## 1AC

### 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.

#### And, Unilateral FDI liberalization is key to prevent trade policy backsliding which dooms global economic recovery.

Erixon and Sally, directors-ECIPE, 10 (Fredrik and Razeen, European Centre for International Political Economy, TRADE, GLOBALISATION AND EMERGING PROTECTIONISM SINCE THE CRISIS, http://www.ecipe.org/media/publication\_pdfs/trade-globalisation-and-emerging-protectionism-since-the-crisis.pdf) **[italics are from original source]** We think Mr. Bentham’s world-view will cause damage, not only to domestic economies but also to the world trading system. This will not be a replay of the 1930s, but a replay of the 1970s is a serious prospect. The world is in danger of undoing the market reforms of the 1980s and ‘90s that brought unprecedented prosperity, especially to emerging markets outside the West. Like the 1970s, policy backsliding could prolong a severe downturn and compromise eventual recovery. The short-term challenge is to arrest the slide to Big Government at home and creeping protectionism abroad. The medium-term challenge is to get back on track with trade and FDI liberalisation combined with domestic structural reforms – substantial “unﬁnished business” left before the crisis struck. More, not less, markets and globalisation are what the world needs. That is primarily a matter for *unilateral* action by governments and *competitive emulation* among them. It can be reinforced by international policy cooperation in the WTO, G20 and other fora, but not too much can be expected of cumbersome global-governance mechanisms. Overall, limits to government intervention and a well-functioning market economy are of a piece with open markets, economic globalisation and international political stability.

#### 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.

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.

#### We’re on the brink of a double dip recession- boosting investor confidence is key.

Rickards, 12 (James, economist and investment banker with 35 years of experience working in capital markets on Wall Street and the author of NYT Bestselling book Currency Wars: The Making of the Next Global Crisis, “Why We Should Still Be Worried about a Double-Dip Recession,” February 27, 2012, http://www.usnews.com/opinion/blogs/economic-intelligence/2012/02/27/why-we-should-still-be-worried-about-a-double-dip-recession)

The late summer and fall of 2011 was filled with fears of a double-dip recession in the United States coming hard on the heels of the 2007-2009 recession, frequently referred to as the Great Recession. With improved economic news lately including lower unemployment, lower initial claims, higher growth, and higher stock prices, this recession talk has died down. That's why Lakshman Achuthan, the highly respected head of the Economic Cycle Research Institute, caused a stir last week when he repeated his earlier claim that a recession later this year was almost inevitable despite the better news. Achuthan makes the point that improved news on the employment front is a lagging indicator from the end of the last recession and doesn't reveal what's ahead. He adds that higher asset prices in stocks and housing are the expected result of Federal Reserve money printing and don't say much about fundamentals. To make his case for a new recession, he focuses more on year-over-year growth in GDP versus the more popular quarter-over-quarter data, and indicators like changes in industrial production and personal income and spending. [See a collection of political cartoons on the economy.] There's another way to view the economic data since 2007 that casts all recession analyses in a different light. The better analytic mode is to bring back a word mainstream economists have abandoned—depression. When you realize the world has been in a depression since 2007 and will remain so indefinitely based on current policies, talk of recession, double-dip, and economic cycles is seen differently. Economists dislike the concept of depression because it has no well-defined statistical meaning unlike recessions that are conventionally dated using well-understood criteria. They also dismiss the word "depression" because it's, well, too depressing. Economists like to think of themselves as master manipulators of fiscal and monetary policy levers fully capable of avoiding depressions by providing the right amount of "stimulus" at just the right time. They tend to look at a single case—the Great Depression of 1929 to 1940—and a single cause—tight money in 1928, and conclude that easy money is the way to ban depressions from the business cycle. The Great Depression featured a double-dip of its own. Within the start and end dates of the Great Depression, there were two recessions, 1929 to 1933, and 1937 to 1938. In the Keynesian-Monetarist telling, the first of these was caused by tight money, the second was caused by a misguided effort by Franklin Delano Roosevelt to balance the budget. Hence economists added fiscal deficits to their tool kit along with easy money as the all-purpose depression busters. Easy money and big deficits are said to cure all ills. President Obama and Fed Chairman Ben Bernanke are following this script to a "T". [Learn about the many faces of Ben Bernanke.] While tight money in the United States almost certainly contributed to the Great Depression, there were other causes including war reparations owed by Germany and war debts owed by England and France. These massive unpayable debts combined with a mispriced return to a poorly constructed gold standard restricted global credit and trade and caused deflationary pressures. This world-in-debt condition closely resembles the world today where overleveraged financial systems in Europe, the United States, and China are all trying to deleverage at once. Less studied than the causes of the Great Depression is the equally interesting subject of why it lasted so long. The best explanation for this is found not in monetary or fiscal policy but in what economists call regime uncertainty. As FDR skittered among price supports, gold confiscation, court packing, and other ad hoc remedies, business executives waited on the sidelines until some consistency and certainty in policy developed. This situation is also the same today. Will the Bush tax cuts expire or not? Will Obamacare be upheld in the courts or not? Will payroll tax cuts and unemployment benefits be extended? Is corporate tax reform coming? This list goes on with the same effect as in the 1930s. Business investment will remain dormant until some certainty returns and, on current form, that may be years away.

#### 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 Adv- Harv-3:51

#### 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- SCS, H20, pollution-4:30

#### 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, economic decline causes 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.

#### 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, 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.

#### 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.

#### The risk of conflict in the South China Sea is particularly high- focusing on improving relations is critical.

Glaser, CSIS Senior Fellow, 12 (Bonnie, Senior Fellow,Center for Strategic and International Studies, Armed Clash in the South China Sea, http://www.cfr.org/east-asia/armed-clash-south-china-sea/p27883)

The risk of conflict in the South China Sea is significant. China, Taiwan, Vietnam, Malaysia, Brunei, and the Philippines have competing territorial and jurisdictional claims, particularly over rights to exploit the region’s possibly extensive reserves of oil and gas. Freedom of navigation in the region is also a contentious issue, especially between the United States and China over the right of U.S. military vessels to operate in China’s two-hundred-mile exclusive economic zone (EEZ). These tensions are shaping—and being shaped by—rising apprehensions about the growth of China’s military power and its regional intentions. China has embarked on a substantial modernization of its maritime paramilitary forces as well as naval capabilities to enforce its sovereignty and jurisdiction claims by force if necessary. At the same time, it is developing capabilities that would put U.S. forces in the region at risk in a conflict, thus potentially denying access to the U.S. Navy in the western Pacific. Given the growing importance of the U.S.-China relationship, and the Asia-Pacific region more generally, to the global economy, the United States has a major interest in preventing any one of the various disputes in the South China Sea from escalating militarily.

### Plan

#### Thus the plan:

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

### Solvency-:45

#### Contention 4-Solvency:

#### Narrowing the definition of national security to exclude “energy assets” insulates the CFIUS process from protectionist manipulation.

Carroll-Emory International Law Review-9 23 Emory Int'l L. Rev. 167 COMMENT: BACK TO THE FUTURE: REDEFINING THE FOREIGN INVESTMENT AND NATIONAL SECURITY ACT'S CONCEPTION OF NATIONAL SECURITY

Conclusion Exon-Florio should be amended to more narrowly define national security. The open-ended nature of the current definition has allowed the process to become politicized. Instead, national security should be specifically defined so as to prevent acquisition of industries that are critical to the military aspects of our national defense and that have capacities that are not duplicable by other market entities. The definition should also serve to ensure that export control laws are not circumvented by foreign acquisition of American companies. The following proposed definition would once again focus on preventing foreign governments from gaining unique military capabilities through private transactions that could threaten American national security: National Security shall be defined so as to consider the following factors in reviewing foreign acquisitions: A. Potential effect upon assets essential to the military aspects of national defense, specifically those firms whose contributions to the national defense cannot be easily replaced by another domestic corporation; B. Whether the acquisition poses a substantial risk of espionage or terrorism that can be certified by the relevant United States intelligence agencies; C. Whether the acquisition would pose a unique risk of weapons proliferation of critical military assets that cannot be otherwise dealt with by United States laws, particularly to countries that are not allies of the United States; [\*198] D. Economic security, or any other factor not mentioned in this section, shall not be considered by the CFIUS process. 222 Such an interpretation of national security would heavily scrutinize acquisition of, or joint ventures with, Lockheed Martin or any other company that makes a large contribution to the defense industrial base. Certain high-tech companies that produce computer chips that give the U.S. armed forces technological advantages over other countries might also fall under this definition. China should not be allowed to acquire a controlling interest in the present-day equivalent of Fairchild Semiconductor. This proposed definition of national security would be even more limited than the original Exon-Florio signed by President Reagan, as Exon-Florio was designed to apply mainly to defense-based technological acquisitions. 223 The main difference between this definition of national security and the original Exon-Florio legislation is that this definition would codify national security to explicitly prevent protectionist use of the CFIUS for political ends. Any consideration of economic security or protection of energy assets from foreign acquisition would be excluded from this definition, as inclusion of such economic factors can only encourage protectionism and politicization of the CFIUS process. 224 The narrower definition of national security would eliminate the mandatory reviews of every foreign-government-controlled transaction as required by FINSA. 225 Instead, the CFIUS would be given flexibility to decide which transactions truly threaten national security, without being bound to review every governmental acquisition. Narrowing the definition of national security in this manner would allow the CFIUS to focus its resources on real national security threats, rather than waste resources analyzing nearly every transaction involving a foreign governmental takeover. 226 The CFIUS should certainly consider the prospect of terrorism and take every step possible to safeguard against such a risk. In many cases, safeguards such as extra scans on containers should be put in place to minimize the risk of [\*199] terrorism. These safeguards should be applied regardless of whether the ownership is foreign or domestic. 227 Protectionism cannot replace the Department of Homeland Security when it comes to defending critical infrastructure. 228 Besides, the terrorists who struck on 9/11 did not own substantial property within the United States. Nor would the CFIUS regulations have stopped the subsequent terrorist incidents, such as Richard Reid's attempted shoe bomb or the anthrax shipments. In fact, there is no evidence that any company has been used as a front for a terrorist plot. 229 However, transactions should be blocked by the CFIUS on the basis of homeland security only when there is evidence of a clear and present threat of terrorism, or perhaps of espionage or sabotage. If the term "critical infrastructure" must be kept in FINSA, then members of Congress and the CFIUS must do a better job articulating what exactly constitutes critical infrastructure and what they consider the link between foreign ownership of critical infrastructure and threats to national security. 230 Explicitly laying out such guidelines will illustrate the boundaries to foreign investors and will make CFIUS decisions seem less arbitrary and political. 231 Additionally, screening employees of foreign corporations that purchase critical infrastructure can often identify potential security vulnerabilities without taking the drastic step of vetoing a transaction. 232 Limiting the Exon-Florio definition of national security only to military threats may seem odd and reactionary in the post-9/11 world, where unconventional threats abound. However, counter-terrorism requires appropriate tools, and regulating foreign direct investment simply falls short of being a cost-effective method of ensuring homeland security. 233 Focusing on the nationality of a company's ownership in a globalized world only distracts us from real security threats posed by non-state actors. 234 Many terrorist threats do not exist as a result of primary support from any nation, but rather as tactics in service of an ideology. 235 As Jose Padilla, John Walker Lindh, and [\*200] many others have illustrated, no one ethnic group has a monopoly on Al-Qaeda membership or support. Instead of penalizing investments from various Arab states simply because terrorists draw support from that region, homeland security policy should focus on thwarting the terrorists themselves. The CFIUS must return to a focus on state military capabilities because the terrorist threats are from non-state actors, and restricting economic investment from certain nations does not, per se, deal with the threat of terrorism. Just because terrorism is a serious threat does not mean that the CFIUS is the best tool to protect critical infrastructure. In conclusion, 9/11 did radically change the world, and Exon-Florio should change to fit the new realities of homeland security. However, the most effective reform of Exon-Florio is not expansion of the definition of national security to include economic protectionism, but rather a narrowing of the definition to guard against real threats to American security while encouraging beneficial foreign investment. The security challenges of the twenty-first century cannot be met by protectionism. Only by embracing globalization and cooperation can the United States truly achieve national security.

#### And, oil and gas are the key energy issues for CFIUS.

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>

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

#### And, the US should clarify that energy production does not undermine national security-- explicitly exempting specific industries from CFIUS review is key.

Pane 05 (Marc, studied ILaw at Fordham, worked for the Office of the Principal Defender for the Special Court for Sierra Leone, CNOOC’s Bid for UNOCAL: Now is the Time to Improve theExon-Florio Amendment, http://www.scribd.com/doc/61823408/CNOOC-s-Bid-for-UNOCAL-Now-is-the-Time-to-Improve-the-Exon-Florio-Amendment)

What does this all mean for Exon-Florio? Almost since its enactment, numerous critics have raised the need, in one way or another, to narrow the scope of CFIUS review and to make it more transparent and accessible to concerned parties. 152 One student of Exon-Florio recently suggested that CFIUS define “national security” by explicitly specifying, among other things, exempt industries and protected technologies. 153 Sixteen years earlier, another had argued that “more detailed criteria in the regulations on the meaning of ‘national security’ and sample hypotheticals illustrative of ‘threats’ to national security, could help guide investors.”154 Confusion about the definition of national security is not limited to parties outside the black-box of CFIUS. A Government Accounting Office (GAO) report released in September of 2005 indicates that there is disagreement within CFIUS itself. 155 The Department of the Treasury takes a “narrow” definition, considering “a U.S. company’s possession of export controlled technologies or items, classified contracts, and critical technology; or specific derogatory intelligence on the foreign company.” 156 The Departments of Defense, Justice, and Homeland Security, on the other hand, take a broader view, examining such factors as the effects of foreign control on “critical infrastructure” and a decrease in the number of domestic businesses engaged in defense-critical industries. 157 The report suggests that the possible negative impact of Exon-Florio review on trade policy is a greater factor in Treasury considerations than it is for the other mentioned departments. 158 In its conclusions, the report states that “In light of the differing views within [CFIUS] regarding the extent of authority provided by Exon-Florio, the Congress should consider amending Exon-Florio by more clearly emphasizing the factors that should be considered in determining potential harm to national security.” 159 Possibly recognizing that it is a function of Congress, not the GAO, to make any amendments, the report does not comment on the form they should take. 160 CNOOC-Unocal might offer some guidance. The traditional view of national security as dependant on domestic control of technologies and resources alone seems increasingly anachronistic. Exon-Florio should be updated to reflect a world where security threats may arise from a failure to properly integrate national interests with the global economy. To that end, any definition of national security should incorporate a definition of “energy security,” and do so in a form that clearly indicates what degree of national control over production, distribution, and physical energy reserves is necessary or desirable (taking into account that any policy which seeks to isolate the United States and other global players from global energy markets might result in a greater risk of supply disruption).

## \*\*\*2AC

### \*\*\*Case

### 2AC – A2: Alt Causes

#### Doesn’t assume FDI which is key.

Blanton and Apodaca 2007

Robert G., Department of Political Science, University of Memphis, and Clair, Department of International Relations, Florida International University, The Social Science Journal 44 (2007) 599–619, https://umdrive.memphis.edu/rblanton/public/pubs\_cv\_blanton/soc\_sci\_journal\_2007.pdf

Traditionally, FDI has been a particularly controversial facet of globalization, as the “global reach” of multinationals arguably posed threats to the power and sovereignty of states. Our results, however, imply that FDI is a signiﬁcant force for peace. This impact may be due to the increased commitment implied by FDI. Though trade and portfolio investment ﬂows are often important to countries, they are “arms length” transactions requiring less direct contact between the involved parties. Moreover, trade and portfolio investment ties are generally easier to sever—the “electronic herd” (Friedman, 2000) of investors can quickly move from one market to another, and (in the case of most goods) alternate trading partners can be easily be found. FDI, by comparison, requires more commitment of both the investor and the host country. Such commitment increases the incentives of all involved actors to seek peace. Investors have a deﬁnite stake in the political stability of the area—not only do they face the “spotlight” (Spar, 1998) of negative public scrutiny if they maintain ties with a violent regime, but they are held increasingly responsible for the political practices of host governments (Ottaway, 2001). Host states, who often actively recruit FDI (Oman, 2000), are likewise anxious to maintain a positive, stable business environment to ensure the jobs and potential beneﬁts that FDI may bring. In short, both the host state and market “audience” play a more active role in FDI. While our economic measures were more inﬂuential in the second (intensity) stage, media access affected conﬂict occurrence. This implies that the free ﬂow of information can have a paciﬁc impact upon societies. States can no longer hide their antagonistic behaviors, but will confront the glare of unﬂattering publicity when their actions do not conform to domestic and international norms of behavior. Such scrutiny apparently has a pacifying impact. However, media access did not play a signiﬁcant role in polities in which a conﬂict did occur. Perhaps, once a state decides to repress its polity or to enter into a civil conﬂict, it implicitly accepts the “costs” of negative publicity and disregards them thereafter.

#### Independently solves war.

Lee and Mitchell 2010

Hoon, Dept of Political Science – Texas Tech, and Sarah, Dept of Political Science – University of Iowa, Foreign Direct Investment and Territorial Disputes http://www.saramitchell.org/leemitchell2010.pdf

Theoretical arguments relating FDI to interstate conflict can be categorized into three broad perspectives. The first perspective asserts that FDI provides more information to states about their opponents’ capabilities and resolve, which creates situations where states can prevent militarized conflicts by mitigating asymmetries of privately held information in dyadic bargaining. For example, Gartzke, Li, and Boehmer (2001) and Gartzke and Li (2003) argue that economic interdependence promotes peace by allowing states to engage in costly signaling and reducing the need to resort to military contests. In their argument, trade and foreign investment function as a medium for information exchange, dissipating private information, one of the key elements producing conflict according to the bargaining model of war (Fearon 1995). In this view, FDI facilitates states’ bargaining to reach an acceptable agreement through peaceful means, reducing their need to resort to militarized strategies of conflict management. A second theoretical position asserts that foreign direct investment (FDI) increases the opportunity costs of conflict and thus encourages more peaceful foreign policies. Similar arguments were posited in much of the earlier work on trade and conflict. For example, Russett and Oneal (2001: 141) suggest that “foreign investment and the globalization of production, like trade, should increase the incentive for peace. Investment creates similar networks of shared interest and communication. Military conflict raises the risk that foreign investment will be expropriated or destroyed.” Focusing on the increasing amount of foreign direct investment for the last thirty years, Souva (2002) and Souva and Prins (2006) argue that since FDI enhances a nation’s wealth through the inflows of financial and human capital, state leaders do not want to disrupt this investment through conflict. This is consistent with the welfare effects argument that FDI improves capital stock and technology (Johnson 1970). Rosecrance and Thompson (2003) also argue that FDI produces vulnerability interdependence that is costly to break, and thus FDI constrains a state from resorting to militarized conflict due to the expected heavy opportunity costs of violence. Simmons (2006) makes a similar argument about the high opportunity costs for trade that are generated by ongoing border disputes. She finds that border disputes reduce contiguous countries’ bilateral trade. A third theoretical perspective treats FDI as a mechanism for states to peacefully extract wealth from other countries, as opposed to extraction of resources through military conquest. Brooks (1999) argues that foreign direct investment modifies the willingness of states to engage in conflict with other states. He suggests, “In general, as a state is increasingly able to rely on multinational corporations to secure needed external resources and supplies, the overall willingness of that state to engage in conquest should decrease” (Brooks 1999: 666). Rosecrance (1999) asserts that nations choose one of two paths for promoting domestic wealth: territorial aggrandizement or commercial transactions. States focused on political-military interests emphasize territorial aggrandizement and pursue aggressive foreign policies. In contrast, states focused on commercial interests emphasize exchange and pursue more peaceful foreign policies. As states focus on exchange, they become more economically dependent on international commerce in terms of both trade and foreign investment. Souva (2002) and Souva and Prins (2006) also argue that FDI typically takes the form of fixed assets in other countries and thus is regarded a form of “extracting” wealth from other states. Considering that conquest is a way of extracting resources from a territory, FDI provides an alternative peaceful tool for the extraction of resources and enables the local population to benefit as well (Souva 2002: 12).

### \*\*\*Offcase

### 2AC T

---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.

#### Foreign investment restrictions apply to extraction – we’re not an export restriction

Clark-partner Dewey & LeBoeuf LLP-11

LIMITS ON INTERNATIONAL BUSINESS IN THE PETROLEUM SECTOR: CFIUS INVESTMENT SCREENING,

ECONOMIC SANCTIONS, ANTI-BRIBERY RULES, AND OTHER MEASURES

<http://tjogel.org/wp-content/uploads/2012/05/ware_final1.pdf>

B. Petroleum Industry Experience and Challenges: Exon-Florio Although CFIUS’s focus on energy-related transactions is a recent development, U.S. government decision-makers have long viewed oil company deal-making as having a strategic dimension. 34 Concern about the oil and gas industry was a driving factor in the original establishment of CFIUS in 1975. In the 1970s Congress had grown concerned over the rapid increase in investments by Organization of the Petroleum Exporting Countries (“OPEC”) in portfolio assets, suspecting that they may be driven by political, rather than by economic, motives. 35 In 2006 congressional outcry over a CFIUS-approved acquisition of a port management business by UAE-controlled Dubai Ports World led to a broad reformulation of Exon-Florio. The legislation, the Foreign Investment on National Security Act (“FINSA”), reflects a congressional intent to scrutinize oil and gas acquisition intensively. As indicated above, the statute urges CFIUS to consider in assessing transactions “the long-term projection of the United States requirements for sources of energy and other critical resources and material” and “the potential national security-related effects on United States critical infrastructure, including major energy assets.” 36 The legislative history “makes clear that national security encompasses national security threats to . . . energy-related infrastructure.” 37 The House of Representatives committee that prepared the legislation expressed its view that it “expects that acquisitions of U.S. energy companies or assets by foreign governments or companies controlled by foreign governments . . . will be reviewed closely for their national security impact.” 38 Transactions in the energy sector have been subject to CFIUS review at various stages of the value chain, including extraction, transportation, conversion to power, and supply to the U.S. government. 39 Over time CFIUS appears to be paying closer attention to deals involving these types of assets, creating some uncertainty for potential mergers and acquisitions in this sector.

### 2AC Immigration Reform

#### Won’t pass – labor democrats.

Dallas News 1-2-13

Editorial: Actions must match Obama’s immigration pledge http://www.dallasnews.com/opinion/editorials/20130102-editorial-actions-must-match-obamas-immigration-pledge.ece

President Barack Obama said all the right things Sunday about immigration reform. The president told NBC’s Meet the Press that he is serious about getting Congress to overhaul the laws governing immigrants. He even declared that he will introduce an immigration bill this year. This newspaper welcomes that announcement. Texans particularly understand the unique challenges that an outdated immigration system presents. Even though the flow of illegal immigrants into the U.S. has subsided in the last few years, the many holes in the system leave families, schools, businesses and law enforcement struggling. And those are just some of the constituents challenged by flawed immigration laws. The president’s words to NBC’s David Gregory are only that — words. What will really matter is whether he puts his muscle into the task this year. We suggest that Obama start by looking at the example of former President George W. Bush. Back in 2006 and 2007, the Republican and his administration constantly worked Capitol Hill to pass a comprehensive plan. They failed, largely because Senate Republicans balked. But the opposition didn’t stop the Bush White House from fully engaging Congress, including recalcitrant Republicans. Obama may have a similar problem with his own party. The dirty little secret in the 2006 and 2007 immigration battles was that some Democrats were content to let Senate Republicans kill the effort. Labor-friendly Democrats didn’t want a bill, either. And they may not want one this year. That reluctance is a major reason the president needs to invest in this fight. He must figure out how to bring enough Democrats along, while also reaching out to Republicans.

#### Won’t pass – house GOP and lack of electoral incentives

Workpermit.com 12/31/12 (Workpermit is a specialist visa consultancy with nearly twenty-five years of experience dealing with visa applications. We are OISC registered. We can help with a wide range of visa applications to the UK or your country of choice. Please feel free to contact us for further details, “White House to campaign for immigration reform in 2013” <http://www.workpermit.com/immigration-video.htm>)

Many Republican Party strategists say that, if the Republicans adopt an anti-immigration stance, they will find it increasingly difficult to win elections as the demographic makeup of the US changes. Asian Americans, Hispanic Americans and African Americans already make up 34% of the US population and they all vote overwhelmingly for the Democrats. As the Republicans have become more anti-immigrant, so their share of the Latino vote has gone down. George W Bush received over 40% of the Latino vote in 2000 and 2004. Mitt Romney received about 29% in 2013. However, in their Behind the Curtain column on the Politico.com website, journalists Jim Vanderhei and Mike Allen point out that, whatever the bigger picture may be, many Republican congressmen and women will be loath to vote in favour of immigration reform. Vanderhei and Allen say that Washington Republicans who vote in favour of immigration reform, in particular, in favour of allowing illegal immigrants to become citizens, will be punished by anti-immigration Republican voters in their states. 'Many of the Republicans who would have to vote on such a [immigration reform] package' would then have to 'run for re-election in elections dominated by white conservatives…Regardless of exit polls, demographic trends and lectures from party leaders, lawmakers know that many voters, especially primary voters, and especially their primary voters, hate anything that smacks of amnesty', they write. In the US system, any new law must be passed by both chambers of Congress, the Senate and the House of Representatives, and signed by the president, in order to become law. Since the election in November, President Obama's Democrats hold control of the Senate but the Republicans control the House of Representatives. It remains to be seen whether enough Republican Representatives will vote for change when the chips are down.

**NI -8\***

#### 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.

#### 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.

#### Foreign investment in oil and gas is popular

Orol 12 (Rob, senior writer for The Deal magazine and The Daily Deal newspaper, covering the activist hedge fund industry as well as other topics, including the S.E.C. and Capitol Hill. Orol is the author of the 'Over the Hedge' column, contributor to the 'Rules of the Road' weekly column, and is also a commentator on BBC World Television, CNBC TV, Business News Network and National Public Radio, “Cnooc's big deal for Nexen seen succeeding,” MarketWatch August 16, 2012, lexis)

Lobbyists hired early Also greasing the wheels, Cnooc hired Hill+Knowlton, a prominent lobbying firm in both Ottawa and Washington, to lobby on the Nexen deal. Regulatory observers don't believe the U.K. government will raise any objections to the deal. Fournier noted that North Sea oil production is declining, a situation that is driving the British to attract capital there. He noted that in 2010 a consortium of Chinese firms purchased three U.K. electricity networks with no regulatory opposition, indicating that this deal will also likely pass regulatory muster. “The British are pretty desperate to get new capital invested in the North Sea,” he said. For Clayton, the difference between Unocal and Nexen and between 2005 and 2012 is the economy. “Today's economic context is much more conducive to this type of foreign investment winning support in Washington, even in a politically sensitive sector like oil and gas, than was the case in 2005,” he said. “North American oil production is growing more quickly than any other part of the world and companies from all over the world want in on that action.”

#### Winners win

Heineman 10 (Ben Heineman Jr. has held top positions in government, law, and business. He is the author of High Performance with High Integrity “No Presidential Greatness Without Spending Political Capital” <http://www.theatlantic.com/politics/archive/2010/03/no-presidential-greatness-without-spending-political-capital/37865/>)

**Only in recent months**, when he was willing to make it his personal issue and to spend significantly from his store of political capital, was President Obama able to achieve victory in the bitter congressional battle over **health care** reform. Presidential greatness is combining policy and politics to win significant victories that have a major impact on the trajectory of national life. Such victories--which upset the status quo--**only occur** when a president takes political risks and is willing to incur short-term unpopularity with significant segments of the electorate. There have been two great Democrat presidents since FDR--Harry Truman and LBJ. Both came to office through the death of a president; both could have run for a second elected term; both declined to do so because they were extremely unpopular; but, part of their unpopularity was due to courageous decisions which required large expenditure of personal capital and which changed the course of history. Truman, now considered by historians as one of our most momentous presidents, has an astounding list of major decisions by his name: the dropping of the atomic bomb; the formation of the UN and NATO; the adoption of the Marshall Plan; the formulation of the Truman Doctrine and the strategy of "containing" the Soviet Union; a willingness to oppose Communist aggression in North Korea (and to fire General Douglas MacArthur); the issuance of executive orders desegregating the Armed Forces, the civil service and government contracting; recognition of the state of Israel; and promotion of the Fair Deal (which was only a mixed success but which expanded social security, the minimum wage and federal housing support). To be sure, Truman's unpopularity was also due to scandals, a war weary nation and vicious debates about who lost China. But his historical standing today is owed, in no small part, to his political courage and willingness to use up the political capital of the presidency on issues of major import. Similarly, LBJ was one of our greatest domestic presidents. Under his leadership from 1964-66, Congress passed the Civil Rights Act of 1964, the Voting Rights Act of 1965, Medicare, Medicaid, the War on Poverty and a path-breaking elementary and secondary education act. Johnson had the courage to spend political capital on great tasks even though he, of all people, knew that his initiatives, especially on race, would split the Roosevelt coalition, drive away Southern whites, weaken the Democratic Party and put his own reelection in jeopardy. After Lincoln, Johnson is considered the president who did the most to overcome the nation's shameful history of slavery and racial discrimination and to advance the ideal of racial justice. To be sure, Johnson's unpopularity also stemmed, in important part, from his prosecution of an increasingly divisive war in South Vietnam and from a complex, domineering personality that his oleaginous rhetoric could not conceal. Yet, his place in history is secure because of courageous domestic decisions which weakened him politically. By contrast, Jimmy Carter and Bill Clinton, the other two Democratic presidents prior to President Obama, are unlikely (even in light of more even-handed views of historians a generation from now) to enter the pantheon of greatness. President Carter's fundamental problem, oddly enough, was that he recklessly spent presidential capital in his first year in office--on reforming water projects, energy reform, welfare reform and numerous other initiatives--with limited or no success. By the end of 1977, his apolitical approach, and his serial failures, had dramatically diminished his reputation in Washington and seriously eroded his popularity in the nation. And he could never recover from his naive policy profligacy as the nation's economy began to suffer from the lethal combination of high inflation and high interest rates. By contrast, President Clinton tried one major domestic initiative early in his administration--health care--and, after being defeated on that, was either on the defensive or advanced a minimalist, safe agenda. With the Republican take-over of Congress in 1994, Clinton had to fight a rear guard action until the 1996 election. Then the Lewinski scandal and impeachment consumed much of the administration's energy, and Dick Morris's "triangulation" meant that Clinton took few significant political risks. Never has there been a president with as much political and policy talent, who presided over a booming economy (due, only in small part, to public policy) but whose major accomplishments were so slender. I always felt that it was a badge of dishonor for Clinton to leave office with a high approval rating for the reasons I have tried to develop here**: no great deeds are possible for a president without a willingness to risk political standing**. The saga of President Obama is but 14 months old. It is too soon to tell whether health care reform will be a policy succ ess in implementation and a long-term political success (like Medicare) as it changes a health care system bristling with problems. And, of course, it is far, far too soon to make any meaningful judgments about his tenure. But, after a first year of aloofness from the political fray of health care, Obama's willingness, since the Massachusetts senatorial election to push his chips on the table, take a huge political gamble, and win a major legislative victory (with uncertain short-term political consequences) echoes decisions of his great Democratic predecessors, Harry **Truman** and Lyndon **Johnson**.

#### Political capital not key to the agenda

Klein 12 (Ezra, citing George Edwards, the director of the Center of Presidential studies at Texas A and M is the editor of Wonkblog and a columnist at the Washington Post, as well as a contributor to MSNBC and Bloomberg. “THE UNPERSUADED” <http://www.newyorker.com/reporting/2012/03/19/120319fa_fact_klein?currentPage=5>)

The Obama Administration was taken by surprise when congressional Republicans turned against the individual mandate in health-care reform; it was the Republicans, after all, who had championed the idea, in 1993, as an alternative to the Clinton initiative. During the next decade, dozens of Senate Republicans co-sponsored health-care plans that included a mandate. Mitt Romney, of course, passed one when he was governor of Massachusetts. In 2007, when Senator Jim DeMint, of South Carolina—now a favorite of the Tea Party—endorsed Romney for President, he cited his health-care plan as a reason for doing so. Senator Orrin Hatch, of Utah, who supported the mandate before he opposed it, shrugs off his party’s change of heart. “We were fighting Hillarycare,” he has said, of the Republicans’ original position. In other words, Clinton polarized Republicans against one health-care proposal, and then Obama turned them against another. Representative Jim Cooper, a Democrat from Tennessee, takes Lee’s thesis even further. “**The more high-profile the communication effort, the less likely it is to succeed**,” he says. “In education reform, I think Obama has done brilliantly, largely because it’s out of the press. But on higher-profile things, like deficit reduction, he’s had a much tougher time.” Edwards’s work suggests that Presidential persuasion isn’t effective with the public. Lee’s work suggests that Presidential persuasion might actually have an ***anti-persuasive effect*** on the opposing party in Congress. And, because our system of government usually requires at least some members of the opposition to work with the President if anything is to get done, that suggests that the President’s attempts at persuasion might have the ***perverse effect of making it harder for him to govern.***

**Won’t go to war over food**

**Chang 2/21**/11 Gordon G Chang, Graduated Cornell Law School “Global Food Wars” http://blogs.forbes.com/gordonchang/2011/02/21/global-food-wars/

In any event, food-price increases have apparently been factors in the unrest now sweeping North Africa and the Middle East. The poor spend up to half their disposable income on edibles, making rapid food inflation a cause of concern for dictators, strongmen, and assorted autocrats everywhere. So even if humankind does not go to war over bad harvests, Paskal may be right when she contends that climate change may end up altering the global map. This is not the first time in human history that food shortages looked like they would be the motor of violent geopolitical change. Yet amazing agronomic advances, especially Norman Borlaug’s Green Revolution in the middle of the 20th century, have consistently proved the pessimists wrong. In these days when capitalism is being blamed for most everything, it’s important to remember the power of human innovation in free societies—and the efficiency of free markets.

**Tech development solves**

**Thompson 5/13/11 –** Dr. Robert L. Thompson is a senior fellow for The Chicago Council on Global Affairs and professor emeritus at the University of Illinois at Urbana-Champaign. “Proving Malthus Wrong, Sustainable agriculture in 2050” http://scienceblogs.com/tomorrowstable/2011/05/proving\_malthus\_wrong\_sustaina.php

Tools available today, including plant breeding and biotechnology, can make presently unusable soils productive and increase the genetic potential of individual crops - enhancing drought and stress tolerance, for example - while also producing gains in yields. Existing tools can also internalize plants' resistance to disease, and even improve a plant's nutritional content - meaning consumers can get more nutritional value without increasing their consumption. Furthermore, modern high-productivity agriculture minimizes farmers' impact on the environment. Failure to embrace these technologies will result in further destruction of remaining forests. Adoption of technologies that produce more output from fewer resources has been hugely successful

l from an economic standpoint: prior to the price spike in 2008, there was a 150-year downward trend in the real price of food. The jury is still out on whether the long-term downward trend will resume, prices will flatten out on a new higher plateau, or they will trend upward in the future. The key is investing in research in the public and private sectors to increase agricultural productivity faster than global demand grows. Long ago, British scholar Thomas Malthus predicted that the human population would eventually outgrow its ability to feed itself. However, Malthus has been proven wrong for more than two centuries precisely because he underestimated the power of agricultural research and technology to increase productivity faster than demand. There is no more reason for Malthus to be right in the 21st century than he was in the 19th or 20th - but only if we work to support, not impede, continued agricultural research and adoption of new technologies around the world.

### 2AC Executive Order CP

#### ---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.

#### Perm do the CP- the President has the authority to determine the scope of CFIUS national security reviews.

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)

The Exon-Florio provision grants the President broad discretionary authority to take what action he considers to be “appropriate” to suspend or prohibit proposed or pending foreign acquisitions, mergers, or takeovers which “threaten to impair the national security.” In this act, national security was not defined, but was meant to be interpreted broadly. Nevertheless, regulations developed by the Treasury Department to implement the law direct the members of CFIUS to focus their reviews of foreign investments exclusively on those transactions that involve “products or key technologies essential to the U.S. defense industrial base,” and not to consider economic concerns more broadly. CFIUS also indicated that in order to assure an unimpeded inflow of foreign investment it would implement the statute “only insofar as necessary to protect the national security,” and “in a manner fully consistent with the international obligations of the United States.”6

#### And, the executive can reduce restrictions.

Zimmerman 10 (CHELSEA A., Barnard College, Rethinking The Cuban Trade Embargo: An Opportune

Time To Mend a Broken Policy, http://www.thepresidency.org/storage/documents/Fellows2010/Zimmerman.pdf)

Restrictions on travel to Cuba have been a key component of U.S. efforts to isolate the communist government of Cuba for much of the past 40 years. Over time there have been numerous changes to the restrictions and for five years, from 1977 to 1982, there were no restrictions on travel based on exercise of the broad licensing authority of the Presidency (Sullivan, 19). President Reagan reinstated the travel restrictions against Cuba, and in 1996, with the passage of the HelmsBurton Act, the travel ban became codified into law. Even so, the President retains some control over the terms of the travel ban with Cuba by defining the categories of eligible travelers either broadly or narrowly. Under President George H.W. Bush, enforcement of U.S. restrictions on Cuba travel increased, and restrictions on travel and on private remittances to Cuba were tightened. In June of 2004, the U.S. significantly restricted travel, especially family travel, and the provision of private humanitarian assistance to Cuba in the form of remittances. In April of 2009, President Obama announced his intention to significant reduce restrictions on travel to Cuba and remittances by Cuban Americans. At the time of his announcement those favoring the elimination of the travel ban in its entirety argued that the current Cuba travel ban restricts U.S. efforts to influence conditions in Cuba and may be aiding the current leadership by helping restrict the flow of information between the two countries.

#### Agent CPs are bad

#### Topic Education- CP shifts focus from the desirability of the aff to questions of implementation

#### Predictability and fairness- no literature comparing which agent should do the aff means we always lose to agent CP

#### Not key to ground- other CPs check- conditions and states, ect…

#### Voting issue

#### Perm- do both- shields the link \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

#### CP links to politics/elections.

Scheir 2011(Steven E., Professor of Political Science at Carleton College, The Contemporary Presidency: The Presidential Authority Problem and the Political Power Trap Presidential Studies Quarterly Volume 41, Issue 4, pages 793–808, December)

So the “presidential authority problem” has several parts. Authority among elites faces limits due to the institutional thickening in national government. Authority among the public and in Congress suffers from the lessening of presidential political capital detailed in this article. Political authority, according to Skowronek, is designated in advance, works through institutions, and has enforceable mandates and perceptions (Orren and Skowronek 2004, 125). The decline in presidential political capital means that nowadays such traits are hard for presidents to come by. Advance designations frequently vanish among American governing elites and the mass public. Institutions are less “workable” for presidents. Mandates and perceptions are now evanescent, much less enforceable. This leads to a “presidential power trap.” Maintaining authority is hard and frustrating work, and in seeking to maintain it, presidents encounter widespread constraints. Yet the modern presidency grants an incumbent many formal powers over executive branch administration, foreign, and national security policy. The power is there, if the authority is not. So why not use the power—via unilateral decisions, signing statements and executive orders—while you have it, if authority is so hard to garner? The risk is that by using such powers, a president effectively destroys his authority. Richard Nixon's presidency, with its constitutional violations, is the signal example of this, but one can find evidence of the authority problem and power trap among other recent presidencies. Carter took his authority for granted, ignoring the maintenance of its elite and mass aspects, and paid the price. Reagan gradually relied more on executive power as authority problems grew, leading to the Iran-Contra imbroglio. George H. W. Bush exerted war powers but never found a stable basis in political authority. Clinton usually suffered an authority shortage and found his use of powers under steady political attack. George W. Bush's use of war powers destroyed his authority during his second term. Presidential efforts to increase their powers have drawn scholarly attention. As William Howell noted regarding these efforts, “almost all the trend lines point upward” (Howell 2005, 417). A recent manifestation of increasing power claims is the theory of the unitary executive introduced during the Reagan presidency and repeatedly asserted by George W. Bush. Exponents Steve Calabresi and John Yoo argue the Constitution “gives presidents the power to control their subordinates by vesting all of the executive power in one, and only one, person: the president of the United States” (Calabresi and Yoo 2008, 4). Thus Congress's power to interfere with executive branch decisions is quite limited, and the president has total control of all executive agencies within limits set by Congress. Several legal and presidential scholars have argued this theory gives too much rein to unilateral presidential action in a way that threatens the constitutional separation of powers and individual liberty (for example, Fisher 2010, Matheson 2009, Rudalevig 2006). Accompanying the unitary executive theory in the second Bush administration was an aggressive use of signing statements, presidential memoranda, and executive orders. Ambitious claims of unilateral presidential power have ominous implications: “The assertion by the executive that it alone has the authority to interpret the law and that it will enforce the law at its own discretion threatens the constitutional balance set up by the Constitution” (Pfiffner 2008, 227). Barack Obama and the Power Trap It is in the context of such controversies that Obama serves as president and continues to use unilateral tools when they prove convenient. Though he has publicly disavowed the theory of the unitary executive, like his recent predecessors he has made unilateral policy via executive order, presidential memoranda, and signing statements (Schier 2011). Upon taking office in 2009, Obama's executive orders reversed his predecessor's policies on U.S. government support for international family planning organizations, union organizing, and terrorist interrogation techniques. Another executive order secured passage of his landmark health care reform in early 2010. The order, banning the use of federal funds for abortion, secured the vital support of a group of antiabortion House Democrats. Obama employed presidential memoranda to order his energy secretary to formulate higher fuel efficiency standards for automobiles and energy efficiency standards for appliances (Schier 2011). In 2009, two of Obama's signing statements drew strong protests from Congress. In the statements, the president indicated he would not enforce certain provisions of the law with which he disagreed (Weisman 2009, Associated Press 2009). This stance echoed the approach of his predecessor, George W. Bush (Schier 2008). The ensuing uproar caused the administration to declare it would no longer issue such policy declarations in signing statements but would instead quietly disregard enforcement of laws it found unconstitutional (Savage 2010). In May 2011, Obama ignored requirements of the War Powers Resolution regarding his military incursion into Libya. The use of force occurred without prior consultation of Congress as required by the resolution. The administration also ignored the resolution's provision that Congress approve the use of the military within 60 days of their initial engagement in conflict until after the deadline had passed (Ackerman and Hathaway 2011). Obama initially enjoyed strong public approval but his job approval gradually sank, in part because of continuing slow economic growth and high unemployment. His impressive successes with Congress in 2009 and 2010 also accompanied a shift in the public mood against him, evident in the rise of the Tea Party movement and the large GOP gains in the 2010 elections. During 2009, James Stimson (2011) calculated the public mood shifted −.88 against Obama's policies. In comparison, the public's notable move against Obama's policy position was greater than that registered during the JFK, LBJ, and the first Bush presidencies. It also exceeded mood shifts during Clinton's second term and during either of the second Bush's two terms. By mid-2011 Obama's job approval had slipped well below its initial levels, and Congress was proving increasingly intransigent. In the face of declining public support and rising congressional opposition, Obama, like his predecessors when faced with similar circumstances, continued to resort to the energetic use of executive power. Declining political capital, rising authority problems, and accompanying assertions of executive power—we have seen this movie before. Obama thus faces an authority problem and a power trap. Only by solving the former is he likely to avoid the latter. Presidents in recent years have been unable to prevent their authority—evident in their political capital—from eroding. When it did, their power assertions often got them into further political trouble. None of his post-1965 predecessors solved the political authority problem. It is the central political challenge confronted by modern presidents, and now by Obama.

#### No Prez powers net benefit- power to determine the scope of CFIUS should reside with Congress

Zaring 09 (David, Assistant Professor, Wharton School, University of Pennsylvania; Visiting Assistant Professor, University of Pennsylvania Law School, CFIUS AS A CONGRESSIONAL NOTIFICATION SERVICE, 83 S. Cal. L. Rev. 81, November, lexis)

In fact, Congress does not, nor necessarily should [not] it, defer to the executive in foreign affairs. One way that Congress can and has exercised control in this area is through its oversight of the Committee on Foreign Investment in the United States ("CFIUS" or "the Committee"), the institution that decides whether foreign interests should be allowed to purchase American assets. This Article explains how Congress has created a role for itself in the making of foreign policy by turning CFIUS - an institution that would appear to represent absolute executive discretion in discerning the national security interests of the United States - into essentially a congressional notification service. This is shown by essaying an approach that legal scholars can use to analyze institutions that (though they might be replete with the characteristics of law and lawyering) do not lend themselves to conventional legal analysis because they do not explain their actions as courts and agencies ordinarily do. 5 CFIUS is a prime example of such an institution; as Anthony Sabino has noted, "Almost nothing is known about the internal functioning of [the Committee]." 6 CFIUS does not disclose its deliberations, nor does it explain its decisions. 7 Despite this obstacle, principles of national security law - and the balance of powers between Congress and the president - can still be [\*84] deduced from CFIUS's record. The outcomes of CFIUS review, which can be obtained by putting together third-party reviews of the Committee and nonconfidential reports from the Committee to Congress, can be used as a tool. In addition, a content analysis of the "boilerplateness" of the few Committee decisions that are public can be used to see who CFIUS singles out and why, and to discern how much work it does - compared, critically, to what Congress does - in overseeing foreign investment. To be sure, determining a "law of CFIUS" is not easy. The Committee's legal mandate is replete with discretion. CFIUS is specifically charged with the task of reviewing proposed foreign acquisitions to determine whether they will impair "national security," 8 and the Committee has said the term "is to be interpreted broadly and without limitation to particular industries," its scope lying wholly "within the President's discretion." 9 Prospective foreign acquirers first submit their deals to the Committee for an evaluation over a thirty-day period, and if CFIUS is concerned enough to investigate further, a subsequent forty-five-day window exists. 10 After this evaluation period, the Committee must send a recommendation to the president, who can then either block the transaction or permit it to go forward. 11 CFIUS may recommend blockage to the president or refuse to approve the deal unless the acquiring company agrees to a variety of conditions, such as preventing foreigners from accessing the operations of the target asset, guaranteeing law enforcement access to the firm's resources, and so on. 12 These conditions take the form of "mitigation agreements," so called because the acquirer agrees to take the steps to [\*85] "mitigate any threat to ... national security." 13 A more in-depth understanding of what exactly the Committee does is important in an era of economic globalization and cross-border deals. CFIUS investigations of transactions are increasing - one Treasury official reported a 74 percent increase in reviews between 2005 and 2006, and scrutiny has not declined since then. 14 American publicly traded companies have responded to the prospect of such a review by filing Form 8-K and other reports with the Securities and Exchange Commission that notify investors that CFIUS reviews might affect their businesses; 15 there were approximately sixty-three of these reports in 2004, 102 in 2005, 143 in 2006, and 318 in 2007. 16 CFIUS also played a key role in three headline-making failed deals: when China National Offshore Oil Corporation ("CNOOC"), the state-owned Chinese oil company, tried to take over Unocal; 17 when Dubai Ports World tried to purchase the multinational shipping venture Peninsular and Oriental Steam Navigation Company ("P&O") (along with its American harbor assets); 18 and when Bain Capital, with minor participation by the Chinese venture Hulawei, tried to purchase technology manufacturer 3Com. 19 CFIUS has also complicated other transactions, including recent [\*86] efforts by the now-failed investment bank Lehman Brothers to salvage equity by selling half of the firm to Chinese and South Korean investors, a transaction that would have been subject to CFIUS review. 20 The Committee is also affecting America's most important international relationships. 21 China has expressed serious concern over the Committee's work 22 and has moved to create its own counterpart to it. 23 India has also threatened to create a regime to match the one enforced by CFIUS after experiencing what it perceived as poor treatment by the institution. 24 Germany, in 2004, implemented a comprehensive CFIUS-like program. 25 Given the danger of a surge in market-damaging economic [\*87] protectionism, a National Security Council official has strongly urged the United States to send a clear message that CFIUS review is narrowly tailored to national security issues. 26 But even with this healthy increase in attention, the most incongruous fact about CFIUS is that, although it is feared by investors and Wall Street, when evaluated seriously, that fear appears to be largely misplaced in fact. While antitakeover specialist firm Wachtell, Lipton, Rosen and Katz had no fewer than five corporate partners (including a name partner and co-chair of its executive committee) pen pieces dealing with the Committee during a five-month period between November 2007 and March 2008, 27 the Committee itself almost never actually prevents foreign acquisitions from going forward. According to the Government Accountability Office and the Treasury Department, CFIUS has launched in-depth reviews of acquisitions in thirty-seven of the 1800-plus filings made since 1988. 28 Only once has the president denied clearance of a deal after CFIUS review: in the 1990 acquisition of a U.S. aerospace manufacturer by an army-controlled Chinese firm. 29 The executive branch hardly hides this fact. As one Treasury official explained to the Chinese, in 2007, "less than 10 percent of all foreign direct investments were reviewed by [CFIUS], and the vast majority of those were resolved without controversy, including those by state-owned enterprises." 30 [\*88] Why, then, do people care so much? This question is taken up in the remainder of this Article. Part II suggests that a historical review reveals that investors fear Congress more than CFIUS itself. As one CFIUS practitioner has said, "There [is] a two-step CFIUS process if you have a sensitive asset"; for the first step "you have to go to the Hill and basically say here's why this investment is not a problem," and only for the second step is the Committee involved. 31 Further, the assistant secretary in the Treasury Department in charge of overseeing CFIUS has also said that prefiling consultation with the Hill is a crucial part of controversial acquisitions. 32 Congress exercises this control over CFIUS by repeatedly amending its statute to bring the Committee more in line with its policy preferences - both by requiring ever-more-extensive reporting on every decision that CFIUS makes, along with additional ad hoc briefings and annual and quadrennial reports, and by reviewing and frequently overturning particular decisions of CFIUS, much like a court, in order to encourage the Committee to act consistently with the congressional view about what national security requires. 33 Part III hypothesizes that the Committee's increasingly pro forma output is consistent with the story that it is Congress, and not the executive branch, that sets the parameters of what national security permits with regard to foreign direct investment. This hypothesis is partially tested, and some of the reasons why the Committee acts as it does are examined, with a content analysis of the few publicly available mitigation agreements imposed by the Committee on foreign acquirers. The content analysis employs plagiarism software that compares the amount of borrowing between agreements. 34 As it turns out, some CFIUS agreements look more alike than others, and the basis for the use of what essentially amounts to boilerplate appears to be related to two simple factors: (1) whether the foreign acquirer is government owned or privately owned and (2) whether [\*89] or not the foreign acquirer is based in a prosperous country allied with the United States. Part IV lays out three conclusions that can be drawn from this analysis. First, a qualification to the story of ever-increasing "presidential administration" is necessary. Since 2001, legal scholars have debated the claims that, descriptively, the president plays a particularly large role in the setting of administrative policy, to the exclusion of the courts and Congress; that, constitutionally, a strong presidential role is permitted; and that, normatively, this influence is a good thing. 35 Many have criticized this perspective, especially as recent claims of national security-based prerogatives have embroiled the country in allegations of torture and general administrative ineptitude. 36 But CFIUS is an example of meaningful congressional supervision at the heart of executive foreign policy. Second, and perhaps more as a matter of form than substance, the way CFIUS works is a challenge to those international law scholars who believe that law, and particularly international law, has little to say about questions of national security. 37 CFIUS features regulations, litigation, and processes, and bears no indication that the United States makes arbitrary determinations based on what national security requires rather than in accord with what the commander in chief of its military thinks is best. Rather, CFIUS is an example of an institution with an adjudicative legal process and with ultimate supervision by a nonpresidential actor - [\*90] Congress - which suggests that the chains of legalization may even apply in matters of national security.

#### Delay-

#### executive orders are implemented slowly-- Interbranch battles hold up agency action

Cooper 02 (Phillip, Professor of Public Administration @ Portland State University, By Order of the President: The Use and Abuse of Executive Direct Action” 232-233)

A president who is focused on the short-term, internal view of a possible decision may elect a power management approach. The emphasis is on efficient, effective, prompt, and controlled action within the executive branch. This is an increasingly common approach employed by new administrations; certainly it has been by Reagan and his successors. Whether spoken or unspoken, the tendency to adopt a power management perspective as the base for the use of presidential direct action tools may grow from an assumption that alternative approaches will simply not work or not work rapidly enough because of recalcitrant administrative agencies or opposition by other institutional players inside or outside the Beltway. The executive orders on rulemaking issued by presidents Carter, Reagan, Bush, and Clinton and the Bush memoranda on the rulemaking moratorium are clear examples of this approach. The tendency to use this approach may also stem from the idea that the situation confronting the White House is a real or a perceived emergency in which the executive branch must be mobilized for action. Another tendency is to use this type of approach in national security matters where the White House holds the view that time is of the essence and a particular window of opportunity exists that must be seized. This kind of action is common in the use of national security directives. Control of sensitive materials, personnel practices, or communications is often the focus of this kind of activity. Another feature of the power management approach is the attempt to use the policies of the executive branch to make a wider political point. Certainly the Reagan administration's Drug Free Workplace order is an example, as are many of the Clinton-era orders and memoranda associated with the reinventing government initiative. Still, the power management approach presents many of the dangers and challenges of the various types of instruments. The costs can be high, and the damage both within government and to people outside it can be significant. The rulemaking orders have tied administrative agencies up in knots for years and have trapped them in a cross fire between the Congress that adopted statutes requiring regulations to be issued and presidents who tried to measure their success by the number of rulemaking processes they could block. Reagan's NSD 84 and other related directives seeking to impose dramatically intensified controls on access to information and control over communication during and after government employment incited a mini rebellion even among a number of cabinet level officials and conveyed a sense of the tenor of leadership being exercised in the executive branch that drew fire from many sources. The Clinton ethics order was meant to make a very public and political point, but it was one of the factors contributing to the administration's inability to staff many of its key positions for months.

#### 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

### 2AC Toly K

#### The judge is a policymaker evaluating policy action– that’s key to predictability since our interpretation is contingent on the resolution and key to check multiple negative critical frameworks

#### ---Link describes the status quo

#### (A.) Absent the plan, the cifus review process will be dominated by racist congressional debate and china bashing --- The 1ac advantage scenarios are occurring BECAUSE congress is overly concerned with the preservation of national security.

#### (B.) Takes out alt solvency & means Xenophobes coopt the alternative.

The Economist 2006

America's ports and Dubai; Trouble on the waterfront, http://www.economist.com/node/5551176

XENOPHOBIA seems to be creeping into American politics. Last year, Congress saw off the yellow peril from China, whose CNOOC oil company dared to bid for America's Unocal (though most of Unocal's oil and gas reserves happened to be outside America). Now it is the Arabs—for which read terrorists—who are threatening to imperil America's national security by taking over some of its ports. On February 13th, DP World, a ports operator owned by the government of Dubai, a small but economically ambitious member of the United Arab Emirates, paid $6.8 billion to acquire P&O, a British firm which runs a global network of maritime terminals. With P&O came six American ports—Miami, Philadelphia, Baltimore, New Orleans, New Jersey and New York. Ever since the contract was signed there has been a noisy response from American politicians. Robert Ehrlich, the Republican governor of Maryland, and Jon Corzine, his Democratic peer in New Jersey, both want to stop the deal. The two most vocal protesters are Chuck Schumer, a Democratic senator for New York (and famed China-basher), and Pete King, the Republican chairman of the House Homeland Security Committee (and friend of Gerry Adams, the leader of Sinn Fein). They say they will shortly propose emergency legislation to block the deal before completion, which is due on March 2nd. Presidential hopefuls have also rushed to sound the alarm. Hillary Clinton, New York's other senator, will introduce legislation prohibiting the sale of port operations to foreign governments. On the Republican side, George Pataki, New York's ambitious governor (who is retiring), is considering cancelling the lease which the New York-New Jersey Port Authority has granted to the port operators. And the Senate majority leader, Bill Frist, has asked the president to take a second look. To his credit, George Bush has risen above such populism, reasserting his free-trade principles by promising to veto any legislation that tries to block the takeover. Mr Bush's problem is that, with the exception of Jimmy Carter and John McCain, no prominent politician seems inclined to speak out on his side. With mid-term elections looming in November, Congress may well find enough votes to override the presidential veto. As with CNOOC, politicians are claiming that this is less about protectionism than about the purchase of American assets by firms that are, in effect, arms of a foreign government. Continental Stevedoring & Terminals, one of P&O's partners, has filed a lawsuit in Miami claiming that under the sale it will become an “involuntary partner” with Dubai's government. The dockworkers' union says it is ownership by a foreign government that scares its members most. Yet Dubai is much more obviously a friend of America than is China. And, anyway, is this really what this dispute is about? The most persistent complaint, heard also from families of victims of the September 11th attacks (some of the terrorists had links to the United Arab Emirates), is that it will imperil America's national security. Critics protest that the deal has not been adequately vetted. The Committee on Foreign Investment in the United States (CFIUS), which includes representatives from the Departments of Defence, State, Treasury, Commerce and, most important, Homeland Security, approved the takeover in the minimum 30-day period. Critics say it must have been superficial, and they are furious that the deliberations behind the decision are classified. Inevitably, too, there is a business connection to the Bush administration. The sort of people who claim that the White House is a subsidiary of Enron and/or Halliburton have spotted a link between DP World and John Snow, the treasury secretary, whose agency heads the federal panel that signed off on the sales. Mr Snow used to run CSX, a railroad company that, after he had left, sold its port operations to the Dubai firm for $1.15 billion in 2004. Underneath all the posturing is one legitimate worry: ports are one of America's weak spots when it comes to national security. Only 5% of the containers that bring 2 billion tonnes of freight to the ports each year are inspected on arrival. That is up from 2% before September 11th 2001, but is still worryingly low. Weapons of mass destruction could be smuggled in and, if the ports themselves were targets, closures or even interruptions would disrupt the global supply chain, says William Daly of Control Risks, a consultancy. This would mean potentially huge consequences for the American and world economies. But will letting DP World operate there really make a material difference to that risk? Nobody denies that Dubai, though pro-western, is a notoriously porous place, with blind eyes reputedly turned to shipments of drugs and arms. A.Q. Khan's Pakistani nuclear-smuggling network, for instance, was hidden behind a Dubai front. But that does not mean DP World is unfit. It is a globally respected firm with an American chief operating officer, Ted Bilkey, and an American-educated chairman. When Mr Bush nominated an American manager from DP World to a ports post in the Department of Transport last month, nobody objected (though they are complaining now). The company will not own the American ports and it has no incentive to run them badly. Just as under P&O, American coast guards, customs and immigration people will remain fully responsible for security. The United Arab Emirates is a member of America's Container Security Initiative, which allows American customs officials to inspect cargo in foreign ports before it leaves for America. The employees will continue to be unionised (and presumably patriotic) American citizens. Any Arab employees whom DP World ships in will be subject to American visa approval, no easy matter nowadays. Alas, America's politicians seem to be in no mood to discuss this issue rationally. So much easier, and more popular, to base policy on the prejudice that every Arab is a potential terrorist.

#### (C.) Only immediate government action solves --- State management is the only buffer between ethnic minorities and a racist civil society.

Myers 2003

Tony, former lecturer at the University of Stirling. He is the author of Upgrade Your English Essay (Arnold, 2002) and numerous articles on postmodernism, psychoanalysis and politics, Slavoj Zizek, pg 107-108

Of course, as fantasies cannot ultimately coexist peacefully, particularly when they are ethnic fantasies, this ethic can only ever be an intermediate solution. For the present, Zizek has a more practical solution to the problem of racism, one which draws on his own experience in Slovenia. Surprisingly for a revolutionary, Zizek argues that we should support the state in opposition to civil society. By 'state' Zizek here means to refer to the institutions of government, whereas 'civil society' designates, in its wildest sense, the people of a nation or non-governmental groups. While Zizek might aspire to a nation based purely on the consensual will of civil society, he contends that, in the light of the currently existing racist fantasies of much of civil society, this is just not possible. If he finds this in Slovenia, where he argues that civil society is basically right-wing, Zizek also sees it, for example, in the United States: In America, after the Oklahoma bombing, they suddenly discovered that there are hundreds of thousands of jerks. Civil society is not this nice, social movement, but a network of moral majority conservatives and nationalist pressure groups, against abortion, for religious education in schools. A real pressure from below. (Lovink 1995) For Zizek is the state that should act as a buffer between the fantasies of different groups, mitigating the worst effects of thoses fantasies. If civil society were allowed to rule unrestrained, much of the world would succumb to racist violence. It is only the forces of the state which keep it in check. In the long term, Zizek argues that in order to avoid a clash of fantasies we have to learn to "traverse the fantasy" (what lacan terms "traversing the fantôme). It means that we have to acknowledge that fantasy merely functions to screen the abyss or inconsistency in the Other. In "traversing" or "going through" the fantasy "all we have to do is experience how there is nothing 'behind' it, and how fantasy masks precisely this 'nothing'". (The Sublime Object of Ideology) The subject of racism, be it a Jew, a Muslim, a Latino, an African-American, gay or lesbian, Chinese, is a fantasy figure, someone who embodies the void of the Other.

#### ---K can’t turn case --- Policy debates over energy regulation re-politicize the structure allowing it to self correct for technocratic mismanagement.

Rahman 2011

K. Sabeel, A.B., Harvard College, 2005; M.Sc., Economics for Development, Oxford University, 2006; M.St., Sociolegal Studies, Oxford University, 2007; J.D. Candidate, Harvard Law School, Class of 2012; Ph.D. Candidate, Government, Harvard University, ENVISIONING THE REGULATORY STATE: TECHNOCRACY, DEMOCRACY, AND INSTITUTIONAL EXPERIMENTATION IN THE 2010 FINANCIAL REFORM AND OIL SPILL STATUTES, http://www.harvardjol.com/wp-content/uploads/2011/07/Rahman\_Note.pdf

These weaknesses of the technocratic model create a fundamental challenge for the modern regulatory state. One response to this challenge might be to abandon the project of regulatory public policy altogether. This is the familiar response from laissez-faire ideologies and anti-government conservatism. Yet the social goals that regulation aims to advance remain vital, even if the technocratic model itself proves problematic. As a society, we still need some form of accountability for the actions of powerful private entities like oil and financial corporations. We also require systems to protect against broad social risks like financial crisis and ecological disaster. In short, we require a form of collective self-rule against crises and social evils. Rather than rejecting the goal of mitigating these challenges, the weaknesses of technocratic regulation drive us towards the need to develop an alternative democratic paradigm of regulation. Indeed, these weaknesses of the technocratic impulse—disparities in interest representation, obfuscation of normative debates, demobilization of engagement—share three key features that suggest the need for and viability of a more democratic framework for regulatory politics. First, each of these weaknesses can be overcome through a more democratic regulatory structure. Second, this turn to democracy need not involve a rejection of expertise; rather, some form of democratic politics can coexist with a role for technical expertise. Third, each of these weaknesses arises out of an effort to rationalize regulatory policy. This rationalization effort aims to protect policymaking from the influence of politics, subsuming questions of values and interests into a more coherent process of regulatory policymaking. This good governance ideal is attractive, but the effort to sterilize policy of politics threatens deeper ideals of democracy, responsiveness, and legitimacy. Further, as critics of the modern regulatory state have noted, the involvement of politics is inescapable; regulatory agencies should be structured not to avoid politics but rather to engage with the reality of political disagreement openly. Instead of focusing on the narrow question of agency discretion and constraint with an eye towards promoting rationality of policymaking, the central question should be bringing the foci of political debate to the forefront and engaging in those debates in a democratic manner. Rather than attempting to sterilize policy of politics, this approach looks for ways to constitute a dynamic political process, one that leaves ample room for the representation and engagement of different values.

#### ---Case Outweighs---

#### ---Permutation do both --- Claim the debate-space for those excluded by the police order and <plan>.

#### ---Perm is critical to political effectiveness and solves extinction.

Hildyard Lohmann & Sexton, Their Author, 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

Critically, there is a need for public discussion and debate that correct the fatal political vagueness of the purely physical concept of “energy” and instead scrutinise societal goals in the light of global warming, resistance to expansion of fossil fuel extraction, the different characteristics, materialities and contexts of different energy sources, and so on. Questions that need to be asked include: What do different groups of people expect not from “energy policy”, but from policies that address housing, food, mobility, electricity and livelihood? What do these aspirations imply for constraints on capital accumulation and the scale and ownership of the financial sector? And what do such debates imply not for “energy policy”, but for future policies on oil, coal, gas, nuclear and agrofuels? Likewise, to correct the unhelpful prevalent emphasis on “Security”, policymakers could highlight the unsustainable, insupportable long-term implications of continued fossil-fuel (and fossil-substitute) developments, thereby opening up for discussion the question of how a transition out of the fossil age can be achieved with the least pain and conflict for everyone. To do this, they will need to call on the knowledge of a much wider field of participants than they currently do. A first step is to look for friends who can help. Thai people have an expression, chuaykan khit: to help each other think. The initial task facing anyone who comes to the issues anew is to learn how to recognise potential allies and to find ways of helping each other think and act. There is no need to look far. Hundreds of communities, social movements, activists and thinkers worldwide have been working for many decades, in one way or another, on the issue of Energy vs. “energies” and Security vs. “securities”. Campaigns against pipelines and the hydraulic fracturing of underground rock to bring out ever more supplies of gas have grown up in countries like the United States, France, Argentina and South Africa, joining longer-standing struggles against large hydroelectric dams in countries such as India, Thailand and Brazil. The actions of “fenceline communities” against power plants polluting their neighbourhoods are being carried on alongside campaigns for public transport or electricity for all.1 One group of social movements that stands out in this respect are those organising to address directly the below-ground to above-ground transfer of carbon. These include those striving to “keep the oil in the soil, the coal in the hole and the tar sand in the land” in the Niger Delta, Canadian Alberta, Ecuador, South Africa, the US Appalachia and elsewhere; stopping the development of dozens of coalfired power plants in the US, Britain, Thailand and other countries; fighting agrofuel projects whose effect would be to take acres and acres of land so as to sustain a transport infrastructure designed for crude oil; and working to stop banks and other financial institutions supporting fossil-intensive or fossilextractive projects. Increasingly, such movements are aligning themselves with movements in support of ecological and peasant agriculture, more democratic public health, welfare and energy provision, cleaner air and water, and an end to militarism, environmental racism and “neoextractivism”.3 Such groups have anchored themselves firmly to defend little-e “energies”, little-s “securities” and other constituents of life and livelihoods. It is for this reason above all that they contest the pollution that comes with fossil-fuel extraction, the brutality and violence that enables and enforces it, and the social and political disintegration that often accompanies it. Yet in doing so, they quickly become aware that they are also directly challenging Energy and Security in all their global complexity. Their actions swiftly take them into confrontation with, among others, the legal and military apparatus that has been put in place to protect Energy and weapons companies, as well as governments who demand a “substitute” or “equivalent” for the coal and oil left in the ground. Such groups have had little choice but to assume their current role of intellectual as well as political leadership on “energy security”. Their knowledge and analysis will become increasingly valuable in the years ahead to any policymaker serious about planning for energy security in a progressive way that puts the collective security and survival of all at the forefront. Therein lies both the political challenge of “energy security” and the most pragmatic starting point for practical action.

#### ---Energy is good --- Its interchangeable nature is key to resolve multiple barriers to equity and poverty alleviation.

Epstein 2009

Alex, founder and director of the Center for Industrial Progress, Energy at the Speed of Thought: The Original Alternative Energy Market, TOS Vol. 4, No. 2.

The most important and most overlooked energy issue today is the growing crisis of global energy supply. Cheap, industrial-scale energy is essential to building, transporting, and operating everything we use, from refrigerators to Internet server farms to hospitals. It is desperately needed in the undeveloped world, where 1.6 billion people lack electricity, which contributes to untold suffering and death. And it is needed in ever-greater, more-affordable quantities in the industrialized world: Energy usage and standard of living are directly correlated. Every dollar added to the cost of energy is a dollar added to the cost of life. And if something does not change soon in the energy markets, the cost of life will become a lot higher. As demand increases in the newly industrializing world, led by China and India,2 supply stagnates3—meaning rising prices as far as the eye can see.

#### ---The affirmative is a strait turn --- Our advantage scenario occurs precisely because of irrational threat construction in congress that disrupts the CFIUS process. Means either

#### (A.) These arguments prove our china advantage claims which should now be assessed as 100% true.

#### ---or---

#### (B.) Any offense or turns the case scenario they could generate links to itself since it requires the same process of knowledge construction as the aff.

#### ---Prioritizing discourse eliminates the material factors that allow distinctions between different representations of China; reifying conservative cultural essentialism under the guise of poststructuralism.

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

I will return below to questions of economism and intellectual labor, and why such uses of China take the abstract form that they do. But to further my case for the orientalist use of China in theory, I want to turn to the generic poststructuralism in texts that examine the question of how China has been written in foreign and native literature alike. Here the new turn is called “Sinography”: “the study not simply of how China is written about, but the ways in which that writing constitutes itself simultaneously as a form of writing and a form of Chineseness” (Hayot, 87).10 But whereas Derrida targeted Western logocentrism, “Sinography” is focused on the process of graphesis or writing as such, and is in fact aimed against critique of the West and the marking of misrepresentation. It eschews evaluation, judgment, and criticism on the basis of what counts as the truth. That type of work—the work of the negative—in Eric Hayot’s view can only be “moralistic,” “debunking,” and can only falsely grant to China or the West “an ontological stability” that neither has (xiv, 180–81). Like Haun Saussy he is at pains to announce that the West has no such stability and is just as constructed and changing at different moments and in different texts as is China (Hayot, xii–xiii, 180–81; Saussy, 853–54, 885 n.14). While valid at a formal level of the signiWer, this claim misses the point of Marxist-inspired work on globalization: the world remains structured neocolonially by a core/periphery division centered on the West and First World, which exercises economic and political, if not cultural hegemony over “the Rest.” Indeed, Saussy will claim that the phrase “the West and the Rest” is “mythology” (182). What ex plains this perspective, aside from the substitution of ethics for politics à la Agamben, is a strident poststructuralism that presents itself as more “complex” and ethically sensitive than postcolonial or other critiques. It is as if facts, beliefs, or identities, accessible only through language, do not acquire material force and have real effects in the world; as if all constructions of China are the same. Thus, despite the caveat that Sinography will proceed “without abandoning the question of reference altogether,” it indeed abandons this, save for a few potshots at Maoist or “nationalist” intellectuals and the party-state (“the shadow of realpolitikal China”) (Hayot, 182). (Such shots further indicate that the eschewal of reference allows Sinography and other poststructuralist “new” readings of China to conceal their essentially cold war political dimensions.) All forms of knowledge—of writing China—are generally equivalent, as they are all “graphesis” (Hayot, 185). Here, China ceases to exist outside of constructions, dreams, or writings of “China.” For a theoretical turn that aims to be more sophisticated than Saidian critique, we are left with a China—and Sino–West encounter—that is an abstract thought ex periment. This is preordained in the original transformation of the topic of Western understandings of China into an act of generic crosscultural reading. The problem arises in part with Hayot’s positioning of China as only a space in Eurasia with a “more or less continuous history of being conceived as a political identity”; from this standpoint, the study of representations of China can only be an exercise in “intellectual history and cross-cultural reading” in general (Hayot, ix, my emphasis). As is often the case with strict “social constructionist” modes of criticism, the only reality is that of perception and form. My point here is not just that there is a difference between such constructions of reality and reality itself. That, as Roy Bhaskar reminds us is the epistemic fallacy: mistaking our knowledge of reality for the “thing,” reality, itself (111–12, 397). It is also that “Sinography” cannot help us discern what is being constructed. It cannot answer or even pose questions like, Why is one “graphing” of China more or less valuable than another? Why do Sinography other than to show that representations of China and Chineseness are “written”? There is here no dialectic, process, or relay between an actual event and our textualized knowledge of it. In the end we are presented with a closed system of discourse that like orientalism itself is only self-referential: “Whatever distinction exists between the West and ‘China.’ . . . nonetheless reveals itself . . . to be caught up in the ephemerality of self-recognition” (Hayot, 188). This echoes Saussy’s claim against critique and for theory as self-referential therapy: “Have we been missing something all these centuries, so that we take a work of critique to be the archetypal project of logical construction? Or is the difference (between philosophy as foundation and philosophy as therapy) merely illusory?” (189–90). There is indeed a long view of History here, resulting in a condition that can no longer say what China or “China” refer to, beyond a certain set of signifiers that refer back only to the text in question. This is indeed a postmodernism—a triumphalistic textuality reminiscent of the Modern Language Association of the late 1980s—writ large. The positional superiority of the Sinographer is as strong here as in Agamben and the rest. It is assumed that this “graphing” framework Wts China seamlessly, and virtually all writings of China at any point in time. Thus, Saussy can reach back to Mateo Ricci, the sixteenth century Italian missionary as easily as to journalist Edgar Snow (1905– 72), alleged Chinese nationalists, or Derrida, because he is unimpeded by contextualization. Note that this type of analysis departs from Said’s own sweeping history. Orientalism mapped changes within a discursive structure and rooted these within a larger history of contact and colonialism. The postmodern template of Sinography is also notable for its non-engagement with the large body of literature from China on postmodernism (as theory and as epoch) and its relationship to the mainland, a subject of intense debate since the late 1980s (for an overview, see Dirlik and Zhang, and Liu and Tang).11We can thus say of these texts directed against postcolonialism and for misrepresentation what Brennan has said of Rey Chow’s deconstruction of the “myth of origins” and “Chineseness”: that they do not deconstruct reference so much as “efface” it; and having done this, “there is no outer tribunal to compare China against the West’s ‘translation’ of it” (Brennan, 54). This is not to appeal to an unmediated reality but to a mediated one, to the context and constitutive outside of interpretation and cultural translation. In the case of China this must be informed by the antagonisms and epistemological challenges—such as orientalism— that have subtended the China–West relationship for, say, a good three hundred years. Without such ground not just critique but understanding is impossible. This tribunal will inevitably have to substantially address and not dismiss the complex matters of misrepresentation and judgment.

#### ---No Impact --- Predictions about China are self-correcting and essential for good policymaking.

Gilley 2005

Bruce, Ph.D. candidate in politics at Princeton University, March, The Whitehead Journal of Diplomacy and International Relations, http://www.ciaonet.org/olj/shjdir/v6n1/shjdir\_v6n1e.pdf

Prediction of regime changes, then, has been accurate in some cases and inaccurate in others. Like all inferences made in the social sciences, some have been right and some have been wrong. But in all cases, scholars who choose to predict have been forced to line up what they believe are the factors relevant to regime change and then inferred a prediction. Many have been wrong. But in doing so, they have concentrated minds, allowing policy-makers to be open to the potential sources and direction of change. What sets such efforts apart is not that they predicted correctly, but that they predicted at all. Those who have “eschewed prognostication” have implicitly endorsed some form of continuation of business as usual, or else have been so overwhelmed by a sea of data to have been hamstrung in making any inferences at all, descriptive, causal, or predictive. The costs of inaccurate prediction are to be ready for the wrong changes. The costs of a failure to predict are to be not ready for change at all. At least in the former case, there is a possibility of accurate prediction and preparedness for the right changes. Even where one is prepared for the wrong outcome—a liberal democracy rather than a form of electoral authoritarianism as in Putin’s Russia, for example—many of the same policies will be applicable, support for the rule of law and media, for example. In the latter case, policymakers are doomed from the start.

#### ---Err Affirmative --- Even if they’re wrong, predictions about china are critical to structural policy development and analysis which is key to solve problems like the advantage scenario.

Gilley 2005

Bruce, Ph.D. candidate in politics at Princeton University, March, The Whitehead Journal of Diplomacy and International Relations, http://www.ciaonet.org/olj/shjdir/v6n1/shjdir\_v6n1e.pdf

In the sections to follow I will critique this appeal to “eschew prognostication” as both logically flawed and professionally irresponsible. Predictions about China’s political future are not only logically implicit in most of the studies of the “complicated present” of China, but also a fulfillment of the mission of social scientists. Without them, we find ourselves in a muddle of thought and a muddle of policy. Second, I will argue that in the case of China, a prediction of an elite-led and fairly rapid transition to an electoral democracy is the most reasonable forecast. Nonetheless, and to complete the point, this prediction not only leaves open many important questions about the nature of democratic transition and consolidation in China, but will remain useful even if wrong. By orienting scholars and policy-makers towards the critical issues of the future, prediction serves to concentrate[s] minds admirably. The gravest danger is no prediction at all.