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### Plan

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

### Investment

#### Contention 1- investment

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

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

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

#### Scenario 1- Protectionism:

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

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

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

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

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

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

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

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

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

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

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

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

#### 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.

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

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

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

#### 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.

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

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

Royal 2010

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

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

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

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

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

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

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

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

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

### Relations

#### Contention 2: Relations

#### US China economic relations are on the brink- China knows that election rhetoric is just bluster, but US investment openness remains a key issue for relations.

Fung, associate editor-The Atlantic, 10-16-12 (Brian Fung, associate editor at The Atlantic, He has written previously for Foreign Policy and The Washington Post, http://www.theatlantic.com/international/archive/2012/10/dont-panic-us-chinese-economic-cooperation-isnt-about-to-break-down/263652/#)

Skim the economic headlines of the past few weeks, and it would be easy to mistake the media frenzy over China for a sign that its economic partnership with the United States has about reached its limits. First the Obama administration blocks a Chinese-owned company from investing in four wind-farm projects in Oregon. Days later comes a House report blasting the telecommunications firms Huawei and ZTE over cyberespionage concerns -- a paper that coincides with an aggressive 60 Minutes segment on precisely the same subject. Then the White House slaps tariffs totaling as high as 40 percent against solar panels exported by dozens of Chinese companies -- an attempt to counter the "dumping" of Chinese silicon products into the American market. If that weren't enough, Mitt Romney and Barack Obama have wasted no opportunity to criticize Beijing on currency manipulation and outsourcing as the U.S. presidential campaigns enters their final weeks. The pace and pitch of the reports sound more like a 19th-century case study in protectionism than a series of unhappy coincidences taking place in the 21st. But if there's any pattern to be found here, it's that these incidents merely represent the next chapter in a long and complex history. It's not hard to understand where the anxiety comes from. If economic interdependence is a contributor to bilateral peace, then rebuffing Chinese attempts to invest in America risks creating opportunities for conflict. Beyond the frustration that that engenders on either side of the Pacific, Chinese firms that perceive the United States as a hostile place to do business might be inclined to invest elsewhere and hasten the rise of other would-be foreign rivals. Is U.S. national security worth the price of these opportunity costs? Caution might imply that it is. But that doesn't mean we've crossed an economic Rubicon. It's best not to read too much into the hype. The specifics of these recent cases should help explain why. In the wind-farm example, Obama ordered the Chinese-owned Ralls Corp. to divest its funds after a nine-agency federal task force concluded the national security risks associated with the deal had no effective remedy. (Several of the planned wind turbines would have been in or near U.S. Navy-restricted airspace.) It's rare for the federal committee, CFIUS, to recommend nixing a deal -- it hasn't happened for more than two decades. But the last time it occurred, guess what: It involved a transaction by another Chinese company, China National Aero-Technology and Export Corp. We've been here before, and the U.S.-China relationship emerged no worse for wear. Special circumstances mark the case of Huawei, too. The world of cybersecurity is still new and loosely defined. Washington knows relatively little about how it's vulnerable, electronically; even less about the right tools it needs to defend those weaknesses; and still less what cyberweapons foreign governments have in their arsenals. Under these conditions, fearful rhetoric about what might happen can easily trump tempered analyses about what's most likely to happen. It doesn't help matters that Huawei, the company in the hotseat, was founded by a former Chinese army officer -- a matter that only heightens suspicion against the firm. It's only natural that U.S. policymakers would get skittish about something like this. If the two countries' positions were reversed, Chinese leaders might well react the same way. Which brings us to the question of perception. How well does Beijing really understand where Americans are coming from? Can they see themselves in President Obama's shoes? Probably. Here's what China's presumptive new president, Xi Jinping, had to say during his February visit to the United States: "This year marks the election year of the United States. I believe no one of insight from the U.S. side would like to see that the election factors would have a regrettable impact on the development of ties between the two countries," Xi said during a meeting with several former senior U.S. officials. Xi is clearly issuing something of a warning -- Hey, America: don't say or do something you'll regret later! -- but what's important is that he acknowledges domestic politics puts pressure on politicians to behave in ways that create unintended problems at the international level. As long as Beijing remains aware of that, and it's hard to think it won't, given how much of China's own governance strategy revolves around maintaining domestic stability, we can probably expect some amount of understanding from the Chinese regime that what looks like a snub is sometimes just part of doing business.

#### Conflicts over the US foreign investment process risk shattering the relationship. The plan sends a strong signal of cooperation towards China.

Xu 11 (Ting, senior project manager-Bertelsmann Foundation, The Next Big Threat to US-China Ties, July 13, http://thediplomat.com/2011/07/13/the-next-big-threat-to-us-china-ties/)

The United States and China have long lobbed verbal grenades across the Pacific, each blaming the other for global imbalances due to currency manipulation or fiscal irresponsibility. But a new challenge to Sino-US relations is emerging, one that will brush aside the bones of contention that now occupy policymakers – Chinese investment in the United States. So far, Washington hasn’t unveiled a clear strategy to address this impending source of friction. It needs one. With $3 trillion in foreign currency reserves, China needs to invest its money abroad. Its domestic, export-led economy is no place to absorb all the capital. In addition, inflation is stubbornly high and rising labour costs have begun to push production elsewhere, threatening China’s solid growth rates. Meanwhile, limited investment options have led to an alarming asset bubble. Beijing must tread a fine line in trying to keep its economy growing at a sustainable pace while developing a model for growth that no longer depends on cheap labor and the abundant use of natural resources. That means restructuring the Chinese growth model by moving its manufacturing sector up the value chain. Greater investment in the world’s advanced, industrialized countries would spur this effort, and that’s exactly what the Chinese government is encouraging companies to do. Highest on the list of investment targets is the United States. Beijing’s 2010 Report on China’s Economic and Social Development Plan and its 12th Five-Year Plan offer a glimpse of this strategy. The first document showed Chinese non-financial foreign direct investment (FDI) reached $59 billion in 2010, up 36.3 percent from just a year before. The second document unveiled a policy focus on boosting innovation in strategic emerging industries and upgrading traditional industries. Both will require investment in Western leading-edge, high tech sectors. A report by the Asia Society predicts Chinese investment abroad will soar to $1 trillion by 2020, with much of it going to the United States. In another sign of this trend, a recent survey by the China Council for the Promotion of International Trade (CCPIT) pointed to the United States as the most attractive overseas investment destination for Chinese companies. It can come as no surprise, then, that at the recent US-China Security and Economic Dialogue – the highest-level bilateral forum to discuss Sino-American relations – the value of the renminbi was overshadowed by an issue higher on the Chinese agenda: a push for more US market access, particularly in the high tech sector. As China’s Vice Finance Minister Zhu Guangyao put it: ‘We hope that the US will provide a healthy legal and institutional setting for investment by Chinese companies. In particular, we hope that the US will not discriminate against state-owned companies.’ Easier said than done. The United States, citing national security concerns, has shown a queasiness toward Chinese investment that has doomed past corporate acquisitions. Oil company CNOOC’s efforts to buy Unocal, and telecoms giant Huawei’s attempt to own 3Com and 3Leaf, collapsed in the face of vociferous US opposition to placing valuable resources and technologies in Chinese hands. This led to more verbal grenades: The US Congress raised red flags about other, similar investment deals, and Beijing criticized discriminatory and opaque investment policies. These disputes will only heat up as the US financial sector recovers and expands its credit base, and more Chinese cash from more technologically adept Chinese companies floods into the United States in search of higher corporate profits and access to technology. US natural resources, human resources, and sales will become the targets of increasing competition from Beijing. The US business community may well demand action from Washington to protect its interests. At the same time, local US authorities, who until now have welcomed investment in a desperate struggle for new sources of capital and jobs, may increasingly confront federal objections to the Chinese moves. All this would put real pressure on bilateral relations. Washington needs to develop a strategic blueprint to avoid a rupture in ties and guide Chinese FDI toward acceptable sectors. Such a policy would clarify any differences between investment from state-owned enterprises with direct government links and that from private companies. It would balance local government needs for investment with federal government regulation and strategic considerations. It would identify opportunities and industries for joint technological development. And it would provide incentives to attract Chinese investment to those sectors in which it is wanted. The right policy would further integrate China into the global economy and provide US jobs without threatening national security—a win-win situation that would also boost Sino-American collaboration.

#### And, investment restrictions spark a Chinese nationalist backlash that could escalate to war—clarifying CFIUS is key.

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

The message that Congress should send China is the message Liu Junning, an independent scholar in Beijing, underscored when he wrote, Whether China will be a constructive partner or an emerging threat will depend, to a very great extent, on the fate of liberalism in China: a liberal China will be a constructive partner; a nationalistic and authoritarian China will be an emerging threat. 50 Needlessly politicizing U.S.-China trade and bashing China will result in the rise of crude and anti-American nationalism, and the threat of war could become a reality. That would be a tragedy for world peace and prosperity. To avert that disaster, policymakers should • treat China as a normal great power, not as an adversary; • ensure that only those commercial transactions that truly threaten national security are blocked, which means a judicious use of CFIUS and legislative power; • continue to liberalize U.S.-China relations and help China meet its WTO commitments, including protection of intellectual property rights; • recognize that advancing economic freedom in China reduces the possibility of conflict and increases personal freedom; and • deepen the U.S. commitment to free trade as a fundamental human right. The United States can do more to spread the ethos of liberty by setting high standards at home than by looking for an enemy abroad. Our energy security, as well as China’s, will depend on sound free-market policies, not on destructive protectionism.

#### 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.

#### The plan solves any alternative causes

Marchick-Carlyle Group-2/12 Fostering Greater Chinese Investment in the United States <http://www.cfr.org/china/fostering-greater-chinese-investment-united-states/p27310>

China recently became the world's second-largest economy and has emerged as the world's largest exporter and second-largest destination for foreign direct investment (FDI). In the past two years, China alone has contributed 16 percent of global GDP growth. Yet despite its rapid economic rise, China lags in one important area: outbound foreign direct investment (OFDI). China's OFDI has grown rapidly, but it remains relatively low—lower even than that of Ireland and Singapore. Historically, the United States has garnered approximately 15 percent of total global OFDI flows, yet currently it receives only 2 percent of China's OFDI. President Barack Obama's meetings in February 2012 with Xi Jinping, China's vice president and soon-to-be leader, provide an opportunity to address this issue and establish an economic framework to help rebalance the global economy. Creating a positive economic framework will help mitigate the inevitable stresses on the U.S.-China relationship as leaders in both political parties sharpen their anti-China rhetoric during the 2012 U.S. election. China's outward investment has substantial room to grow, and the United States has the potential to capture a larger share of it—an outcome that would benefit the U.S. and Chinese economies and strengthen the bilateral economic relationship. China could be transformed into a large overseas investor, not just an exporter. At the core of that framework should be an unequivocal policy of fostering additional Chinese investment into the United States, so long as particular investments do not compromise U.S. national security interests. The Problem A number of hurdles to investment in the United States are internal to China. State-owned enterprises (SOEs) accounted for approximately 70 percent of China's global OFDI stock in 2009. Most SOEs are internally focused, risk-averse, and lack professional management capabilities to run complex international operations. SOEs also require government approval of specific overseas investments, a process in conflict with the frequent fast pace of bidding processes for companies. Outside of SOEs, many successful Chinese companies remain small. Their expansion plans are typically limited to neighboring cities or provinces, not distant continents. They have neither the wherewithal nor the desire to invest heavily in the United States. Equally significant are the perceived, and sometimes real, political backlash and regulatory risks associated with their investments in the United States. The struggle to operate within the legal, regulatory, and political systems is a mutual concern for China and the United States. Many Chinese executives and government officials remain frustrated by the political controversy or regulatory resistance engendered by a few investments. Conversations with Chinese executives frequently turn to the failed attempt by the Chinese National Offshore Oil Corporation (CNOOC) to acquire Unocal Oil Company or to Huawei's problems with the Committee on Foreign Investment in the United States (CFIUS), the U.S. government's interagency group that reviews investment on security grounds. Consequently, many Chinese executives believe the United States is unwelcoming of Chinese investment, even though the vast majority of Chinese investments in the United States have either been approved or have not required any approval. The Rationale for Chinese Investment in the United States Openness to foreign investment generally benefits the United States, generating high-paying jobs, facilitating investment in research and development (R&D), and strengthening the country's manufacturing base. President Obama recently stepped up efforts to attract foreign investment, expanding the Commerce Department's investment promotion arm and proposing other measures to encourage "insourcing." Given the slow pace of the economic recovery, the United States would benefit hugely from additional FDI. Critics argue that Chinese investment could compromise U.S. security interests and lead to job offshoring. While Chinese acquisition of certain U.S. companies in the defense or technology sectors would create national security concerns, the preponderance of potential Chinese investments in the United States would raise no such issues. Chinese investment would promote new economic activity and expose Chinese companies to Western standards of corporate governance, reporting, and accounting. More FDI would boost U.S. exports to China, as Chinese companies look to their U.S. operations to export back home. Moreover, the jobs created by additional Chinese investment in the United States would help generate greater American support for Chinese investment. Recommendations for U.S. Officials and Companies Clarify and amplify that it is U.S. policy to attract Chinese investment. President Obama has made strong statements about overall U.S. policy toward foreign investment. But to this point, no president, Republican or Democrat, has stated U.S. policy toward Chinese investment as clearly as Vice President Joseph Biden did in October 2011: "President Obama and I, we welcome, encourage and see nothing but positive benefit from direct investment in the United States from Chinese businesses and Chinese entities. It means jobs." President Obama should seize the opportunity with Vice President Xi to state clearly that the United States welcomes Chinese investment and that additional investment is in both countries' economic interest.

### Gas

#### Contention 3 is Gas

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### There’s 2 impacts – first, is that Chinese pollution results in nuclear conflict 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.

#### Second, energy pressure results in 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.

#### 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

#### 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.

#### Investment in the U.S. solves – even if the U.S. is geographically distinct, it gives China the expertise to capitalize on shale quickly enough and to understand how to experiment with different geographical contexts

Yang 8/08/12 (Catherine, Senior-level Washington, D.C.-based business journalist and communications professional, with in-depth experience in China, technology, economics, and other policy issues. , “China Drills Into Shale Gas, Targeting Huge Reserves Amid Challenges” <http://news.nationalgeographic.com/news/energy/2012/08/120808-china-shale-gas/>)

Hills and water have shaped the story of Chongqing, in China's southwest. At the confluence of the Yangtze and Jialing rivers, the Sichuan Province city became China's first inland port open to foreign commerce in 1891. In the 1930s and '40s, Chongqing served as China's wartime capital, although the mountain ranges on all four sides provided less of a buffer than hoped against Japanese air raids. Now a new chapter in Chongqing's history is being written, as hydraulic fracturing rigs assembled this summer in this undulating landscape to drill into one of China's first shale gas exploration sites. (Related Pictures: "A Rare Look Inside China's Energy Machine") Technology to force natural gas from its underground source rock, shale, has transformed the energy picture of the United States in the past six years, and China—sitting on reserves some 50 percent larger than those of the U.S.—has taken note. Hydraulic fracturing, or fracking, is a made-in-the-U.S.A. process that China aims to import. (Related Interactive: "Breaking Fuel From the Rock") On June 9, state-owned oil giant Sinopec started drilling the first of nine planned shale gas wells in Chongqing, expecting by year's end to produce 11 billion to 18 billion cubic feet (300 to 500 million cubic meters) of natural gas—about the amount China consumes in a single day. It's a small start, but China's ambitions are large; by 2020, the nation's goal is for shale gas to provide 6 percent of its massive energy needs. (Related Quiz: "What You Don't Know About Natural Gas") Because natural gas generates electricity with half the carbon dioxide emissions of coal, China's primary power source, the hope is that shale development, if it is done in an environmentally sound manner, will help pave the way to a cleaner energy future for the world's number one greenhouse gas producer. "Clean, rapid shale gas development in China would reduce global emissions," says Julio Friedmann, chief energy technologist at the U.S. Department of Energy's Lawrence Livermore National Laboratory in California, which has been working with the Chinese on environmentally sound fracking practices. But challenges lie ahead in China's effort to replicate the U.S. shale gas revolution. Early indications are that China's shale geology is different. And above ground, China lacks the extensive pipeline network that has enabled the United States to so quickly bring its new natural gas bounty to market. A daunting issue is whether water-intensive energy development can flourish in China given the strains the nation already faces on water and irrigation-dependent agriculture. Even though there are more questions at this point than answers, China is determined to move ahead. "China now realizes it has incredible opportunity to find another major fuel source other than coal," says Albert Lin, chief executive of EmberClear, an Alberta, Canada-based energy project developer that is a partner of China's largest power producer, China Huaneng Group. Large Reserves, Uncertain Promise Shale gas now makes up 25 percent of the U.S. natural gas supply, less than a decade after Devon Energy and other independent U.S. companies paired high-volume hydraulic fracturing with horizontal drilling to force natural gas from fissures in the soft black rock layer a mile or more underground. Development started near Dallas-Fort Worth, but it has since spread across the country, from Wyoming to Pennsylvania. The process has stirred intense debate over local land, water, and air pollution issues, including the accidental leakage of the potent greenhouse gas methane. (Related: "Natural Gas Stirs Hope and Fear in Pennsylvania" and "Air Pollution From Fracked Wells Will Be Regulated") But the flood of new natural gas onto the U.S. energy market has been a key factor in displacing coal. Coal's share of U.S. electricity production has dropped from almost 50 percent to 34 percent in just three years. Largely as a result of that trend, the United States is on track for its energy-related carbon dioxide emissions in 2012 to be 11 percent lower than in 2005, the U.S. Energy Information Administration (EIA) projects. In China, where coal now generates 80 percent of electricity, there is great potential to curb greenhouse gas emissions by substituting natural gas. A preliminary EIA assessment of world shale reserves last year indicated that China has the world's largest "technically recoverable" resources—with an estimated 1,275 trillion cubic feet (36 trillion cubic meters). That's 20 percent of world resources, and far more than the 862 trillion cubic feet (24 trillion cubic meters) in estimated U.S. shale gas stores. (Related: "Can China Go Green?") But not all shale deposits are alike. The best targets are marine deposits, formed by millions of years of heat and pressure from dead organic material that mixed with mud at the bottom of ancient seas. The decay produces methane, the main component of natural gas. Experts say Sichuan Province and the Tarim Basin in Xinjiang Province in the northwest hold promising marine deposits. Five other areas identified by the EIA as potential shale plays in China, including Inner Mongolia's Ordos Basin and parts of northern China, are more likely to hold non-marine deposits, lacking the rich stores of organic material. Still, from initial drilling in the more promising regions, "we know there's [at least] 6 to 8 trillion cubic meters of recoverable shale gas and maybe more" in China, says Friedmann. (Related Quiz: "What You Don't Know About World Energy") Other attributes of China's shale might pose additional challenges. It's believed that many of the deposits are mixed with clay. Clay's pliable, bendable quality makes it more difficult to fracture or break than shale containing more brittle quartz. In addition, shale in Sichuan is 1.2 to 3.7 miles (2 to 6 kilometers) below ground. On the higher end, that's deeper than many of the U.S. deposits, and the mountainous terrain above ground increases the difficulty and cost of drilling. One of the top producing U.S. shale plays, Haynesville in east Texas and western Louisiana, has relatively deep deposits—1.9 to 2.5 miles (3 to 4 kilometers) below ground, notes Bruce Hill, senior geologist at the Clean Air Task Force, a Boston nonprofit that works to lessen fracking's environmental impact. The U.S. experience would suggest that deep fracking can be done, but China's geology has yet to be fully explored. "There is no cookbook for doing shale gas," says Edward Chow, senior fellow at the Center for Strategic and International Studies in Washington, D.C. China needs to do "a lot of experimentation and go through trial and error, examining different shales." Seeking Best Location As home to Asia's longest river, the Yangtze, and a network of existing natural gas pipelines, Sichuan is seen by outside experts as a logical place for China to launch its shale gas industry, especially compared to remote Tarim Basin, which lacks any of the vital infrastructure for producing or transporting gas. Still, the water demand of fracking—requiring millions of gallons—presents a serious concern, says David Fridley, a staff scientist at the U.S. Department of Energy's Lawrence Berkeley lab in California. China's per capita water availability is only a quarter of the world average, according to the World Bank. And Sichuan, which produces 10 percent of China's grain, uses a great deal of its water resources for agriculture. Other issues might also hamper development. The same geologic forces that formed Sichuan's steep mountains present sizeable seismic risk. It was in this region that a devastating earthquake killed 70,000 people in 2008; its epicenter was 215 miles (350 kilometers) northwest of Chongqing. Fracking has been linked with small earthquakes in England, and underground disposal of fracking wastewater has been traced to tremors in Ohio and Texas in the United States. (Related: "Tracing Links Between Fracking and Earthquakes" and "Report Links Energy Activities To Higher Quake Risk") Obtaining know-how also could be a stumbling block. "If they want to develop shale gas in five years, [China] has to partner with companies that really understand drilling and completion practices,

says Friedmann. State-owned China National Offshore Oil Corporation (CNOOC) entered into a joint venture with U.S. shale gas leader Chesapeake Energy two years ago, in a move experts viewed as a bid to gain access to expertise. In January, Sinopec, China's number two oil company, purchased a one-third stake in several new ventures of industry pioneer Devon Energy for $900 million and commitment to cover $1.6 billion of future drilling costs. But it's unclear how much access to shale gas technology China will gain through those deals. Bo Kong, assistant research professor at the Johns Hopkins University School of Advanced International Relations in Washington, D.C., notes that the Chinese firms hold minority stakes in the companies, with U.S. partners restricting technology transfer. The head of Sinopec, Fu Chengyu, is seen as taking a more politically cautious approach to collaboration with U.S. energy firms after opposition from Washington in 2005 killed his bid, when he headed up CNOOC, to take over the former Unocal Oil Company. (Similar controversy over foreign control of strategic U.S. assets has erupted over CNOOC's $15.1 billion bid last month to buy Calgary, Canada-based Nexen, which has substantial oil and gas drilling operations in the U.S. Gulf of Mexico.) The smaller independent North American gas companies likely welcome Chinese investment, because their own finances have been pummeled by the low natural gas prices their own operations have wrought. But it will be deals with the big international oil companies on China's own turf that likely will bring shale gas expertise to the world's largest energy consumer, experts say. In March, Shell\* signed the first shale gas production-sharing agreement ever in China, with state-owned China National Petroleum Corporation (CNPC), also known as PetroChina. ExxonMobil, BP, Chevron, and the French company Total also have embarked on shale gas partnerships in China. In its 12th Five-Year Plan (2011-2015), China set the goal of producing 229.5 billion cubic feet (6.5 billion cubic meters) of shale gas by 2015; the United States produced about 30 times more shale gas in 2011. But while the U.S. shale gas revolution amounted to roughly a seven-fold increase in production in the past five years, China's aim is to ramp up shale production at least ten-fold between 2015 and 2020.

#### Policy and technocratic (education/dialogue/discourse) is key to actualizing change and democratizing U.S. energy policy

Rahman 2011

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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.

#### 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.

## \*\*\*2AC

### 2AC Consumption

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

Jensen 2009

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

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

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

Monbiot 2004

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

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

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

Escobar 1995

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

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

### 2AC A2: Fracking/Natural Gas Bad/Fossil Fuels bad

#### 1. Fracking inevitable – the U.S. and China are going to frack no matter what the alternative advocates due to pressures to maintain economic growth – that’s Forbes – it’s only a question of whether or not we are utilizing best practices to reduce environmental externalities

#### 2. 1AC Forbes evidence says they grossly miscalculate the state of U.S. water shortage regulation – the Clean water act means that fracking preserves water and the water is recaptured for desalination efforts

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)

Domestic Chinese shale gas production could open new markets for U.S. companies producing goods and services to support activities throughout the shale gas supply chain. For example, Halliburton and Baker Hughes are international leaders in oilfield services, including fracing fluid production and well-completion management 35 . Even if only China’s state and provincial enterprises gain access to the country’s shale gas reserves, they will likely require goods and services from the sector’s top-performing companies, most of which are based in the United States. Water treatment technology could especially be in demand. Each well drilled and fractured in the Marcellus shale of the northeast United States requires 2.4 to 7.8 million gallons of water 36 . Twenty to 80 percent of injected water returns to the surface, which leads to a net loss of water and generates wastewater at each drilled well. In the relatively water-abundant northeast United States, water demands from fracing are small compared to uses such as municipal water supply and power generation 37 . In China, however, any additional water demands for fracing pose significant challenges because most major shale plays underlie water-scarce regions (Figure 3). Further straining demand on water resources, residents in 400 of 657 major Chinese cities rely on groundwater 38 . For these reasons, Chinese shale gas operations should reuse reclaimed water, treat wastewater before discharging it to receiving surface waters, and prevent the intrusion of wastewater from well casings into groundwater. U.S. companies are at the forefront of water treatment technologies for all three purposes because of experience complying with the Clean Water Act and other environmental laws as well as adoption of voluntary industry best-practices.

#### 3. Gelled propane solves – this is proof technological innovation solves

McNally 2012

Scott McNally, has worked as an ORISE Fellow with the Department of Energy’s ARPA-E Program and an energy and climate researcher with the White House Council on Environmental Quality. former project engineer for Shell and environmental engineer for Valero, Masters in Energy Resource Engineering from Stanford, Propane Fracking vs. Water Fracking: Which is better (worse)?, Scientific American Plugged in Blog guest post, 10-10-12, http://blogs.scientificamerican.com/plugged-in/2012/10/10/guest-post-waterless-fracking/

Today, oil and gas companies use water for hydraulic fracturing because it is cheap, abundant (relatively) and safe (doesn’t explode). A typical frac job will require the use of about four million gallons of water, most of which will stay down hole, in the reservoir, permanently. The small percentage that flows back out of the well – called flowback water – must be treated and disposed of. If these companies chose to use gelled propane, then these wells would use less water and produce less wastewater. This is a universally positive change, and particularly good in areas like west and south Texas where water supply is limited. Additionally, fracking with water can sometimes cause formation damage, or damage to the reservoir, which can close flow pathways and prevent oil and gas from being produced. Using gelled propane would likely reduce formation damage during the fracking processes, which means better overall recovery, and a more profitable well.

#### 4. The plan increases investment in renewable energy

Welt 2009

Aviad, PhD in eco-finance from Columbia Law, National Security Review of Renewable Energy and CleanTech Transactions (August 1, 2011). Available at SSRN: http://ssrn.com/abstract=1933285 or http://dx.doi.org/10.2139/ssrn.1933285

The American Recovery and Reinvestment Act of 2009 ("Recovery Act") included a number of provisions to spur investment in the renewable energy and cleantech sectors. The Obama administration considers those sectors key to enhancing the nation's energy independence while preserving its competitiveness in the global economy. Massive investments are needed in renewables and cleantech to make a significant dent in the U.S. energy generation mix, update the electricity grid, and bring wind and solar energy closer to grid parity. In the current economic climate, domestic financial resources will not suffice to reach these goals. Foreign investments in the form of joint ventures, mergers, acquisitions, and takeovers ("Foreign Acquisition Transactions") of U.S. renewable energy and cleantech businesses could provide much desired capital. However, structuring such transactions only begins after a favorable economic viability assessment. Among the myriad regulatory considerations involved in structuring of Foreign Acquisition Transactions, national security has increased in significance in recent years and now requires thorough analysis in any deal involving foreign investment. Indeed, since the passage of the Foreign Investment and National Security Act of 2007 ("FINSA"), the investment community has experienced heightened national security scrutiny by the interagency Committee on Foreign Investment in the United States ("CFIUS").1 Moreover, as further explained below, CFIUS reviews transactions on a case-by-case basis. Outcomes of its fact-specific analysis have defied expectations of the transacting parties. Furthermore, the very essence of "national security" has evolved along the years, shifting with it the focus of CFIUS' analysis.2

#### That’s key to sustainable transition – it’ll lock out fossil fuels from the market

Zenghelis 2012

Dimitri Zenghelis is a Senior Visiting Fellow at the Grantham Research Institute on Climate Change London School of Economics, Associate Fellow Royal Institute of International Affairs at Chatham House and Senior Economic Adviser Cisco, Restoring growth and confidence through resource-efficient innovation, June 27 2012 http://blogs.lse.ac.uk/politicsandpolicy/2012/06/27/restoring-growth-zenghelis/

What is needed to restore confidence is a clear strategic vision with supporting policies to guide investors and capture businesses imagination. In the past, governments have got out of such recessions through setting new challenges such as rearmament, electrification, space-races and Roosevelt’s New Deal. Today, policies which recognise the inevitable transition to a low-carbon economy could provide new business opportunities for investors while tapping into a fast-growing global market for resource-efficient activities. As well as leaving a lasting legacy in delivering energy security, tackling climate change, and saving consumers and businesses costs in the long run, these sectors offer long-term returns for investors. The necessary change will be massive and transformative. It will require major investment in all regions of world across all economic sectors including buildings, transportation, agriculture, manufacturing and communications. The best time to support investment is during a protracted economic slowdown. Resource costs are low and the potential to crowd out alternative investment and employment is small. The most recent figures published by the Department for Business, Innovation and Skills show that the UK low-carbon and environmental goods and services sector had sales of £116.8 billion in 2009-10, growing 4.3 per cent from the previous year and placing the UK sixth in the global league table. But the private sector is not investing as heavily as it could in green innovation and infrastructure because of a lack of confidence in future returns in this policy-driven sector due to uncertainties surrounding current energy and environment policy. Cautious investors can be driven to act now by correctly priced public resources, sweeping standards, regulations and technology support without relying on private sector sentiment to drive demand. South Korea and China have understood the logic of this approach. They recognise that investment flows to the pioneers of the revolutions and have provided strong policy support for energy efficacy, renewable technologies and electric vehicles. The expenditure involved in making the transition to a resource-efficient economy must be assessed as an investment and not a mere resource cost. It is also important to understand the full dynamic economic costs, benefits and risks including the cost-savings from induced innovation. The reliance on policy to drive this market has advantages in the current fragile economic environment. Only the Government can limit policy risk. Thus, by backing its own green policies, the Government can stimulate additional net private sector investment, and make a significant contribution to economic growth and employment. It can do this, for instance, by allowing a well-capitalised Green Investment Bank to operate as a lending institution, sharing some of the risk of private investments in green infrastructure. The UK should also work with European Union to increase the target for emissions reductions for 2020 to 30 per cent from 20 per cent, supporting the carbon price within the Emissions Trading System. Promoting future growth also requires policies to shift the tax base away from intellectual activity and towards materials and resources. Finally, conveying the false impression that there is a choice between resource efficiency and economic growth undermines private sector confidence and needlessly raises the risk premium on such investment. Loose talk costs jobs. There is no lack of private money, just a perceived lack of opportunity. This window of opportunity should not be wasted.

#### 5. Unocal means China drills in the developing world

Scissors, Senior Research Fellow-Heritage, 12 (Derek, Senior Research Fellow in Asia Economic Policy, and Dean Cheng is Research Fellow in Chinese Political and Security Affairs , “China Buys Canadian Energy: Lessons for the U.S.,” July 26, 2012, http://www.heritage.org/research/reports/2012/07/china-buys-canadian-energy-lessons-for-the-us)

Wide-Ranging Implications One policy implication of CNOOC–Nexen is thus a bit stale: Blocking the Unocal deal was a mistake. As with Nexen, CNOOC’s bid for Unocal was freely agreed to. Its rejection by the U.S. government merely caused CNOOC to invest elsewhere, along with its bigger sisters in oil and other Chinese firms in other sectors. American participation in Chinese investment was delayed a few years, and the PRC was encouraged to seek oil in places where the U.S. now does not want it to be, such as Iran. Another implication follows immediately: If the U.S. wants to influence the way the Chinese participate in the global energy market, it should not object to the Nexen deal. Washington rightly wants the PRC to move away from dubious oil-producing regimes in Venezuela, Sudan, and elsewhere. Where should China go? A country that will respect international sanctions, has sound regulatory oversight, and is a close American ally is the ideal alternative.

#### That causes gas flaring – lax regs

Tamuno 2010

Paul Samuel, LLM Oil and Gas Law, University of Aberdeen, Assistan Lecturer Rivers State University of Science and Technology. Legal Response to Gas Flaring in Developed and Developing Countries: a comparative analysis of Nigeria, United Kingdom and Norway Centre for Energy, Petroleum & Mineral Law & Policy International Energy Law and Policy Research Paper Series Working Research Paper Series No: 2010/14

The extraction of crude oil often results in the bringing to the surface of accompanying associated gas. In most oil producing countries associated gas is flared because of the lack of reinjection facilities and refining the gas for domestic consumption or export is alleged to be uneconomical. Huge volumes of Associated Gas extracted with crude oil are flared daily. Worldwide this wasteful practice remains a big problem. The World Bank (WB> estimates that 100 CM of Natural Gas are flared every year - the equivalent of all the annual gas consumption in England, France and Germany combined.3 Gas Flaring squanders about USS31 Billion in natural gas annually.4 Associated Gas (AG) is the natural gas found as part of or in conjunction with other constituents of crude oil, as opposed to such gas found on its own. The expression has come to include natural gas necessarily produced along with crude oil.5 Gas flaring is the burning of gas in the field as a means of disposal when there is no market for the gas and the operator does not elect to (or cannot) use the gas for a non wasteful purpose.6 It is widely recognized that flaring of AG leads to the pollution of the environment by contributing to greenhouse effect.7 But equally important and perhaps less widely recognised is the concern that the flaring of gas results in the economic waste of non renewable resources that can be used as a source of energy and to generate electricity. The core of the problem is that the utilization of AG presents a lot of complications because it possesses a different physical character from crude oil.8 Its natural gaseous state means that it can only be commercially transported in gaseous form via pipelines, or in liquefied form in specially constructed cryogenic tankers.9 Both these modes require definite buyers who will have regasification plants to convert the liquid natural gas back to natural gas.10 The problem of gas flaring is particularly acute in developing oil producing countries. According to the WB, developing countries account for 85% of the volume of gas flared in the world." Paradoxically, developing countries suffer the worst energy shortages in the world. Statistics show that three-quarter of people living in developing countries have no access to electricity.12 The problem of gas flaring in developing countries arises because of the inability of developing countries to put in place adequate legal and regulatory framework on gas flaring. Gerneret al observed that: A recent study investigated the role of regulation in gas flaring and venting in 44 oil producing countries. It found that most developing countries in the group lack efficient, effective regulations on flaring and venting. And in many of these countries institutions have inadequate capabilities and overlapping responsibilities, and companies that are supposed to be regulated are often themselves responsible for regulatory functions.13

#### That’s responsible for TWENTY FIVE PERCENT of warming – black carbon.

Kahn 2010

Brian, International Research Institute for Climate and Society at Columbia University, Gas Flaring: Major Cause of Climate Change, BP Oil Spill Solution, May 23 2010, http://www.justmeans.com/Gas-Flaring-Major-Cause-of-Climate-Change-BP-Oil-Spill-Solution/15525.html

Globally, gas flaring is a major source of greenhouse gas emissions. Over 400 million tons of carbon dioxide are emitted annually. The carbon emissions from gas flaring fall right between the emissions of Belgium and the Czech Republic. Nigeria is the largest gas flaring country in the world behind Russia. It's carbon emissions from flaring alone are actually higher than the rest of sub-Saharan Africa combined. Black carbon produced by flaring also has strong implications for climate change. It's considered an aerosol, though it doesn't act exactly like other ones. Aerosols generally have cooling properties by reflecting incoming sunlight, but black carbon is actually a short-lived but strong warming agent that can cause climate change. It contributes to warming in three ways. For one, when black carbon is in the atmosphere, it absorbs sunlight rather than reflecting it like other aerosols. It also increases low-level clouds, which have further warming properties. Finally, when it leaves the atmosphere, it can land on snow. There, it also absorbs sunlight, thus warming the snow around it, sometimes weeks faster than clean snow. Melting snow reduces the Earth's reflectivity, known as albedo, which leads to still more warming. The Arctic is warming twice as fast as the rest of the Earth, in part because of black carbon. Just how much is black carbon contributing to climate change? James Hansen of NASA has estimated that black carbon accounts for a quarter of observed warming. Because black carbon only sticks around for a few days, reducing black carbon emissions is one of the only ways in which we can immediately mitigate the effects of climate change. Reducing black carbon could provide immediate benefits for maintaining snowpack, sea ice, and permafrost, all of which could pass dangerous tipping points if we continue to pursue business as usual. It will also buy time while the slow process of reducing carbon emissions moves forward. So gas flaring is bad for the local and global environment and the economy. And fixing it would provide immediate benefits to mitigate climate change. And the technology to eradicate the practice is there. So why does it happen? The majority of it happens in remote areas or in countries that don't have the technical capacity to use natural gas for energy. It's also energy-intensive to separate natural gas from crude oil. There are a few initiatives operated by international entities including the World Bank and the UN to reduce gas flaring. However, technology isn't being adapted as fast as it could be in part because it's still more profitable to burn the gas rather than store and use it. In major gas flaring countries, ineffective and even obstructionist governments also hamper public opposition (though hopefully this is changing in Nigeria, whose government has set a deadline for December 2010 to end gas flaring).

#### ---Permutation Do Both --- **refuse the consumer brain in favor of the ecological brain** and do the plan – not mutually exclusive because they don’t say production is bad, that we just have to examine our consumptive practices – if it is true that consumption

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

Lohmann 2012

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

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

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

Bello & Mittal 2000

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

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

### 2AC Barry Evidence

#### A. Technological innovation shatters their conception of supply and demand dynamics – results in sustainability

De Mesquita 2009

Bruce Bueno de Mesquita is a professor of political science at New York University, Recipe for Failure, Foreign Policy, November/December 2009, http://www.foreignpolicy.com/articles/2009/10/16/recipe\_for\_failure?page=full

So how might we solve global warming and make the world in 500 years look attractive to our future selves? My short answer: New technologies will solve the problem for us. There is an equilibrium at which enough global warming -- a very modest amount more than we may already have, probably enough to be here in 50 to 100 years -- will create enough additional sunshine in cold places, enough additional rain in dry places, enough additional wind in still places, and, most importantly, enough additional incentives for humankind that solar panels, hydroelectricity, windmills, and as yet undiscovered technologies will be good and cheap enough to replace fossil fuels. We have already warmed enough for there to be all kinds of interesting research going on, but today such pursuits take more sacrifice than most people seem willing to make. Tomorrow that might not be true, and at that point, I doubt it'll be too late. And, looking out 500 years, we'll probably have figured out how to beam ourselves to distant planets where we can start all over, warming our solar system, our galaxy, and beyond with abandon.

#### B. Efficiency makes growth sustainable

Kling 2002

Arnold, Ph.D. in economics from MIT, adjunct scholar at the Cato Institute, “Common Sense and Sensibility” http://www.techcentralstation.com/article.aspx?id=032802C

Another notion comes from the environmentalists. According to their theory, wealth comes from exploiting natural resources. Because natural resources are fixed, our enjoyment now will come at the expense of a catastrophe in the future. Economists call this view Malthusianism. That is because Thomas Malthus first suggested that population growth would lead to over-utilization of the best land, which in turn would keep average income from increasing. According to the neo-Malthusians, we are playing a zero-sum game against the environment. If we use up precious natural resources now, we will have to lower our standard of living later. Not all economists dispute the environmental pessimists. Those that do, however, point out that the usage of natural resources is governed by prices. The trend over time seems to be for natural resources to be used more efficiently, leading to a decline in the relative prices of commodities. The environmentalist argument about limited natural resources was most popular during the "energy crisis" of the 1970's. Since that time, the energy intensity of GDP has declined, and the "energy crisis" eased. Economists in the optimistic camp argue that innovation and technological advance help to create the conditions for sustainable growth. As long as natural resources are governed by property rights and prices, the market will find ways to side-step the doomsday scenarios.

#### C. Capitalismt

Meltzer 2009

Allan, Professor of Political Economy at Carnegie Mellon University’s School of Business, Visiting Scholar at the American Enterprise Institute, First Recipient of the AEI Irving Kristol Award, and Chairman of the International Financial Institution Advisory Commission, March 12, “Why Capitalism?” 2008-2009 Bradley Lecture Series, http://www.aei.org/publications/pubID.29525,filter.all/pub\_detail.asp

Newspaper headlines during the peak of the housing-credit crisis called it "the end of capitalism" or the end of American capitalism. As often, they greatly overstated and misstated by projecting a serious, temporary decline as a permanent loss of wealth. Capitalist systems have weathered many more serious problems. Capitalism as a guiding system for economic activity has spread over the centuries to now encompass most of the world's economies. This spread occurred despite almost continuous hostility from many intellectuals and, in recent decades, military threat from avowedly Communist countries. Capitalist systems are neither rigid nor identical. They differ, change, and adapt. Their common feature is that the means of production are mainly owned by individuals; economic activity takes place in markets, and individuals are free to choose to greater or lesser degree what they do, where they work, and how they allocate their income and wealth. Capitalism is an institutional arrangement for producing goods and services. The success of this arrangement requires a legal foundation based on the rule of law that protects rights to property and in the first instance aligns rewards to values produced. It provides incentives to participants to act in ways that produce desired outcomes. Like any system, it has successes and failures. It is the only system that increases both growth and freedom.

#### Capitalism is sustainable and their models are wrong.

Smith and Wei 2012

Fred L. Smith, Jr. is President and Founder of the Competitive Enterprise Institute, former Director of Government Relations for the Council for a Competitive Economy, Michelle Wei is a former fellow at CEI, Markets, Not Mandates, Are the Key to Sustainable Development, August 09, 2012 http://cei.org/op-eds-articles/markets-not-mandates-are-key-sustainable-development

Today's advocates of sustainable development, however, take a more short-sighted view of the concept. They believe resources are necessarily finite; thus, they call for caps on human activity. These advocates are asking for a return to a pre-industrial mindset - a path that will result in massive depopulation, poverty, and inequality. The conventional interpretation of sustainability, proposed long ago by the Reverend Thomas Malthus, has since been translated into the simple equation I = PAT. Man's Footprint, I, equals P times A times T. P is population (the more people, the more stress); A is affluence (the more wealth, the heavier the footprint per person); and T is technology (the risks of innovation, which are greater than the risks of stagnation). This Malthusian perspective is spectacularly wrong. Population growth is addressed through technological advances. More people do not increase the stress on resources since human advancement in technology makes us more efficient in our resource use. That is the ultimate resource - people's ability to adapt and innovate, which leads to an actual decrease in stress on the planet despite population increases. Affluence frees individuals' time through technological breakthroughs. "Work-time" is the amount of time that people have to work in order to afford goods. As W. Michael Cox and Richard Alm of Southern Methodist University concluded, "over just the past 27 years, consumers have benefited from work-time declines of 60% for dishwashers, 56% for vacuum cleaners, 40% for refrigerators and 39% for lawn mowers." These tools increase our wealth and cost less time to obtain. Of course, new materials were required for these tools, but the result was more, not fewer overall resources. Dr. Indur M. Goklany has noted that to produce the same amount of food in 1993 with the agricultural technology of 1961, we would go from using 34% to 61% of the Earth's land surface. Were that to occur, much of the world's wildlife and flora would be gone. The various green revolutions - mechanization, pesticides, and bio-engineered crops - all made the world far more productive, better fed, and more environmentally diverse, even as population exploded. Economic growth and technological progress have lightened our environmental footprint in important ways. People do more than simply consume resources; they also create new wealth and resources where none previously existed. Sustainability emerges from these social interactions, which encourage firms and individuals to use existing resources more efficiently and find new ways of meeting human needs. True sustainability comes from capitalism. Consider the role of energy over the last few centuries. Few companies will invest if they could only make a profit for one year. Firms owe their shareholders the responsibility to ensure energy will remain available as years progress. Therefore, firms continuously hunt for new resources while avoiding activities that might deplete all the oil at once. Because energy is integrated in the global market, firms have steadily improved their energy efficiency. According to the International Energy Agency, energy efficiency grew 0.9% annually from 1990 to 2005. That trend resulted in fuel and electricity cost savings of at least $180 billion by 2005 - despite massive increases in energy use during the preceding decade and a half. While experts continue to predict we've reached "peak production" of energy sources like coal, oil, and natural gas, these "peaks" have yet to materialize. Multinational corporations often happily carry the mantle of sustainability. It buys positive public relations, and, more importantly, it sometimes communicates publicly what the firm is already attempting to achieve. In markets, people cooperate and innovate to create sustainable supply for consumer demand. True sustainability has nothing to do with Malthusian doomsday predictions. Sustainability means progress: the onward and upward movement of a society that is making itself healthier, wealthier, faster and stronger.

### 2AC A2: Alt

#### No mindset shift – collapse results in re-industrialization

Bostrom 2007

Nick, Faculty of Philosophy & Director, Future of Humanity Institute, Oxford, The Future of Humanity in New Waves in Philosophy of Technology eds. Jan-Kyrre Berg Olsen and Evan Selinger. Palgrave McMillan

We need to distinguish different classes of scenarios involving societal collapse. First, we may have a merely local collapse: individual societies can collapse, but this is unlikely to have a determining effect on the future of humanity if other advanced societies survive and take up where the failed societies left off. All historical examples of collapse have been of this kind. Second, we might suppose that new kinds of threat (e.g. nuclear holocaust or catastrophic changes in the global environment) or the trend towards globalization and increased interdependence of different parts of the world create a vulnerability to human civilization as a whole. Suppose that a global societal collapse were to occur. What happens next? If the collapse is of such a nature that a new advanced global civilization can never be rebuilt, the outcome would qualify as an existential disaster. However, it is hard to think of a plausible collapse which the human species survives but which nevertheless makes it permanently impossible to rebuild civilization. Supposing, therefore, that a new technologically advanced civilization is eventually rebuilt, what is the fate of this resurgent civilization? Again, there are two possibilities. The new civilization might avoid collapse; and in the following two sections we will examine what could happen to such a sustainable global civilization. Alternatively, the new civilization collapses again, and the cycle repeats. If eventually a sustainable civilization arises, we reach the kind of scenario that the following sections will discuss. If instead one of the collapses leads to extinction, then we have the kind of scenario that was discussed in the previous section. The remaining case is that we face a cycle of indefinitely repeating collapse and regeneration (see figure 1).

#### No offense --- Collapse is worse for all their impacts and results in extermination of all life on the planet. Even in the face of inevitable collapse it’s try or die.

Monbiot 2009

George, columnist for The Guardian, has held visiting fellowships or professorships at the universities of Oxford (environmental policy), Bristol (philosophy), Keele (politics), Oxford Brookes (planning), and East London (environmental science, August 17, 2009, “Is there any point in fighting to stave off industrial apocalypse?,” http://www.guardian.co.uk/commentisfree/cif-green/2009/aug/17/environment-climate-change

I detect in your writings, and in the conversations we have had, an attraction towards – almost a yearning for – this apocalypse, a sense that you see it as a cleansing fire that will rid the world of a diseased society. If this is your view, I do not share it. I'm sure we can agree that the immediate consequences of collapse would be hideous: the breakdown of the systems that keep most of us alive; mass starvation; war. These alone surely give us sufficient reason to fight on, however faint our chances appear. But even if we were somehow able to put this out of our minds, I believe that what is likely to come out on the other side will be worse than our current settlement. Here are three observations: 1 Our species (unlike most of its members) is tough and resilient; 2 When civilisations collapse, psychopaths take over; 3 We seldom learn from others' mistakes. From the first observation, this follows: even if you are hardened to the fate of humans, you can surely see that our species will not become extinct without causing the extinction of almost all others. However hard we fall, we will recover sufficiently to land another hammer blow on the biosphere. We will continue to do so until there is so little left that even Homo sapiens can no longer survive. This is the ecological destiny of a species possessed of outstanding intelligence, opposable thumbs and an ability to interpret and exploit almost every possible resource – in the absence of political restraint. From the second and third observations, this follows: instead of gathering as free collectives of happy householders, survivors of this collapse will be subject to the will of people seeking to monopolise remaining resources. This will is likely to be imposed through violence. Political accountability will be a distant memory. The chances of conserving any resource in these circumstances are approximately zero. The human and ecological consequences of the first global collapse are likely to persist for many generations, perhaps for our species' remaining time on earth. To imagine that good could come of the involuntary failure of industrial civilisation is also to succumb to denial. The answer to your question – what will we learn from this collapse? – is nothing. This is why, despite everything, I fight on. I am not fighting to sustain economic growth. I am fighting to prevent both initial collapse and the repeated catastrophe that follows. However faint the hopes of engineering a soft landing – an ordered and structured downsizing of the global economy – might be, we must keep this possibility alive. Perhaps we are both in denial: I, because I think the fight is still worth having; you, because you think it isn't.

### 2AC Framework

#### The role of the judge is that of a policymaker – the role of the ballot is to weigh the costs and benefits of simulated government action

#### A. Predictability – the resolution begs for federal government action – only way for the affirmative to understand the role of the judge

#### B. Fairness – checks multiple negative critical frameworks

#### Voting issue for fairness

#### Abdication of simulated policy enactment makes political change impossible – policy focus key

Stevenson 2009

Ruth, PhD, senior lecturer and independent consultant – Graduate School of the Environment @ Centre for Alternative Technology, “Discourse, power, and energy conflicts: understanding Welsh renewable energy planning policy,” *Environment and Planning C: Government and Policy*, Volume 27, pg. 512-526

It could be argued that this result arose from the lack of expertise of the convenors of the TAN 8 in consensual decision making. Indeed, there is now more research and advice on popular participation in policy issues at a community level (eg Kaner et al, 1996; Ostrom, 1995; Paddison, 1999). However, for policy making the state remains the vehicle through which policy goals must be achieved (Rydin, 2003) and it is through the state that global issues such as climate change and sustainable development must be legislated for, and to some extent enacted. It is therefore through this structure that any consensual decision making must be tested. This research indicates that the policy process cannot actually overcome contradictions and conflict. Instead, encompassing them may well be a more fruitful way forward than attempts at consensus. Foucault reinforces the notion that the `field of power' can prove to be positive both for individuals and for the state by allowing both to act (Darier, 1996; Foucault, 1979). Rydin (2003) suggests that actors can be involved in policy making but through `deliberative' policy making rather than aiming for consensus: ``the key to success here is not consensus but building a position based on divergent positions'' (page 69). Deliberative policy making for Rydin involves: particular dialogic mechanisms such as speakers being explicit about their values, understandings, and activities: the need to move back and forth between memories (historical) and aspirations (future); moving between general and the particular; and the adoption of role taking (sometimes someone else's role). There is much to be trialed and tested in these deliberative models, however, a strong state is still required as part of the equation if we are to work in the interests of global equity, at least until the messages about climate change and sustainable development are strong enough to filter through to the local level. It is at the policy level that the usefulness of these various new techniques of deliberative policy making must be tested, and at the heart of this must be an understanding of the power rationalities at work in the process.

#### Policy and technocratic (education/dialogue/discourse) is key to actualizing change and democratizing U.S. energy policy

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.

Empirically proven

Mitchell 1998

Gordon, Associate Prof @ U Pittsburgh, Argumentation & Advocacy, Vol. 35 Issue 2, p. 41-60

The skills honed during preparation for and participation in academic debate can be utilized as powerful tools in this regard. Using sophisticated research, critical thinking, and concise argument presentation, argumentation scholars can become formidable actors in the public realm, advocating on behalf of a particular issue, agenda, or viewpoint. For competitive academic debaters. this sort of advocacy can become an important extension of a long research project culminating in a strong personal judgment regarding a given policy issue and a concrete plan to intervene politically in pursuit of those beliefs. For example, on the 1992-93 intercollegiate policy debate topic dealing with U.S. development assistance policy, the University of Texas team ran an extraordinarily successful affirmative case that called for the United States to terminate its support for the Flood Action Plan, a disaster-management program proposed to equip the people of Bangladesh to deal with the consequences of flooding. During the course of their research, Texas debaters developed close working links with the International Rivers Network, a Berkeley-based social movement devoted to stopping the Flood Action Plan. These links not only created a fruitful research channel of primary information to the Texas team; they helped Texas debaters organize sympathetic members of the debate community to support efforts by the International Rivers Network to block the Flood Action Plan. The University of Texas team capped off an extraordinary year of contest round success arguing for a ban on the Flood Action Plan with an activist project in which team members supplemented contest round advocacy with other modes of political organizing. Specifically, Texas debaters circulated a petition calling for suspension of the Flood Action Plan, organized channels of debater input to "pressure points" such as the World Bank and U.S. Congress, and solicited capital donations for the International Rivers Network. In a letter circulated publicly to multiple audiences inside and outside the debate community, Texas assistant coach Ryan Goodman linked the arguments of the debate community to wider public audiences by explaining the enormous competitive success of the ban Flood Action Plan affirmative on the intercollegiate tournament circuit. The debate activity, Goodman wrote, "brings a unique aspect to the marketplace of ideas**.** Ideasmost oftengain success not through politics, the persons who support them, or through forcing out other voicesthrough sheer economic power**,** but rather on their own merit" (1993). To emphasize the point that this competitive success should be treated as an important factor in public policy-making, Goodman compared the level of rigor and intensity of debate research and preparation over the course of a year to the work involved in completion of masters' thesis. A recent article in the Chronicle of Higher Education estimated that the level and extent of research required of the average college debater for each topic is equivalent to the amount of research required for a Master's Thesis. If you multiplied the number of active college debaters (approximately 1,000) by that many research hours the mass work effort spent on exploring, comprehending, and formulating positions around relevant public policy issues is obviously astounding (Goodman 1993). An additional example of a public advocacy project undertaken by debaters took place under the 1995-96 college debate topic calling for increased U.S. security assistance to the Middle East. At the National Debate Tournament in 1996, a University of Pittsburgh team advocated a plan mandating that unrecognized Arab villages in Israel receive municipal services such as electricity, sewage treatment and water. After the plan was defended successfully in contest round competition, interested coaches and debaters joined together to organize activities on the final day of the tournament. These activities included circulation of informational material regarding the plight of unrecognized Arab villages in Israel, video displays of the conditions in unrecognized Arab villages such as Ein Hud, and compilation of 65 signatures supporting a petition which stated the following: "Noting that many Arab villages in Israel currently do not receive basic municipal services such as sewage treatment, electricity, and water, we call on the government of Israel to recognize such villages and provide these essential services." Following the conclusion of the tournament, this petition was forwarded to Association of Forty, the Arab Association for Human Rights, and the Galilee Society, social movements mobilizing for Arab village recognition in Israel. A more recent example of public advocacy work in debate took place at the **N**ational **H**igh **S**chool **I**nstitute, a summer debate workshop hosted by Northwestern University in 1998. At this workshop, a group of high school students researched an affirmative case calling for an end to the U.S. ballistic missile defense (BMD) program. Following up on a week of intensive traditional debate research that yielded a highly successful affirmative case, the students generated a short text designed as a vehicle to take the arguments of the affirmative to wider public audiences. This text was published as an online E-print on the noted Federation of American Scientists website (see Cherub Study Group 1998). In this process of translating debate arguments into a public text, care was taken to shear prose of unnecessary debate jargon, metaphors were employed liberally to render the arguments in more accessible terms, and references to popular culture were included as devices to ground the ban-BMD argument in everyday knowledge.

### 2AC Util First

#### ---Means/ends distinctions are a moral cop out --- There are no absolutes beyond the evaluation of comparative risk.

Alinsky 1971

Saul D., Activist, Professor, and Social Organizer with International Fame, Founder of the Industrial Areas Foundation, Rules for Radicals, pg. 24-27

We cannot think first and act afterwards. From the moment of birth we are immersed in action and can only fitfully guide it by taking thought. Alfred North Whitehead That perennial question, “Does the end justify the means?” is meaningless as it stands; the real and only question regarding the ethics of means and ends is, and always has been, “Does this particular end justify this particular means?” Life and how you live it is the story of means and ends. The end is what you want, and the means is how you get it. Whenever we think about social change, the question of means and ends arises. The man of action views the issue of means and ends arises. The man of action views the issue of means and ends in pragmatic and strategic terms. He has no other problem; he thinks only of his actual resources and the possibilities of various choices of action. He asks of ends only whether they are achievable and worth the cost; of means, only whether they will work. To say that corrupt means corrupt the ends is to believe in the immaculate conception of ends and principles. The real arena is corrupt and bloody. Life is a corrupting process from the time a child learns to play his mother off against his father in the politics of when to go to bed; he who fears corruption fears life. The practical revolutionary will understand Geothe’s “conscience is the virtue of observers and not of agents of action”; in action, one does not always enjoy the luxury of a decision that is consistent both with one’s individual conscience and the good of [hu]mankind. The choice must always be for the latter. Action is for mass salvation and not for the individual’s personal salvation. He who sacrifices the mass good for his personal conscience has peculiar conception of “personal salvation”; he doesn’t care enough for people to be “corrupted” for them. The men [people] who pile up the heaps of discussion and literature on the ethics of means and ends—which with rare exception is conspicuous for its sterility—rarely write about their won experiences in the perpetual struggle of life and change. They are strangers, moreover, to the burdens and problems of operational responsibility and the unceasing pressure for immediate decisions. They are passionately committed to a mystical objectivity where passions are suspect. They assume a nonexistent situation where man suspect. They assume a nonexistent situation where men dispassionately and with reason draw and devise means and ends as if studying a navigational chart on land. They can be recognized by one of two verbal brands; “We agree with the ends but not the means,” or “This is not the time.” The means-and-end moralists or non-doers always wind up on their ends without any means. The means-and-ends moralists, constantly obsessed with the ethics of the means used by the Have-Nots against the Haves, should search themselves as to their real political position. In fact, they are passive—but real—allies of the Haves. They are the ones Jacques Maritain referred to in his statement, “The fear of soiling ourselves by entering the context of history is not virtue, but a way of escaping virtue.” These non-doers were the ones who chose not to fight the Nazis in the only way they could have been fought; they were the ones who drew their window blinds to shut out the shameful spectacle of Jews and political prisoners being dragged through the streets; they were the ones who privately deplored the horror of it all—and did nothing. This is the nadir of immorality. The most unethical of all means is the nonuse of any means. It is this species of man how so vehemently and militantly participated in that classically idealistic debate at the old League of Nations on the ethical differences between defensive and offensive weapons. Their fears of action drive them to refuge in an ethics so divorced from the politics of life that it can apply only to angels, not to men. The standards of judgment must be rooted in the whys and wherefores of life as it is lived, the world as it is, not our wished-for fantasy of the world as it should be. I present here a series of rules pertaining to the ethics of means and ends: first, that one’s concern with the ethics of means and ends varies inversely with one’s personal interest in the issue. When we are not directly concerned our morality overflows; as La Rochefoucauld put it, “We all have strength enough to endure the misfortunes of others.” Accompanying this rule is the parallel one that one’s concern with the ethics of means and ends varies inversely with one’s distance from the scene of conflict. The second rule of the ethics of means and ends is that the judgment of the ethics of means is dependent upon the political position of those sitting in judgment. If you actively opposed the Nazi occupation and joined the underground Resistance, then you adopted the means of assassination, terror, properly destruction, the bombing of tunnels and trains, kidnapping, and the willingness to sacrifice innocent hostages to the end of defeating the Nazis. Those who opposed the Nazi conquerors regarded the Resistance as a secret army of selfless, patriotic idealists, courageous beyond expectation and willing to sacrifice their lives to their moral convictions. To the occupation authorities, however, these people were lawless terrorists, murders, saboteurs, assassins, who believed that the end justified the means, and were utterly unethical according to the mystical rules of war. Any foreign occupation would so ethically judge its opposition. However, in such conflict, neither protagonist is concerned with any value except victory. It is life or death.

#### ---The position of human subjectivity makes consequentialism is inevitable.

Ratner 1984

Leonard G. Ratner, professor of law at USC, Hofstra Law Journal, 12 Hofstra L. Rev. 723, spring, 1984

All systems of morality, however transcendental, rest ultimately on utilitarian self interest (i.e., on personal need/want fulfillment), because those who fashion such systems, like those who accept or reject them, cannot escape their own humanness. The physically controllable acts of each individual 221 are the choice of that individual, though all of the consequences may not be foreseen or desired. 222 Behavior choices are necessarily determined by the experience, feelings, habits, and attitudes; the concerns and beliefs; the needs and wants -- in short, by the ultimate self interest -- of the individual.

### 2AC Transformative Impact

Kurasawa 2004

Fuyuki, Constellation, v. 11, no. 4, “Cautionary Tales,” Blackwell

Rather than bemoaning the contemporary preeminence of a dystopian imaginary, I am claiming that it can enable a novel form of transnational socio-political action, a manifestation of globalization from below that can be termed preventive foresight. We should not reduce the latter to a formal principle regulating international relations or an ensemble of policy prescriptions for official players on the world stage, since it is, just as significantly, a mode of ethico-political practice enacted by participants in the emerging realm of global civil society. In other words, what I want to underscore is the work of farsightedness, the social processes through which civic associations are simultaneously constituting and putting into practice a sense of responsibility for the future by attempting to prevent global catastrophes. Although the labor of preventive foresight takes place in varying political and socio-cultural settings – and with different degrees of institutional support and access to symbolic and material resources – it is underpinned by three distinctive features: dialogism, publicity, and transnationalism. In the first instance, preventive foresight is an intersubjective or dialogical process of address, recognition, and response between two parties in global civil society: the ‘warners,’ who anticipate and send out word of possible perils, and the audiences being warned, those who heed their interlocutors’ messages by demanding that governments and/or international organizations take measures to steer away from disaster. Secondly, the work of farsightedness derives its effectiveness and legitimacy from public debate and deliberation. This is not to say that a fully fledged global public sphere is already in existence, since transnational “strong publics” with decisional power in the formal-institutional realm are currently embryonic at best. Rather, in this context, publicity signifies that “weak publics” with distinct yet occasionally overlapping constituencies are coalescing around struggles to avoid specific global catastrophes.4 Hence, despite having little direct decision-making capacity, the environmental and peace movements, humanitarian NGOs, and other similar globally-oriented civic associations are becoming significant actors involved in public opinion formation. Groups like these are active in disseminating information and alerting citizens about looming catastrophes, lobbying states and multilateral organizations from the ‘inside’ and pressuring them from the ‘outside,’ as well as fostering public participation in debates about the future. This brings us to the transnational character of preventive foresight, which is most explicit in the now commonplace observation that we live in an interdependent world because of the globalization of the perils that humankind faces (nuclear annihilation, global warming, terrorism, genocide, AIDS and SARS epidemics, and so on); individuals and groups from far-flung parts of the planet are being brought together into “risk communities” that transcend geographical borders.5 Moreover, due to dense media and information flows, knowledge of impeding catastrophes can instantaneously reach the four corners of the earth – sometimes well before individuals in one place experience the actual consequences of a crisis originating in another. My contention is that civic associations are engaging in dialogical, public, and transnational forms of ethico-political action that contribute to the creation of a fledgling global civil society existing ‘below’ the official and institutionalized architecture of international relations.6 The work of preventive foresight consists of forging ties between citizens; participating in the circulation of flows of claims, images, and information across borders; promoting an ethos of farsighted cosmopolitanism; and forming and mobilizing weak publics that debate and struggle against possible catastrophes. Over the past few decades, states and international organizations have frequently been content to follow the lead of globally- minded civil society actors, who have been instrumental in placing on the public agenda a host of pivotal issues (such as nuclear war, ecological pollution, species extinction, genetic engineering, and mass human rights violations). To my mind, this strongly indicates that if prevention of global crises is to eventually rival the assertion of short-term and narrowly defined rationales (national interest, profit, bureaucratic self-preservation, etc.), weak publics must begin by convincing or compelling official representatives and multilateral organizations to act differently; only then will farsightedness be in a position to ‘move up’ and become institutionalized via strong publics.7 Since the global culture of prevention remains a work in progress, the argument presented in this paper is poised between empirical and normative dimensions of analysis. It proposes a theory of the practice of preventive foresight based upon already existing struggles and discourses, at the same time as it advocates the adoption of certain principles that would substantively thicken and assist in the realization of a sense of responsibility for the future of humankind. I will thereby proceed in four steps, beginning with a consideration of the shifting socio-political and cultural climate that is giving rise to farsightedness today (I). I will then contend that the development of a public aptitude for early warning about global cataclysms can overcome flawed conceptions of the future’s essential inscrutability (II). From this will follow the claim that an ethos of farsighted cosmopolitanism – of solidarity that extends to future generations – can supplant the preeminence of ‘short-termism’ with the help of appeals to the public’s moral imagination and use of reason (III). In the final section of the paper, I will argue that the commitment of global civil society actors to norms of precaution and transnational justice can hone citizens’ faculty of critical judgment against abuses of the dystopian imaginary, thereby opening the way to public deliberation about the construction of an alternative world order (IV).

### 2AC A2: Trade Turns

#### Trade is good – First interdependence –

#### (A.) Rejecting trade makes war inevitable --- Extend Patrick --- Collapsing trade relations creates a spiraling cycle of suspicion and nationalism where every foreign business action is seen as zero sum with American national security.

#### (B.) Solves their turns --- Interdependence creates an ethic of mutual recognition and respect between competitors that doesn’t require the instrumentalization of all life.

Badhwar 2007

Neera K., Associate Professor of Philosophy at University of Oklahoma - September “Friendship and Commercial Societies” Forthcoming in Politics, Philosophy, and Economics <http://praxeology.net/guest-badhwar1.htm>

I have argued that the critics of market societies misunderstand both markets and friendship by conceiving of them in radically dichotomous terms. Instrumentality, fungibility, impersonality etc. come in varying degrees and characterize not only market, but also non-market, relationships, including friendship. Further, although market relations are primarily instrumental, they are not entirely so, because the individuals involved are not mere means to ends. It is this recognition that ultimately justifies the prohibition of force and fraud that is essential to a market relationship, and free markets are the most potent social force for promoting this recognition. Moreover, like all productive or creative activities, market activities play an important role in a meaningful life and, thus, are essentially structured by moral norms. For all these reasons, far from militating against friendship, market relations often give rise to friendship, and market societies are friendlier to civic and character friendship than any other developed form of society.

#### Second – anti-market neoliberalism

#### (A.) CFIUS securitization is anti-market neoliberalism.

Daily Times 2006

EDITORIAL: Economic neo-liberalism vs political realism, February 26th, http://www.dailytimes.com.pk/default.asp?page=2006%5C02%5C26%5Cstory\_26-2-2006\_pg3\_1

Ditto for CNOOC’s Unocal bid. China had no part to play in rearing Al Qaeda but it is a country most US lawmakers consider the next challenge to America. And energy is an important sector for reasons of security. This is an area where neo-liberal economics with its deregulation and laissez faire meets geopolitical requirements and gets upstaged. So, while the US and the Western world do not tire of preaching the merits of neo-liberalism and even argue that trade and business activity across frontiers creates mutual stakes to everyone’s advantage, politics has its own ideas of security and protectionism.

#### (B.) The removal of anti-market forces solves bad capitalism and is historically distinct from the system described in their evidence – if anything, we are an example of a paradigm shift from harming the periphery for the sake of the first world

De Landa 1998

Manuel, Markets and Antimarkets in the World Economy, http://www.alamut.com/subj/economics/de\_landa/antiMarkets.html

When approaching the subject of economic power, one can safely ignore the entire field of linear mathematical economics (so-called competitive equilibrium economics), since there monopolies and oligopolies are basically ignored. Yet, even those thinkers who make economic power the center of their models, introduce it in a way that ignores historical facts. Authors writing in the Marxist tradition, place real history in a straight-jacket by subordinating it to a model of a progressive succession of modes of production. Capitalism itself is seen as maturing through a series of stages, the latest one of which is the monopolistic stage in this century. Even non-Marxists economists like Galbraith, agree that capitalism began as a competitive pursuit and stayed that way till the end of the nineteenth century, and only then it reached the monopolistic stage, at which point a planning system replaced market dynamics. However, Fernand Braudel has recently shown, with a wealth of historical data, that this picture is inherently wrong. Capitalism was, from its beginnings in the Italy of the thirteenth century, always monopolistic and oligopolistic. That is to say, the power of capitalism has always been associated with large enterprises, large that is, relative to the size of the markets where they operate. [6] Also, it has always been associated with the ability to plan economic strategies and to control market dynamics, and therefore, with a certain degree of centralization and hierarchy. Within the limits of this presentation, I will not be able to review the historical evidence that supports this extremely important hypothesis, but allow me at least to extract some of the consequences that would follow if it turns out to be true. First of all, if capitalism has always relied on non-competitive practices, if the prices for its commodities have never been objectively set by demand/supply dynamics, but imposed from above by powerful economic decision-makers, then capitalism and the market have always been different entities. To use a term introduced by Braudel, capitalism has always been an "antimarket". This, of course, would seem to go against the very meaning of the word "capitalism", regardless of whether the word is used by Karl Marx or Ronald Reagan. For both nineteenth century radicals and twentieth century conservatives, capitalism is identified with an economy driven by market forces, whether one finds this desirable or not. Today, for example, one speaks of the former Soviet Union's "transition to a market economy", even though what was really supposed to happen was a transition to an antimarket: to large scale enterprises, with several layers of managerial strata, in which prices are set not taken. This conceptual confusion is so entrenched that I believe the only solution is to abandon the term "capitalism" completely, and to begin speaking of markets and antimarkets and their dynamics.

#### Third – value to life

#### Trade in international markets are good – they facilitate actualization of expressive practices that give meaning to ethical interaction

Badhwar 2007

Neera K., Associate Professor of Philosophy at the University of Oklahoma, Friendship and Commercial Societies, Forthcoming in *Politics, Philosophy, and Economics*, http://praxeology.net/guest-badhwar1.htm

None of this is to deny that when the means to an end is not a human being or a human relationship, and the end in question is morally permissible, the end is unqualifiedly more important than the means, since the value of the means derives from the value of the end. Hence, if economic production were only a means to the ends of survival, comfort, pleasure, personal relationships etc., then it could fairly be said to be lower on the scale of value than these ends. But **there is no reason to think that production is only a means to these ends** (although its role as a means is hardly negligible in the absence of a regular delivery of manna from heaven). **To relegate it to a lower realm of human existence**, as Schwarzenbach and other critics do, **is to show a serious misunderstanding of** its role in a good **human life.** People engage in economic production for many of the same sorts of reasons that they engage in intellectual or artistic production – proving theorems, writing treatises, making music - or, indeed, building friendships: for the sake of exercising their creative or productive powers in worthwhile enterprises. Although Fromm fails to appreciate this about economic production, he appreciates better than even some defenders of free markets the meaning and importance of productiveness as such. “Productiveness,” he states, “is man’s ability to use his powers and to realize the potentialities inherent in him” (1949: 84), and again, “[p]roductiveness means that he experiences himself as the embodiment of his powers and as the `actor’; that he feels himself one with his powers and at the same time that they are not masked and alienated from him” (86). When productiveness is understood as a positive expression of human potentiality and not simply as a means to the ends of survival, comfort, or wealth, we can appreciate the entrepreneurial and creative spirit that animates all worthwhile activities, including market activities. And then we can understand why, for instance, a philosophy Ph.D. would find satisfaction in the enterprise of producing skateboards “adorned with uplifting art.”[34] Worthwhile activity in any sphere exercises our imaginative, emotional, and intellectual powers to create things of worth and, thereby, engages and re-shapes our identity. This is at least one reason why the failure of a business enterprise can be as devastating as the failure of a long-term scientific enterprise - or of a long-term friendship. Seeing commercial activities as “poiesis” and friendship as “praxis” distorts the nature of both business enterprises and friendships.

#### ---The alternative fails --- Markets are inevitable and culturally universal.

Lavoie and Chamlee-Wright 2000

Don Lavoie Professor of Economics at George Mason University and Emily Chamlee-Wright Associate Professor of Economics and Management at Beloit College, Culture and Enterprise: the development, representation, and morality of business p. 47-48

Indeed the favorite stick with which the left likes to hit economists is the claim that their faith in markets is a bias of our own Western capitalist culture, a sign of unreflective Eurocentrism and logocentrism. Only because we are modernists, children of the European Enlightenment, only because we are so fixated on reason, and efficiency and so forth, do we find markets so beautiful. Markets are understood primarily to be a playground for the wealthy and powerful, not an arena where women or the poor, or for that matter most of the population of non-Western countries, can partake in its advantages. We should not impose our Western sorts of institutions on those who cannot, or perhaps would not want to, occupy that playground. Since economists have been so intent on defending the grand universality of their theories, they have failed to respond to the left in their own terms. Markets in fact are ubiquitous. They emerge in nearly all the cultures we know of. Is it not the left's distrust of markets, deriving from the legacy of Karl Marx, that harbors a peculiarly Western bias? Consulting the historical record of vastly divergent cultures suggests that the economic argument in favor of the universality of markets is more persuasive (see, for example, Anderson and Latham 1986; Baechler 1975; Berger 1986; Boettke 1994; Hayek 1954; Rosenberg and Bird2ell 1986). The Chinese historian Ssu-ma Ch'ien ([c. 145—86 BC] 1961: 477) had already observed the coordinating capacity of the market process over two thousand years ago. There must be farmers to produce food, men to extract the wealth of mountains and marshes, artisans to process these things and merchants to circulate them. There is no need to wait for government orders: each man will play his part, doing his best to get what he desires. So cheap goods will go where they fetch more, while expensive goods will make men search for cheap ones. When all work willingly at their trades, just as water flows ceaselessly downhill day and night, things will appear unsought and people will produce them without being asked. For clearly this accords with the Way and is in keeping with nature. Centuries before Westerners ever set foot on the African continent, intricate long-distance trade networks had developed which connected East to West and North to South as early as 1100 AD. The establishment of local marketplaces, which were the site of cultural as well as economic exchange among neighboring African villages and tribes predates recorded history (see Ayittey 1991). Commerce and trade holds a similar place in Latin American history. By the first century BC, the Mexican city of Teotihuacan was already foreshadowing its eventual blossoming into a vital commercial center. By the fifth century AD, Teotihuacan regularly received merchants from as far away as the Yucatan and Guatemala (Kandell 1988). Western imperialism certainly cannot account for these early examples of market society. Nor can Western imperialism account for all the contemporary cases of complex market activity. What colonial experience introduced in many third-world countries was cash crop production, in particular through the introduction of colonial taxes payable only in Western currencies (see Moon 1926: 75—96), not markets. The complex domestic markets of Africa, Latin America, and Asia have well established roots in the history and culture of their respective indigenous societies. It appears, then, that **no matter what the culture or age**, human society has a **strong propensity** to generate and engage in market activity.

### 2AC Pan

#### Chinese exclusion in the energy sector creates self-fulfilling prophecies – all of our impact scenarios are manifestations of their critical analysis which means they shouldn’t be epistemologically suspect because they assume the tautological nature of America’s relationship with China

Pan 2007

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

From the global production network perspective, not only does the assumption of a zero-sum game between China and the United States become problematic, but the notion of the so-called ‘Chinese business practices’ becomes problematic, as what is often termed as ‘Chinese business practices’ may be seen as a product of the interactions between Chinese and transnational companies, including U.S. companies. For instance, the Unocal bids by CNOOC, a state-owned company in China, has been seen as a proof of China’s sinister business strategy to undermine U.S. national security. Yet, what is less well-known is that Goldman Sachs, whose CEO Henry Paulson is currently U.S. Treasury Secretary, was involved in financing the aborted CNOOC-Unocal deal (Hawkins 2006). In this sense, Chinese companies’ acquisitions of natural resources in various parts of the world, while drawing much alarm and criticism in the U.S. and elsewhere, are nothing uniquely Chinese. As Michael Klare explains, the United States, Britain, France, Japan, and other Western oil-importing countries have long competed among themselves for drilling rights in overseas producing areas…. China may be a newcomer to this contest, but is not behaving noticeably differently from the other oil-seekers. Indeed, the “National Energy Policy” announced by President George W. Bush on May 17, 2001, calls for US officials to conduct the same sort of diplomatic quest in pursuit of foreign energy as that now being undertaken by Chinese officials (Klare 2006:182). Understood this way, threatening to retaliate against ‘China’ is not only unlikely to eliminate those ‘Chinese’ business practices, but it could in fact provide further impetus to them

It is in this sense that I consider the policies based on a unitary Chinese economic Other counterproductive and potentially dangerous. Again take the American nationalistic responses to CNOOC’s Unocal for example. By effectively declaring to the Chinese that North America is off limits, American policy-makers sent ‘precisely the wrong message to China’s modernizing managerial class and encourage highly damaging … tendencies in China, including nationalism, mercantilism and distrust of the international markets’ Harding et al 2006:64). Similarly, Hadar notes that ‘by taking steps to derail the Unocal-CNOOC deal, Washington is helping set in motion what could be only described as a self-fulfilling prophecy’ (2005). Since no amount of U.S. legislation would be able to reduce the global production demand for energy in China, China would seem to ‘have no choice in light of the US policies but to form special economic or foreign policy relationships’ with the so-called ‘rogue states’ (Hadar 2005). Of course, this in turn could confirm the suspicion of China many Americans have long held, thereby giving rise to a vicious cycle of mutual suspicion and hostility. Starting out with the image of a homogeneous Chinese Other and consistently acting upon it, hawkish policy-makers in Washington could well succeed in bringing out a more unified rival in China down the road.

#### Putting discourse and representations first ignores material factors that allow monolithic conceptions of China – this reifies conservative essentialism under the guise of post-structuralism

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.

## \*\*\*1AR

### Nuclear War (!) O/W --- General Ans

#### ---Nuclear war is the largest impact.

Kateb 1992

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

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

### \*\*\*Alt solvency

### Impact defense

#### No impact to biodiversity

Sagoff 97  Mark, Senior Research Scholar – Institute for Philosophy and Public policy in School of Public Affairs – U. Maryland, William and Mary Law Review, “INSTITUTE OF BILL OF RIGHTS LAW SYMPOSIUM DEFINING TAKINGS: PRIVATE PROPERTY AND THE FUTURE OF GOVERNMENT REGULATION: MUDDLE OR MUDDLE THROUGH? TAKINGS JURISPRUDENCE MEETS THE ENDANGERED SPECIES ACT”, 38 Wm and Mary L. Rev. 825, March, L/N

Note – Colin Tudge - Research Fellow at the Centre for Philosophy at the London School of Economics. Frmr Zoological Society of London: Scientific Fellow and tons of other positions. PhD. Read zoology at Cambridge.

Simon Levin = Moffet Professor of Biology, Princeton. 2007 American Institute of Biological Sciences Distinguished Scientist Award 2008 Istituto Veneto di Scienze Lettere ed Arti 2009 Honorary Doctorate of Science, Michigan State University 2010 Eminent Ecologist Award, Ecological Society of America 2010 Margalef Prize in Ecology, etc… PhD

Although one may agree with ecologists such as Ehrlich and Raven that the earth stands on **the brink of** an episode of **massive extinction, it may not follow** from this grim fact **that human** being**s will suffer** as a result. On the contrary, skeptics such as science writer Colin Tudge have challenged biologists to explain **why we need more than a tenth of the 10 to 100 million species that grace the earth**. Noting that "cultivated systems often out-produce wild systems by 100-fold or more," Tudge declared that "the argument that humans need the variety of other species is, when you think about it, a theological one." n343 Tudge observed that "the elimination of all but a tiny minority **of our fellow creatures does not affect the material well-being of humans** one iota."n344 This skeptic challenged ecologists to list more than 10,000 species (other than unthreatened microbes) that are essential to ecosystem productivity or functioning. n345 "**The human species could survive just as well** if 99.9% of our fellow creatures went extinct, provided only that we retained the appropriate 0.1% that we need." n346   [\*906]   The monumental Global Biodiversity Assessment ("the Assessment") identified two positions with respect to redundancy of species. "At one extreme is the idea that each species is unique and important, such that its removal or loss will have demonstrable consequences to the functioning of the community or ecosystem." n347 The authors of the Assessment, a panel of eminent ecologists, endorsed this position, saying it is "unlikely that there is much, if any, ecological redundancy in communities over time scales of decades to centuries, the time period over which environmental policy should operate." n348 These eminent ecologists rejected the opposing view, "the notion that species overlap in function to a sufficient degree that removal or loss of a species will be compensated by others, with negligible overall consequences to the community or ecosystem." n349  Other biologists believe, however, that species are so fabulously redundant in the ecological functions they perform that the life-support systems and processes of the planet and ecological processes in general will function perfectly well with fewer of them, certainly fewer than the millions and millions we can expect to remain **even if** **every threatened organism becomes extinct**. n350 Even the kind of sparse and miserable world depicted in the movie Blade Runner could provide a "sustainable" context for the human economy as long as people forgot their aesthetic and moral commitment to the glory and beauty of the natural world. n351 The Assessment makes this point. "Although any ecosystem contains hundreds to thousands of species interacting among themselves and their physical environment, the emerging consensus is that the system is driven by a small number of . . . biotic variables on whose interactions the balance of species are, in a sense, carried along." n352   [\*907]   To make up your mind on the question of the functional redundancy of species, consider an endangered species of bird, plant, or insect and ask how the ecosystem would fare in its absence. The fact that the creature is endangered suggests an answer: it is already in limbo as far as ecosystem processes are concerned. What crucial ecological services does the black-capped vireo, for example, serve? Are any of the species threatened with extinction necessary to the provision of any ecosystem service on which humans depend? If so, which ones are they?  Ecosystems and the species that compose them have changed, dramatically, continually, and totally in virtually every part of the United States. There is little ecological similarity, for example, between New England today and the land where the Pilgrims died. n353 In view of the constant reconfiguration of the biota, **one may wonder why Americans have not suffered more as a result of ecological catastrophes**. The cast of species in nearly every environment changes constantly-local extinction is commonplace in nature-but the crops still grow. Somehow, it seems, property values keep going up on Martha's Vineyard in spite of the tragic disappearance of the heath hen.  One might argue that the sheer number and variety of creatures available to any ecosystem buffers that system against stress. Accordingly, we should be concerned if the "library" of creatures ready, willing, and able to colonize ecosystems gets too small. (Advances in genetic engineering may well permit us to write a large number of additions to that "library.") In the United States as in many other parts of the world, however, the number of species has been increasing dramatically, not decreasing, as a result of human activity. This is because the hordes of exotic species coming into ecosystems in the United States far exceed the number of species that are becoming extinct. Indeed, introductions may outnumber extinctions by more than ten to one, so that the United States is becoming more and more species-rich all the time largely as a result of human action. n354 [\*908] Peter Vitousek and colleagues estimate that over 1000 non-native plants grow in California alone; in Hawaii there are 861; in Florida, 1210. n355 In Florida more than 1000 non-native insects, 23 species of mammals, and about 11 exotic birds have established themselves. n356 Anyone who waters a lawn or hoes a garden knows how many weeds desire to grow there, how many birds and bugs visit the yard, and how many fungi, creepy-crawlies, and other odd life forms show forth when it rains. All belong to nature, from wherever they might hail, but not many homeowners would claim that there are too few of them. Now, not all exotic species provide ecosystem services; indeed, some may be disruptive or have no instrumental value. n357 This also may be true, of course, of native species as well, especially because all exotics are native somewhere. Certain exotic species, however, such as Kentucky blue grass, establish an area's sense of identity and place; others, such as the green crabs showing up around Martha's Vineyard, are nuisances. n358 Consider an analogy [\*909] with human migration. Everyone knows that after a generation or two, immigrants to this country are hard to distinguish from everyone else. The vast majority of Americans did not evolve here, as it were, from hominids; most of us "came over" at one time or another. This is true of many of our fellow species as well, and they may fit in here just as well as we do. It is possible to distinguish exotic species from native ones for a period of time, just as we can distinguish immigrants from native-born Americans, but as the centuries roll by, species, like people, fit into the landscape or the society, changing and often enriching it. Shall we have a rule that a species had to come over on the Mayflower, as so many did, to count as "truly" American? Plainly not. When, then, is the cutoff date? Insofar as we are concerned with the absolute numbers of "rivets" holding ecosystems together, extinction seems not to pose a general problem because a far greater number of kinds of mammals, insects, fish, plants, and other creatures thrive on land and in water in America today than in prelapsarian times. n359 The Ecological Society of America has urged managers to maintain biological diversity as a critical component in strengthening ecosystems against disturbance. n360 Yet as Simon Levin observed, "much of the detail about species composition will be irrelevant in terms of influences on ecosystem properties." n361 [\*910] He added: "For net primary productivity, as is likely to be the case for any system property, **biodiversity matters only up to a point**; above a certain level, increasing biodiversity is likely to make **little difference**." n362 What about the use of plants and animals in agriculture? There is no scarcity foreseeable. "Of an estimated 80,000 types of plants [we] know to be edible," a U.S. Department of the Interior document says, "only about 150 are extensively cultivated." n363 About twenty species, not one of which is endangered, provide ninety percent of the food the world takes from plants. n364 Any new food has to take "shelf space" or "market share" from one that is now produced. Corporations also find it difficult to create demand for a new product; for example, people are not inclined to eat paw-paws, even though they are delicious. It is hard enough to get people to eat their broccoli and lima beans. It is harder still to develop consumer demand for new foods. This may be the reason the Kraft Corporation does not prospect in remote places for rare and unusual plants and animals to add to the world's diet. Of the roughly 235,000 flowering plants and 325,000 nonflowering plants (including mosses, lichens, and seaweeds) available, farmers ignore virtually all of them in favor of a very few that are profitable. n365 To be sure, any of the more than 600,000 species of plants could have an application in agriculture, but would they be preferable to the species that are now dominant? Has anyone found any consumer demand for any of these half-million or more plants to replace rice or wheat in the human diet? There are reasons that farmers cultivate rice, wheat, and corn rather than, say, Furbish's lousewort. There are many kinds of louseworts, so named because these weeds were thought to cause lice in sheep. How many does agriculture really require? [\*911] The species on which agriculture relies are domesticated, not naturally occurring; they are developed by artificial not natural selection; they might not be able to survive in the wild. n366 This argument is not intended to deny the religious, aesthetic, cultural, and moral reasons that command us to respect and protect the natural world. These spiritual and ethical values should evoke action, of course, but we should also recognize that they are spiritual and ethical values. We should recognize that ecosystems and all that dwell therein compel our moral respect, our aesthetic appreciation, and our spiritual veneration; we should clearly seek to achieve the goals of the ESA. There is no reason to assume, however, that these goals have anything to do with human well-being or welfare as economists understand that term. These are ethical goals, in other words, not economic ones. Protecting the marsh may be the right thing to do for moral, cultural, and spiritual reasons. We should do it-but someone will have to pay the costs. In the narrow sense of promoting human welfare, protecting nature often represents a net "cost," not a net "benefit." It is largely for moral, not economic, reasons-ethical, not prudential, reasons- that we care about all our fellow creatures. They are valuable as objects of love not as objects of use. What is good for   [\*912]  the marsh may be good in itself even if it is not, in the economic sense, good for mankind. The most valuable things are quite useless.

### Alt solvency

#### No mindset shift toward sustainability – there’s no support

Barnhizer, Cleveland State University Law Professor, 6

(David R. Barnhizer, “Waking from Sustainability's "Impossible Dream": The Decisionmaking Realities of Business and Government,” *Georgetown International Environmental Law Review*, 18 Geo. Int'l Envtl. L. Rev. 595, lexis, accessed 7-4-12)

Our failure to be effective in protecting our critical ecological and social systems while making economic and political decisions is not only a problem of corruption, callousness, greed, and wrong intentions. It is also a reflection of our hubris and limited cognitive and perceptual capacities. Sustainability is an impossible dream not only due to its extraordinary complexity and the fact that it does not fit how we think and organize, but also because we lack the political will to implement the systems that would be needed. Even if we somehow developed the capacity to master the complexity implied in the omniscient concept of sustainable development, we will never have the willingness to do so. Neither would we want to if we understood the centralized power structures, enormous national and transnational bureaucracies, and inevitable use of unrelenting power and force that would be required to compel compliance from the recalcitrant "malingerers" who resisted the imposition of such a political system.

My point should not be taken as a lack of concern with the kinds of conditions described by those who warn about impending catastrophes. We face a wrenching future, just as billions of people have been forced to deal with a wrenching past in terms of the tenuous quality of life they endure on a daily basis. The concern of this essay is with how we can best deal with what is within our power to influence or change and how to achieve the best possible outcomes within the context of the existing systems available to us. Because the perspectives of our leaders are short-term, and conditions appear relatively normal almost to the moment at which the so-called "chaos effects" manifest and the systems on which we rely fall apart, it is difficult to the point of improbability to mobilize the political power to make changes at an early enough point where the consequences of our actions can be avoided entirely or at least mitigated significantly. n53 This situation is made more difficult by the fact that many key figures and institutions are benefiting from the existing arrangements. Even though their actions are ultimately responsible for harm to others, they refuse to surrender what they consider their rightful gains. Not only do they seek to reap their economic and political profits, they undermine others' efforts to avoid the impending harm. Those who warn of collapse and disaster are accused of being doomsayers and Cassandras.

### \*\*\*Sustainability

### 1ar: ux

#### Trust no one who declares an end to a system as complex and successful as capitalism, its durable, and has sustained itself in far worse situations, such as the great depression and recession in the 70’s, doesn’t take out our econ impact, we only need to win growth rates go lower to win our lash out impact.

#### (\_\_) Collapse isn’t coming --- Empirically denied for over 200 years plus innovation and market pricing mechanisms make resources infinite---post dating doesn’t matter because their authors have recycled the same arguments since marx

Taylor 2000

Jerry, senior fellow at Cato Institute, Bachelor of Arts in political science from U. of Iowa, Chapter 21: The Growing Abundance of Natural Resources in Market Liberalism: A Paradigm for the 21st Century Eds. Ed Crane and David Boaz

Warnings of impending catastrophe, which have been around for almost 200 years, have arisen with increasing frequency in the 20th century. The population explosion in the Third World, coupled with the dramatic postwar growth of the global economy since 1950, has increased the volume, pitch, and urgency of warnings that civilization is living on borrowed time. The gasoline lines and inflation of the 1970s brought warning voices from the intellectual wilderness squarely into the center of public debate. International best sellers such as Paul Ehrlich's The Population Bomb, the Club of Rome's Limits to Growth, and the Carter administration's Global 2000 Report all helped convince millions of people that civilization as they knew it was on the verge of collapse. Although the boom years of the 1980s temporarily quieted voices of doom, the "conservation ethic" has become an institutionalized element of American politics. Both political parties agree government must intervene in the economy to protect us from potentially catastrophic overexploitation of natural resources. The debate tends to be over "how much" intervention is necessary, not whether intervention is justified in the first place. Today, government planners, having been judged incompetent when it comes to overseeing economic production, are firmly entrenched in the United States with a new mandate: to eliminate resource waste in virtually every industry while strictly regulating the use of our supposedly dwindling stock of natural resources. Many people still believe that conservation is simply not enough, that it will only temporarily stall our slide into crisis. Indeed, the authors of Limits to Growth, in their recently published sequel Beyond the Limits, argue that "even with much more efficient institutions and technologies, the limits of the earth's ability to support population and capital are close at hand."1 The only way out of "civilizational collapse," they contend, is to radically reform all elements of society. "We are talking about a revolution here, not in the political sense, like the French revolution, but in the much more profound sense of the Agricultural or Industrial Revolution."2 And just what kind of reconstituted American civilization do the "revolutionaries" envision? Theirs is the same tired vision that has hypnotized communitarians for decades: socialism, but this time with a happy green face. 3 Taking Inventory So is it true, then, that civilization is teetering on the precipice of collapse due to resource exhaustion? Just how far down have we drawn earth's material abundance? There are three means by which to judge the extent of our resource base: proven reserves, price data, and ultimately recoverable stock. Proven reserves measure the amount of a given resource that has been discovered and can be extracted profitably given current prices and technologies. Thus, proven reserves are a function of economics, not geological abundance. When resource prices are low, there is little incentive to invest in exploration or development. Dropping resource prices also make uneconomical exploitation of certain resources that were economically viable under higher prices. Although those reserves are moved off the books, so to speak, they will still be available when prices increase at some point in the future. Likewise, low resource prices provide little incentive to invest in research and development efforts for new extraction technologies that often allow previously uneconomical resource fields to be mined profitably. Only when inventories begin to dwindle and resource prices begin to rise do commercial enterprises find it necessary to invest in resource exploration and development. Thus, proven reserves, although providing useful information to industry, tell us little about ultimately available resources. As economists Ronald Ridker and Elizabeth Cecelski noted, "Since exploration and development are costly, little effort is made to find proof of new resources if what is already known is considered adequate to meet demands for the next ten to twenty years."4 Price data are a far more accurate means by which to evaluate relative resource scarcity. Basic economics tells us that, in a free market, prices rise when demand for a resource is greater than current supply. Likewise, prices fall when the supply of a given resource is greater than consumer demand. Because prices reflect the accumulated knowledge of millions of economic actors who daily put their own money at risk, the market is far more likely to accurately judge resource scarcity than are noneconomic actors. Moreover, the needs of future generations are fully considered in the pricing mechanism. An asset's value is determined by the projected value of its future returns. Resource owners are thus fully encouraged to consider the long-term implications of management decisions. Resource degradation and depletion are costly; as soon as the market anticipates future problems with a commodity, the value of that commodity falls and the owner's wealth depreciates immediately. Likewise, the maintenance of a strong resource base increases both the value of a holding and wealth of the owner. Producers of resource materials have an incentive to maintain adequate stocks for the future simply because potential shortages in the years ahead will lead to higher prices and thus greater returns on the sale of commercial resources. The rapid emergence of future markets for most resources allows speculators to purchase the rights to various resources and hold them off the market for resale at higher prices in the future. If future supply of and demand for a resource are poorly reflected by its market price, enterprises that know better have every incentive to act on their superior knowledge to garner large future profits. The third means of examining resource abundance is by reference to ultimately recoverable stock, defined as a mere 1 percent of a given resource estimated to be in the top kilometer of the earth's crust. Although advances in extraction technologies and adjustments in resource prices will perhaps allow us to economically mine a greater proportion of the earth's abundance, it is historically reasonable (and perhaps even a bit conservative) to assume that man can use about 1 percent of the earth's mineral and fossil fuel deposits.5 If we examine the earth's resource base using those three yardsticks, we do indeed come to a jarring conclusion: at the very time that the conservation lobby was convincing millions of Americans and legislatures everywhere that resource shortages were lurking just around the corner, the global economy witnessed the greatest explosion of resource abundance in the history of mankind. If there are indeed "physical limits to the sources of materials and energy that sustain the human population and the economy, as is contended in Beyond the Limits, it appears that those limits are so far beyond the human horizon that they are for all intents and purposes nonexistent.

#### ---Capitalism is sustainable --- Empirically resilient in the face of criticism & short term failure, means the alt can’t access any of their offense, solvency is a prereq to impact calc

Meltzer 2009

Allan, Professor of Political Economy at Carnegie Mellon University’s School of Business, Visiting Scholar at the American Enterprise Institute, First Recipient of the AEI Irving Kristol Award, and Chairman of the International Financial Institution Advisory Commission, March 12, “Why Capitalism?” 2008-2009 Bradley Lecture Series, http://www.aei.org/publications/pubID.29525,filter.all/pub\_detail.asp

Newspaper headlines during the peak of the housing-credit crisis called it "the end of capitalism" or the end of American capitalism. As often, they greatly overstated and misstated by projecting a serious, temporary decline as a permanent loss of wealth. Capitalist systems have weathered many more serious problems. Capitalism as a guiding system for economic activity has spread over the centuries to now encompass most of the world's economies. This spread occurred despite almost continuous hostility from many intellectuals and, in recent decades, military threat from avowedly Communist countries. Capitalist systems are neither rigid nor identical. They differ, change, and adapt. Their common feature is that the means of production are mainly owned by individuals; economic activity takes place in markets, and individuals are free to choose to greater or lesser degree what they do, where they work, and how they allocate their income and wealth. Capitalism is an institutional arrangement for producing goods and services. The success of this arrangement requires a legal foundation based on the rule of law that protects rights to property and in the first instance aligns rewards to values produced. It provides incentives to participants to act in ways that produce desired outcomes. Like any system, it has successes and failures. It is the only system that increases both growth and freedom.

#### Also means we turn warming, its try or die for growth, collapse causes distractions and we are too far gone to not take collective action

Elliott 2008

Larry, Economics Editor at the Guardian, Can a dose of recession solve climate change?, http://www.guardian.co.uk/business/2008/aug/25/economicgrowth.globalrecession

There are many reasons why it is not quite as simple as that. My rudimentary understanding of the science of climate change is that concentrations of greenhouse gases have been building up over many decades, and you can't simply turn them off like a tap. Even a three- or four-year 1930s-style global slump would have little or no impact, particularly if it was followed by a period of vigorous catch-up growth. On a chart showing growth since the dawn of the industrial age 250 years ago, the Great Depression is a blip. Similarly, Britain's trade deficit always comes down in recessions because imports go down, but then widens again once the economy returns to its trend rate of growth. Politically, recessions are not helpful to the cause of environmentalism. Climate change is replaced by concerns about unemployment and stimulating growth. To be fair, politicians respond to what they hear from voters: Gordon Brown's survival as prime minister depends on how well his package of economic measures is received, not on what he does or doesn't do to limit greenhouse gases. Looking back, it is clear that every advance in the green movement has coincided with period of strong growth - the early 1970s, the late 1980s and the first half of the current decade. It was tough enough to get world leaders to make tackling climate change a priority when the world economy was experiencing its longest period of sustained growth: it will be mightily difficult to persuade them to take measures that might have a dampen growth while the dole queues are lengthening. Those most likely to suffer are workers in the most marginal jobs and pensioners who will have to pay perhaps 20% of their income on energy bills. Hence, recession does not offer even a temporary solution to the problem of climate change and it is a fantasy to imagine that it does. The real issue is whether it is possible to challenge the "growth-at-any-cost model" and come up with an alternative that is environmentally benign, economically robust and politically feasible. Hitting all three buttons is mightily difficult but attempting to do so is a heck of a lot more constructive than waiting for industrial capitalism to collapse under the weight of its own contradictions.

#### Conclusive global data proves global trade increases individual prosperity, life expectancy, education and political freedom.

Leeson 2010

Peter T.,BB&T Professor for the Study of Capitalism at the Mercatus Center, George Mason University, Two Cheers for Capitalism? http://www.peterleeson.com/Two\_Cheers\_for\_Capitalism.pdf

**The data are clear**: countries that became more capitalist became much wealthier. The average country that became more capitalist over the last 25 years saw its GDP per capita (PPP) rise from about $7600 to nearly $11,800—a 43 percent increase. If rapidly rising wealth deserves cheering, so does capitalism. What about longevity? All the money in the world doesn’t mean anything if you’re not alive to spend it on things that improve your life. Figure 2.2 charts the movement of average life expectancy at birth in countries that became more capitalist over the last quarter century at five year intervals. **Growing capitalism is** **clearly associated with growing life expectancy**. In the average country that became more capitalist over the last 25 years, the average citizen gained nearly half a decade in life expectancy. If longer life for the average person deserves cheering, so does capitalism. Man doesn’t live by bread alone. Education not only allows him to live the “life of the mind,” but also to build his human capital. Both of these things give individuals more power to shape their identity and their destiny—to live life as they see fit. How has the spread of capitalism world-wide affected education? Figure 2.3 illustrates this relationship by plotting average years of schooling in the total population (citizens age 25 and over) in countries that became more capitalist for the years 1980 through 1995 at five-year intervals. (Data were unavailable for the years 2000 and 2005). In the average country that became more capitalist, the average number of years of schooling in the population rose from 4.7 to just over 6. If more education for the average citizen deserves cheering, so does capitalism. Economic freedom and the economic benefits it brings are one thing. But what about political freedom? How has democracy fared in countries that have become more capitalist over the last quarter century? Consider Figure 2.4, which illustrates the growth of democracy in countries that became more capitalist over the last 20 years at five-year intervals between 1980 and 2000. (Data were unavailable for 2005). The discerning reader will have now detected a pattern: the growth of capitalism has unequivocally led to improved development in countries that became more capitalist. Political freedom is no exception. Countries that became more capitalist over the last 20 years became dramatically more democratic. On a 0-10 scale, where 10 represents “total democracy” or “complete political freedom,” the average country that became more capitalist rose from a democracy level of 3.8 to 6.4—a 68 percent increase. If growing political freedom and democracy deserves cheering, so does capitalism.

### 1ar: econ predictions

#### Human action makes predictions possible --- We can deduce value and the probability through observation that avoids essentialist views of the subject.

Caplan 2001

Bryan, assistant professor of economics at George Mason University, PROBABILITY, COMMON SENSE, AND REALISM: A REPLY TO HÜLSMANN AND BLOCK, THE QUARTERLY JOURNAL OF AUSTRIAN ECONOMICS VOL. 4, NO. 2 (SUMMER 2001): 69–86, https://mises.org/journals/qjae/pdf/qjae4\_2\_6.pdf

But how can these claims about probability be reconciled with realism? Hülsmann (1999, p. 12) makes the fair point that university professors spend far more time explicitly calculating probabilities than businessmen (though, contrary to Hülsmann, even moderately sophisticated **businessmen habitually compute** expected present discounted values **using elementary probability theory**). To this, I respond that a probability assessment is exactly analogous to a willingness-to-pay. People may be unable to articulate, for example, that “I would be willing to pay $200 per month in additional rent to live in a safer neighborhood.” They might even nonsensically assert that “You can’t put a price on safety.” But in acting, they **implicitly make** such **trade-offs**. Similarly, people may be unable to articulate that “I believe the probability of being murdered in my neighborhood is .001 percent per year,” **and** they might evasively respond, “I just don’t know.” **But in acting, they implicitly set probabilities**. If they thought the probability of being murdered was 90 percent per year, they would move; conversely, if they thought the probability was 0 percent, they would stop wasting time on ordinary precautions. In short, just as demand theory does not commit us to the view that the typical person explicitly ponders, “How much Gouda cheese would I buy if the price were a penny per pound?” probability theory does not commit us to the view that the typical person explicitly ponders, “What is the probability that I have an evil twin?”