http://www.brookings.edu/research/opinions/2008/03/energy-hu)

Fourth, both governments should encourage their energy companies to collaborate in jointly enlarging the global oil supply, and should support the transfer of energy technologies transfer. It would be good for both countries to avoid negative global competition for oil, politically. Commercially, energy companies from both countries could form joint ventures in extracting oil and other forms of energy, so that they could enlarge energy supply for global markets as well as for domestic markets. Both governments should avoid providing cover for their energy companies to compete in third countries. Actually, they have a common enemy in dissuading resource nationalism and market monopoly in the world energy market. U.S. companies also have a big role to play in helping China’s development of energy efficiency and green-energy technology. Given the growing size of its economy, China’s energy efficiency and environmentally sustainable use of energy means a big reduction of pollutants into air and a considerable contribution to the common course of global environmental protection.

## 2AC

### Prolif

#### Russel says bioterror---Bioterrorism risks extinction.

Matheny 2007

Jason, research associate with the Future of Humanity Institute at Oxford University, “Reducing the Risk of Human Extinction,” <http://www.physics.harvard.edu/~wilson/pmpmta/Mahoney_extinction.pdf>

**Of current extinction risks, the most severe may be bioterrorism. The knowledge needed to engineer a virus is modest compared to that needed to build a nuclear weapon; the necessary equipment and materials are increasingly accessible and because biological agents are self-replicating, a weapon can have an exponential effect on a population** (Warrick, 2006; Williams, 2006). 5 **Current U.S. biodefense efforts are funded at $5 billion per year** to develop and stockpile new drugs and vaccines, monitor biological agents and emerging diseases, and strengthen the capacities of local health systems to respond to pandemics (Lam, Franco, & Shuler, 2006). **There is currently no independent body assessing the risks of high-energy physics experiments. Posner** (2004) **has recommended withdrawing federal support for such experiments because the beneﬁts do not seem to be worth the risks**.

### T-Restriction (jonathan)

we meet- aff not about exports

2nd evidence says literally nothing. just that CFIUS approves FDI--- that’s a restriction… says nothing about prod or rest. in it.

---we meet-foreign investment restrictions on production

Hirsch-former senior energy program adviser for Science Applications International Corporation-11 Commentary: Restrictions on world oil production

<http://www.energybulletin.net/stories/2011-03-28/commentary-restrictions-world-oil-production>

Restrictions on world oil production can be divided into four categories: 1. Geology 2. Legitimate National Interests 3. Mismanagement 4. Political Upheaval Consider each in reverse order: Political upheaval is currently rampant across the Middle East, resulting in a major spike in world oil prices. No one knows how far the impacts will go or how long it will take to reach some kind of stability and what that stability will mean to oil production in the Middle Eastern countries that produce oil. We are thus relegated to best guesses, which span weeks, months, or years before there are clear resolutions. One pre-Middle East chaos country limited by political upheaval is Iraq, which is believed to have the oil reserves to produce at a much higher level, but Iraqi government chaos has severely limited oil production expansion. In another long-standing case, Nigeria has been plagued by internal political strife, which has negatively impacted its oil production. Mismanagement of oil production within a country can be due to a variety of factors, all of which mean lower oil production than would otherwise be the case. Venezuela is the poster child of national mismanagement. The country has huge resources of heavy oil that could be produced at much higher rates. Underproduction is due to the government syphoning off so much cash flow that oil production operations are starved for needed funds. In addition, Venezuela has made it extremely difficult, if not impossible for foreign oil companies to operate in the country. Another example of mismanagement is Mexico, where government confiscation of oil revenues, substandard technology, and restrictions on foreign investment has led to significant Mexican oil production decline.

#### ---C/I

#### Restrictions mean qualification on production

Wright v. Magellan Behavioral Health, Inc., 2007 U.S. Dist. LEXIS 48718  2007

In the instant case, the Court is required to interpret the word "restriction" as used by the parties in the Agreement. The parties apparently agree that the legal definition of restriction--"a limitation or qualification," Black's Law Dictionary 1341 (8th ed. 1999)--is a good place to start. Thus, the Court must determine whether the board's supervision requirement falls within this definition.

#### That means conditions on production not just prohibitions

Google Dictionary

qual·i·fi·ca·tion

noun /ˌkwäləfəˈkāSHən/

qualifications, plural

A quality or accomplishment that makes someone suitable for a particular job or activity

- only one qualification required—fabulous sense of humor

The action or fact of becoming qualified as a practitioner of a particular profession or activity

- an opportunity for student teachers to share experiences before qualification

A condition that must be fulfilled before a right can be acquired; an official requirement

- the five-year residency qualification for presidential candidates

### 2AC Courts CP

#### 1. Nullifying a law is the same thing as reducing a restriction.

Duchossois Indus. v. United States, 2010-1 U.S. Tax Cas. (CCH) P50,344 2010

In Kohler, the taxpayer purchased $ 19.5 million in Mexican pesos for debt in the amount of $ 11.1 million. The pesos had the same restrictions 2 as the restrictions imposed in the instant case; e.g., requiring that the pesos be used only to purchase Mexican goods and services, prohibiting guaranteed dividends, and prohibiting transfer of stock to any Mexican citizen or company for a period of ten years. These restrictions were specifically discussed in Kohler as lowering the value of the pesos that were disbursed in that case, just as in the instant case. "A dollar restricted to being used to purchase the currency of a country in the throes of a financial crisis is worth less than a dollar." Id. at 1035-37. Addressing the government's assessment in Kohler, the Seventh Circuit rejected the government expert's opinion that the stock restrictions had no economic cost or adverse impact. Consequently, the tax assessment in Kohler was "without any foundation whatsoever" and therefore the assessment was "naked." FOOTNOTES 2 The court agrees with plaintiff that the government's avoidance of the word "restrictions" [\*7] in its brief in opposition to plaintiff's motion for summary judgment, and its substitution of the word "conditions," constitutes a transparent attempt to minimize the impact of these restrictions to justify its position that they do not decrease the value of the pesos or the stock involved. As plaintiff points out, both the Seventh Circuit and the Fifth Circuit in GM Trading Corp. v. Commissioner, 121 F.3d 977 (5th Cir. 1997) describe these very same "conditions" as "restrictions." Indeed, the government's expert, Dr. Cragg, referred to them as "restrictions." Of course, a rose is a rose by any other name, and it is the impact of these conditions or restrictions that devalues the pesos and lowers the value of the stock.

#### 2. Permute- do both- Court action provides political cover.

Zotnick, law prof- RWU, 04

David M. Zlotnick, associate professor of law at the Roger Williams University School of Law, visiting professor of law at Washington College, Spring 2004, Roger Williams University Law Review, 9 Roger Williams U. L. Rev. 645, p. 684

On the federal level, the time has come to listen to the voices of reason. In a democracy that claims much of its strength from the power of an independent judiciary, we must heed the moment when its judges proclaim that democratically made laws are nevertheless morally flawed. While by rule and role, many judges feel compelled to restrain their voices, even small efforts may matter. Like the "Whos" of "Whoville" in the Dr. Suess classic, n196 sometimes all it takes is one more voice. Now that the Justices of the Supreme Court are weighing in more forcefully, these voices of conscience may be heard above the din of political posturing. Perhaps, too, these judicial voices will provide political cover to a courageous politician of either party willing to take on this issue. n197 Until that day, however, sentencing under the dual mandatory minimum and Guidelines regimes continues with prosecutors essentially serving as both partisan and judge. To federal judges, chosen for their experience and judgment, this makes a travesty of the justice they have sworn to uphold.

#### 3. CP Links to Politics

Treanor and Sperling, 1993 (William Michael, Associate Professor of Law @ Fordham University, and Gene B., Deputy Assistant to the President for Economic Policy, December, Prospective Overruling and the Revival of "unconstitutional" Statutes, 93 Colum. L. Rev. 1902, Columbia Law Review)

A judicial decision invalidating a statute also skews the political dynamic because, as a result of that decision, proponents and opponents of the statute will attach different levels of symbolic importance to its repeal. Similarly, they will attach different levels of symbolic importance to the passage of new statutes that are also unconstitutional under the invalidating decision. Again, the skewing favors the proponents of the invalidated statute. The proponents, having lost in the courts, place a premium on legislative endorsement of their position: the legislature alone can provide a statement in favor of their views by an official governmental actor. Opponents of a statute will attach less symbolic value to what the legislature does. For them, the effect of legislative endorsement will only be cumulative, since the courts have already embraced their position. This difference in symbolic importance for the two sides can alter the political process so that it produces a result inconsistent with majority wishes. A legislator will incur the enmity of those who support an "unconstitutional" bill by working for its repeal or opposing similar legislation; she is unlikely to win offsetting support from the bill's opponents. The fate of an Arkansas statute that required public schools to allocate as much time to the teaching of creation science as to evolution illustrates this phenomenon. Although understood to be unconstitutional, the statute was passed by the legislature almost without discussion. 64 The President Pro Tempore of the Senate explained, "It was meaningless, just a piece of junk, so why not vote for it." 65 Had opponents of the bill attached as much importance to blocking it as proponents did to ensuring its passage, the Senator would not have made that statement. But because the statute's symbolic importance was different for the two camps, he voted in favor of the bill.

#### 4. Congress key to Chinese investment – hostility perception.

Rosen and Hanemann 2011

Daniel H. Rosen is Founder and China Practice leader of the Rhodium Group and adjuct professor at Columbia University, Thilo Hanemann is Research Director at the Rhodium Group, AN AMERICAN OPEN DOOR?, May 2011, http://asiasociety.org/files/pdf/AnAmericanOpenDoor\_FINAL.pdf

Though the annual numbers are doubling, there is a growing perception in China that the United States is not enthusiastic about Chinese investment. Washington must recapture the high ground on this topic by pointing to the healthy growth in those investment flows to date and by making clear that U.S. policy will remain accommodative. A bipartisan congressional–executive statement is needed to send an unequivocal message of support for increased investment from China. It is especially important that the U.S. Congress plays a positive role in this messaging given its oversight role and recent activism on foreign investment.

#### 5. Turn- Delay-

#### the CP will be appealed which delays the final decision

Rosenberg, Law Prof- Chicago, 1991 (Gerald, The Hollow Hope, pg. 87)

The judiciary, like other large political institutions, is afflicted with many bureaucratic problems. However, as proponents of the Constrained Court view argue, the constraints imposed by the structure and process of the legal bureaucracy make courts a singularly ineffective institution in producing significant social reform. Among these constraints is the inability to respond quickly. The time between the initiation of a suit, the exhaustion of all appeals, and the issuance of a final decree can be years. This is no less the case when judges act in good faith. Delay is built into the judicial system and it serves to limit[s] the effectiveness of courts. Delay occurs for many reasons. One is overloaded court dockets. During the 1950s and 1960s, the Fifth Circuit, responsible for most of the South, had the nation's most congested dockets (Note 1963, 101). Appeals to that court were naturally delayed. Second, the judicial system allows for many appeals and will bend over backwards to hear a claim.21 Numerous appeals can serve as a tactic to delay final decision. Another reason for delay is the complicated nature of many civil rights suits. Questions of whether the suit is properly a class action, whether local remedies have been exhausted, or whether a different court is the more appropriate forum can keep cases bouncing around lower courts for years. Even if a lower court enjoins certain actions as discriminatory, it may stay the injunction pending appeal. Fourth, higher courts rarely order action. Normally, they remand to the lower court and order it to act. The time involved here, even assuming good faith, can add up. Finally, if a final order does not have a direct effect, if the discrimination is not remedied, the plaintiff's only judicial remedy is to return to court and re-start the process.

#### 6. Delays causes FDI chilling that wrecks the economy

Hamilton and Quinlan 06 (Daniel, and Joseph, Protecting Our Prosperity

Ensuring Both National Security and the Benefits of Foreign Investment in the United States, NATIONAL FOUNDATION FOR AMERICAN POLICY, JUNE, http://transatlantic.sais-jhu.edu/transatlantic-topics/Articles/economy/ProtectingOurProsperity\_NFAP\_June\_20\_2006.pdf)

Fifth, don’t shoot yourself in the foot. Political uncertainties and potential delays for foreign investors would have a huge chilling effect on their proclivity to buy American assets. The United States needs to attract almost $1 trillion of foreign financing a year to fund its huge and growing trade and current account deficits. The current account deficit has reached 6 percent of GDP, underscoring the wide gap that has developed between what Americans buy and what they sell to foreigners. This deficit has not harmed the U.S. economy because U.S. remains one of the best places in the world to invest. As a result, dollars that Americans send abroad when they buy imports are recycled back as capital investments. Americans are quite dependent on foreign investment inflows to cover the gap between what they produce and what they consume. At the end of 2004 (the most recent figures) foreigners owned about $12 trillion in US assets: $6 trillion in stocks and bonds; $3 trillion in debt to banks and other lenders and $3 trillion in hard assets such as factories. As we discussed earlier, these investments employ Americans, boost their salaries and keep interest rates down. If, however, the U.S. develops a reputation as a less welcoming place for investment, money will flow to other nations that otherwise may have fueled the U.S. economy. The result could be higher interest rates, higher mortgage rates, higher inflation, less innovation, lower wages, and lower stock prices. 35

#### 7. CP will be rolled back.

Pacelle, poli sci prof-Missouri, 02 (Richard, poli sci prof and legal studies coordinator at the univ of Missouri at St. Louis The Role of the Supreme Court in American Politics: The Least Dangerous Branch?, p92)

Even if the Supreme Court was to carve out some sphere of power for itself, there would be significant limitations. Any Court decision has to be enforced, but enforcement power is the province of the president and the executive branch. Thus, the Court is at their mercy. If the president does not like the decision, he does not have to enforce it. Indeed, history books report that Andrew Jackson, upset at the Worcester v. Georgia (1832) decision, growled that “John Marshall made his decision, now let him enforce it.” There was concern that Dwight Eisenhower would not bsack the Brown decision when the Southern states resisted. Ultimately, though quite reluctantly, Eisenhower sent troops to Little Rock to support the decision. What if the Court’s decision requires active policy intervention and the allocation of resources to help carry out the directives? If the courts determine that prisons are overcrowded or schools are substandard, will the legislature, which has the taxing and spending power, be willing to raise and spend money to correct the problem? It took a decade before serious legislative support for the Brown decision was provided. Title VI of the Civil Rights Act of 1964 empowered the government to cut off federal funds to school districts that did not comply with the desegregation directive (Halpern 1995, 30—59). The bottom line is the adage “the Court lacks the sword and the purse”—it lacks the ability to enforce its decisions and the power over the resources to do so. This places a limitation on the justices. If they stray too far from the acceptable boundaries set by Congress or the president, they risk a negative response from the branches with the real power. If the Court can safely be ignored by the other branches and the public, the cost is its institutional legitimacy.

### Politics

#### plan solves budget

Richardson-Chairman of the Association for Foreign Investment in America-11

<http://digitalcommons.wcl.american.edu/cgi/viewcontent.cgi?article=1675&context=auilr>

United States Policy Toward Foreign Investment:We Can't Have It Both Ways

The federal budget deficit has been funded by borrowing and attracting large inflows of foreign investment into the United States As of November 1988, the current expansion of the United States economy has extended for almost six consecutive years, the longest peacetime period of growth in the history of the United States economy. In 1987, the real output of the economy rose by 3.4 percent, 4 with three million additional jobs created. 6 5 The inflation rate remained in the four percent range, well below the double-digit rates at the outset of this decade. 6 During this period, gross private investment has averaged 16 percentof the Gross National Product (GNP)."' At the same time, the annual budget deficits of the federal government have hovered at about four percent of GNP, reaching levels in excess of $200 billion a year, until the recent decline brought about by the balanced budget initiative. 08 But even the balanced budget initiative has yet to achieve a reduction in the structural deficit. It bears repeating in this context that the budget deficit has been funded by the sale of government securities which have competed with private borrowers for available funds. In a sense, this competition for investment capital has acted like a vacuum, attracting all available capital, both domestic and foreign. Without foreign investment in the United States, interest rates would have risen dramatically, as the federal government would be competing with the American private sector for a smaller pool of funds." 9

#### Domestic politics means the US won’t exercise hegemony – means no impact.

Kupchan 2011

Charles A., professor of international affairs at Georgetown University and Whitney Shepardson Senior Fellow at the Council on Foreign Relations, The false promise of unipolarity: constraints on the exercise of American power, Cambridge Review of International Affairs, Volume 24, Number 2, June 2011

A final chink in the armour of Brooks and Wohlforth concerns their disregard of domestic politics in the United States. As realists, the authors consider unproblematic potential variation in the choices that Americans may make about how to deploy their preponderant power; the United States is the unipole, and will act accordingly. But just as political choice and practice in China, Russia, or Europe can alter the characteristics of unipolarity, so too can political choice in the United States.With the collapse of America’s political centre and the erosion of bipartisanship on matters of foreign policy, US statecraft may prove far more unpredictable and unsteady than during the decades since World War II (Kupchan and Trubowitz 2007a). Brooks and Wohlforth do to some extent address the issue of domestic stewardship when they examine whether the Iraq War and US unilateralism constrained US power due to reputational concerns and the loss of legitimacy. The excesses of the Bush administration’s brand of unilateralism, they contend, cost the United States little in terms of its influence abroad. With its surfeit of power, the United States could afford to make mistakes. The challenge in this decade, however, may be not too much US power and resolve, but an unsteady America that grows weary of the burdens of unipolarity. Brooks and Wohlforth assume that the United States will as a matter of course continue to deploy its preponderant power on a global basis; the unipole will automatically defend unipolarity. But in the aftermath of the draining wars in Iraq and Afghanistan and the economic duress and ballooning deficits associated with the global financial crisis, the United States may lose some of its enthusiasm for serving as the global guardian of last resort. Democrats and Republicans are divided on issues ranging from the war in Afghanistan to climate change to arms control. If a political compromise is to be struck, it may well entail fashioning a more modest and less costly strategy of retrenchment (Kupchan and Trubowitz 2007b). At a minimum, US grand strategy may swing between stark alternatives depending upon which party is in power. In broad terms, the Republicans favour the use of force and shun institutionalized multilateralism. Meanwhile, the Democrats favour multilateralism and engagement rather than the exercise of force. Even if unipolarity persists, its international effects may be overridden by the unpredictable choices Americans may make about when and how to deploy their national power.

#### Including gay rights ruins any chance for compromise with the GOP over amnesty.

Demirjian 2-7 (Karoun, Obama’s push for gay rights in immigration reform prompts GOP opposition, http://www.lasvegassun.com/news/2013/feb/07/obamas-push-gay-rights-immigration-reform-couple-p/)

When President Barack Obama unveiled his blueprint for immigration reform last week, he largely endorsed the Senate’s approach, with a slight twist: Under Obama’s plan, same-sex couples would be entitled to the same immigration rights as heterosexual couples. The difference caught many social conservatives off-guard, some of whom are now openly wondering why, just when the stars were aligning for comprehensive immigration reform, Obama would throw a monkey wrench into the mix. “He is basically pandering to the community,” said Tibi Ellis, a conservative Nevada lobbyist and advocate for immigration reform. “The argument is not about gender, marriage, or anything. The argument is about how do we revise our current immigration system.”   Since the 2012 election, the immigration reform movement has unprecedented support, thanks to Latino voter turnout. The growing cohort pays close attention to where lawmakers stand on immigration — and in 2012, overwhelmingly supported liberal Democrats over conservative Republicans. Republican lawmakers such as Nevada Sen. Dean Heller, who in the past had exclusively favored enforcement as a solution to illegal immigration, are now vocal in their support for a pathway to citizenship for immigrants who entered the country, unauthorized, as children. Even House Majority Leader Eric Cantor is on board.   But those same Republicans are not leaping to endorse the idea of extending immigration benefits to same-sex couples. “It’s interesting,” Heller said when asked about the provision, adding that he was looking forward to a detailed discussion on many specific points of the immigration reform bill as it was drafted. Where Heller is non-committal, other Republicans say the same-sex marriage provision would be a deal-breaker. “Which is more important, LGBT or border security?” Sen. John McCain, one of four Republican members of a bipartisan group of Senators who unveiled their own immigration framework last week, at a Politico breakfast. “If you’re going to load (immigration reform) up with social issues, that is the best way to derail it, in my view.” Republicans working toward an immigration framework do not seem amenable to the idea either. “I would hope that if the president does try to insert himself (into the immigration discussion), he does so with the purpose of trying to reach a bipartisan solution,” said Republican Rep. Mario Diaz-Balart, who is working with the House bipartisan group on immigration. “I’ve yet to see anything that the president has put forward that has been, frankly, constructive.” The idea that Obama, who oversaw the end of the military’s Don’t Ask Don’t Tell policy, and declared himself to be in favor of legalizing gay marriage in the run-up to the 2012 campaign, is relatively unsurprising.   In the past several months, the Department of Homeland Security has also taken steps to recognize same-sex couples as “family relationships” when determining whether to deport or use administrative discretion in deportation cases. Obama’s immigration would make same-sex relationships equal to heterosexual relationships for family-based visas as well.   But social conservatives who have resisted legalizing gay marriage say giving legal recognition to same-sex couples in the immigration context would be just as incendiary. Several conservative, pro-immigration religious groups — which have sway with social conservatives in Congress — object to Obama’s inclusion of same-sex couples as beneficiaries under immigration reform law.   “It’s like adding fuel to a fire. Immigration itself can be divisive and emotional; you add another national issue that is equally emotional and divisive and it’s a combustible mix,” said Kevin Appleby, director of immigration and refugee policy for the U.S. Conference of Catholic Bishops, one of several religious groups that sent a letter to the White House declaring their opposition last week. “We want an immigration bill, and this will make it harder if not impossible to get an immigration bill.” For conservatives, there’s also a constituent factor to consider: While most registered voters now favor legalizing same-sex marriage, the majority of registered Republican voters still do not.

#### Won’t pass – Judiciary hearing proves GOP opposition to amnesty

Calderon 2/6/13 (Sara Ines, staffwriter, “House GOP Splitting on Immigration Reform” <http://politic365.com/2013/02/06/house-gop-splitting-on-immigration-reform/>)

It was an interesting turn of events, especially given the fact that another faction of the House GOP continued along the hard core, anti-immigration reform road yesterday as well. They characterized a pathway to citizenship for undocumented immigrants as “toxic” and “extreme” while questioning San Antonio Mayor and Democratic surrogate for President Obama in the last campaign Julián Castro during the Judiciary Committee hearing. Representative Robert Goodlatte, the Republican Chair of the House Judiciary Committe, asked if options other than mass deportations and full citizenship would be considered, “Are there options that we should consider between the extremes of mass deportation and a pathway to citizenship for those not lawfully present in the United States?” This question, along with a statement by Congressman Raúl Labrador (R-Idaho) about exploring policy solutions without an insistence on a pathway to citizenship, indicates that the Republicans are attempting to find way toward legalization without full-fledged citizenship. Essentially, while some notable Republicans, like Arizona Senator John McCain, make the case that the GOP needs to change their stance and rhetoric on immigration reform, only some of the leadership and membership of the right wing is willing to make these changes. Other conservatives who have previously supported immigration reform, like McCain, are back on the immigration reform bus in recent weeks, too, specifically Lindsey Graham and Marco Rubio. While Cantor’s capitulation is significant, as he is a party leader and voted against the DREAM Act just a few years ago, it’s going to take more House Republicans to pass any kind of comprehensive immigration bill. There’s also room for caution in Cantor’s changing position, however. Republicans are much more enthusiastic to pass piecemeal reform — such as the DREAM Act and STEM visas — rather than completely overhaul the system. And even when discussion about comprehensive reform comes up, it takes on the character of enforcement and border security.

#### The plan is guidance not legislation

Jackson 10 (James K. Jackson, CRS Specialist in International Trade and Finance, Foreign Investment, CFIUS, and Homeland Security: An Overview, February 4, http://fpc.state.gov/documents/organization/138597.pdf)

While CFIUS’s activities often seem to be quite opaque, the Committee is not free to establish an independent approach to reviewing foreign investment transactions, but operates under the authority of the President and reflects his attitudes and policies. As a result, any discretion CFIUS uses to review and to investigate foreign investment cases reflects policy guidance from the President. Foreign investors are also constrained by legislation that bars foreign direct investment in such industries as maritime, aircraft, banking, resources and power. 7 Generally, these sectors were closed to foreign investors prior to passage of the Exon-Florio provision in order to prevent public services and public interest activities from falling under foreign control, primarily for national defense purposes.

#### That means no link

Hamilton and Schroeder 1994 [James T. Hamilton is an assistant Professor of Public Policy, Economics and Political Science at Duke University, Christopher H. Schroeder is a Professor of Law at Duke University School of Law “Strategic Regulators and the Choice of Rulemaking Procedures: The Selection of Formal vs. Informal Rules in Regulating Hazardous Waste http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=4229&context=lcp]

3. As the regulatory costs imposed on parties increase, the more likely the parties will resist and, hence, the more likely the agency is to use informal rulemaking. Industry interest groups may attempt to weaken costly formal rules by commenting on them during the formal rulemaking process or by challenging them in court. Similarly, environmentalists may attempt to strengthen provisions through submissions and court challenges. Regulatory costs for industry include expenditures arising from compliance and enforcement actions, while costs for environmentalists may relate to the potential environmental damages posed by the activity regulated. The more at stake for regulated parties and other intervenors, the more likely the agency may be to issue the rule informally. Issuing a costly rule through the informal process has several advantages for the agency: it makes input from interest groups less likely than under the formal process; reduces the ease with which Congress may monitor agency performance and hence lessens the ability of interest groups to "pull the fire alarm" on agency actions; lessens the probability that an interest group will be able to challenge the rule in court as informal rules lack the long administrative records of formally published rules; and enables the agency to alter costs of compliance for particular parties since informal rules may be applied with more discretion than formal rules.

#### Tsunami of unpopular regulations and executive action immediately following election

Ellis 11/1/12 (Ashton, Lame Duck Will Be Very Active Center for Individual Freedom

<http://cfif.org/v/index.php/commentary/54-state-of-affairs/1637-lame-duck-will-be-very-active>)

Aside from new taxes, there’s the specter of several new and expensive regulations being unleashed on the economy after the election. This past April, the Obama Administration’s Office of Management and Budget failed to publish a legally required report spelling out the new regulations it is considering. The deadline to give notice came and went, giving businesses yet another reason to freeze hiring and other expansion projects for fear of new compliance costs. The backlog is about to burst. Richard Rahn of the Cato Institute [notes](http://www.cato.org/publications/commentary/coming-regulatory-tsunami) that rules have been stalled in the pipeline for review much longer than the historic 60-day average. In fact, according to a regulatory expert Rahn cites, “over 70 percent of the regulations under review have been sitting at OIRA [Office or Information and Regulatory Affairs] for longer than 90 days.” That is the default review time required by executive order. The Obama Administration’s motivation is both obvious and cynical. Like most of the taxes and mandates in ObamaCare, the rules being delayed are politically unpopular. Because implementing them before the election could very well cost President Obama votes, his administration seems to be gearing up to unleash a tsunami of regulations soon after Americans cast their ballots. If he is reelected, Obama can push forward on his “We Can’t Wait” agenda by circumventing Congress with administrative rules. If Romney wins, Obama can seriously harm the victor’s first 100 days by ramming through last minute rules that will take months or even years to unwind. A lame duck Congress would do Americans a favor by spotlighting the Obama Administration’s abuse of the rulemaking process, and use the issue to galvanize support for reform ideas like the REINS Act and other measures that would return the lawmaking function to the lawmaking body.

#### The GOP will backlash to CFIUS not Obama- A123 proves.

The Hill 1-29 (Sale of stimulus-backed energy firm approved despite GOP concerns, http://thehill.com/blogs/e2-wire/e2-wire/279819-a123-sale-approve-despite-gop-national-security-concerns)

Chinese firm Wanxiang America has been given the go-ahead to buy a U.S. clean-energy firm despite Republican concerns that the sale could harm national security, the company announced Tuesday.

The Committee on Foreign Investment in the United States (CFIUS) approved Wanxiang America’s purchase of A123 Systems’ automotive, energy storage and commercial operations for $256.6 million.

“The future is bright for A123. It is a company with exceptional talent and potential, and Wanxiang America is committed to its long-term success and the continuance of its U.S. operations,” Pin Ni, president of Wanxiang America, said in a statement. CFIUS, an interagency panel led by the Treasury Department, has the power to negate deals with foreign firms if they harm national security. Some GOP lawmakers worried that was the case with the bid for Waltham, Mass.-based A123, and they lobbied CFIUS to block the transaction.

#### China FDI popular – economic considerations and China lobby

Schatz 10-5-12 (Joseph, POLITICO Pro’s tax editor. Before joining POLITICO, Schatz spent nearly a decade at Congressional Quarterly, covering politics and economics on Capitol Hill. Most recently, he was CQ's senior economic writer for four years, covering everything from the Wall Street bailout and the debt ceiling crisis to trade and the U.S.-China relationship, for which he received the National Press Club’s Sandy Hume award in 2010, “China politics aren't black and white,” Politico.com October 5, 2012, lexis)

Mitt Romney's hard-hitting ads claim President Barack Obama needs to "stand up" to China. Paul Ryan has fanned out across the industrial Midwest, saying that Beijing is treating Obama "like a doormat." The president, of course, is in on the act as well -- an Obama television spot accuses Romney of supporting "sweatshop conditions" through an old Bain Capital investment in China. Yet amid all the campaign tough talk about China, three of Romney's most prominent GOP surrogates were down in Texas last week, begging Chinese investors to set up shop in their states. "We're all here talking to them about why they should come to each of our states, and why for sure they should come to our country," Florida Gov. Rick Scott told FOX News as he, Rick Perry of Texas, Scott Walker of Wisconsin gathered at Cowboys Stadium in Arlington, Texas to meet with a traveling contingent from China touring the United States for nine days, looking for places to park their cash. It just goes to show: Black-and-white campaign slogans don't easily translate into economic policy, including the exquisitely complex U.S.-China economic relationship. For one thing, most economic experts doubt that Romney would really wrangle with the United States's biggest creditor, given the risks of a trade war. Indeed, the former Massachusetts governor's tone in the first presidential debate Oct. 3 already seemed a bit softer, as he promised to "crack down on China, if and when they cheat." But the dynamics are even more complicated when it comes to rapidly rising Chinese investment in the United States, particularly at the state and local level, where government officials of both parties are eagerly courting Chinese investments in waterfront rehabilitation plans, energy deals, greenfield projects and auto manufacturing. There are plenty of hiccups and failed deals, like Obama's high-profile decision to block the acquisition of four Oregon wind farms by Chinese-affiliated Ralls Corp., last week, on national security grounds. With China, you never quite know whether a firm is truly "private," or an arm of the state. But Chinese investment is way up in recent years, and Congress, which helped sink the Chinese purchase of Unocal Corp. in 2005, has been largely quiet on a broad range of Chinese acquisitions. That's in part because the U.S. economy badly needs the investment -- attracting foreign investment is going to be a major theme in any tax reform debate next year -- and in part because Chinese firms have gotten smarter about lobbying, and have won friends in Washington. Kevin G. Nealer, a partner at the Scowcroft Group, says that the scale of China's investments have changed the equation. Nealer was a Senate leadership staffer in the 1980s, when Japan's sudden emergency as a car and technology powerhouse provoked rage on Capitol Hill -- and when that fury started abating. "I saw the inflection point in trade neuralgia come when Japanese firms started making major investments here, building factories and hiring American workers at Toyota and Honda plants by the thousands," Nealer says. Business groups and analysts say that's already beginning to happen, though the level of investment is still small compared to countries like Germany. While China is the U.S. government's biggest creditor, with $1.15 trillion in Treasury securities, it still has relatively little money invested in elsewhere in the U.S. economy. In a report last week, Thilo Hanemann and Adam Lysenko of the Rhodium Group, an investment firm that closely tracks Chinese investment, said that before 2008, Chinese firms were responsible for very few jobs in the United States. "One of the most important questions is how Chinese investment affects U.S. employment," the authors note. While the figure is still small, it now stands at about 27,000, they said, as China has rapidly ramped up its investments "from an annual average of around 30 deals worth less than $500 million before 2009 to almost 100 deals worth about $5 billion in 2010 and 2011." Investment in the first half of 2012 alone totaled $3.6 billion, led by big Chinese acquisitions in the U.S. energy and banking sectors, like the Industrial & Commercial Bank of China Ltd.'s purchase of an 80 percent stake in the Bank of East Asia's U.S. subsidiary, a move that required approval by the Federal Reserve. For state and local governments, it's all about jobs. U.S. governors from both parties regularly go to China to solicit investment. And Michael Bell, the Democratic mayor of Toledo, Ohio -- exactly the region where Romney and Ryan are directing some of their harshest China attacks -- has drawn attention for attracting $200 million in Chinese property development investment. It's one of the chief reasons that China weathered the failed 2005 attempt by state-owned China National Offshore Oil Company Ltd. (CNOOC) to purchase Unocal. "To a degree, all politics are local," said one D.C. lawyer who has worked with Chinese investors. "If you're able to do it the right way, in a way that benefits someone's local district, that helps tamp down some of the concerns." U.S. lawmakers revamped the Committee on Foreign Investment in the United States (CFIUS), the Treasury-based group that last week recommended that Obama block the Ralls sale. And they still raise criticisms about many proposed deals in the sensitive telecom and Internet sectors, where a Chinese firm with government ties could pose a security threat. In July, Chinese telecommunication companies Huawei and ZTE were grilled by members of the House Intelligence Committee about the companies' relationship with the Chinese government. But some Chinese firms have become savvier. They've hired lobbyists at Hill and Knowlton, Patton Boggs and other D.C. shops to press their cases in the corridors of power in Washington. Still, notes Scowcroft's Nealer, some Chinese investors, coming from a culture of government control, can't believe that the U.S. investment process is largely free and open. The U.S. Chamber of Commerce circulated a report in July touting Chinese investment success stories in the United States. The Obama administration has also made efforts to link Chinese firms with American companies.

#### Winners win

Dickerson 1/18/13 (John, Slate, Go for the Throat!, www.slate.com/articles/news\_and\_politics/politics/2013/01/barack\_obama\_s\_second\_inaugural\_address\_the\_president\_should\_declare\_war.single.html)

On Monday, President Obama will preside over the grand reopening of his administration. It would be altogether fitting if he stepped to the microphone, looked down the mall, and let out a sigh: so many people expecting so much from a government that appears capable of so little. A second inaugural suggests new beginnings, but this one is being bookended by dead-end debates. Gridlock over the fiscal cliff preceded it and gridlock over the debt limit, sequester, and budget will follow. After the election, the same people are in power in all the branches of government and they don't get along. There's no indication that the president's clashes with House Republicans will end soon. Inaugural speeches are supposed to be huge and stirring. Presidents haul our heroes onstage, from George Washington to Martin Luther King Jr. George W. Bush brought the Liberty Bell. They use history to make greatness and achievements seem like something you can just take down from the shelf. Americans are not stuck in the rut of the day. But this might be too much for Obama’s second inaugural address: After the last four years, how do you call the nation and its elected representatives to common action while standing on the steps of a building where collective action goes to die? That bipartisan bag of tricks has been tried and it didn’t work. People don’t believe it. Congress' approval rating is 14 percent, the lowest in history. In a December Gallup poll, 77 percent of those asked said the way Washington works is doing “serious harm” to the country. The challenge for President Obama’s speech is the challenge of his second term: how to be great when the environment stinks. Enhancing the president’s legacy requires something more than simply the clever application of predictable stratagems. Washington’s partisan rancor, the size of the problems facing government, and the limited amount of time before Obama is a lame duck all point to a single conclusion: The president who came into office speaking in lofty terms about bipartisanship and cooperation can only cement his legacy if he destroys the GOP. If he wants to transform American politics, he must go for the throat. President Obama could, of course, resign himself to tending to the achievements of his first term. He'd make sure health care reform is implemented, nurse the economy back to health, and put the military on a new footing after two wars. But he's more ambitious than that. He ran for president as a one-term senator with no executive experience. In his first term, he pushed for the biggest overhaul of health care possible because, as he told his aides, he wanted to make history. He may already have made it. There's no question that he is already a president of consequence. But there's no sign he's content to ride out the second half of the game in the Barcalounger. He is approaching gun control, climate change, and immigration with wide and excited eyes. He's not going for caretaker. How should the president proceed then, if he wants to be bold? The Barack Obama of the first administration might have approached the task by finding some Republicans to deal with and then start agreeing to some of their demands in hope that he would win some of their votes. It's the traditional approach. Perhaps he could add a good deal more schmoozing with lawmakers, too. That's the old way. He has abandoned that. He doesn't think it will work and he doesn't have the time. As Obama explained in his last press conference, he thinks the Republicans are dead set on opposing him. They cannot be unchained by schmoozing. Even if Obama were wrong about Republican intransigence, other constraints will limit the chance for cooperation. Republican lawmakers worried about primary challenges in 2014 are not going to be willing partners. He probably has at most 18 months before people start dropping the lame-duck label in close proximity to his name. Obama’s only remaining option is to pulverize. Whether he succeeds in passing legislation or not, given his ambitions, his goal should be to delegitimize his opponents. Through a series of clarifying fights over controversial issues, he can force Republicans to either side with their coalition's most extreme elements or cause a rift in the party that will leave it, at least temporarily, in disarray.

#### Economic downturn kills Obama’s ability to push gun control and immigration

Blake 12/27/12 (Aaron, “The price of failure on the fiscal cliff” <http://www.washingtonpost.com/blogs/the-fix/wp/2012/12/27/the-price-of-failure-on-the-fiscal-cliff/>)

\* President Obama: The tone of his second term is at stake. Both Obama’s approval rating and views of the economy are better than they have been since his first year in office. There are conflicting reports about just how bad it would be to go over the cliff, but we can all agree that it wouldn’t be good. And even as economic optimism has returned, the progress remains tenuous. While disaster may not be guaranteed if the fiscal cliff isn’t averted, it is a distinct possibility. Obama is a man who is looking to do lots of difficult things in the coming months, including gun control and immigration reform. If the economy takes a large step back, it’s going to be harder to expend time and political capital on those other things.

#### No political capital – nominations

Thurlow 2/5/13 (Tom, staffwriter, “Obama’s Political Capital” <http://www.redstate.com/tfthurlow/2013/02/05/obamas-political-capital/>)

But this further confirms my suspicion that President Obama’s brains are the most over-rated to occupy the Oval Office in generations. Take his recent nominations, which are a mess. Last week’s Senate hearings on Senator Hagel’s confirmation as defense secretary were a disaster. Senator McCain pressed Senator Hagel to confirm or deny Hagel’s earlier statement that the Surge in Iraq was “the greatest foreign policy blunder since the Vietnam War.” Senator Ted Cruz pointed out that Senator Hegal, during an interview with the Al Jazeera English network in 2009 had agreed with a questioner who said that the United States appeared and acted like the world’s bully. As Paul Mirengoff at the Powerline Blog wrote, “if he were a Broadway play, Hagel would close after one performance.” There were also a number of past anti-Semitic, or at least anti-Israel statements about which Senator Hagel was questioned. About the only thing about the hearing that was reassuring to those who take national defense seriously was that Hagel bumbled so much he sounded like he may have dementia. Let’s face it, a demented defense secretary may not be as bad as an anti-American defense secretary who is purposefully soft on defense and unconcerned about looming problems with Iran’s nuclear program. Senator Lindsey Graham has threatened a hold on the Hagel nomination, and he should. Not only is a defense secretary an important policy position, but as has been pointed out by Republican critics that in any given foreign crisis, the defense secretary will be one of the few advisors in the room, advising the president. Next up: a nomination battle for a Treasury secretary nominee, Jacob Lew, who has never worked in a bank except as an attorney for Citibank, and has held many different government jobs, most recently President Obama’s chief of staff. Definitely a financial industry lightweight. Lew has also been accused of misleading the public on deficits. About the only thing that stands out about Jacob Lew as Treasury secretary is the fact that his signature — which will appear on all of our currency – looks like a bunch of circles. Oddly enough, it doesn’t appear as if Lew has had any medical training. After that, brace yourself for President Obama’s nominee for director of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), Todd Jones. Jones is the current acting director of ATF and has been criticized by a local Democratic FBI office director as being politically well-connected but incompetent and soft on gun and violent crime prosecutions. Past presidents have had difficult times in their second terms,

 but the difficulty is usually with big proposals. President George W. Bush unsuccessfully tried to pass privatization of Social Security and immigration reform in his second term. President Reagan spent his second term solidifying his victory in the Cold War and simplified the tax code, lowering the top marginal tax rate to 28%. Meanwhile, President Obama is trying to get Charles Hagel approved as defense secretary, Jacob Lew at Treasury secretary, and Todd Jones as ATF director, not grand plans by any means. President Obama may get these nominees approved by a majority of senators. But the question is: why is he fighting these particular battles? He could have easily found better qualified nominees for these positions and fought bigger battles on some substantive legislative proposals. Why spend what remaining political capital he has on these problematic appointments? I have a theory, and here goes. As liberal as he is, President Obama prefers to settle scores with his political adversaries even more than getting big liberal proposals passed. There were some clues dropped in the recent campaign. In one speech President Obama told his audience, who booed after Gov. Romney was mentioned, “don’t boo … voting is the best revenge.” This follows a slip he made a couple years earlier when he encouraged Latinos to punish their “enemies,” and when he warned African Americans that a Republican take-over of Congress would mean “hand-to-hand combat up here on Capitol Hill.” These Freudian slips and others show the resentment that President Obama feels towards anyone who opposes him. Opposing ideas are not to be argued against; their proponents are to be personally defeated and the victory noted. Somewhere in his brain the president is keeping score, and he relishes announcing to his opponents, as he did in his first term, “I won.” It is a pettiness that may work out well for the conservative cause. After all, the best way to block any future liberal proposals is to not have them proposed in the first place. The Hagel, Lew and Jones nominations, and the spending of President Obama’s political capital needed to advance these nominations, may be just the ticket to stall any future liberal proposals.

## 1AR

### Hegemony defense

#### The aff can’t solve this, lack of will domestically means deterrence isn’t credible.

McDevitt 2011

Michael, Vice President and Director, CNA Strategic Studies, Brookings Institute, Deterring North Korean Provocations, Brookings Northeast Asia Commentary | Number 46, http://www.brookings.edu/papers/2011/02\_north\_korea\_mcdevitt.aspx

For either of these forms of deterrence to be successful what is threatened in response to aggression or a hostile act must be believable, or as it is commonly cast, must be credible. Credibility in turn, derives from a combination of military capability and a belief in the minds of North Korean leaders that the alliance has the political will to act. There is no doubt that the U.S.-ROK allies have the political will to respond to an invasion; hence the conditions necessary for a credible deterrent, capability and political will, are met.

toward relinquishing U.S. global leadership. And that, it appears, is Barack Obama's goal.

#### No great power war – liberal order and nuclear weapons check.

Ikenberry 2011

G. John, professor of Politics and International Affairs @ Princeton, America’s Challenge: The Rise of China and the Future of Liberal International Order, New American Foundation, July 2011, http://asp.newamerica.net/sites/newamerica.net/files/policydocs/Ikenberry,%20John%20-%20Americas%20Challenge%20-%20The%20Rise%20of%20China%20and%20the%20Future%20of%20Liberal%20International%20Order.pdf

In particular, three features of the American-led international order seem distinctive – features that have contributed to its success and longevity. First, more so than with imperial systems of the past, the Western order is built around rules and norms of non-discrimination and market openness – creating conditions for rising states to participate within the order and advance their expanding economic and political goals within it. Across history, international orders have varied widely in terms of whether the material benefits that are generated accrue disproportionately to the leading state or the material benefits of participation within the order are more widely shared. In the Western system, the barriers to economic entry are low and the potential benefits are high. China has already discovered the massive economic returns that are possible through operating within this open market system. A second feature of the Western order is the coalition-based character of its leadership. This is an order in which a group of advanced liberal democratic states work together and assert collective leadership. It is not just an American order; a wider group of states are bound together and govern the system. These leading states do not always agree but they are engaged in a continuous process of give and take over economics, politics, and security. This too is distinctive. Past orders have tended to be dominated by one state. The stakeholders in the current order include a coalition of status quo great powers that are arrayed around the old hegemonic state. This is important. Power transitions are typically seen as playing out in dyadic fashion between two countries: a rising state and a declining hegemon. This larger aggregation of democratic capitalist states – and the resulting aggregation of geopolitical power – shifts the balance back in favor of the old order. A final feature of the Western order is its unusually dense, encompassing, and agreed upon rules and institutions. International order can be rigidly hierarchical and governed by coercive domination exercised by the leading state or it can be relatively open and organized around reciprocal, consensual and rule-based relations. The postwar Western order has been more open and rule-based than any previous order. State sovereignty and the rule of law are not just norms enshrined in the United Nations charter. They are part of the deep operating logic of the order. To be sure, these norms are evolving, and America itself has historically been ambivalent about binding itself to international law and institutions, and at no time more than today. But the overall system is remarkably dense with multilateral rules and institutions – global, regional, economic, political, and security. These institutional creations are one of the great breakthroughs of the postwar era: establishing the basis for greater levels of cooperation and shared authority and governance of the global system. Together these features of Western order give it an unusual capacity to accommodate rising powers. Its sprawling landscape of rules, institutions, and networks provide newer entrants into the system with opportunities for status, authority, and a share in the governance of the order. Access points and mechanisms for political communication and reciprocal influence abound. China has incentives and opportunities to join in while, at the same time, the possibilities of actually overturning or subverting this order are small or nonexistent. This is particularly the case because of one other feature of the order: the United States, China and other great powers have nuclear weapons. In the past, old international orders were ultimately overturned through hegemonic war. In the age of nuclear weapons and great power deterrence, this mechanism of historical change – thankfully – is taken away. War-driven change is removed as a historical process. These characteristics of the Western order have implications for how a rising China makes choices, increasing incentives to join rather than seek to overturn it. Seen in this light, the modern international order is not really American or Western. It is both wider and deeper. American hegemonic leadership did become a critical feature of liberal international order in the postwar era. But the foundations, rules, and institutions that constitute that order have preceded the American-era of leadership and go well beyond it. We can look more closely at the principles and institutions of this modern order, focusing specifically on how its features might attract and accommodate a rising China.

# Round 7

## 1AC-

same as round 3

## 2AC

### 2AC Impact Overview

#### Addressing militarism outweighs the negative’s specific scenario for conflict --- It creates the conditions where constant violence is not only expected but accepted eliminating the difference between peace and war and making their scenario inevitable.

Dabashi 2007

Hamid, Thinking beyond the US invasion of Iran, http://weekly.ahram.org.eg/2007/831/focus.htm

More than being at war, what works best for the US/Israeli warlords is being in "a state of war" -- for the fear of war is the best condition in which they want to keep the world. Come March, April, May or whenever, US/Israel may or may not, invade Iran. If the war indeed happens, no one will count the Iranian dead, for counting them will amount to no moral outrage loud enough to match what is happening to the world. CNN will count the US soldiers' casualties, but even this, too, will dissipate into a vacuous pomposity that could not care less about the poor and disenfranchised Americans who are grabbed by the throat of their poverty, and catapulted half way around the globe to maim, murder, torture, and rape their own brothers and sisters. For every one US casualty (which is one too many) there will be anywhere between one to two hundred Iranian casualties, if we were to take the Iraqi case as our measure. No one will hold anyone responsible. The Iranian neo-con contingency will have made their career and lucrative contracts, and still appear on television. Just like Fouad Ajami, they will tell Americans that these Iranians, just like Iraqis, did not deserve the gift of freedom and democracy that the Americans were offering them (as he proposes in his new book The Foreigner's Gift: The Americans, the Arabs, and the Iraqis in Iraq ). The rest of the world will have gotten even more used to the state of war that US/Israel is imposing on the globe. The invasion of Iran will add yet another front to the US/Israeli global flexing of its military prowess. And if they -- the US government and Jewish state (the two most violent states on planet Earth) -- don't invade Iran, it still makes no difference. All it takes is a comment here by President Bush, or a suggestion there by Vice President Cheney, or yet another confession that Israel makes that it indeed has massive nuclear capacities -- or else planting of a news story that Israel may attack Iran. The actual context of these news, that the US/Israel may or may not attack Iran, is entirely irrelevant to the reality of positing these threats. It is this that keeps the world on the edge of its seat, making fear and warmongering the paramount condition of our lives. In his groundbreaking work on the "state of exception", the distinguished Italian philosopher Giorgio Agamben has begun the uncanny task of theorising what has hitherto been delegated to the realm of necessities legem non habet ("necessity has no law"). Defying this dictum, Agamben has taken Karl Schmitt's famous pronouncement in his Political Theology (that the sovereign is "he who decides on the state of exception") quite seriously and sought to theorise that state of exception. In Agamben's own project, what he calls the "no- man's land between public law and political fact, and between the juridical order and life" remains paramount. But adjacent to that effectively juridical project, there remains a widespread culture of catastrophe that must systematically generate and sustain that state of exception, which here and now in the United States, and the world it ruthlessly rules, amounts to a perpetual state of war. It is to that state, and not merely its potential and actual evidence, that we must learn how to respond.

### 2ac- Bring Oil Back Home

#### Domestic espionage laws solve and Start-up Company investments is a loop hole for security anyways

Rosen and Hanemann 10-5-12 (Daniel and Thilo, Ralls vs. CFIUS: What Are the Implications for Chinese Investment?, Council on Foreign Relations, http://rhgroup.net/articles/ralls-vs-cfius-what-are-the-implications-for-chinese-investment)

Fifth, the lawsuit by Ralls against the President and CFIUS will not overturn the decision, but it might help clarify some important questions about the mandate and jurisdiction of CFIUS. In its amended court filing, Ralls complains that CFIUS and the President exceeded their legal mandate, for example by imposing certain divestment conditions on the company. The court may help clarify these competencies. In addition, the Ralls case points out an important inconsistency in Washington’s ability to address espionage concerns related to foreign ownership: had Sany not acquired Oregon developers but rather built wind farms as greenfield projects on leased land, CFIUS would have had no legal mandate to investigate. Instead, any espionage concerns would have had to be dealt with through domestic counter-espionage laws, with vastly higher evidence standards, a contestable appeals process, and a longer lead time – all of which are absent under CFIUS.

#### China cant do it

#### commercial interests- they wont divert oil and gas from the US back to China.

McCarthy and Jordan 8-4-12 (Shawn and Pav, China goes corporate with bid for Canadian oil, http://m.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/china-goes-corporate-with-bid-for-canadian-oil/article4446114/?service=mobile)

So far the CNOOC bid has not set off a political firestorm in Canada. Oil patch sources say the industry mood is nervously supportive of the deal, but officials would look less kindly on a foreign buying spree aimed at major domestic companies such as Suncor or Canadian Natural Resources Ltd. That reaction is a reflection of the increasingly sophisticated and politically astute approach Chinese officials have taken in recent years, after some glaring missteps in previous takeover attempts. CNOOC has carefully built an operating partnership with Nexen, won the support of the company’s board with a fat premium on the offer price, and made key commitments that specifically address Ottawa’s “net benefit” requirement for approving foreign takeovers. Chinese SOEs have been pursuing global resource developments for more than a decade, at first in Africa, and then in South America, Australia and Canada, but have usually invested in undeveloped properties or minority positions as non-operating partners. In reviewing the CNOOC deal, Ottawa will look for commitments that the company will operate in Canada in a strictly commercial fashion. But critics suggest the Harper government has failed to erect a clear screening mechanism that would inform both Canadians and offshore investors what level of foreign acquisitions would be acceptable, and under what circumstances. And they point out the government has neglected to demand reciprocity, with the same right for Canadian companies to acquire Chinese assets as CNOOC and other SOEs have here. CNOOC chief executive officer Li Fanrong said he’s puzzled that there should be any doubt that his company’s acquisition of Nexen will benefit Canada by bringing much greater financial heft to its oil sands properties, while locating CNOOC’s headquarters for North and Central America in Calgary. And he vehemently rejects the view that CNOOC, like other Chinese state-owned enterprises, are agents of the Communist government in Beijing. “Every decision we make is based on whether we can provide value to our shareholders,” Mr. Li said in an interview after the deal was announced Monday. “We are purely a commercial entity.” GROWING INDEPENDENCE CNOOC is a publicly traded subsidiary of Chinese National Offshore Oil Corp., which is wholly owned by Beijing. The parent company owns 64 per cent of the international subsidiary, whose shareholders include heavyweights like the Blackstone Group LP. (The New York-based fund has recently received $500-million (U.S.) in capital from China’s foreign bank, which holds massive currency reserves.) Mr. Li’s assertion of independence is backed by a number of western analysts, including the International Energy Agency, the Paris-based advisory body to developed countries. In a report last year, the IEA concluded the three leading Chinese state oil companies – CNOOC, PetroChina and Sinopec – have gained considerable independence from the government department to which their parent companies formally report, and that their investments have been driven by commercial interests. A series of papers released this year by the Canadian Council of Chief Executives and Canadian International Council reached similar conclusions. The leading oil companies are “profit-driven to their core,” and are urged by their own government to “compete, compete, compete,” wrote Margaret Cornish, a former executive director of the Canada-China Business Council and now chief representative of the Calgary-based law firm Bennett Jones LLBs in its Beijing consulting office. Ms. Cornish said major Chinese firms market their oil wherever they can get the best price, rather than – as many critics fear – simply sending the crude to their home markets. And she said they rely on financial markets and their own balance sheets to fund acquisitions and operations. In another paper, Georgetown University professor Theodore Moran assessed the security risks from Chinese state-owned investment, and concluded there is little concern when SOEs go after publicly traded resources companies that have little market power and no access to sensitive government information. (As it was negotiating with CNOOC over a possible deal, Nexen met in April with Richard Fadden, director of the Canadian Security Intelligence Service. Neither side will discuss details of that meeting.) In an interview, Prof. Moran said Chinese state ownership is not without its risks, adding that, through such firms, Beijing has been attempting to get control of the world market in rare earth metals that are critical for high-tech manufacturing. However, he said Chinese investment in the oil and gas business is generally regarded as a positive, even by the American government which is keen to see additional supply brought on to the global market.

#### Ability- They control less than 2% of the market

Rosen and Houser 07 (Daniel, Fellow, Peterson Institute for International Economics, and Trevor-Visiting Fellow, Colin Powell Center for Policy Studies, China Energy: A Guide for the Perplexed, http://www.iie.com/publications/papers/rosen0507.pdf)

As stated in the previous section, concerns about the overseas activities of China’s energy firms fall into three categories: Such firms harm the energy security of others by taking oil off markets; they harm the economic interests of IOCs by competing unfairly; and they hurt strategic interests by disrupting existing political and economic dynamics. The first contention we reject out of hand. Despite all the rhetoric about Chinese oil companies locking up resources through equity agreements, total international production by Chinese firms accounts for less than 2 percent of the global oil trade. 96 It will be nearly impossible for these companies to satisfy China’s import needs, let alone gain a big enough position in the market to threaten US oil security. As China is now the world’s second-largest oil consumer, we should expect the profile of Chinese oil companies on the international stage to increase. And we should welcome and encourage the emergence of Chinese firms that abide by international norms for competition and investment.

#### Empirics -it’s too expensive

Jiang and Sinton 11 (Julie and Jonathan, researchers for the International Energy Agency’s Division for Asia, Latin America and Sub-Saharan Africa, “OVERSEAS INVESTMENTS BY CHINESE NATIONAL OIL COMPANIES Assessing the drivers and impacts,” Feb, http://bloximages.chicago2.vip.townnews.com/trib.com/content/tncms/assets/v3/editorial/d/87/d87965b1-a04c-5f3a-a63c-07b41bc8f415/4d606a83b2220.pdf.pdf)

No evidence brought to light in researching this paper suggests that the Chinese government currently imposes a quota on the NOCs regarding the amount of their equity oil that they must ship to China. Decisions about the marketing of equity oil, where the Chinese companies have control over the disposition of its share of production, appear to be dominated by market considerations. For instance, almost all the equity production Chinese NOCs have in the Americas was sold locally instead of being shipped back to China (FACTS Global Energy, 2010). Considering geographical distances, it is more costly to ship that oil to China. Additionally, Venezuelan heavy crude is not compatible with existing Chinese refining capacities. The latter barrier will soon be removed; PetroChina formed a joint venture with the Venezuelans to build a refinery to process this type of crude oil in Southern China. The planned capacity of this refinery is 200 kb/d. The current equity share NOCs have in Venezuela is 202 kb/d. Chinese crude imports from Venezuela ranged from 155 kb/d to 400 kb/d for the first seven months of 2010. Venezuelan President Hugo Chavez stated that he planned to export 1 mb/d to China by 2011 or 2012.

#### prices- the market offers more profit in the US

Jiang and Sinton 11 (Julie and Jonathan, researchers for the International Energy Agency’s Division for Asia, Latin America and Sub-Saharan Africa, “OVERSEAS INVESTMENTS BY CHINESE NATIONAL OIL COMPANIES Assessing the drivers and impacts,” Feb, http://bloximages.chicago2.vip.townnews.com/trib.com/content/tncms/assets/v3/editorial/d/87/d87965b1-a04c-5f3a-a63c-07b41bc8f415/4d606a83b2220.pdf.pdf)

It is very difficult to determine what share of their equity oil production in Angola and Sudan the NOCs may have shipped to China. Certainly the imports into China from both countries are substantial, but a great deal of information, most of it confidential to the companies, would be required to make an accurate assessment. While some oil may be shipped to China, some is also sold into the international market. Depending on the terms of a particular investment, the NOCs may not even have marketing control over their equity shares in some fields. Where the NOCs do have control, the share of the equity oil shipped to China may differ each year due to market conditions, international oil prices, and Chinese domestic product prices. Since the beginning of 2009 (to September 2010), due to the new domestic oil price scheme in China, domestic product price has been adjusted nine times to reflect the international oil price. 9 The NOCs have been lobbying hard for further reforms. Until the domestic market offers the NOCs greater incentives — that is, retail product prices that more closely reflect changes in world oil prices — Chinese equity oil is unlikely to all come back to China.

#### Stability- China is more prone to energy shocks

Dorn 05 (James A, China specialist and VP for academic affairs at Cato, U.S.-China Relations in the Wake of CNOOC, CATO Policy Analysis, Nov 2, http://www.cato.org/pubs/pas/pa553.pdf)

If China did try to restrict the supply of oil to the United States—that is, to use the socalled oil weapon—it would hurt China as much as the United States because China is now a net oil importer and must pay market prices. It might even cause greater harm in the PRC because, as Taylor pointed out in his testimony before the House Armed Services Committee, China’s energy usage is much less efficient than that of the United States, and “the Chinese economy is less able to efficiently adjust to price shocks.” Hence, “there is no reason to worry about the impact that a merger between CNOOC and Unocal might have on domestic energy prices or America’s access to oil. Unocal would not provide China with an ‘oil weapon.’” 25

### T-Restriction (jonathan)

---we meet-foreign investment restrictions on production

Hirsch-former senior energy program adviser for Science Applications International Corporation-11 Commentary: Restrictions on world oil production

<http://www.energybulletin.net/stories/2011-03-28/commentary-restrictions-world-oil-production>

Restrictions on world oil production can be divided into four categories: 1. Geology 2. Legitimate National Interests 3. Mismanagement 4. Political Upheaval Consider each in reverse order: Political upheaval is currently rampant across the Middle East, resulting in a major spike in world oil prices. No one knows how far the impacts will go or how long it will take to reach some kind of stability and what that stability will mean to oil production in the Middle Eastern countries that produce oil. We are thus relegated to best guesses, which span weeks, months, or years before there are clear resolutions. One pre-Middle East chaos country limited by political upheaval is Iraq, which is believed to have the oil reserves to produce at a much higher level, but Iraqi government chaos has severely limited oil production expansion. In another long-standing case, Nigeria has been plagued by internal political strife, which has negatively impacted its oil production. Mismanagement of oil production within a country can be due to a variety of factors, all of which mean lower oil production than would otherwise be the case. Venezuela is the poster child of national mismanagement. The country has huge resources of heavy oil that could be produced at much higher rates. Underproduction is due to the government syphoning off so much cash flow that oil production operations are starved for needed funds. In addition, Venezuela has made it extremely difficult, if not impossible for foreign oil companies to operate in the country. Another example of mismanagement is Mexico, where government confiscation of oil revenues, substandard technology, and restrictions on foreign investment has led to significant Mexican oil production decline.

-xxx--We-meet-the plan reduces restrictions that block, delay, and alter foreign investment in energy production

Ellis-Vinson & Elkins LLP-6/1/07

US energy and foreign direct investment: Is the foreign capital flow for oil and gas at risk?

http://www.ogfj.com/articles/print/volume-4/issue-6/capital-perspectives/us-energy-and-foreign-direct-investment-is-the-foreign-capital-flow-for-oil-and-gas-at-risk.html

Government regulation is a way of life for the energy industry. Recently, however, a once-obscure regulator - the Committee on Foreign Investment in the United States (CFIUS) - has begun playing a much larger role on the energy stage. Tasked with determining whether certain foreign direct investment in the United States poses a threat to national security, this interagency committee operated in relative obscurity prior to 9/11, typically reviewing transactions involving defense-related industries. However, a combination of political pressure and proposed legislative reforms may broaden the scope of CFIUS review to cover a significant portion of international-US energy deals. What does this mean? At worst, if CFIUS finds that a deal may threaten national security, one or more member agencies may require the parties to alter the transaction materially. If there is no way to mitigate the national security concerns, the deal can be blocked. Even if all national security concerns can be addressed, CFIUS approval can delay the closing of a transaction. Despite these looming obstacles, the regulatory burden is not insurmountable and advanced preparation is the key to success. History of CFIUS and energy CFIUS’s power to regulate US foreign direct investment comes from delegated Presidential authority under the Exon-Florio Amendment to the Defense Production Act of 1950. The committee itself has been around since 1975, when it was first created as an advisory board to monitor foreign investment in the US and report to the President on the implications of such investment for the national interest. In 1988, President Ronald Reagan delegated to CFIUS his newly acquired authority under Exon-Florio to prevent foreign acquisitions that threatened the national security. Even with this substantial increase in powers, the committee operated under the radar throughout the 1980s and ‘90s. Energy has traditionally been an area of some concern for CFIUS. In fact, one early controversial transaction reviewed by CFIUS was the 1981 acquisition of Santa Fe International Corp., a major drilling, exploration, and services company, by Kuwait Petroleum. Santa Fe owned some sensitive technology that had nuclear defense applications. At the time, CFIUS did not yet have any enforcement authority, so the Antitrust Division of the Justice Department was asked to hold up the merger. Ultimately, the transaction was allowed to go forward after Santa Fe agreed to sell off its sensitive technology so that it would not be transferred to Kuwait Petroleum. While it is not difficult to see how nuclear technology and nuclear energy deals would be subject to CFIUS scrutiny, the relationship between oil and gas and national security is more tenuous. On Sept. 11, 2001, the nation’s concept of “national security” was changed forever. In response to the terrorist attacks of 9/11, the government’s focus switched from its traditional examination of military targets and military assets, to a new emphasis on “critical infrastructure.” In order to facilitate protection of critical infrastructure, the President issued a directive in 2003 requiring, among other things, oversight by the Department of Energy of critical infrastructure related to “energy, including the production refining, storage, and distribution of oil and gas.” Additionally, since 9/11, CFIUS has been subject to increasing pressure by Congress to review foreign acquisitions of “critical infrastructure” for national security concerns. Since 9/11, the number of CFIUS filings per year has doubled, with significant growth projected for 2007 (See Figure 1). Nearly 20% of CFIUS filings in 2006 were energy-related - a trend that has continued thus far in 2007.

---Mitigation measures restrict even if they aren’t blocked

Marchick 07 (David, partner at Covington & Burling, where he advises

companies on the CFIUS process, “Swinging the Pendulum too Far: An Analysis of the CFIUS Process Post-Dubai Ports World,” Jan, http://www.nfap.net/researchactivities/studies/NFAPPolicyBriefCFIUS0107.pdf)

In the 18 years that Exon-Florio has been in force, there have been slightly more than 1700 CFIUS filings. Only one transaction has formally been blocked by the President — a 1990 aerospace investment by a Chinese company. From the data, one would think that CFIUS has merely been a rubber stamp, approving 99.9 percent of the acquisitions. The data belie actual practice, since tough restrictions are imposed by CFIUS as a condition for approval — typically through “mitigation” or “national security” agreements. In addition, parties typically will abandon a transaction in the face of a possible rejection rather than force the President to formally block a proposed acquisition. The public relations damage to a company if a President were to block an acquisition would be substantial.

#### ---Production deals with a high level of scrutiny are considered “restricted”.

Vinson & Elkins LLP 12 (V&E China Practice Update E-communication, “China Amends Foreign Investment Policy: New Foreign Investment Industry Guidance Catalogue,” January 13, http://www.velaw.com/resources/pub\_detail.aspx?id=20405)

The Catalogue classifies foreign direct investments in the various Chinese industry sectors as “encouraged,” “restricted,” “permitted,” or “prohibited,” and sets out specific industries in which foreign investment is either “encouraged,” “restricted,” or “prohibited.” Activities not listed are, in the absence of other rules to the contrary, considered to be “permitted” for foreign investments. Foreign investment in “encouraged” industries may enjoy certain tax benefits and is often subject to less strict administrative requirements from approval authorities. The “restricted” category includes industries into which foreign investment is subject to a higher level of scrutiny, stricter administrative requirements, and may be denied at the discretion of the approval authorities. Foreign investment is not permitted in industries categorized as “prohibited.”

#### ---C/I

#### Restrictions mean qualification on production

Wright v. Magellan Behavioral Health, Inc., 2007 U.S. Dist. LEXIS 48718  2007

In the instant case, the Court is required to interpret the word "restriction" as used by the parties in the Agreement. The parties apparently agree that the legal definition of restriction--"a limitation or qualification," Black's Law Dictionary 1341 (8th ed. 1999)--is a good place to start. Thus, the Court must determine whether the board's supervision requirement falls within this definition.

#### That means conditions on production not just prohibitions

Google Dictionary

qual·i·fi·ca·tion

noun /ˌkwäləfəˈkāSHən/

qualifications, plural

A quality or accomplishment that makes someone suitable for a particular job or activity

- only one qualification required—fabulous sense of humor

The action or fact of becoming qualified as a practitioner of a particular profession or activity

- an opportunity for student teachers to share experiences before qualification

A condition that must be fulfilled before a right can be acquired; an official requirement

- the five-year residency qualification for presidential candidates

#### ---Their interpretation is bad

#### A. Over limits-Their interpretation limits the topic to drill baby drill which is bad ground. SQ production is sky high which means better debates on the topic should be about things other than ANWR or the offshore drilling moratorium.

#### B. Capital key-Future oil and gas production will depend on foreign capital. That’s Ellis-Vinson-That capital is intrinsically tied to energy production proves it should be core affirmative ground.

#### ---Reasonability-Competing interpretations encourage a race to the bottom. Limits for limits sake have destroyed affirmative ground on the last several topics. You should err affirmative if our interpretation is proven debatable.

### Schlagg

#### ---The alternative collapses politics --- Rejecting normative thought leaves those subject to social oppression no recourse but to grin and bear it.

**Carle 2005**

Susan D, Dec., “Theorizing Agency,” 55 Am. U.L. Rev. 307, p ln

Although the three leading post-modernists I have examined above adopt perspectives that are distinctly apolitical in their implications, many theorists who identify as post-modernists or post-structuralists are far from apolitical in this sense. Indeed, there is a great deal of intensely political writing among some such scholars. The pessimistic fatalism of Schlag and Fish, who claim, respectively, that normative thought is useless and that theorizing does nothing to alter practice, simply cannot do for those committed to such political projects, because it leaves those "subject to" 139 social oppression with nowhere to go. For this reason, arriving at an alternative theory of agency has been high on the agenda of many post-modern theorists. This theory must avoid the implausibility of an overly robust conception of agency, but also must not cast aside members of oppressed groups as so thoroughly socially constructed as to be mere victims or "the other." One such leading theorist, on whom many progressive legal theorists frequently draw, is philosopher and self-described post-structuralist feminist and queer theorist Judith Butler.

#### ---The alternative insulates itself from politics and undermines the ability of normative legal thought to self correct for their impact.

Mootz 1994

Francis J., JD Duke, Fall, “The Paranoid Style,” 31 Hous. L. Rev. 873, p ln

Schlag is correct that the traditional accounts of the rule of law often are caricatures that arrest thought and discussion, 42 but I argue that we should resume a vital discussion rather than conclude that all discussion inherently is vacuous. The criticism that rule of law talk doesn't capture reality reveals a wistfulness for the foundationalist hope of discovering a political truth that is not subject to a contingent, ongoing dialogue among members of society. By claiming that everyone else is trapped in a meaningless maze, Schlag conveniently avoids placing himself at risk in normative dialogue. By asserting that normative legal dialogue is irrelevant, Schlag eliminates the possibility that he might have to change his mind in light of the force of a better argument, and he avoids an obligation to rescue the hoi polloi from the maze. In sum, Schlag's approach insulates him from the contingent and provisional language of social discourse. Such an insulating move runs contrary to antifoundational accounts of the rule of law, which emphasize that the law never operates outside the context of wider social struggles to define the terms of sociopolitical organization. Traditional normative legal thought ordinarily is criticized as being unhelpful because it offers a constricted and artificial conception of legal norms, not because normative legal thought is by nature irrelevant to legal practice. Quite the opposite seems true: every assertion of legal power is predicated on a normative conception of politics that always is subject to attack and reassessment. Escape from the maze of normative legal thinking is the [\*886] familiar dream of empiricists and rationalists alike, but it simply is not possible. Talking about the reality of law as distinct from our representation of this reality in normative legal dialogue constitutes a performative contradiction. 43 This is not to say that reality is wholly linguistic, but rather that our experience and understanding of reality is always linguistically mediated in a shared realm of normative public dialogue. 44

#### ---Schlag’s criticism falsely constructs the legal establishment as responsible for the lack inherent in the symbolic order. Ensures the alternatives failure and reification of legal authority.

Carlson 1999

David Gray, Duellism in Modern American Jurisprudence, Law Prof @ Cardozo, Columbia L. Rev, Nov., 99 Colum. L. Rev. 1908

In this essay, I wish to argue that, in spite of a bold and peremptory tone, Professor Schlag has not made his case that we should or even could "lay down [i.e., cast aside] the law." His critique begins well. Schlag rightly emphasizes that legal practice is not grounded in any unmediated, nonlinguistic thing. Rather, law is an endless chain of signifiers. [\*1910] Each signifier simply refers to yet another signifier. The "signified" is never reached. This is an excellent point, but what Professor Schlag fails to comprehend is that his brief is not against law. It is against language and against concepts. His attack is nothing other than logomachy - a tirade against the symbolic order itself, and on the wound that language inflicts on the human spirit. 3 Implicitly, Schlag's program is a romantic one. Law should abolish itself, so that the concrete subject can act from passion, the child of integrity. Feeling, the guarantor of truth, must outrun the pauser, reason. Any submission to the symbolic order or to reason would count as a betrayal of the subject's sovereign right to feel. Meanwhile, Schlag angrily challenges the legal establishment because it holds (or so I will suggest) "surplus enjoyment" 4 - the objet petit a referred to in the passage quoted above. 5 That is to say, the elite of legal academia, steeped in self-satisfaction, "enjoy" themselves. It therefore follows that legal scholarship has stolen something and will not give it back. If Schlag can prevail in his duel, the subject can recapture its "honor" - the objet petit a. All of this, however, is the romantic modernist illusion of the Napoleonic duellist. The elite legal academic establishment never took the missing piece and cannot possibly restore it. The logic of the duel is a false one - the insult is merely imagined. The duel should be called off.

### Russia

**B. No incentives-your authors demonize Russia**

**Mandelbaum 99** (Michael, Professor of American Foreign Policy, Johns Hopkins University; Director, Project on East-West Relations, Council on Foreign Relations, “Transcript: is Major War Obsolete?” Transcript of debate with John Mearsheimer, CFR,

Feb 25, http://www.ciaonet.org/conf/cfr10/)

Prof. Mandelbaum: Can I make two quick comments? First on the subject of Russia, it’s been my observation that almost anything can now be said or believed about Russia, not by somebody like [previous questioner] who knows it well, but somehow we are willing to impute things to Russia that we wouldn’t impute to any other country. It’s a country with troubles, but it’s not on another planet. And furthermore, at this point, no country is less bellicose; anti-war sentiment is nowhere as strong as it is in Russia. I count it as a question mark only because I think the political arrangements and the political culture of Russia are unsettled, but the Russians are not champing at the bit, waiting to jump to wash their boots in the Caspian Sea.

War will not go nuclear

A. Second Strike

K. Scott McMahon is a National Security Analyst with the Pacific-Sierra Research Corporation in Arlington, Virginia [http://www.fas.org/news/usa/1997/03/bmd970331d.htm]Pursuit of the Shield
The U.S. Quest for Limited Ballistic Missile Defense - Executive Summary 1997

A cooperative U.S.-Russian approach to reducing strategic offensive arsenals and deploying BMD systems will reinforce peace and strategic stability. If a future confrontation nonetheless occurs, it would be unlikely to escalate as deterrence and crisis stability would prevail: Neither side could expect to launch a successful first strike using its limited BMD system for protection. In fact, even if the attacker found its victim's strategic forces at a peacetime level of preparedness (a heroically optimistic scenario) and destroyed a large portion of them, the attacker would still suffer a devastating retaliatory blow. This will be the case with the reduced force levels envisioned in the 1991 and 1993 START accords and at even lower strategic force levels

**The Russian government will prevent a rise of nationalism**

**Shestakov 11** - editor of the international politics desk at Rossiyskaya Gazeta.

(Yevgeny, 13 Jun 2011, http://www.telegraph.co.uk/sponsored/russianow/opinion/8573361/Moderate-nationalism-Russia.html)

But is it even possible to confront nationalism in a democracy, given the obvious appeal and often sophistication of this ideology? A number of Russians believe that the Soviet experience of promoting “friendship among peoples” at the state level can be drawn upon to fight nationalist tendencies. Those programmes were well funded and the policy of cadre rotation between representatives of various ethnic groups within the country was a normal practice.

### Heg K

#### ---Their defense of American hegemony relies on epistemologically flawed colonial stereotypes of racial inferiority that whitewashes American imperialism while constructing a universal notion of humanity that enables a self-defeating genocidal politics in the name of stability.

Kaplan 2003

Amy, Professor of English at University of Pennsylvania, “Violent Belongings and the Question of Empire Today,” American Quarterly 56.1

Another dominant narrative about empire today, told by liberal interventionists, is that of the "reluctant imperialist." 10 In this version, the United States never sought an empire and may even be constitutionally unsuited to rule one, but it had the burden thrust upon it by the fall of earlier empires and the failures of modern states, which abuse the human rights of their own people and spawn terrorism. The United States is the only power in the world with the capacity and the moral authority to act as military policeman and economic manager to bring order to the world. Benevolence and self-interest merge in this narrative; backed by unparalleled force, the United States can save the people of the world from their own anarchy, their descent into an [End Page 4] uncivilized state. As Robert Kaplan writes—not reluctantly at all—in "Supremacy by Stealth: Ten Rules for Managing the World": "The purpose of power is not power itself; it is a fundamentally liberal purpose of sustaining the key characteristics of an orderly world. Those characteristics include basic political stability, the idea of liberty, pragmatically conceived; respect for property; economic freedom; and representative government, culturally understood. At this moment in time it is American power, and American power only, that can serve as an organizing principle for the worldwide expansion of liberal civil society." 11 This narrative does imagine limits to empire, yet primarily in the selfish refusal of U.S. citizens to sacrifice and shoulder the burden for others, as though sacrifices have not already been imposed on them by the state. The temporal dimension of this narrative entails the aborted effort of other nations and peoples to enter modernity, and its view of the future projects the end of empire only when the world is remade in our image. This is also a narrative about race. The images of an unruly world, of anarchy and chaos, of failed modernity, recycle stereotypes of racial inferiority from earlier colonial discourses about races who are incapable of governing themselves, Kipling's "lesser breeds without the law," or Roosevelt's "loosening ties of civilized society," in his corollary to the Monroe Doctrine. In his much-noted article in the New York Times Magazine entitled "The American Empire," Michael Ignatieff appended the subtitle "The Burden" but insisted that "America's empire is not like empires of times past, built on colonies, conquest and the white man's burden." 12 Denial and exceptionalism are apparently alive and well. In American studies we need to go beyond simply exposing the racism of empire and examine the dynamics by which Arabs and the religion of Islam are becoming racialized through the interplay of templates of U.S. racial codes and colonial Orientalism. These narratives of the origins of the current empire—that is, the neoconservative and the liberal interventionist—have much in common. They take American exceptionalism to new heights: its paradoxical claim to uniqueness and universality at the same time. They share a teleological narrative of inevitability, that America is the apotheosis of history, the embodiment of universal values of human rights, liberalism, and democracy, the "indispensable nation," in Madeleine Albright's words. In this logic, the United States claims the authority to "make sovereign judgments on what is right and what is wrong" for everyone [End Page 5] else and "to exempt itself with an absolutely clear conscience from all the rules that it proclaims and applies to others." 13 Absolutely protective of its own sovereignty, it upholds a doctrine of limited sovereignty for others and thus deems the entire world a potential site of intervention. Universalism thus can be made manifest only through the threat and use of violence. If in these narratives imperial power is deemed the solution to a broken world, then they preempt any counternarratives that claim U.S. imperial actions, past and present, may have something to do with the world's problems. According to this logic, resistance to empire can never be opposition to the imposition of foreign rule; rather, resistance means irrational opposition to modernity and universal human values. Although these narratives of empire seem ahistorical at best, they are buttressed not only by nostalgia for the British Empire but also by an effort to rewrite the history of U.S. imperialism by appropriating a progressive historiography that has exposed empire as a dynamic engine of American history. As part of the "coming-out" narrative, the message is: "Hey what's the big deal. We've always been interventionist and imperialist since the Barbary Coast and Jefferson's 'empire for liberty.' Let's just be ourselves." A shocking example can be found in the reevaluation of the brutal U.S. war against the Philippines in its struggle for independence a century ago. This is a chapter of history long ignored or at best seen as a shameful aberration, one that American studies scholars here and in the Philippines have worked hard to expose, which gained special resonance during the U.S. war in Vietnam. Yet proponents of empire from different political perspectives are now pointing to the Philippine-American War as a model for the twenty-first century. As Max Boot concludes in Savage Wars of Peace, "The Philippine War stands as a monument to the U.S. armed forces' ability to fight and win a major counterinsurgency campaign—one that was bigger and uglier than any that America is likely to confront in the future." 14 Historians of the United States have much work to do here, not only in disinterring the buried history of imperialism but also in debating its meaning and its lessons for the present, and in showing how U.S. interventions have worked from the perspective of comparative imperialisms, in relation to other historical changes and movements across the globe. The struggle over history also entails a struggle over language and culture. It is not enough to expose the lies when Bush hijacks words [End Page 6] such as freedom, democracy, and liberty. It's imperative that we draw on our knowledge of the powerful alternative meanings of these key words from both national and transnational sources. Today's reluctant imperialists are making arguments about "soft power," the global circulation of American culture to promote its universal values. As Ignatieff writes, "America fills the hearts and minds of an entire planet with its dreams and desires." 15 The work of scholars in popular culture is more important than ever to show that the Americanization of global culture is not a one-way street, but a process of transnational exchange, conflict, and transformation, which creates new cultural forms that express dreams and desires not dictated by empire. In this fantasy of global desire for all things American, those whose dreams are different are often labeled terrorists who must hate our way of life and thus hate humanity itself. As one of the authors of the Patriot Act wrote, "when you adopt a way of terror you've excused yourself from the community of human beings." 16 Although I would not minimize the violence caused by specific terrorist acts, I do want to point out the violence of these definitions of who belongs to humanity. Often in our juridical system under the Patriot Act, the accusation of terrorism alone, without due process and proof, is enough to exclude persons from the category of humanity. As scholars of American studies, we should bring to the present crisis our knowledge from juridical, literary, and visual representations about the way such exclusions from personhood and humanity have been made throughout history, from the treatment of Indians and slaves to the internment of Japanese Americans during World War II.

#### ---The affirmative’s knowledge production concerning China renders it a knowable object and makes security efforts a self-fulfilling prophecy.

Pan 2004

Chengxin, PhD in Political Science and International Relations and member of the International Studies Association, Alternatives: Global, Local, Political, Vol. 29 Pg. 305-307

China and its relationship with the United States has long been a fascinating subject of study in the mainstream U.S. international relations community. This is reflected, for example, in the current heated debates over whether China is primarily a strategic threat to or a market bonanza for the United States and whether containment or engagement is the best way to deal with it. (1) While U.S. China scholars argue fiercely over "what China precisely is," their debates have been underpinned by some common ground, especially in terms of a positivist epistemology. Firstly, they believe that China is ultimately a knowable object, whose reality can be, and ought to be, empirically revealed by scientific means. For example, after expressing his dissatisfaction with often conflicting Western perceptions of China, David M. Lampton, former president of the National Committee on U.S.-China Relations, suggests that "it is time to step back and look at where China is today, where it might be going, and what consequences that direction will hold for the rest of the world." (2) Like many other China scholars, Lampton views his object of study as essentially "something we can stand back from and observe with clinical detachment." (3) Secondly, associated with the first assumption, it is commonly believed that China scholars merely serve as "disinterested observers" and that their studies of China are neutral, passive descriptions of reality. And thirdly, in pondering whether China poses a threat or offers an opportunity to the United States, they rarely raise the question of "what the United States is." That is, the meaning of the United States is believed to be certain and beyond doubt. I do not dismiss altogether the conventional ways of debating China. It is not the purpose of this article to venture my own "observation" of "where China is today," nor to join the "containment" versus "engagement" debate per se. Rather, I want to contribute to a novel dimension of the China debate by questioning the seemingly unproblematic assumptions shared by most China scholars in the mainstream IR community in the United States. To perform this task, I will focus attention on a particularly significant component of the China debate; namely, the "China threat" literature. More specifically, I want to argue that U.S. conceptions of China as a threatening other are always intrinsically linked to how U.S. policymakers/mainstream China specialists see themselves (as representatives of the indispensable, security-conscious nation, for example). As such, they are not value-free, objective descriptions of an independent, preexisting Chinese reality out there, but are better understood as a kind of normative, meaning-giving practice that often legitimates power politics in U.S.-China relations and helps transform the "China threat" into social reality. In other words, it is self-fulfilling in practice, and is always part of the "China threat" problem it purports merely to describe. In doing so, I seek to bring to the fore two interconnected themes of self/other constructions and of theory as practice inherent in the "China threat" literature--themes that have been overridden and rendered largely invisible by those common positivist assumptions. These themes are of course nothing new nor peculiar to the "China threat" literature. They have been identified elsewhere by critics of some conventional fields of study such as ethnography, anthropology, oriental studies, political science, and international relations. (4) Yet, so far, the China field in the West in general and the U.S. "China threat" literature in particular have shown remarkable resistance to systematic critical reflection on both their normative status as discursive practice and their enormous practical implications for international politics. (5) It is in this context that this article seeks to make a contribution. I begin with a brief survey of the "China threat" argument in contemporary U.S. international relations literature, followed by an investigation of how this particular argument about China is a discursive construction of other, which is predicated on the predominant way in which the United States imagines itself as the universal, indispensable nation-state in constant need of absolute certainty and security. Finally, this article will illustrate some of the dangerous practical consequences of the "China threat" discourse for contemporary U.S.-China relations, particularly with regard to the 1995-1996 Taiwan Strait missile crisis and the 2001 spy-plane incident.

### politics

The aff creates valuations of immigrants based on skill and risk – transforms immigration into a security game of how to best protect ourselves from high-risk immigrants while securing access to skilled labor for national goals.

Salter 4 (Mark B., associate professor at the School of Political Studies, University of Ottawa, And yet it moves: Mapping the Global Mobility Regime, in Global Regulation: Managing Crises After the Imperial Turn Kees van der Pijl, Libby Assassi and Duncan Wigan eds. Palgrave: Basingstoke, 2004, pp.177-190.)

We might point to two groups of economic migrants: a transnational capitalist class who are empowered by their class position to move largely at will and take advantage of differing economic regulations and opportunities; and an economic migrant class who seek greater opportunity through temporary or permanent migration. The importance of transnational capitalist class is seen through the recent WTO efforts to develop a GATS visa that would allow professionals to pass across many national borders for limited periods of time. The GATS visa has currently stalled, although Australia, Canada, the EU, India, Norway, and Switzerland have extended their facilities for temporary access of professionals. Currently, the ILO can only lament the lack of protection for economic migrants who take advantage of temporary visas. While Europe has historically made use of the global labour pool, with the gastarbeiter programs of the postwar era, other countries are using mobile — and thus disposable — labour as well. One may point to the South Asia migrants in the Persian Gulf, or South East Asian migration to Japan and Taiwan, for examples of this trend. National legislation determines the legality or illegality of workers — which then affords differing levels of protection or persecution from state authorities. State governments act to promote national economies — construed as prevention of brain drain and conversely the attraction of skilled immigrants, and protection from of illegal migrants. In each of these cases, the desirability of skilled migration and the undesirability of unskilled migration are balanced against the rights of workers to travel and the rights of national governments to determine the constitution of their population. At play in each of these areas is what Miles' terms the commodification of illegality.43 Avoiding state police always comes at a price — as the success of smuggling rings and human traffickers illustrate. In each case, we see developed countries devoting more resources towards the policing of economic migration than developing countries. In the regulation of international labour, we see reflected a typical disjuncture between international ideals and state practices. Personal mobility consists of those traveling for pleasure, which is regulated only by heath and entry regulations. Having discussed visa regulations above, the importance of health regulations are not to be underestimated. The requirement of a vaccination certificate (or World Health Organization health passport) illustrates another way of policing international mobile individuals not solely on the basis of capital or criminality but also on the basis of health. Two logics are apparent in this regulation: a fear of epidemics and a reluctance to accept health-care burdens for foreigners. A final class of migrants might be classified as political: refugees fleeing from persecution. The UNHCR possesses a unique responsibility amongst international organizations. Once an individual has been defined as a refugee, having a well-founded fear of persecution, UNHCR has a treaty obligation to protect that individual and to either resettle them or repatriate them if the conditions for their fear have since abated, regardless of UNHCR's own resources. No other UN agency is tasked with such an a priori responsibility separate from any budgetary consideration. Soguk contends that this refugee regime acts as a 'safety valve' for the institution of state sovereignty. Thus, while the core Westphalian principle of cujos regio, ejus religio is preserved, limited political migration is also possible. It should be noted that the refugee adjudication takes place always already too late. Individuals have almost always already fled the country in which they fear for their lives before applying for refugee status. Thus, the refugee regime depends on illegal migration — but attempts to circumscribe that mobility within a specific regional scope. As Walters powerfully argues, an essential component to the refugee regime is the deportation complex wherein unsuccessful applicants are removed from the receiving state.44 Within the EU and between the US and Canada, we see the implementation of 'safe third country' agreements wherein states can deport unsuccessful asylum applicants to the country through which they arrived at their destination (rather than deportation to the sending state). The EU has also instituted a regional database to prevent multiple applications for asylum or 'asylum shopping.' Thus, developed states act as filial arbiters of many asylum claims. As with the H.O, WTO, and ICAO, UNHCR is bound by states willingness to admit refugees and provide funds. However, the refugee regime is perhaps the most robust aspect of the international mobility regime. In sum, the regulation of international mobility is a fragmented structure. As with many international regimes, a few international instruments provide core norms in terms of citizenship, refugee status, transportation security while the majority of actual polices are national. While Sept. 11th has changed international transport and airport security expectations, there have been no changes to the deep structure of the international mobility regime. Conclusion: And yet it moves... Weak international regulation supports the two key structures of the Westphalian state and global capital. This patchwork of passport, visa, and national migration policies provide little security — either economic, political, or in terms of security. In the absence of an international purpose-built mechanism, immigration policies are affected by domestic pressures, foreign policy goals, and predominant social scripts. While the ICAO attempts to universalize biometric and security standards, the machine-readable transportation documentations — which was first established as the standard in 1977 — is yet to be universally adopted. The new expectations of the American and European states in terms of security and economic integration have not changed the core norms of citizenship, mobility, or security. The importance of the imperial turn is two fold: the exporting of social scripts from the imperial centre and policies (not to say polices) from the imperial centre. This leads to an increasingly bifurcated global mobility regime in which freedom or restriction of movement is determined by adherence to American social scripts of low- or high-risk travelers. These social scripts are generalized to the world's mobile population through the extension of a global surveillance regime — as intelligence is seen as the remedy for insecurity. However, the international regulatory superstructure which supports and is supported by global capital and the Westphalian system is largely unaffected by the imperial turn. While national policies and practices may have changed as a result of the imperial turn, the core values have not changed. This sketch of the global mobility regime suggests several avenues for future research. There is a great deal of fruitful political research to be undertaken on border regimes in the global South to supplement a growing anthropological and sociological literature on the subject. Finally, in addition to studies of global surveillance, an investigation of the mechanics of the international transfer of personal data would be extremely productive.

#### Including gay rights ruins any chance for compromise with the GOP over amnesty.

Demirjian 2-7 (Karoun, Obama’s push for gay rights in immigration reform prompts GOP opposition, http://www.lasvegassun.com/news/2013/feb/07/obamas-push-gay-rights-immigration-reform-couple-p/)

When President Barack Obama unveiled his blueprint for immigration reform last week, he largely endorsed the Senate’s approach, with a slight twist: Under Obama’s plan, same-sex couples would be entitled to the same immigration rights as heterosexual couples. The difference caught many social conservatives off-guard, some of whom are now openly wondering why, just when the stars were aligning for comprehensive immigration reform, Obama would throw a monkey wrench into the mix. “He is basically pandering to the community,” said Tibi Ellis, a conservative Nevada lobbyist and advocate for immigration reform. “The argument is not about gender, marriage, or anything. The argument is about how do we revise our current immigration system.”   Since the 2012 election, the immigration reform movement has unprecedented support, thanks to Latino voter turnout. The growing cohort pays close attention to where lawmakers stand on immigration — and in 2012, overwhelmingly supported liberal Democrats over conservative Republicans. Republican lawmakers such as Nevada Sen. Dean Heller, who in the past had exclusively favored enforcement as a solution to illegal immigration, are now vocal in their support for a pathway to citizenship for immigrants who entered the country, unauthorized, as children. Even House Majority Leader Eric Cantor is on board.   But those same Republicans are not leaping to endorse the idea of extending immigration benefits to same-sex couples. “It’s interesting,” Heller said when asked about the provision, adding that he was looking forward to a detailed discussion on many specific points of the immigration reform bill as it was drafted. Where Heller is non-committal, other Republicans say the same-sex marriage provision would be a deal-breaker. “Which is more important, LGBT or border security?” Sen. John McCain, one of four Republican members of a bipartisan group of Senators who unveiled their own immigration framework last week, at a Politico breakfast. “If you’re going to load (immigration reform) up with social issues, that is the best way to derail it, in my view.” Republicans working toward an immigration framework do not seem amenable to the idea either. “I would hope that if the president does try to insert himself (into the immigration discussion), he does so with the purpose of trying to reach a bipartisan solution,” said Republican Rep. Mario Diaz-Balart, who is working with the House bipartisan group on immigration. “I’ve yet to see anything that the president has put forward that has been, frankly, constructive.” The idea that Obama, who oversaw the end of the military’s Don’t Ask Don’t Tell policy, and declared himself to be in favor of legalizing gay marriage in the run-up to the 2012 campaign, is relatively unsurprising.   In the past several months, the Department of Homeland Security has also taken steps to recognize same-sex couples as “family relationships” when determining whether to deport or use administrative discretion in deportation cases. Obama’s immigration would make same-sex relationships equal to heterosexual relationships for family-based visas as well.   But social conservatives who have resisted legalizing gay marriage say giving legal recognition to same-sex couples in the immigration context would be just as incendiary. Several conservative, pro-immigration religious groups — which have sway with social conservatives in Congress — object to Obama’s inclusion of same-sex couples as beneficiaries under immigration reform law.   “It’s like adding fuel to a fire. Immigration itself can be divisive and emotional; you add another national issue that is equally emotional and divisive and it’s a combustible mix,” said Kevin Appleby, director of immigration and refugee policy for the U.S. Conference of Catholic Bishops, one of several religious groups that sent a letter to the White House declaring their opposition last week. “We want an immigration bill, and this will make it harder if not impossible to get an immigration bill.” For conservatives, there’s also a constituent factor to consider: While most registered voters now favor legalizing same-sex marriage, the majority of registered Republican voters still do not.

#### Obama not key to immigration – can’t negotiate

Cost 2-11-13

Jay, a staff writer at The Weekly Standard, Obama the Bargainer; How to lose friends and alienate Congress The Weekly Standard

But presidential power the ability to persuade has many sources, some external, some internal. The external sources are all reducible to the political context. How many seats does the president's party control in Congress? What is the status of the opposition party? What was the relative strength of the president and his party in the last election? What is his job approval rating? And so on. All of these factors set the boundaries for how easily the president can persuade others. In 2009 and 2010, President Obama enjoyed a very favorable political context. Today, the political context is more favorable to him than it was in 2011, but markedly diminished from the heady days of 2009. So, for instance, President Obama can call for action on climate change until he is blue (or, perhaps, green) in the face, but the political environment including arguably the most conservative House of Representatives since the 1920s means he lacks the power to make it happen. The internal sources of strength are the president's political skills, which he deploys in particular circumstances. So the question becomes: How good is he at persuading others, given the political context? If political context is the science of presidential power, quantifiable in electoral results and congressional voting scores, persuasive skill is the art. Here, we must put down the American Political Science Review and pick up Machiavelli's Prince. As for President Obama's first term, no other incoming president in recent history had such a surplus of political capital and misused it so terribly. The reason? He lacks important skills that are integral in the exercise of presidential power. All presidents are unique, each possessing or lacking skills useful to a chief executive. Obama is notable in that he has mastered some vital skills better than any recent predecessor, but he exhibits virtually no facility with others. His strengths have been enumerated extensively by a fawning press corps. His favorable coverage is due not only to the media's ideological commitment to his policy goals, but also to his natural gifts. He awes the press, and many other groups in society, by his very presence. Moreover, he knows he has this power over them. This ability, more than any other, made him president and remains his single greatest source of power. Yet though he affects some people intensely, he himself seems largely unaffected by others. This helps explain why he has used his speaking ability so unevenly: He is wont to misread people, and therefore situations. His Tucson speech, for instance, after the shooting of Rep. Gabrielle Giffords, was a political stroke of genius. He intuited what the moment called for and delivered it perfectly. By contrast, his 2009 speech to the International Olympic Committee pitching Chicago was a waste of time and made him look small. Similarly, he has time and again left business leaders feeling nonplussed, inviting them to the White House mainly to serve as window dressing for another teleprompter performance. It is on Capitol Hill that Obama seems most out of touch with his audience. In particular, he does not understand what the key players in Congress expect, yet he is convinced he knows them better than they know themselves. What's more, he gives little and inconsistent guidance as to what he expects from them. That goes for both Republicans and Democrats. For Republicans, the warning signs appeared early, on the stimulus bill passed in the president's first month in office. Obama and his team were supremely confident that they could get a $900 billion package through Congress with solid Republican support, so much so that when House minority whip Eric Cantor warned that they would receive no backing from House Republicans, they told him not to embarrass himself with such an absurd prediction. Team Obama failed to anticipate how turned off the congressional GOP would be by the spending side of the package: Democratic appropriators were unloading a wish list that had accumulated during more than a decade of Republican governance. The White House also thought the Republicans would be attracted to the tax cuts that constituted roughly one-third of the package. But the White House did not understand how Republicans view taxes specifically, the difference between tax credits, which the stimulus favored heavily, and rate cuts, which Republicans prefer. None of this should have come as a surprise to anyone who had done any homework on the congressional GOP. After all, Republicans killed a 1993 stimulus bill that was qualitatively similar, but less than a tenth the size of the 2009 package. What did Team Obama surmise when its predictions fell flat? It certainly did not take time to gauge the congressional GOP more carefully, to build a more nuanced picture of Republicans' motives and expectations. Instead, it adopted the cartoonish caricature one finds in a Paul Krugman column: Republicans are contemptible knaves, willing to let the economy go down the drain to embarrass the president. The stimulus also featured another theme of presidential-congressional relations under Obama: mixed messages from the White House. Early in the negotiations over the bill, President Obama told House minority leader John Boehner and Cantor that he was interested in their ideas. He did not want to play partisan games; he just wanted to jump-start the economy. Yet when Cantor presented the president a list of suggestions, Obama brought the dialogue to an icy conclusion by infamously declaring, I won, so I think I trump you on that. During the deliberations on the bill, the president's chief of staff, Rahm Emanuel, was known to respond to other GOP suggestions by shouting, We have the votes. F 'em! For the first two years of Obama's tenure, congressional Republicans did not register with the White House at all. Contact was so sparse that when the GOP took control of the House of Representatives, the White House did not even have Boehner's cell phone number so the president could place a congratulatory call. The case of Michigan Republican Dave Camp is illustrative. According to Bob Woodward in The Price of Politics, During the debt ceiling battle of 2011, the president again exhibited cluelessness about the motivations of congressional Republicans. Precious time during the month of July was wasted as Obama insisted again and again on decoupling the Bush-era tax cuts, making permanent the cuts for those making under $250,000, and letting the cuts in the high-end rates expire. His argument was that the congressional GOP could avoid the wrath of Grover Norquist because it would not actually have to vote to increase taxes. It seemed never to cross his mind that tax rate increases such as he was proposing were anathema to congressional Republicans. The bigger problem during the debt ceiling fight, and probably the biggest contributor to the near-default of the country that summer, was Obama's failure to heed Boehner's warning that $800 billion in additional tax revenue was his red line, above which he could not go. The justification for that figure was that it was all that could be squeezed out of tax reform (and even that was optimistic according to many analysts); beyond that, tax rates would have to be raised in order to bring in more revenue. In late July, after Boehner had made a grand bargain offer that included $800 billion in new revenue, Obama asked for another $400 billion. Memories diverge on exactly who said what Boehner is convinced Obama said he had to have the extra money, while Obama believes he only suggested it. This ambiguity might have been avoided if Obama had not made the rookie mistake of making such a big request over the phone instead of in person. And, anyway, he should have known not to ask, given Boehner's previous warnings about his red line. Unsurprisingly, the deal blew up shortly afterwards. It boils down to the difference between listening and waiting to talk. With congressional Republicans, Obama always seems to do the latter. So, once again, he was left disappointed, and once again he assumed the worst of his negotiating partners. He surmised that there were simply too many extreme Tea Party Republicans who were prepared to breach the debt ceiling, and that Boehner lacked control of his caucus. Again, a basic understanding of Republican history would have corrected this notion. Like Newt Gingrich and Denny Hastert before him, Boehner is responsible to a majority of the Republican caucus, which for generations has opposed the kinds of rate increases that $1.2 trillion in new revenue would have required. Not only did Obama fail to listen during the debt ceiling struggle, he consistently sent the other side mixed messages. A case in point: Obama's demagogic April 2011 speech blasted Paul Ryan's budget as leaving seniors at the mercy of the insurance industry and abandoning the fundamental commitment this country has kept for generations. In private, however, Obama had praised Ryan for offering a serious proposal and emphasized that both sides had to avoid scaring the elderly for political points. Worse, he had held a bipartisan summit that very day to encourage the two sides to come together on a plan. Obama's problems communicating with Congress are not limited to the right side of the aisle. Although Democrats need not worry about White House demagoguery or fret that Obama fails to understand their concerns, he has nevertheless done a poor job of engaging them in dialogue. In particular, the White House has often cut congressional Democrats out of the loop, inhibiting interbranch coordination and angering leaders by what they feel is trampling on their institutional rights. Indeed, the president's signature achievement Obamacare almost did not happen because of this. The process by which the health care bill was written was chaotic, to say the least. At one point five bills were circulating on Capitol Hill, three in the House and two in the Senate. Each differed, sometimes dramatically, in how to expand coverage and how to pay for it. And yet the White House did virtually nothing in 2009 to coordinate these efforts. In fact, White House aides privately thought the final House bill was a liberal fantasy, and they had worked out a deal with medical providers that did not include the so-called public option. Yet the president never came out against that proposal, or any other, for that matter. After multiple calls over the summer of 2009 for President Obama to set some ground rules on what he expected, he gave a speech in early September that, though his aides promised specificity, was once again vague. Finally, in early January, when the two chambers had passed their bills and it came time to work out the finer points, President Obama actually stormed out of a meeting after Nancy Pelosi tartly expressed her frustration with his lack of leadership. It was left to Emanuel to finish the negotiations. Worse, the needless delays due to the lack of presidential leadership sapped public support for the reform effort, led to Scott Brown's victory in the Senate race in Massachusetts that January, and eventually forced Democrats to pass a gratuitously slipshod and ill-conceived bill that otherwise never would have become law. After the 2010 midterms, House Democrats lost their majority, but not all of their clout. It would have been virtually impossible for Boehner to pass a compromise debt ceiling plan through the House in 2011 without at least some Democratic support, so it was appropriate for Pelosi and her leadership team to be kept in the loop. For a while, they were, but as Boehner and Obama approached a grand bargain, House Democrats were excluded. Amazingly, so was Harry Reid. Any deal would obviously have to bear the imprimatur of the Senate majority leader, yet he was cut out of the final talks. It was only after the New York Times scooped the Boehner-Obama grand bargain that the White House brought Senate Democrats into the loop. Unsurprisingly, they were apoplectic, believing that the deal extracted too little from the congressional GOP, and feeling that they had been ignored. In fact, it was the outrage of the Senate Democrats that prompted the White House to go back to Boehner at the last minute to ask for more tax revenue, scuttling the big deal once and for all. All of these stories point in the same direction: This president does not have a solid congressional outreach program, does not have a steady grasp of the expectations of legislators in either party, and does a notably poor job of communicating to them what he expects. Thus, a drifting and listless policy process, finally given direction by some power player outside the White House, often acting to avert imminent disaster, has marked almost every major deal during his tenure. There is little reason to expect anything different in the next four years. In the end, President Obama simply does not spend enough time talking to members of Congress. He is too aloof, and most accounts suggest he dislikes the seemingly petty, parochial nature of Capitol Hill. In an interview with journalist Ron Suskind, President Obama articulated what he believes to be the core of a president's job, and what he learned from the troubles of his first term: While this statement would surely make the republicans of the founding generation turn over in their graves, it does encapsulate the job of the modern president, but only in part. Yes, he is to stand, almost godlike, above the political process and tell a story, but the modern presidential deity is not in line with the watchmaker God of the 18th-century rationalists. It is not enough to put the pieces in motion, then stand back. Instead, a president must be more like the God of the Old and New Testaments, above the world and sovereign over it, but also intimately involved in it, guiding, encouraging, cajoling, and threatening people to make the right choices. The ideal modern president, to borrow a phrase from Theodore Roosevelt, is one actually in the arena, whose face is marred by dust and sweat and blood. President Obama does not much care for the arena, and his successes came despite this distaste, not because of it. In fact, Nancy Pelosi probably deserves most of the credit for the legislative victories of 2009-2010. She functioned as a de facto prime minister, with her eyes always on big, national projects while she dealt with the provincial concerns of this committee chair or that subcommittee member. She, not Obama, was the one in the arena. What this means is that major breakthroughs on legislation in the next four years are likely to depend on political actors outside the White House. Pelosi's power is only a fraction of what it was, but policy success will still depend on congressional entrepreneurs as long as the White House remains disengaged. Thus, a whole host of issues will likely go unaddressed, above all, the looming entitlement crisis. One issue that could see movement is immigration reform, a topic of discussion where there is overlap between the parties and there are potential leaders in Congress, like Marco Rubio, who could help in whipping his party and negotiating a compromise with the other side. But little such progress will be due to President Obama. It is highly unlikely that he will act as the collective bargainer Neustadt envisioned. He will not be the one to help hammer out policy differences between Senate Democrats and House Republicans, such as illegal immigrants' status under Obamacare, or help the appropriators find the money needed for enforcement, or create a political space where both parties can declare victory. Sure enough, last week's campaign-style speech in Las Vegas on immigration reform was classic Obama. Not only did it do nothing to advance the ball on the sensitive negotiations in Congress, but the president demanded immediate amnesty, something to which Republicans will never agree. He also said he would insist that Congress vote on his proposal if it did not act in a timely fashion. That captures Obama's problem in a nutshell. Insisting that Congress do something is a good way to make sure nothing happens. Instead, as Harry Truman once said, the president must spend his time flattering, kissing, and kicking people to get them to do what they are supposed to do anyway. Barack Obama does not do this. He thinks it beneath him. After four years in office, he still fails to grasp the essence of modern presidential power.

#### The plan is guidance not legislation

Jackson 10 (James K. Jackson, CRS Specialist in International Trade and Finance, Foreign Investment, CFIUS, and Homeland Security: An Overview, February 4, http://fpc.state.gov/documents/organization/138597.pdf)

While CFIUS’s activities often seem to be quite opaque, the Committee is not free to establish an independent approach to reviewing foreign investment transactions, but operates under the authority of the President and reflects his attitudes and policies. As a result, any discretion CFIUS uses to review and to investigate foreign investment cases reflects policy guidance from the President. Foreign investors are also constrained by legislation that bars foreign direct investment in such industries as maritime, aircraft, banking, resources and power. 7 Generally, these sectors were closed to foreign investors prior to passage of the Exon-Florio provision in order to prevent public services and public interest activities from falling under foreign control, primarily for national defense purposes.

#### That means no link

Hamilton and Schroeder 1994 [James T. Hamilton is an assistant Professor of Public Policy, Economics and Political Science at Duke University, Christopher H. Schroeder is a Professor of Law at Duke University School of Law “Strategic Regulators and the Choice of Rulemaking Procedures: The Selection of Formal vs. Informal Rules in Regulating Hazardous Waste http://scholarship.law.duke.edu/cgi/viewcontent.cgi?article=4229&context=lcp]

3. As the regulatory costs imposed on parties increase, the more likely the parties will resist and, hence, the more likely the agency is to use informal rulemaking. Industry interest groups may attempt to weaken costly formal rules by commenting on them during the formal rulemaking process or by challenging them in court. Similarly, environmentalists may attempt to strengthen provisions through submissions and court challenges. Regulatory costs for industry include expenditures arising from compliance and enforcement actions, while costs for environmentalists may relate to the potential environmental damages posed by the activity regulated. The more at stake for regulated parties and other intervenors, the more likely the agency may be to issue the rule informally. Issuing a costly rule through the informal process has several advantages for the agency: it makes input from interest groups less likely than under the formal process; reduces the ease with which Congress may monitor agency performance and hence lessens the ability of interest groups to "pull the fire alarm" on agency actions; lessens the probability that an interest group will be able to challenge the rule in court as informal rules lack the long administrative records of formally published rules; and enables the agency to alter costs of compliance for particular parties since informal rules may be applied with more discretion than formal rules.