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### 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, 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.

#### The fiscal cliff has jacked investment and slowed growth to anemic levels – absent the plans infusion of capital there will be a second depression

FIELDHOUSE 1/4/13 (ANDREW, federal budget policy analyst at the Economic Policy Institute, He previously worked as an assistant budget analyst and research assistant with the House Budget Committee. His areas of research and interest include federal tax and budget policy, political economy, public investment, stabilization policy, and macroeconomicsB.A. Economics and Political Science, Swarthmore College “Premature Austerity” <http://www.counterpunch.org/2013/01/04/premature-austerity/>)

My colleague Josh Bivens [outlined the contours](http://www.counterpunch.org/2013/01/03/fiscal-cliff-averted/) of this weekend’s 11th hour budget deal, concluding that Congress mostly monkeyed around with upper-income taxes—a politically contentious “fiscal cliff” component, but the least economically significant—leaving large swathes of scheduled fiscal restraint in place (or merely delayed a few months). For months, [Josh and I have been arguing](http://www.epi.org/files/2012/ib3381.pdf) that the only real challenge facing Congress is the reality that the budget deficit closing too quickly—as it has been since mid–2010—threatens to push the economy into an austerity-induced recession. To this effect, “cliff” was a doubly misleading metaphor, as there was no single economic tipping point (underscored by President Obama signing the deal on Jan. 2, after the misguidedly hyped Jan. 1 “cliff plunge” had passed) and the legislated fiscal restraint was comprised of fully separable policies rather than an all-or-nothing dichotomy. Viewed through the proper lens of avoiding premature austerity instead of compromising over tax policy for the top 2 percent of earners, Congress predictably failed to adequately moderate the pace of deficit reduction; short of sharply reorienting fiscal policy to accommodate accelerated recovery, U.S. trend economic growth will continue decelerating into 2013—slowing to anemic growth insufficient to keep the labor market just treading water.[1](http://www.epi.org/blog/budget-deal-anemic-growth-labor-market-deterioration/#_note1) Absent substantial (seemingly remote) additional spending on public investment and transfer payments, the labor market will almost certainly deteriorate this year, regardless of what happens with sequestration and the pending debt ceiling fight. I [recently explained](http://www.epi.org/blog/fiscal-cliff-economic-output-gap/) that the fiscal “cliff,” or rather, fiscal obstacle course debate was intrinsically fixated on maintaining anemic growth versus falling into a recession and deeper depression, notmoving toward full recovery. As a rough compass, policymakers need to target real GDP growth above 2.2 percent (the Congressional Budget Office’s estimate of real potential economic growth over 2012–2022) if this depression is to eventually be ended. Trend economic growth for the first three quarters of 2012 registered only 2.1 percent annualized real GDP growth, which is below this benchmark, meaning that sustaining current economic performance would fail to make progress toward restoring full employment. And this budget deal—indeed expiration of the payroll tax cut alone—guarantees that current economic performance will not be sustained. If all the major components of the fiscal obstacle course were “turned off,” (i.e., scheduled spending cuts repealed and tax increases prevented), we projected that real GDP would grow 3.1 percent in 2013. If, on the other hand, the current policy baseline were adhered to (in which the payroll tax cut and emergency unemployment benefits were assumed to expire and discretionary spending caps continue ratcheting down), we estimated the economy would decelerate to 1.4 percent real growth. And if the legislated fiscal contraction fully materialized (adhering to the current law baseline), CBO forecasted that real GDP would contract 0.5 percent in 2013.[2](http://www.epi.org/blog/budget-deal-anemic-growth-labor-market-deterioration/#_note2) So how does the enacted deal stack up? Problematically, the budget deal shrinks the projected budget deficit for 2013 relative to current policy, whereas the economic challenge at hand was moderating the pace of deficit reduction.The biggest economic drags in the fiscal obstacle course were the scheduled expiration of ad hoc fiscal stimulus and the Budget Control Act (BCA) of 2011, but these were only partially mitigated. What follows is an overview of major fiscal headwinds still pending for 2013: \* First and foremost, the expiration of the payroll tax cut is projected to reduce disposable income by $115 billion, shaving 0.9 percentage points from real GDP growth and lowering employment by nearly 1.1 million jobs relative to 2012 fiscal policy. \* The sequester was delayed for only two months, leaving a drag of 0.6 percentage points of real GDP if it materializes for the remainder of the year, or if the sequester is replaced with other spending cuts of a comparable magnitude (e.g., House Republicans voted to replace sequester cuts to the Department of Defense with [deeper domestic cuts](http://www.epi.org/blog/boehner-plan-b-austerity-recession/)). This would mean a loss of 660,000 jobs relative to 2012 fiscal policy. \* The phase-one BCA discretionary spending caps will ratchet down, shaving 0.4 percentage points from real GDP growth and reducing employment by roughly 530,000 jobs relative to pre-BCA law. \* The Emergency Unemployment Compensation (EUC) program was extended, but only for a maximum duration of 73 weeks and to the cost of $30 billion in 2013, down from $39 billion in inflation-adjusted outlays for 2012 (when a maximum duration of 99 weeks was in effect for much of the year). Relative to 2012 fiscal policy, this implies a drag of 0.1 percentage points and 100,000 fewer jobs. \* The partial expiration of the upper-income Bush-era tax cuts ([see Josh’s post](http://www.epi.org/blog/fiscal-cliff-deal-future/)) will shave less than 0.1 percentage points from real GDP growth and reduce employment by roughly 80,000 jobs, relative to 2012 fiscal policy. \* Downward revisions to discretionary spending caps and offsets paying for continuation of the Medicare “doc fix” would exert a slight additional drag. Relative to fully mitigating the obstacle course components, these remaining drags imply 2.1 percentage points shaved off real GDP growth and more than 2.4 million fewer jobs in 2013. This suggests real GDP growth just above an anemic 1.0 percent for 2013. Relative to the 1.4 percent real growth we projected under current policy, the unaddressed bulk of pending sequestration cuts and the slight drag from partial expiration of the upper-income tax cuts exceeds the boost from continuing emergency unemployment benefits for up to 73 weeks. Even if the sequester is fully repealed without offsets—a best case policy scenario, but seemingly unlikely—real GDP growth of roughly 1.6 percent would be expected. Regardless, real growth rates anywhere in the range of 1.0 percent to 1.6 percent for the full year suggest deterioration in the already distressed labor market. This debate was always about averting a recession in favor of maintaining anemic growth rates. That may have been accomplished by the budget deal, although much uncertainty surrounds sequestration and the statutory debt ceiling. But this bar for political horse-trading was always set appallingly low. The United States is still mired in a severe jobs crisis, and it’s a safe bet this jobs crisis intensifies in 2013 because of premature budget austerity and policymakers’ abdication of promoting full employment.

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

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

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

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

### Iran Adv- Harv-3:51

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### And, economic decline causes war.

Royal 2010 Jedediah, Director of Cooperative Threat Reduction at the U.S. Department of Defense, “Economic Integration, Economic Signaling and the Problem of Economic Crises,” in Economics of War and Peace: Economic, Legal and Political Perspectives, ed. Goldsmith and Brauer, pg. 213-215

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Plan

#### Thus the plan:

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

### Solvency-:45

#### Contention 4-Solvency:

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

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

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

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

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

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

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

Energy has traditionally been an area of some concern for CFIUS. In fact, one early controversial transaction reviewed by CFIUS was the 1981 acquisition of Santa Fe International Corp., a major drilling, exploration, and services company, by Kuwait Petroleum. Santa Fe owned some sensitive technology that had nuclear defense applications. At the time, CFIUS did not yet have any enforcement authority, so the Antitrust Division of the Justice Department was asked to hold up the merger. Ultimately, the transaction was allowed to go forward after Santa Fe agreed to sell off its sensitive technology so that it would not be transferred to Kuwait Petroleum. While it is not difficult to see how nuclear technology and nuclear energy deals would be subject to CFIUS scrutiny, the relationship between oil and gas and national security is more tenuous. On Sept. 11, 2001, the nation’s concept of “national security” was changed forever. In response to the terrorist attacks of 9/11, the government’s focus switched from its traditional examination of military targets and military assets, to a new emphasis on “critical infrastructure.” In order to facilitate protection of critical infrastructure, the President issued a directive in 2003 requiring, among other things, oversight by the Department of Energy of critical infrastructure related to “energy, including the production refining, storage, and distribution of oil and gas.” Additionally, since 9/11, CFIUS has been subject to increasing pressure by Congress to review foreign acquisitions of “critical infrastructure” for national security concerns. Since 9/11, the number of CFIUS filings per year has doubled, with significant growth projected for 2007 (See Figure 1). Nearly 20% of CFIUS filings in 2006 were energy-related - a trend that has continued thus far in 2007

#### 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.

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

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

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

## \*\*\*2AC

### 2AC Backlash ---

#### The plan solves the turn

**A.** **Regulatory structure is key-**the plan creates an economic framework that protects resiliency in the US-China relationship. The plan removes the legal tool for enforcing protectionism against energy investment-That’s Carroll and Marchick. Congressional or public blustering doesn’t turn the case if it cant restrict investment.

**B.** **Modeling**-The national security exemption for oil and gas production has triggered global retaliation-Clarifying the definition of security solves tit for tat protectionism -That’s Carroll and Rosen.

#### ---Congressional backlash is 100% inevitable now- there is only a chance that the plan removes a critical avenue for protectionism.

Feng, JD-NYU, 09 (YIHENG, CONSEQUENCES OF THE CONGRESSIONAL POLITICIZATION OF FOREIGN DIRECT INVESTMENT ON NATIONAL SECURITY GROUNDS, http://www.law.nyu.edu/ecm\_dlv1/groups/public/@nyu\_law\_website\_\_journals\_\_journal\_of\_international\_law\_and\_politics/documents/documents/ecm\_pro\_064915.pdf)

To combat this threat, the United States government created a FDI review process under the Exon-Florio Amendment of the Omnibus Trade and Competitiveness Act of 1988 (“Exon-Florio”). 5 Exon-Florio and its primary regulatory apparatus, the Commission on Foreign Investment in the United States (“CFIUS”), has served for over two decades to identify problem transactions, mitigate their effects on national security, and provide the president with a means to intervene in FDI transactions. Unfortunately, Exon-Florio and CFIUS are imperfect tools. As recently illustrated by the downfall of two proposed transactions, CNOOC-Unocal and Dubai Ports World-P&O Steam Navigation, the Exon-Florio review process is far too susceptible to outside political forces in the form of overzealous congressional interference with CFIUS and its mission. Rather than address national security concerns, unrestricted political interference based on political games~~man~~ship and economic protectionism6 can result in a chilling effect on future investment opportunities. Political interference may ultimately be unavoidable, but the current system could be reformed so that it decreases the likelihood that Congress will interfere in FDI under the pretext of national security.

### 2AC – Dedev

#### Tech solves the impact

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.

#### 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.

#### Sino economic collapse causes nuclear war with Russia- Extinction

Sharavin 2001

Alexander Sharavin, Director of the Institute of Military and Political Analysis, WHAT THE PAPERS SAY, October 3, 2001, pg. online

China's economy is among the fastest-growing economies in the world. It remains socialistic in many aspects, i.e. extensive and highly expensive, demanding more and more natural resources. China's natural resources are rather limited, whereas the depths of Siberia and the Russian Far East are almost inexhaustible. Chinese propaganda has constantly been showing us skyscrapers in free trade zones in southeastern China. It should not be forgotten, however, that some 250 to 300 million people live there, i.e. at most a quarter of China's population. A billion Chinese people are still living in misery. For them, even the living standards of a backwater Russian town remain inaccessibly high. They have absolutely nothing to lose. There is every prerequisite for "the final throw to the north." The strength of the Chinese People's Liberation Army (CPLA) has been growing quicker than the Chinese economy. A decade ago the CPLA was equipped with inferior copies of Russian arms from late 1950s to the early 1960s. However, through its own efforts Russia has nearly managed to liquidate its most significant technological advantage. Thanks to our zeal, from antique MiG-21 fighters of the earliest modifications and S-75 air defense missile systems the Chinese antiaircraft defense forces have adopted Su-27 fighters and S-300 air defense missile systems. China's air defense forces have received Tor systems instead of anti-aircraft guns which could have been used during World War II. The shock air force of our "eastern brethren" will in the near future replace antique Tu-16 and Il-28 airplanes with Su-30 fighters, which are not yet available to the Russian Armed Forces! Russia may face the "wonderful" prospect of combating the Chinese army, which, if full mobilization is called, is comparable in size with Russia's entire population, which also has nuclear weapons (even tactical weapons become strategic if states have common borders) and would be absolutely insensitive to losses (even a loss of a few million of the servicemen would be acceptable for China). Such a war would be more horrible than the World War II. It would require from our state maximal tension, universal mobilization and complete accumulation of the army military hardware, up to the last tank or a plane, in a single direction (we would have to forget such "trifles" like Talebs and Basaev, but this does not guarantee success either). Massive nuclear strikes on basic military forces and cities of China would finally be the only way out, what would exhaust Russia's armament completely. We have not got another set of intercontinental ballistic missiles and submarine-based missiles, whereas the general forces would be extremely exhausted in the border combats. In the long run, even if the aggression would be stopped after the majority of the Chinese are killed, our country would be absolutely unprotected against the "Chechen" and the "Balkan" variants both, and even against the first frost of a possible nuclear winter.

#### key to the Global economy-European/US recession and US interdependence

Fidelity 12

China: focused on growth, Fidelity Investments-investment analysis- interview with Joanna Bewick, lead co-portfolio manager of Fidelity® Strategic Dividend & Income, recently visited China to see what Chinese policymakers have been doing to reignite China’s economy (interview on Fidelity.com), 08/29/2012, https://www.fidelity.com/viewpoints/market-and-economic-insights/china-focused-on-growth

With all eyes on Europe, sovereign debt woes in that region have largely overshadowed looming uncertainties on the eastern horizon. As the second-largest economy in the world, China’s influence on both the United States and the rest of the globe is significant, and some economists fear that signs of a slowdown in that country could threaten to rock the already unstable global economic landscape.

Q. Joanna, what was your overall impression of the Chinese economy during your visit? Bewick: While we’re not necessarily seeing a contraction, China’s growth rates have indeed been lower than expected—particularly in the first and second quarters of 2012—and the Chinese government has lowered the country’s gross domestic product (GDP) expectations for 2012 from 8% to 7.5%. While economic data coming out of the country tends to be opaque, it’s clear that certain indicators, such as exports, industrial production, electricity generation, and railroad cargo volumes, have all experienced a significant slowdown. The question remains: When will we see a resurgence of growth in China? In talking with policymakers, companies—such as drug, automobile, and clothing manufacturers—and informed observers (namely, people who work closely with businesses and policymakers), there seems to be some consensus that the second quarter was when the Chinese growth numbers were the weakest, and most people I talked to are hopeful that the second half of the year will produce a stronger GDP number. It remains to be seen whether China can fulfill these expectations. Q. What are some of the measures the Chinese government has taken to help ensure growth resurges? Bewick: For starters, in May (and for the third time in six months), China reduced the amount of cash that banks must set aside as reserves. Cutting the banks’ reserve ratios frees capital for lending. In order to stimulate loan demand, China’s central bank lowered one-year lending rates twice—in June, its first rate cut since 2008, and then again in July. Not only did the People’s Bank of China (PBOC) lower interest rates, but it has liberalized them. Banks can offer a 30% discount to the key lending rate, making loans more affordable for borrowers. Policymakers also postponed Basil III implementation until 2013, which will allow banks to continue to offer liquidity instead of having their capital tied up in the requirements of stricter regulations. Aside from monetary policy, fiscal policy has also been unleashed with the announcement of an array of construction and capital spending projects, which make up a significant portion of China’s GDP. This fiscal stimulus is a mix of new projects and expedited approval of projects originally scheduled for 2013. Pulling projects forward to 2012 from 2013 may help in the short term, but it prompts questions about what will sustain the Chinese economy going forward. Q. What other risks stem from these types of stimulus measures? Bewick: In 2009 and 2010, the Chinese introduced a significant amount of economic stimulus, mainly through lending, to combat the forces of the global financial crisis. Much of this loan growth fed into the construction sector, which led to rapidly rising property prices. China has fought a two-year battle to cool its overheated real estate market, and is determined to avoid resurgence in spite of its increasingly active efforts to stimulate the economy. So another risk is the question of how much more leverage construction and real estate can absorb and how much more demand there is for this kind of financing activity. In my view, there’s a limit to monetary stimulus via the lending channel. Q. With so much saturation in these important industries, what else is the Chinese government focused on? Bewick: In order to rebalance the economy away from the more volatile sectors of real estate and construction, the Chinese government has taken measures to stimulate consumption through subsidies. Consumers are being offered subsidies to promote spending on things like autos, household appliances, “green” technology, and travel. This should be helpful because these initiatives represent billions of renminbi in subsidies, which is significant, even though it’s far below the trillions of renminbi of stimulus that we saw in 2008. But is it enough? Whereas consumer spending accounts for about 70% of U.S. GDP, the Chinese consumer represents only 33% of GDP. Moreover, spending patterns change over time in response to wealth and income. Deflating property prices have eroded wealth, and a slowing Chinese economy has weakened the employment picture and income prospects. I believe the horizon for shifting the Chinese economy from being investment driven to consumer driven extends well beyond the immediate slowdown. Even with subsidies, the Chinese consumer is not likely to be the primary driver of a turnaround in China for the second half of 2012. In addition to monetary and fiscal policy adjustments and consumer subsidies, China has undertaken structural tax reform. For example, for the consumer, China raised the threshold for the amount of income it takes to be exempt from income taxes. Other reforms include halving business income taxes for small firms, cutting import tariffs on some products, and a pilot program that replaces the business tax with a value-added tax. Q. China has also continued to fine-tune its housing policy, correct? Bewick: There’s been a restrictive housing policy, as the Chinese know they overstimulated their housing sector in 2009–2010, and they want to try and keep themselves from experiencing the same kind of housing bubble witnessed in other parts of the globe. But housing is such a big part of the country’s economy that it’s a very tempting area to try to stimulate. So, in some of the more rural, smaller cities where housing isn’t quite as overheated, I saw a fine-tuning of home-purchase requirements and some policy loosening with regard to cash subsidies for first-time buyers and a modified definition of what a first-time buyer is. Q. What about China’s capital markets? Bewick: The central government also is trying to open access to private capital markets by making bond and equity markets more accessible to the average investor in China. Currently, China does not have a liquid and open bond and equity market, and because of that, investors tend to focus on real estate, which has created instability. One of the ways to redirect capital away from real estate is to reform and open the capital markets, which is a longer-term goal for the country. Q. Joanna, what should investors take away from your experience? Bewick: My primary goals when I went to China were to reconfirm that the slowdown is happening and to find out what Chinese policymakers are going to do about it—get really clear on what policy levers the Chinese have left to try to stimulate their growth engine so they can hit their GDP targets. Bottom line: There has been a policy response, the Chinese are focused on growth, and they are attempting to grow the economy in the second half of the year. But each of these measures has its own limitations, so it remains to be seen whether the Chinese have done enough—and in a timely enough fashion—to deliver the kind of second-half growth they will need in order to meet their full-year GDP target.

If Chinese growth disappoints, it could have global ramifications. Given conflicting and opaque data, I remain vigilant and cautious from a portfolio perspective. However, if I combine Chinese uncertainty with recessionary dynamics in Europe, and a slowing U.S. economy, significant challenges loom. As a consequence, the risk-reward trade-off has eroded and the portfolio implication is to take some risk off the table.

#### Chinese Growth maintains stability- Collapse causes North Korean War, collapses US relations and causes Taiwan war

Griswold 3

Griswold, Director of the Center for Trade Polict Studies at the Cato Institute, ’03 (Daniel, September 15, “Why Trade with the PRC?” http://www.freetrade.org/pubs/articles/dg-9-15-03)

Second, even if we could slam the brakes on China’s economic growth, would we want to? A dramatic slowdown would cause hardship for hundreds of millions of Chinese families and condemn millions of children to lives of perpetual poverty without the hope of further education and upward mobility. A poor, stagnant, and frustrated China would be more unstable and hostile to American interests than an energetic and prosperous one. A policy of disengagement from China would probably create the very enemy its proponents claim to be protecting us from. China’s burgeoning commercial ties have already moderated its international behavior. The incident surrounding the downing of a surveillance plane over China early in President Bush’s term was resolved quickly in some measure due to China’s growing commerce with the United States. And, China is finally playing a constructive role in policing Asia’s true problem child, North Korea, in part because South Korea is now among its top five trading partners. Its equally huge trade and investment ties to Taiwan give the Chinese government a powerful reason to avoid military conflict over the island.

### 2AC T

#### ---The plan specifies that it removes restrictions only on the production stage. There is no other way to read it and the plan should be the ultimate arbiter of this question.

#### ---Foreign investment restrictions apply to extraction

Clark-partner Dewey & LeBoeuf LLP-11

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

ECONOMIC SANCTIONS, ANTI-BRIBERY RULES, AND OTHER MEASURES

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

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

#### ---On indicates focus of the plan

Merriam Webster Online

<http://www.merriam-webster.com/dictionary/on>

Definition of ON

9a —used as a function word to indicate destination or the focus of some action, movement, or directed effort <crept up on him> <feast your eyes on this> <working on my skiing> <made a payment on the loan>

b —used as a function word to indicate the focus of feelings, determination, or will <have pity on me> <keen on sorts> <a curse on you>

c —used as a function word to indicate the object with respect to some misfortune or disadvantageous event <the crops died on them>

d —used as a function word to indicate the subject of study, discussion, or consideration <a book on insects> <reflect on that a moment> <agree on price>

e : with respect to <go light on the salt> <short on cash>

#### ---We meet---the investment restrictions are on energy production

#### ---the plan applies to 100 percent of production

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

Several high-profile deals fired up these debates, such as the takeover of Peninsular and Oriental Steam Navigation Company by Dubai Ports World in 2005–2006, and the failed acquisition of California-based Unocal by CNOOC in 2005. These transactions provoked negative public reaction, congressional pressure, and, ultimately, legislative action that compelled the firms involved to withdraw. 80 In 2007, FINSA updated and elaborated the CFIUS process and, for the first time, provided it with a legislative mandate. FINSA extended CFIUS review to cover “critical” U.S. infrastructure, added the director of national intelligence and secretary of labor to the CFIUS committee as nonvoting members, and required that all deals involving critical infrastructure or foreign-government-controlled entities be reviewed unless explicitly exempted by the Treasury Department or a lead agency from among the CFIUS members (with a highlevel official—deputy secretary or higher—taking responsibility for the exemption).

#### ---The plan is directly tied to oil and gas production-Capital is intrinsically tied to future increases

Houston Chronicle 1/4/12 International players jump at U.S. shale Simone Sebastian

<http://www.chron.com/business/article/International-players-jump-at-U-S-shale-2439490.php>

Energy companies are funneling billions of dollars into the booming business of U.S. shale drilling. They are investing euros, yuan and krone, too. Chinese corporation Sinopec and French company Total this week became the latest in a string of foreign firms to announce big bets on the resurgence of U.S. fossil fuel production. International energy companies are signing billion-dollar deals with U.S. firms to reap the financial benefits of their oil fields and siphon knowledge from their experience in extracting petroleum from dense shale rock to carry the skills overseas. In return, they are ponying up the funds to get more wells drilled, so the oil and natural gas bounty trapped deep below can get to market quickly. "The big motivation for (U.S.companies) wanting to find a partner is finding someone with big pockets," said Scott Hanold, energy research analyst for RBC Capital Markets. "They are just money men at the end of the day." Total signed its second shale compact with Oklahoma-based natural gas producer Chesapeake Energy last week to secure acreage in Ohio's burgeoning Utica shale. The French energy giant got 25 percent interest in a 619,000-acre joint venture with Chesapeake and Houston-based EnerVest. In exchange, it forked over $700 million cash along with a promise to fund 60 percent, or about $1.63 billion, of the group's drilling and well completion costs in the Utica. The companies plan to have 25 rigs operating by 2014. China's Sinopec International Petroleum Exploration & Production Corp. muscled its way into U.S. shale with a $2.2 billion investment in oil fields owned by Oklahoma-based energy company Devon, announced Tuesday. The Chinese corporation gains one-third interest in Devon's 1.2 million acres in the Utica shale, the Michigan Basin, the Mississippian in Oklahoma, the Tuscaloosa marine shale in Louisiana and the Niobrara in Wyoming. Sinopec will pay $900 million cash when the deal closes, expected in 2012's first quarter, and cover 70 percent of Devon's drilling costs, about $1.6 billion.

#### ---C/I-Production is a distinct stage from exploration, transportation, storage, and distribution.

Elcock 04 (Deborah, ‘Environmental Policy and Regulatory Constraints to Natural Gas Production,” Argonne National Laboratory, Dec, http://www.ipd.anl.gov/anlpubs/2004/12/51652.pdf)

In 1999, the National Petroleum Council (NPC) reported that the demand for natural gas was growing and that the resource base was adequate to meet this demand; however, certain factors needed to be addressed to realize the full potential for natural gas use in the United States (NPC 1999). In 2001, the National Energy Policy Development Group (NEPDG), established by the President to develop a plan to help the private and public sectors promote dependable,2 affordable, and environmentally sound energy for the future, presented its National Energy Policy (NEPDG 2001). The NEP recommendations included investigating several areas that could be limiting domestic natural gas production. The potential for a near-term natural gas shortage prompted a June 26, 2003, Natural Gas Summit, designed to give the Secretary of Energy and other DOE officials information on the ramifications and potential resolutions of short-term challenges to the natural gas industry. In September 2003, the NPC released an update to its 1999 study (NPC 2003). In the update, the NPC reports that government policies encourage the use of natural gas but fail to address the need for additional natural gas supplies. The 2003 report states that a status quo approach to these conflicting policies will result in undesirable impacts to consumers and the economy. A key issue raised but not fully explored in these efforts was how environmental and regulatory policy constraints, which were developed to meet national environmental protection goals, can, at the same time, limit natural gas exploration and production (E&P) and transportation. Recent studies have examined limitations to accessing natural gas, particularly in the Rocky Mountain region, but even after the gas is accessed, numerous additional environmental policy and regulatory constraints can affect production and delivery to consumers. The purpose of this Phase I study is to identify specific existing and potential environmental policy and regulatory constraints on E&P, transportation, storage, and distribution of natural gas needed to meet projected demands. It is designed to provide DOE with information on potential constraints to increased natural gas supply and development in both the long and short terms so that the Department can develop, propose, and support policies that eliminate or reduce negative impacts of such constraints, or issues, while continuing to support the goals of environmental protection. It can also aid in setting priorities for regulatory reviews and for research and development (R&D) efforts. 1 A possible future Phase II study would identify potential short-, mid-, and long-term strategies for mitigating these environmental policy and regulatory constraints.

#### ---Our interpretation is Superior-it allows a core set of affirmatives that remove restrictions related to extraction. It excludes restrictions before or after the production stage like exploration and transportation.

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

### 2AC Courts

#### Agent CPs are bad

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

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

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

#### Voting issue

#### 1. Permute- do the counterplan-

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

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

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

#### B. the Court can “reduce restrictions”- contextual evidence

Shim 96 (Yumee, Mountain States Legal Foundation v. Glickman: When a Tree Falls in the Forest, is Anything Left (Of) Standing?, Fall, 1996, 15 Temp. Envtl. L. & Tech. J. 277)

Specifically, plaintiffs alleged that the implementation of the Guidelines would drive up the price of available timber, which would damage their economic well-being as well as the "quality of life of lumber-dependent communities." Additionally, plaintiffs claimed that the Guidelines were environmentally unsound because they would increase the risk of disease and wildfire. Finally, plaintiffs "argued that a favorable ruling by [the] Court [would] redress their injuries because striking down the Guidelines [would] reduce restrictions on timber harvesting, do less damage to the environment, and force the agency to comply with the procedural commands of NFMA and NEPA ...." Id.

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

Zotnick, law prof- RWU, 04

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

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

#### 3. CP Links to Politics

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

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

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

Rosen and Hanemann 2011

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

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

#### 5. Turn- Delay-

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

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

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

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

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

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

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

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

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

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

### 2AC – Immigration DA

#### Won’t pass – budget and gun battles

The Republic 1-4 (‘Cliff’ fight, gun control pushing immigration reform out of spotlight, http://www.azcentral.com/news/politics/articles/20130103immigration-reform-at-crossroads.html)

Immigration reform jumped to the top of President Barack Obama’s second-term agenda after he won re-election with more than 70 percent of the Latino vote. But the already-difficult challenge of passing comprehensive immigration reform this year, as Obama hopes, has been exacerbated by the drawn-out battle over the “fiscal cliff” and emergence of gun control as a major issue following the December shooting of 20 first-graders and six adults at an elementary school in Newtown, Conn. In an interview Sunday on NBC’s “Meet the Press,” Obama reiterated that “fixing our broken immigration system is a top priority.” “We’ve talked about it long enough,” he said. The overwhelming support Obama received from Latino voters in November also prompted many Republicans to call for immigration reform in a bid to rehabilitate their party’s negative image with Latinos. But immigration reform has a long history of being sidetracked by other issues. Health-care reform and fixing the economy knocked immigration reform off the table in 2009 and 2010. Now, spending cuts and gun control are threatening to derail immigration reform again. That’s because the window to pass immigration legislation is short, analysts and immigration-reform advocates say. If nothing happens this year, immigration reform may become too politically radioactive to tackle leading up to the 2014 congressional midterm election and then the 2016 presidential election. Obama has said numerous times since the election that he wants to begin tackling immigration reform this month. In his first term, he failed to deliver on his pledge to pass a sweeping bill that would have included a legalization program for the more than 11 million undocumented immigrants in the U.S., including about 350,000 in Arizona. To win back support from Latino voters leading up to the election, Obama directed Homeland Security Secretary Janet Napolitano to implement broad administrative changes aimed at helping some undocumented immigrants remain in the United States. One of those changes allows undocumented immigrants to remain in the country while they attempt to legalize their status through a spouse who is a U.S. citizen or other immediate relative. The rule change was finalized this week, a year after it was proposed by the Obama administration, and takes effect on March 4. In the past, illegal immigrants had to first leave the country to apply for a waiver to avoid having to wait outside the country for 10 years as punishment for entering illegally. After the change, illegal immigrants will still have to leave the country to apply for a green card, but they will be able to apply for the waiver inside the U.S., greatly reducing the amount of time they will have to spend separated from relatives who are U.S. citizens. A second change, announced on June 15, allows young undocumented immigrants who came to the United States as minors to apply to live and work temporarily in the country without the threat of deportation. So far, more than 367,000 young undocumented immigrants, often referred to as “dreamers,” have applied for the Deferred Action for Childhood Arrivals program. Meanwhile, the clock is ticking on immigration reform. Although Obama says he wants to jump right into immigration reform, he and Congress will have to focus their attention for months on several unresolved issues left over from the New Year’s Day deal to avert the “fiscal cliff,” including a March1 deadline to avoid billions of dollars in across-the-board spending cuts and a late February/early March deadline to raise the debt ceiling. “That is problem Number 1 for immigration reform. That will dominate the agenda for the time being,” said Louis DeSipio, a political-science professor at the University of California-Irvine. Immigration reform also will have to compete with gun-control legislation. After the shooting in Newtown, Obama appointed Vice President Joe Biden to head an anti-violence commission to come up with new gun-control measures by the end of this month. “That is going to put more pressure on Congress,” DeSipio said. Gun control, plus the divisive atmosphere demonstrated by the Republican-controlled House and the Democrat-run Senate during the fiscal-cliff debate, “makes it more and more unlikely that Congress will actually be able to debate a comprehensive immigration-reform bill,” he said.

#### Immigration vote won’t be until summer even if they immediately hammer out a bill

Voorhees 1-3 (Josh, editor of The Slatest. Before that, he reported on energy policy and politics for Politico & Greenwire, http://www.slate.com/blogs/the\_slatest/2013/01/03/obama\_s\_immigration\_plans\_white\_house\_officials\_suggest\_early\_2013\_won\_t.html)

With one fiscal-cliff fight in the rearview mirror and several more likely looming not too far up the road, many liberals are fretting aloud that President Obama won't have the energy or desire to tackle other issues near the top of his—and their—second-term wish list. White House officials, however, are doing their best to allay those concerns with the (somewhat quiet) promise of action on two high-profile issues: immigration and gun control. The Huffington Post: An Obama administration official said the president plans to push for immigration reform this January. The official, who spoke about legislative plans only on condition of anonymity, said that coming standoffs over deficit reduction are unlikely to drain momentum from other priorities. The White House plans to push forward quickly, not just on immigration reform but gun control laws as well. In the wake of last month's tragedy in Newtown, the president promised to send a gun-control proposal to Congress early this year, likely as soon as this month. The suggestion that the White House will also get to work on immigration reform—long a priority of the president but one that has largely taken a back seat during his time in office—comes as slightly more of a surprise. However, just because the administration is declaring that an unofficial launch to the immigration push is imminent doesn't mean anyone should expect major action anytime soon. The aides who laid out the plans to HuffPo cautioned that it would probably take about two months to cobble together a bipartisan bill, and then another few before either chamber votes on it. That would mean that if all goes as planned (something that is far from certain) it would likely be early or mid-summer before any concrete actions are taken.

#### Nexen deal swamps the link – the process is a political firestorm

Talaga 12/18/12 (Tanya, staffwriter, “U.S. must approve sale of Nexen to Chinese” <http://www.thestar.com/news/canada/article/1304315--u-s-must-approve-sale-of-nexen-to-chinese>)

Now that the Canadian government has cleared the $15.1-billion Nexen deal, the focus shifts to the United States, where regulators must do the same. While only a fraction of Calgary-based Nexen’s holdings are in the United States, if the sale to a Chinese state-owned company gets the green light from U.S. government regulators, the People’s Republic of China will have a firm stake in oilfields in the Gulf of Mexico. The Committee on Foreign Investment has two months to examine the megadeal, searching to see if the foreign acquisition is a threat to U.S. national security. The China National Offshore Oil Corporation’s (CNOOC) takeover of Nexen is the most aggressive and expensive move by China into Canadian and American oil interests. Canada approved the transaction earlier this month but Prime Minister Stephen Harper surprised everyone by saying such purchases, from now on, will only be approved under “exceptional” circumstances. A Chinese presence in the Gulf hasn’t been warmly welcomed by some U.S. senators, American energy executives and those with anti-Chinese sentiments that flared during the recent presidential election. “This is a Chinese state-owned company, not a ‘true’ private company, and they are doing their march around the world to secure dominance,” said Chris Faulkner, CEO of Texas-based Breitling Oil and Gas. “China is obviously a huge importer of oil and natural gas,” he said. “The reality is, 20 per cent of our oil comes from Canada. China owning (oil) assets gives them the ability to use those assets wherever they want. “That is their option if it is their oil.” If the U.S. rejects the takeover of Nexen, billionaire investor Stephen Jarislowsky does not believe the deal will die. His Montreal investment firm, Jarislowsky Fraser Ltd., is one of the largest shareholders in Nexen. He believes CNOOC could buy Nexen without the U.S. assets. “The Americans were waiting to see a decision, and to be polite about it. I don’t think they want to be intransigent because they have bigger fish to fry in the long run,” said Jarislowsky, 87. Nexen refused to comment. CNOOC first tangled with U.S. regulators in 2005 while trying to buy a California firm. CNOOC pulled out at the last minute after offering $18.5 billion cash for Unocal, the Union Oil Company of California. Chevron ended up purchasing Unocal instead. The Committee on Foreign Investment must base its decision on whether the CNOOC deal is a national security threat, says Erica Downs, an energy analyst at the Washington, D.C.-based Brookings Institution. “This would be the first time a Chinese company has an operating role in the United States,” said Downs, a former analyst at the CIA. “There is also concern about the relationship between the Chinese government and Chinese companies . . . the idea that this is a state-owned company and the No. 1 boss is appointed by the Chinese Communist Party,” she said. If the U.S. committee can’t agree, the decision will be U.S. President Barack Obama’s.

#### Gas lobby makes the plan pass without a fight

Froomkin 11 (Dan, contributing editor of Nieman Reports, “How the Oil Lobby Greases Washington’s Wheels,” HUFFINGTON POST, 4-6-11, http://www.huffingtonpost.com/2011/04/06/how-the-oil-lobby-greases\_n\_845720.html)

Clout in Washington isn't about winning legislative battles -- it's about making sure that they never happen at all. The oil and gas industry has that kind of clout. Despite astronomical profits during what have been lean years for most everyone else, the oil and gas industry continues to benefit from massive, multi-billion dollar taxpayer subsidies. Opinion polling shows the American public overwhelmingly wants those subsidies eliminated. Meanwhile, both parties are hunting feverishly for ways to reduce the deficit. But when President Obama called on Congress to eliminate about $4 billion a year in tax breaks for Big Oil earlier this year, the response on the Hill was little more than a knowing chuckle. Even Obama's closest congressional allies don't think the president’s proposal has a shot. "I would be surprised if it got a great deal of traction," Senator Jeff Bingaman (D-N.M.), chairman of the Senate energy committee, told reporters at the National Press Club a few days after Obama first announced his plan. Rep. Earl Blumenauer (D-Ore.), co-author of a House bill that closely resembles Obama's proposal, nevertheless acknowledges that it has slim chances of passing. "It will be a challenge to get anything through the House that includes any tax increase for anyone under any circumstance," he told The Huffington Post. The list goes on: "It's not on my radar," said Frank Maisano, a spokesman for Bracewell Giuliani, a lobbying firm with several oil and gas industry clients. "It's old news and it's never going to happen in this Congress. It couldn't even happen in the last Congress." Indeed, the oil and gas industry's stranglehold on Congres is so firm that even when the Democrats controlled both houses, repeal of the subsidies didn't stand a chance. Obama proposed cutting them in his previous two budgets as well, but the Senate -- where Republicans and consistently pro-oil Louisiana Democrat Mary Landrieu had more than enough votes to block any legislation -- never even took a stab at it.

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

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

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

#### The plan is guidance not legislation

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

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

#### That means no link

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

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

#### Political capital not key to the agenda

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

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

**US policy irrelevant to Latin America**

**Barshefsky et al**, former US Trade Representative and Vice Chair of the International Law Section of the American Bar Association, May 20**08**

[Charlene, *U.S.-Latin America Relations: A New Direction for a New Reality*, http://www.cfr.org/content/publications/attachments/LatinAmerica\_TF.pdf]

It is a cliche´ to bemoan Americans’ lack of interest in Latin America. Still, this disinterest remains vexing given the region’s proximity to the United States and the remarkable interconnectedness of U.S. and Latin American economies and societies. In recent years, as Washington’s attention has been focused on crises elsewhere in the world, the connections have only deepened. From 1996 to 2006, total U.S. merchandise trade with Latin America grew by 139 percent, compared to 96 percent for Asia and 95 percent for the European Union (EU).1 In 2006, the United States exported $223 billion worth of goods to Latin American consumers (compared with $55 billion to China).2 Latin America is the United States’ most important external source of oil, accounting for nearly 30 percent of imports (compared with 20 percent from the Middle East), as well as its main source of illegal narcotics. And as a result of both conditions in Latin America and demand for workers in the United States, migration from the region has accelerated. Latinos now account for 15 percent of the U.S. population, nearly 50 percent of recent U.S. population growth, and a growing portion of the electorate—allowing Latino voters increasingly to shape the U.S. political agenda. Cross-border community and family ties, as well as the Spanish language media, mean that Latin America remains part of many Latinos’ daily lives and concerns. For all of these reasons, Latin America’s wellbeing directly affects the United States. But even with such integration, the opening of Latin American economies and the globalization of Latin American societies means that U.S. policy is now but one of several competing factors capable of influencing the region. Latin American states**, especially the larger ones,** do not consider their interests to be primarily determined by diplomatic, trade, or security ties with the United States. Brazil has made inroads into groupings such as the South-South Dialogue with South Africa and India and the Group of 20 (G20), while countries such as Chile and Mexico have struck trade and investment agreements with the EU and a number of Asian countries, China most prominently.

#### Aff turns latin American instability – economic growth

**Smith 08** (Peter, Distinguished Professor of Political Science and Simon Bolívar Professor of Latin American Studies at the University of California, San Diego, and Melissa Ziegler Ph.D. candidate UC San Diego, “Liberal and Illiberal Democracy in Latin America,” Latin American Politics and Society, Coral Gables: Spring 2008. Vol. 50, Iss. 1)

The common-sense expectation is that the ability of any type of regime to promote the economic well-being of its citizens should be linked to its staying power. This relationship has generally been shown to be true, although the current wave of democratization may differ from earlier transitional periods (Remmer 1990; Gasiorowski 1995; Smith 2005). A related analysis has shown that the relationship between GDP growth and transitions away from democracy is negative at a statistically significant level: the greater the increase in GDP, the lower the incidence of democratic collapse (Smith and Ziegler 2006). And as shown in table 4, economic growth is positively associated with transitions toward fuller democracy (Alldem) and with the expansion of civil liberties in democracy (Illibtolib), although these relationships are not statistically significant. Similarly, levels of development, proxied by GDP per capita, bear no observable relationship with either transition variable. Democracies do not live or die by bread alone.

### 2AC K

#### 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 K

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

Epstein 2009

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

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

#### ---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.

#### Permutation Do both

#### Case outweighs – its try or die for the affirmative – disincentives for nuclear conflict as a result of growth and trade will collapse, rapid proliferation in the middle east increases the chances of nuclear miscalculation and China will be forced to engage in conflict to maintain growth and economic sovereignty. All of our impacts are short term and their impacts are descriptions of the status quo that cannot be resolved by the alternative in time.

#### Nuclear War Turns the environment – aff is a prerequisite to the K

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

#### (A.) The alternative fractures the left --- Rejecting the plan for embracing free trade 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".

#### (B.) Nationalist scapegoating precludes anti-capitalist mobilization --- CFIUS allows all the problems of capitalism to be blamed on China.

Moody 2000

Kim, staff writer for Labor Notes and author of An Injury to All and Workers in a Lean World, Protectionism or Solidarity? (Part I), http://www.solidarity-us.org/site/node/951

From a Marxist point of view, it seems obvious that the roots of economic nationalism have something to do with imperialism, and that globalization is at heart imperialism shorn of colonialism and dressed up as inevitability and the free market.[See note 6] Nationalism, of course, like reformist ideology in general, has many deep, often complex roots in U.S. history and culture, but like much in the daily consciousness of all classes in society it requires material nourishment over time. While it is primarily capital that has benefitted from imperialism, its fruits have, over time, worked their way through the U.S. economy to benefit a majority of the working class enough to cement national loyalty and underwrite reformist consciousness.[See note 7] It seems clear that for a quarter of a century or more following World War Two, the relative, though uneven, growth of working class living standards reinforced the belief that there was a close connection between living in the United States, being an American, and either experiencing more economic security than any working class in history or, at least, seeing the possibility of attaining that kind of material well-being. This perception was not simply the complacent consciousness of the white majority, much less of some small labor aristocracy. It was also in part what drove the social movements of the 1950s and 1960s, above all the African American civil rights and liberation movements. Even for the excluded, the incredible wealth of the nation and the well-being of so many within it, offered hope-the potential of giving the myth of the American Dream some reality if only the visible barriers of discrimination could be dismantled. Outside U.S. borders, however, only in a select few countries of Europe and the English-speaking settler nations could workers aspire to such living standards. For the majority of the world's toilers, the uneven world created by imperialism meant that the outer possibility was not the struggle up from poverty to prosperity, but only from misery to poverty, so long as the structures of imperialism (globalization) remained in place. By the 1970s, U.S. and then world capitalism experienced an accelerating crisis of profitability and the deepest worldwide recession since the 1930s, both of which increased simultaneously capital's movement abroad and its desire to tame labor at home. Yet it was almost a decade before capital's offensive against the U.S. working class took on momentum and the living standards associated with U.S. international "hegemony" began to deteriorate visibly. Within the unionized working class, the "Blue Collar Blues" and Black worker rebellions of the late 1960s and early 1970s were largely broken by the world recession of 1974-75-as well as by actions of the labor bureaucracy and the state. The old collective bargaining institutions, occasionally helped by strikes, however, continued to be able to recoup economic losses for those covered by them until the late 1970s. With the beginnings of real income decline and, at the same time, the first signs of an import "crisis" in the late 1970s, economic nationalism got a new lease on life, directing attention and activity toward "the border" and protectionism. The "problem" was easily seen as imports on the one hand, and, somewhat later, immigrants on the other: foreigners, here or there, "taking" American jobs. For years, as Dana Frank shows in detail, the unions put this message out to their members and the public in various "Buy American" campaigns. Since imports were real, this view had credibility, just as it does in the case of China or the steel industry today-even if it could be demonstrated that more jobs were lost to domestic downsizing, lean production methods, new technology, and other homespun means of increasing profits. There was more, however, for the impact of this crisis fell on an institutional setup that already encouraged economic nationalism. When the CIO abandoned the fight for a broad class political agenda on questions such as housing, education, health care, pensions, unemployment income and mass transportation in the late 1940s, it turned instead to constructing "private welfare states" through industry-by-industry or company-by-company benefits bargaining. This retreat both abandoned a broader class perspective and laid the basis for a new kind of economic nationalism unique in most respects to the United States. It was an economic nationalism (and narrow political consciousness) in which the nation, the employer, and the union became intimately intertwined. "What's good for General Motors is what's good for the nation," was GM chairman C.E. Wilson's capitalist view of the bonds of corporation and nation. For the worker, whose health care, retirement and children's future depended on company-provided, even if union-won, benefits (largely not available from the state in the U.S.), the union was a natural amendment to Wilson's self-serving equation of capital and nation. Even after the CEOs publicly broke the corporation-nation equation in favor of the new executive cosmopolitanism and investor globalism in the 1980s, the link between the nation, the company, the union, and the worker's economic well-being remained imbedded in the negotiated "private welfare state." Furthermore, the deterioration of the benefits of that setup could easily be blamed simultaneously on the new cosmopolitanism of the corporation and the external threat of imports. Hate the company for its betrayal of the economic nation, but defend it from the "outsider" in order to save your benefits. Appropriate the flag to fight management, as so many strikes have, but look to the defense of the business in the protection afforded by the border.

#### The system of environmental destruction will not collapse & rejection surrenders to the right --- The only solution is transforming the structures of trade from within.

Zizek 2007

Slavoj, Resistance is Surrender, London Review of Books, http://www.lrb.co.uk/v29/n22/slavoj-zizek/resistance-is-surrender

One of the clearest lessons of the last few decades is that capitalism is indestructible. Marx compared it to a vampire, and one of the salient points of comparison now appears to be that vampires always rise up again after being stabbed to death. Even Mao’s attempt, in the Cultural Revolution, to wipe out the traces of capitalism, ended up in its triumphant return. Today’s Left reacts in a wide variety of ways to the hegemony of global capitalism and its political supplement, liberal democracy. It might, for example, accept the hegemony, but continue to fight for reform within its rules (this is Third Way social democracy). Or, it accepts that the hegemony is here to stay, but should nonetheless be resisted from its ‘interstices’. Or, it accepts the futility of all struggle, since the hegemony is so all-encompassing that nothing can really be done except wait for an outburst of ‘divine violence’ – a revolutionary version of Heidegger’s ‘only God can save us.’ Or, it recognises the temporary futility of the struggle. In today’s triumph of global capitalism, the argument goes, true resistance is not possible, so all we can do till the revolutionary spirit of the global working class is renewed is defend what remains of the welfare state, confronting those in power with demands we know they cannot fulfil, and otherwise withdraw into cultural studies, where one can quietly pursue the work of criticism. Or, it emphasises the fact that the problem is a more fundamental one, that global capitalism is ultimately an effect of the underlying principles of technology or ‘instrumental reason’. Or, it posits that one can undermine global capitalism and state power, not by directly attacking them, but by refocusing the field of struggle on everyday practices, where one can ‘build a new world’; in this way, the foundations of the power of capital and the state will be gradually undermined, and, at some point, the state will collapse (the exemplar of this approach is the Zapatista movement). Or, it takes the ‘postmodern’ route, shifting the accent from anti-capitalist struggle to the multiple forms of politico-ideological struggle for hegemony, emphasising the importance of discursive re-articulation. Or, it wagers that one can repeat at the postmodern level the classical Marxist gesture of enacting the ‘determinate negation’ of capitalism: with today’s rise of ‘cognitive work’, the contradiction between social production and capitalist relations has become starker than ever, rendering possible for the first time ‘absolute democracy’ (this would be Hardt and Negri’s position). These positions are not presented as a way of avoiding some ‘true’ radical Left politics – what they are trying to get around is, indeed, the lack of such a position. This defeat of the Left is not the whole story of the last thirty years, however. There is another, no less surprising, lesson to be learned from the Chinese Communists’ presiding over arguably the most explosive development of capitalism in history, and from the growth of West European Third Way social democracy. It is, in short: we can do it better. In the UK, the Thatcher revolution was, at the time, chaotic and impulsive, marked by unpredictable contingencies. It was Tony Blair who was able to institutionalise it, or, in Hegel’s terms, to raise (what first appeared as) a contingency, a historical accident, into a necessity. Thatcher wasn’t a Thatcherite, she was merely herself; it was Blair (more than Major) who truly gave form to Thatcherism. The response of some critics on the postmodern Left to this predicament is to call for a new politics of resistance. Those who still insist on fighting state power, let alone seizing it, are accused of remaining stuck within the ‘old paradigm’: the task today, their critics say, is to resist state power by withdrawing from its terrain and creating new spaces outside its control. This is, of course, the obverse of accepting the triumph of capitalism. The politics of resistance is nothing but the moralising supplement to a Third Way Left. Simon Critchley’s recent book, Infinitely Demanding, is an almost perfect embodiment of this position.[\*] For Critchley, the liberal-democratic state is here to stay. Attempts to abolish the state failed miserably; consequently, the new politics has to be located at a distance from it: anti-war movements, ecological organisations, groups protesting against racist or sexist abuses, and other forms of local self-organisation. It must be a politics of resistance to the state, of bombarding the state with impossible demands, of denouncing the limitations of state mechanisms. The main argument for conducting the politics of resistance at a distance from the state hinges on the ethical dimension of the ‘infinitely demanding’ call for justice: no state can heed this call, since its ultimate goal is the ‘real-political’ one of ensuring its own reproduction (its economic growth, public safety, etc). ‘Of course,’ Critchley writes, history is habitually written by the people with the guns and sticks and one cannot expect to defeat them with mocking satire and feather dusters. Yet, as the history of ultra-leftist active nihilism eloquently shows, one is lost the moment one picks up the guns and sticks. Anarchic political resistance should not seek to mimic and mirror the archic violent sovereignty it opposes. So what should, say, the US Democrats do? Stop competing for state power and withdraw to the interstices of the state, leaving state power to the Republicans and start a campaign of anarchic resistance to it? And what would Critchley do if he were facing an adversary like Hitler? Surely in such a case one should ‘mimic and mirror the archic violent sovereignty’ one opposes? Shouldn’t the Left draw a distinction between the circumstances in which one would resort to violence in confronting the state, and those in which all one can and should do is use ‘mocking satire and feather dusters’? The ambiguity of Critchley’s position resides in a strange non sequitur: if the state is here to stay, if it is impossible to abolish it (or capitalism), why retreat from it? Why not act with(in) the state? Why not accept the basic premise of the Third Way? Why limit oneself to a politics which, as Critchley puts it, ‘calls the state into question and calls the established order to account, not in order to do away with the state, desirable though that might well be in some utopian sense, but in order to better it or attenuate its malicious effect’?

#### ---Turn --- 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.

#### ---Rejecting fossil fuel production technology replicates the human/nature dualism making environmental destruction and individual alienation inevitable.

Mathews 1994

Freya, Professor of philosophy at Latrobe University, Relating to Nature: Deep Ecology or Ecofeminism? Trumpeter, 11:4

Can we really accept the idea, implicit in the cosmic view, that human life, however lethal in its intent and its impact on the natural world, is nevertheless tributary to the ultimate moral order? It goes painfully against our grain, as environmentalists, to concede that the bulldozer and its driver are contributing to the moral order just as effectively as the forest is. Nevertheless it is, I believe, important for environmentalists to concede this, since the typical deep ecological reverence for untouched Nature—idealized in the concept of wilderness—is rooted in the very same dualistic understanding of the world that, by setting humankind above and beyond Nature, paved the way for the ecological crisis. If we make a fetish [sic] of untouched Nature, then we are implicitly reinforcing this dualistic view. To maintain this division—albeit reversing the values that dualistic thinking has traditionally assigned to Nature and to humankind respectively—is, as I have explained at length, to contradict the basic metaphysical premise of deep ecology, viz. the interconnectedness thesis. In conceding that Nature is reflected in the bulldozer and its driver just as faithfully as it is in the forest we are in fact transforming the traditional environmentalist image of Nature. For many environmentalists, as I have remarked, true Nature manifests itself in inverse proportion to its proximity to human activities or interventions. In other words, Nature is in its truest state in wildernesses or remote regions. We can accordingly expect to experience the loss of Nature most acutely in those places where humanity is most concentrated, as in the cities, the great metropolises of the late twentieth century. This assumption of course cannot be sustained in the light of the cosmic view, with its characterizations of the human order as an instance of the natural order. The city itself, from this point of view, becomes a teeming locus of Nature, a field of relations inevitably organizing itself into increasingly diverse and complex forms, where this efflorescence of new forms takes place not at a biological but at a cultural level. Recognition of this suggests the further jolting insight that Nature may not after all be confined to biology—that while it may have invented species as a vehicle for diversity and complexity, other forms of diversity and complexity might express its underlying essence or telos just as well. It is we, rather than Nature, who are fixated on species, just as it is we, rather than Nature, who agonize over the fate of individuals. Maybe Nature can realize itself through emergent levels of culture, perhaps even—who knows?—through emergent levels of computer functioning. Given time, Nature will invariably create the order, the endless elaborated and modulated themes, that are so beautifully but perhaps contingently expressed in the biological and ecological life of this planet. Looking at the city from the cosmic point of view then, we might register an intensification of the pulse of life there. Perhaps here, in the heart of the metropolis, Nature is at its wildest. Certainly life is fast and full and dangerous in these streets, taut with uncertainty and unexpectedness. Perhaps as the wilderness retreats across the continents, its spirit returns, bright and sexy and violent, into our very midst. From this point of view, Nature cannot die at our hands—everything we do merely constitutes its further unfolding. From the recognition that we and all our activities and contrivances are an expression of Nature then, a new image of Nature does indeed emerge. We can expect to discover its underlying tao in the love-and-struggle-and-crime filled streets of London or Tokyo just as surely as on the Siberian taiga or in the deserts of western Australia. The same argument can be applied in relation to our artefacts [sic], our technologies. The instruments of ecological destruction—the bulldozers, oil drills, missiles, H-bombs—are generally abhorred, even demonized, by environmentalists. To adopt the cosmic view however, and to recognize our true identity with Nature, is to recognize that these technologies are all instruments of the natural order, on a par with tusks and venom, cyclones, landslides and ice ages. They are fashioned out of terrestrial materials by one of the earth’s species, and set in motion by that species’ telos. If we truly honor the earth, we should honor these forms that have always been latent within it, we should honor these emerging potentialities of its nature. Besides, since it is our technology which mediates our relationship with the world, we cannot honor the world if we despise our technology. In spiritual terms, we need, like the primal peoples so admired by deep ecologists, to locate the sacred not merely in the cosmos, but in the technology which discloses the cosmos to us. Many of the primal peoples attributed an indwelling spirit to their artifacts. The latter were enchanted, charged with a life and destiny of their own, just as the wider world was. From the cosmic point of view, we need urgently to sacralize our own dangerously secular technologies, if we are to respect the world that these technologies open to us. To be prepared to accept as natural and hence to respect—perhaps to sacralize—our cities and our technologies of destruction, is to respect and re-enchant the Nature that we actually inhabit—as opposed to the Nature that exists in some remote region which we may never visit, some world locked away in a reserve or fenced against human intrusions. It is within our own everyday world that we must forge our relationships with Nature, and perhaps rediscover the sacred. As it happens, these implications of cosmic ecology echo certain of the statements that ecofeminists have recently been expressing. Irene Javors, for instance, has said, in the idiom of feminist spirituality. The Goddess lives in the city. She is present in all her manifestations. However, we have great difficulty dealing with her as Hecate/Kali, the destroy/crone. We fear the “gifts” that she brings us—age, change, deterioration, decay, death. She is an alachemist who finds the seeds for new life within the compost heap of decomposing forms. We fear her and run from her dark side; by so doing, we blind ourselves to her holiness. And another ecofeminist writer has recommended the resacralization of our technologies in the following terms: I believe it is time to create new songs of acknowledgement as well as ceremonies that include metals, petrochemicals and fossil fuels, electricity, modern solar power systems, and water power systems. I also believe it is very important to make sacred, to acknowledge the new ways and elements in our lives—from nuclear power (which is buried in our earth and activates our Sun) to plastics to computers. It is time now, again, for the entire world to honor these Spirits, these new molecular forms, to restore harmony and balance to our out-of-control systems and in particular, to our modern technologies.

**[Language Said in Context]**

#### ---Oil is good --- Using more now spurs transitions to alternate fuels while conservation slows the shift and undermines third world economies.

Semmens 2007

John, transportation policy analyst at the Laissez Faire Institute in Arizona - April The Freeman: Ideas on Liberty Vol. 57 No. 3 “Freedom Is the Environment's Best Friend”

Whether petroleum will be as crucial in the future as it is now is unknown. It is likely that it will not be. The history of technology indicates that new methods continually replace old methods. For tens of thousands of years humans traveled on foot. For thousands of years humans used animals to ride or to pull vehicles. For the last 100 years humans have ridden in gasoline-powered vehicles. The efficiency with which this gasoline has been used has continuously increased, netting more person-miles and ton-miles to the gallon. Alternatives to gasoline-powered vehicles are being developed. At some point, gasoline may go the way of the horse and drop out of contention as the main transportation power source. So saving petroleum or other substances that may be critical resources now in anticipation that they will be needed in the future may be unwarranted. Conserving resources for the future may impose unnecessary constraints on progress. The long-term trend since the Industrial Revolution some 200 years ago has been one of increasing prosperity. Succeeding generations have been wealthier than preceding generations. Chances appear pretty good that later generations will be able to afford a higher standard of living than we now enjoy. Consequently, requiring the poorer current generation to save more so that wealthier following generations will have more seems inequitable. The inequity is especially egregious when it comes to those currently living in poverty. “Sustaining” subsistence is far less tolerable than sustaining a life lived in the relative comfort of your typical American environmental activist. Many inhabitants of Third World countries depend on selling raw materials like petroleum. They depend on affordable fuel to help grow their economies. Measures that reduce the availability or increase the price of resources will be a lot harder on these poor people than on the affluent in the West.

#### ---Turn --- Anti-markets

#### (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.

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.

#### ---Value to life is an affirmative argument --- The expression of economic human potential breaks free from the normative constraints of subjectivity in favor of new forms of emotional intensity.

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.

## \*\*\*1AR

### 1ar china

Yifu 12

A Driving Force for Recovery, Lin Yifu- Chinese economist and former Chief Economist and Senior Vice President of the World Bank (parts of this card are excerpts from Justin Yifu Lin- Former VP of the World Bank), August 2, 2012, http://www.chinausfocus.com/finance-economy/a-driving-force-for-recovery/

Increasing pessimism about the Chinese economic outlook is emerging owing to the euro-zone debt crisis and gloomy recovery in the United States. Justin Yifu Lin, former Vice President of the World Bank, predicted that China can maintain 8-percent annual economic growth for the next two decades at a conference recently held in Beijing. Edited excerpts of Lin's views follow:

We are observing a two-speed recovery. On the one hand, there are the high-income countries whose growth rate in 2010 and 2011 is estimated at 3.1 percent and 1.6 percent, respectively—far below the historical average following other crises. On the other hand, there are the developing countries which grew at 7.6 percent in 2010 and were likely to grow at 6 percent in 2011, returning to their pre-crisis rates. Developing countries, especially China and India, have increasingly become engines of growth of the world economy.

Now China is becoming an innovator in its own right. In many sectors in which China has comparative advantages, higher-income countries have graduated, or are close to graduating, from those sectors—for example, household electronics and the high-speed train. If China wants to maintain leadership in those sectors, China will need to develop the technology/product innovation when it reaches the frontier.

China can then become a global technological/industrial leader in those sectors. There are also some new sectors, such as green technology, which are important for China's sustainable growth. China has the potential to be a leader due to its large domestic market.

But the income gap between China and the United States indicates that there is still a large technological gap between China and the industrialized West. In 2008 China's per-capita income was 21 percent of U.S. per-capita income measured in purchasing power parity.

China has the potential to achieve another 20 years of 8 percent growth. By that time, China's per-capita income measured in purchasing power parity may reach about 50 percent of U.S. per-capita income.

**Nuclear war**

**Plate 03** [Tom, Professor at UCLA, The Straights Times, “Neo-cons a bigger risk to Bush than Chin,” 6-28-2003]

But imagine a China disintegrating- on its own, without neo-conservative or Central Intelligence Agency prompting, much less outright military invasion because the economy (against all predictions) suddenly collapses. That would knock Asia into chaos. A massive flood of refugees would head for Indonesia and other places with poor border controls, which don’t’ want them and cant handle them; some in Japan might lick their lips at the prospect of World War II revisited and look to annex a slice of China. That would send Singapore and Malaysia- once occupied by Japan- into nervous breakdowns. Meanwhile, India might make a grab for Tibet, and Pakistan for Kashmir. Then you can say hello to World War III, Asia style. That’s why wise policy encourages Chinese stability, security and economic growth – the very direction the White House now seems to prefer.

They don’t access extinction—empirics prove

Jablonski 1 (Prof @ Department of Geophysical Sciences, University of Chicago “Lessons from the past: Evolutionary impacts of mass extinctions” May 16. http://www.pnas.org/content/98/10/5393.full//Donnie)

Mass extinctions have never entirely reset the evolutionary clock: even the huge losses at the end of the Permian, which appear to have permanently restructured marine and terrestrial communities, left enough taxa and functional groups standing to seed the recovery process without the origin of new phyla ([39](file:///C:\Users\Debate%2013\Downloads\impact%20defense-earth%20destruction-or-disease%20(1).doc#ref-39)). One key to understanding the past and future evolutionary role of extinctions will involve the factors that permit the persistence of certain biological trends or patterns—e.g., net expansion or contraction of clades or directional shifts in morphology—in the face of extensive taxonomic loss and ecological disruption. Besides extinction, at least four evolutionary patterns can be seen in the fossil record. These are: (i) unbroken continuity, (ii) continuity with setbacks, (iii) survival without recovery (“dead clade walking”), and (v) unbridled diversification.

Not key to anything

Dodds 2k (Donald, M.S. P.E., President of North Pacific Research, 2000, <http://webcache.googleusercontent.com/search?q=cache:X8s-Gaf_5r0J:northpacificresearch.com/downloads/The_myth_of_biodiversity.doc+the+planet+was+microbial+and+not+diverse.+Thus,+the+first+unexplainable+fact+is+that+the+earth+existed+for+3.5+billion+years&cd=1&hl=en&ct=clnk&gl=us>)

Biodiversity is a corner stone of the environmental movement. But there is no proof that biodiversity is important to the environment. Something without basis in scientific fact is called a Myth. Lets examine biodiversity through out the history of the earth. The earth has been a around for about 4 billion years. Life did not develop until about 500 million years later. Thus for the first 500 million years bio diversity was zero. The planet somehow survived this lack of biodiversity. For the next 3 billion years, the only life on the planet was microbial and not diverse. Thus, the first unexplainable fact is that the earth existed for 3.5 billion years, 87.5% of its existence, without biodiversity. Somewhere around 500 million years ago life began to diversify and multiple celled species appeared. Because these species were partially composed of sold material they left better geologic records, and the number of species and genera could be cataloged and counted. The number of genera on the planet is a indication of the biodiversity of the planet. Figure 1 is a plot of the number of genera on the planet over the last 550 million years. The little black line outside of the left edge of the graph is 10 million years. Notice the left end of this graph. Biodiversity has never been higher than it is today.

### 1ar

The alternative cannot overcome the managerialism that exists in the status quo that the plan has an ability to materially change,

### Apoclapse

#### 2. Apocalyptic rhetoric is necessary to motivate action like the plan, but it doesn’t have to be violent intervention, the plan is a pragmatic way to satiate those that are afraid.

Trombetta 2008

Maria Julia, Environmental security and climate change: analyzing the discourse, Cambridge Review of International Affairs, 21:4, 585-602

The recognition and constitution of a problem as a threat implies the identification of the political community that deserves protection, the legitimization of the means to provide security and eventually their institutionalization. Some of these aspects are more settled and consolidated than others, as are the different logics of security, such as the antagonistic, emergency-based one evoked by the Copenhagen School. These developed because, within a particular context, they were the most effective response against a specific representation of threats. This, however, does not mean that they are not open to negotiation when challenged by a new environment and threats. Climate change poses threats that are largely uncertain, diffuse, difficult to quantify and yet potentially catastrophic. This reflects the logic of a risk society portrayed by Beck. This article has explored how the practices associated with security are challenged by the attempts to transform environmental crises and climate change into a security issue, and has shown how appeals to security have emphasized the relevance of preventive, nonconfrontational measures and the importance of other actors than states in providing security. A potentially nonessentialist approach like securitization, which focuses on the social process that specifies threats, can be relevant in studying how various environmental issues gain priority and mobilize social action. However, the Copenhagen School identifies the ‘securityness’ of security with a specific logic determined by the realist tradition. In this way the School has imposed a problematic fixity that tends to essentialize an historical- and sector-specific understanding of security and the practices legitimized by it. Even if this logic is still relevant, the analysis of environmental security discourses and the securitization of climate change have shown that transforming an issue like climate change into a security issue is not about applying a fixed meaning of security and the practices associated with it. Rather, it is a reflexive and contextualized process that generates meanings and practices.

#### 3. Images of disasters are inevitable --- Only fostering imagery that rejects conflict & violence can prevent the utilization of imagery as a tool of war.

Paschalidis 1997

Gregory, of Aristotle University of Thessaloniki. “Images of War and the War of Images.” http://genesis.ee.auth.gr/dimakis/Gramma/7/06-paschalidis.htm

The choice, then, of the whole of the anti-war tradition of visual artists, photoreporters and activists of representing the suffering body as a way to expose the evils of war and establish a common ground of sensibility and **understanding should seem** now more clear and **legitimate**. If the beginnings of the modern humanistic tradition, in the Renaissance, were marked by the reinstatement of the dignity and the celebration of the beauty of the human body, it seems inevitable that the image of the degraded and defiled human body has since become the most potent symbol of everything that takes away from it and destroys its dignity and beauty, and thus, the most compelling incitation for ameliorative action. Ever since Leonardo and Goya, humanism is a quintessentially visual and at the same time embodied discourse, that constructs humanity as the most inclusive imagined community possible, through images that project a foundational, species identity centred on the human body. In the era of the generalized war of images brought about by the worldwide dissemination of the technical image, **we are regularly confronted with images that instigate war and images that castigate war; images that legitimize war and images that reject** and deny **it**; images that sublimate and glorify warfare and images that demystify and deglorify it; images that obscure its costs and obfuscate its grim reality, and **images that expose the death**, the destruction and the despair it causes; **images that extoll the catastrophic potential of modern** war **technology**, and images that focus on the insanity of it all; images that praise military virtue and patriotic duty, and images that testify to the courage of all those who oppose war, who resist violence and militarism. **This war between war images is impossible to be won by restricting** or avoiding **them**, **or rejecting them** all wholesale. **This war can only be won by producing**, by multiplying and by disseminating as much as possible, those **images that castigate war, that expose its horror**, that undermine the rhetoric and the ideologies that lead to it and legitimize it. The war against war involves, of course, much more than engaging in this war of images. We cannot possibly win the former, however, without having first prevailed in the latter.

### Resist state bad

Zizek 2007

Slavoj, Resistance is Surrender: What to Do about Capitalism?, http://www.lrb.co.uk/v29/n22/slavoj-zizek/resistance-is-surrender

These positions are not presented as a way of avoiding some ‘true’ radical Left politics – what they are trying to get around is, indeed, the lack of such a position. This defeat of the Left is not the whole story of the last thirty years, however. There is another, no less surprising, lesson to be learned from the Chinese Communists’ presiding over arguably the most explosive development of capitalism in history, and from the growth of West European Third Way social democracy. It is, in short: we can do it better. In the UK, the Thatcher revolution was, at the time, chaotic and impulsive, marked by unpredictable contingencies. It was Tony Blair who was able to institutionalise it, or, in Hegel’s terms, to raise (what first appeared as) a contingency, a historical accident, into a necessity. Thatcher wasn’t a Thatcherite, she was merely herself; it was Blair (more than Major) who truly gave form to Thatcherism. The response of some critics on the postmodern Left to this predicament is to call for a new politics of resistance. Those who still insist on fighting state power, let alone seizing it, are accused of remaining stuck within the ‘old paradigm’: the task today, their critics say, is to resist state power by withdrawing from its terrain and creating new spaces outside its control. This is, of course, the obverse of accepting the triumph of capitalism. The politics of resistance is nothing but the moralising supplement to a Third Way Left. Simon Critchley’s recent book, Infinitely Demanding, is an almost perfect embodiment of this position.[\*] For Critchley, the liberal-democratic state is here to stay. Attempts to abolish the state failed miserably; consequently, the new politics has to be located at a distance from it: anti-war movements, ecological organisations, groups protesting against racist or sexist abuses, and other forms of local self-organisation. It must be a politics of resistance to the state, of bombarding the state with impossible demands, of denouncing the limitations of state mechanisms. The main argument for conducting the politics of resistance at a distance from the state hinges on the ethical dimension of the ‘infinitely demanding’ call for justice: no state can heed this call, since its ultimate goal is the ‘real-political’ one of ensuring its own reproduction (its economic growth, public safety, etc). ‘Of course,’ Critchley writes, history is habitually written by the people with the guns and sticks and one cannot expect to defeat them with mocking satire and feather dusters. Yet, as the history of ultra-leftist active nihilism eloquently shows, one is lost the moment one picks up the guns and sticks. Anarchic political resistance should not seek to mimic and mirror the archic violent sovereignty it opposes. So what should, say, the US Democrats do? Stop competing for state power and withdraw to the interstices of the state, leaving state power to the Republicans and start a campaign of anarchic resistance to it? And what would Critchley do if he were facing an adversary like Hitler? Surely in such a case one should ‘mimic and mirror the archic violent sovereignty’ one opposes? Shouldn’t the Left draw a distinction between the circumstances in which one would resort to violence in confronting the state, and those in which all one can and should do is use ‘mocking satire and feather dusters’? The ambiguity of Critchley’s position resides in a strange non sequitur: if the state is here to stay, if it is impossible to abolish it (or capitalism), why retreat from it? Why not act with(in) the state? Why not accept the basic premise of the Third Way? Why limit oneself to a politics which, as Critchley puts it, ‘calls the state into question and calls the established order to account, not in order to do away with the state, desirable though that might well be in some utopian sense, but in order to better it or attenuate its malicious effect’? These words simply demonstrate that today’s liberal-democratic state and the dream of an ‘infinitely demanding’ anarchic politics exist in a relationship of mutual parasitism: anarchic agents do the ethical thinking, and the state does the work of running and regulating society. Critchley’s anarchic ethico-political agent acts like a superego, comfortably bombarding the state with demands; and the more the state tries to satisfy these demands, the more guilty it is seen to be. In compliance with this logic, the anarchic agents focus their protest not on open dictatorships, but on the hypocrisy of liberal democracies, who are accused of betraying their own professed principles. The big demonstrations in London and Washington against the US attack on Iraq a few years ago offer an exemplary case of this strange symbiotic relationship between power and resistance. Their paradoxical outcome was that both sides were satisfied. The protesters saved their beautiful souls: they made it clear that they don’t agree with the government’s policy on Iraq. Those in power calmly accepted it, even profited from it: not only did the protests in no way prevent the already-made decision to attack Iraq; they also served to legitimise it. Thus George Bush’s reaction to mass demonstrations protesting his visit to London, in effect: ‘You see, this is what we are fighting for, so that what people are doing here – protesting against their government policy – will be possible also in Iraq!’ It is striking that the course on which Hugo Chávez has embarked since 2006 is the exact opposite of the one chosen by the postmodern Left: far from resisting state power, he grabbed it (first by an attempted coup, then democratically), ruthlessly using the Venezuelan state apparatuses to promote his goals. Furthermore, he is militarising the barrios, and organising the training of armed units there. And, the ultimate scare: now that he is feeling the economic effects of capital’s ‘resistance’ to his rule (temporary shortages of some goods in the state-subsidised supermarkets), he has announced plans to consolidate the 24 parties that support him into a single party. Even some of his allies are sceptical about this move: will it come at the expense of the popular movements that have given the Venezuelan revolution its élan? However, this choice, though risky, should be fully endorsed: the task is to make the new party function not as a typical state socialist (or Peronist) party, but as a vehicle for the mobilisation of new forms of politics (like the grass roots slum committees). What should we say to someone like Chávez? ‘No, do not grab state power, just withdraw, leave the state and the current situation in place’? Chávez is often dismissed as a clown – but wouldn’t such a withdrawal just reduce him to a version of Subcomandante Marcos, whom many Mexican leftists now refer to as ‘Subcomediante Marcos’? Today, it is the great capitalists – Bill Gates, corporate polluters, fox hunters – who ‘resist’ the state.

#### ---The State System is Inevitable --- Anti-realist critique is ethnocentric and fails to analyze the history of government.

Solomon 1996

Hussein, Senior Researcher, Human Security Project, Institute for Defence Policy, “In Defence of Realism,” African Security Review, Vol 5, No 2, http://www.iss.co.za/pubs/ASR/5No2/5No2/InDefence.html

One aspect of this criticism relates to the fact that realists see the State as an ‘a-historical given in the global system’.83 Post-modernists posit the notion that the State is a relatively recent historical figure (that the birth of the State is to be found in the Treaty of Westphalia of 1648 which ended the Thirty Years War). It is argued that the State historically evolved from set circumstances, and that in the present era of massive global change it shows every indication to be on the wane.84 However, such a view is extremely problematic. Does this mean that Julius Caesar did not rule over a State? Does this mean that the rulers of ancient Han China did not rule over a state? Does this mean that Montezuma’s sophisticated Aztec polity was not a state? And what of King Solomon’s Israel, rulers of the mighty kingdoms of Mali and Ghana, Atahualapa’s vast Inca empire, and the sophisticated Indus Valley polity which existed millennia before the birth of Christ? These questions necessitate a more fundamental question: what exactly is a state? The classic political science definition of a state is a people occupying a specific territory, having rulers (government) who pass laws which are binding on those people.85 By this definition, all the above historical examples are indeed states. More importantly, it illustrates a deep Eurocentric bias among those scholars who claim that the State is a relatively recent historical phenomenon which began with the Treaty of Westphalia in 1648. Those who argue that the State is withering away lack an understanding of human history which proves that states are complex social structures and have always been changing in response to new historical conditions. As such, the State as defined above will always be with us in one form or another. After all, somebody has to see to the need of citizens, ranging from protection from the mugger in the dark alley to the army of a foreign government.

#### ---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.