### Elections

**No risk of water wars**

**Lawfield 10** – Thomas Lawfield is an MA candidate at the University for Peace. Water Security: War or Peace? Thomas Lawfield May 03, 2010, <http://www.monitor.upeace.org/innerpg.cfm?id_article=715>, ZBurdette) \*note: changed to BC[E]

In reality, water does not cause war. The arguments presented above, although correct in principle, have little purchase in empirical evidence. Indeed, as one author notes, there is only one case of a war where the formal declaration of war was over water.[20] This was an incident between two Mesopotamian city states, Lagash and Umma, over 2,500 years BC[E], in modern day southern Iraq.

Both the initial premises and arguments of water war theorists have been brought into question. Given this, a number of areas of contestation have emerged: "Questioning both the supply and demand side of the water war argument [...] Questioning assumptions about the costs of water resources [...and] Demonstrating the cooperative potential of the water resource."[21]

Why then is water not a cause of war? The answer lies in two factors: first, the capacity for adaptation to water stresses and, second, the political drawbacks to coupling water and conflict.

First, there is no water crisis, or more correctly, there are a number of adaptation strategies that reduce stress on water resources and so make conflict less likely. Unlike the water war discourse, which perceives water as finite in the Malthusian sense, **the capacity for adaptation to water stress has been greatly underestimated**. For instance, I will discuss in particular a trading adaptation known as ‘virtual water’, which refers to the water used to grow imported food. This water can be subtracted from the total projected agricultural water needs of a state, and hence allows water scarce states to operate on a lower in-country water requirement than would otherwise be expected.[22] This means that regions of the world that are particularly rich in water produce water intense agricultural products more easily in the global trade system, while other water scarce areas produce low intensity products.[23] The scale of this water is significant - Allan famously pointed out that more embedded water flows into the Middle East in the form of grain than flows in the Nile.[24]

In addition, there are significant problems around the hegemonic doctrine of the water crisis. Many authors point to relatively low water provision per capita by states, and suggest that this will increase the likelihood of a state engaging in war with a neighbouring state, to obtain the water necessary for its population. This is normally a conceptual leap that produces the incorrect corollary of conflict, but is also frequently **a problem of data weaknesses** around the per capita requirements. For instance, Stucki cites the case of the Palestinians being under the worst water stress, with a per capita provision being in the region of 165m³/year.[25] Unfortunately, such an analysis is based on false actual provision data in this region. Based on the authors work on water provision in Lebanese Palestinian refugee camps, the actual provision is over 90m³/month. Such a figure is highly likely to be representative of other camps in the region.[26] If this example is representative of trends to exaggerate water pressures in the region, then **we should be sceptical about claims of increasing water stress.**

Furthermore, given that many water systems have a pipe leakage rate of fifty per cent, combined with a seventy per cent loss of agricultural water, significant efficiency enhancements could be made to existing infrastructure. Combined with desalination options in many water shortage prone states, there is an overall capacity for technological and market driven solutions to water scarcity.[27]

## Oil

### Ov

#### Russian economic decline causes nuclear war and extinction

Filger2009 – Sheldon Filger, columnist and founder of GlobalEconomicCrisis.com, May 10, 2009, “Russian Economy Faces Disastrous Free Fall Contraction,” online: http://www.huffingtonpost.com/sheldon-filger/russian-economy-faces-dis\_b\_201147.html

In Russia, historically, economic health and political stability are intertwined to a degree that is rarely encountered in other major industrialized economies. It was the economic stagnation of the former Soviet Union that led to its political downfall. Similarly, Medvedev and Putin, both intimately acquainted with their nation's history, are unquestionably alarmed at the prospect that Russia's economic crisis will endanger the nation's political stability, achieved at great cost after years of chaos following the demise of the Soviet Union. Already, strikes and protests are occurring among rank and file workers facing unemployment or non-payment of their salaries. Recent polling demonstrates that the once supreme popularity ratings of Putin and Medvedev are eroding rapidly. Beyond the political elites are the financial oligarchs, who have been forced to deleverage, even unloading their yachts and executive jets in a desperate attempt to raise cash. Should the Russian economy deteriorate to the point where economic collapse is not out of the question, the impact will go far beyond the obvious accelerant such an outcome would be for the Global Economic Crisis. There is a geopolitical dimension that is even more relevant then the economic context. Despite its economic vulnerabilities and perceived decline from superpower status, Russia remains one of only two nations on earth with a nuclear arsenal of sufficient scope and capability to destroy the world as we know it. For that reason, it is not only President Medvedev and Prime Minister Putin who will be lying awake at nights over the prospect that a national economic crisis can transform itself into a virulent and destabilizing social and political upheaval. It just may be possible that U.S. President Barack Obama's national security team has already briefed him about the consequences of a major economic meltdown in Russia for the peace of the world. After all, the most recent national intelligence estimates put out by the U.S. intelligence community have already concluded that the Global Economic Crisis represents the greatest national security threat to the United States, due to its facilitating political instability in the world. During the years Boris Yeltsin ruled Russia, security forces responsible for guarding the nation's nuclear arsenal went without pay for months at a time, leading to fears that desperate personnel would illicitly sell nuclear weapons to terrorist organizations. If the current economic crisis in Russia were to deteriorate much further, how secure would the Russian nuclear arsenal remain? It may be that the financial impact of the Global Economic Crisis is its least dangerous consequence.

#### Russian economic decline causes Russia-China border war

Dmitri Trenin2002(Deputy Director of the Carnegie Endowment for International Peace, Former Russian Officer, After Eurasia, pp 308-309

Usually, there is no shortage of **dire predictions concerning Russia’s ultimate fate**. In a characteristic exchange of views on the eve of the year 2000, a prominent Russian intellectual predicted Russia’s disintegration within 10 to 15 years. His European counterpart’s vision of Russia was that of Muscovy west of the Urals, with Siberia under Chinese control. The American scholar limited himself to the vision of a Sino-Russian war. If a doomsday scenario were to become a reality, this would be the result of a major economic catastrophe. If Russia became a loose confederation, its borderlands would gravitate in different directions, and governing Russia would require the art of managing these very different orientations. In other words, Russia would still join the world, but it would do so in less than one piece.

#### key leader of emerging economies

Martin Delaney 1-26-2011**;**, “Russia: The Wild East,” Investment And Pensions Europe)

However, many would argue they are wrong. "There are important reforms going on in Russia at the moment," explains Vladimir Kirillov, chief executive of TKB BNP Paribas Investment Partners. "You are seeing a reform of the social security system, ongoing reform in the pension system and a significant decrease in the burdens on small and medium-sized enterprises." Beyond the reform programme the fundamentals remain sound - despite the ongoing fall-out from the global economic crisis. According to Franklin Templeton Investm ents' latest Market Perspectives note, while the Russian economy contracted by 7.9% in 2009, it is forecast to grow by 4% in 2010 - and 4.3% in 2011. By the end of September 2010 Russian equities had more than doubled since they bottomed in January 2009. For October alone, the Russian equity market reported a rise of 5.7%. The Russian economy continues to stabilise, with unemployment falling substantially since the beginning of the year and retail sales and disposable income have increasing. The oil price remains relatively buoyant at just below $85 per barrel - well above the oft-cited $55-$60 range that Russia needs for its economy to break even. "This means that the Russian government will be able to run lower budget deficits this year and next, which in turn should mitigate inflationary pressure and prove supportive for the ruble as it will limit the rate of money supply growth," notes Michael Kart, managing partner at Marshall Spectrum, the Moscow-based emerging markets equity manager specialising in Russia and CIS. Concerns remain about the impact of the recent drought and wildfires, particularly on the agricultural sector, but the general trend of the markets and the economy is upwards. As the western markets falter, those in the emerging markets will continue to be the "the **engine** spurring the **world's growth** over the next years", explains Kart. "Russia as the world's main storehouse of raw materials will provide the necessary fuel for that. If we take a look at the country within the BRIC context, we would notice that the country has by far more natural resources, a more educated population, a higher proportion of the middle-class, a strong macroeconomic framework, a better track record - and it is cheaper." And this is the key: on virtually any metric Russia offers potentially better opportunities than most other emerging markets. Kart remains convinced the country offers investors a multitude of opportunities. "Contrary to popular belief, Russia, according to various studies performed by institutions such as World Bank and the IMF, compares well with its peers on metrics like ease of doing business, market size, transparency, infrastructure, penetration, dividend yield, and return on equity," he insists. That is a bold statement to make, but one echoed by fund managers and investment analysts based in Moscow. "The people who are able to identify and manage the risks should be able to benefit from the low multiples when the overall perception of Russia improves," says Dimitri Kryukov, founder and CIO of Verno Investment Management, which runs the Verno Russia fund. "Russia looks particularly interesting as it is one of the cheapest major markets in the world, supported by broad-based GDP and EPS growth, sound macro fundamentals and relatively high commodity prices," agrees Marcus Svedberg, chief economist at East Capital. "Russian WTO membership, which seems more realistic than ever, would be a positive trigger that is not yet priced in by the market. A steady stream of IPOs absorbed liquidity and Russia has underperformed other emerging markets in 2010 and is still 40% below its pre-crisis peak. We believe this is a good entry point." Matthias Siller, co-manager of the Baring Russia fund, says that one can find opportunities to make money work harder than in other places as long as you are there on the ground. "The finance and consumer-related sectors offer much higher returns on capital than you would find in other markets in Europe - and that has never been more pronounced than now," he says. "These sectors in Russia will only get bigger." The emergent middle class and an ancillary increase in consumer demand are fuelling an unparalleled period of expansion. And, in spite of rumbling concerns about its relations with its neighbours, Russia's government remains relatively stable. Expected presidential elections in 2012 are likely to see a smooth handover of power - although doubts grow as to whether Putin will be able to reclaim the top job. "Russia's political risk is different [to that of other emerging markets]," explains Hugo Bain, senior investment manager of the Pictet Russian Equities fund. "For example, in Turkey the political risk is top-down, but in Russia it is more focused at the company and sector level. Clearly there is political involvement in certain sectors and companies, and sometimes that does make investing in Russia quite opaque. You learn to live with it." Yet in spite of a general consensus that Russia offers one of the investment opportunities of the decade, there remain good reasons why valuations are so low. Claude Tiramani, manager of Lutetia Capital's Emerging Opportunities fund, points out that infrastructure spending as a percentage of GDP has declined from 40% in the 1970s to just 20% today. The dependence of the economy on the oil and gas sectors is also a worry (see further article in this section) - although the government is making a concerted effort to diversify its tax revenues. Moves to establish a broader economy have led to investments into agriculture and the development of the banking sector. Concerns around corporate governance and corruption are valid - exemplified by the Yukos affair. In its 2010 Corruption Perceptions Index, Transparency International, the anti-corruption group, ranked Russia at 2.1 on a scale of 1-10 where 10 represents "very clean". The other BRIC nations, China, India and Brazil, all scored 3.5, 3.3 and 3.7 respectively. By way of comparison, the US and the UK scored 7.1 and 7.6 respectively. The owner of the UK's Independent and Evening Standard newspapers, Alexander Lebedev, whose Moscow investment bank was recently raided by secret service agents, recently claimed Russians pay $300bn a year in bribes - almost a quarter of the country's GDP. He has categorically denied any wrongdoing himself. Ultimately, however, many of those based in Moscow say they read about a country in the press that they simply do not recognise. "I don't want to sound like an apologist, but Russia does receive a biased press," argues David Thornton, fund manager of the Matrix New Europe fund. "They have a complete blind spot in their reporting of Russia." Even investors into Yukos could still have made money - despite the state's tax levy. "From the first signs of trouble in July 2003," explains Dimitri Kryukov at the Verno Russia fund, "Yukos still managed to post a high in April 2004 - nine months after the trouble first emerged. Investors who had done their homework would still have been able to protect their capital." In essence, his comments represent a good first lesson for investors seeking opportunities in Russia: with an understanding of the situation and insight into the risks posed by the BRIC nation, the country offers superlative investment returns. Russia may be viewed as the wild east of the BRIC nations, but now is the time that the great fortunes of the future are being made.

#### Russian collapse causes US collapse- energy sector ties

William H Cooper2009; Specialist in International Trade and Finance ¶ “Russia’s Economic Performance and Policies and Their Implications for the United States”, http://www.fas.org/sgp/crs/row/RL34512.pdf

Russia’s economic prospects have direct and indirect implications for the United States. One way to measure the direct implications is by examining the status of U.S.-Russian economic ties. U.S.-Russian trade and investment flows have increased in the post-Cold War period reflecting the changed U.S.-Russian relationship. Many experts have suggested that the relationship could expand even further. U.S. imports from Russia have increased substantially, rising from $0.5 billion in 1992 to a peak of $26.8 billion in 2008. The large increase in U.S. imports reflects not so much an increase in the volume of trade but the rise in world prices of raw materials, particularly oil, that comprise the bulk of those imports (64% in 2008). U.S. exports have increased from $2.1 billion in 1992 peaking at $9.3 billion in 2008. Major U.S. exports to Russia consist of machinery, vehicles, and meat (mostly chicken). Despite the increase in bilateral trade, the United States and Russia still account for small shares of each others’ trade. In 2008, Russia accounted for about 0.7% of U.S. exports and 1.3% of U.S. imports. It was the 17 th largest source of imports and 28th largest export market for the United States. The United States accounted for 3.4% of Russian exports and 5.4% of Russian imports. It was the fifth largest source of imports and 10th largest export market for Russia. 80 According to Russian government data, by the end of 2008, the United States accounted for 3.3% of total accumulated foreign direct and portfolio investments in Russia and was the eighth largest source of foreign investment. However, the first three countries were Cyprus (21.5%), the Netherlands (17.5%), and Luxembourg (13.0%), suggesting that at least 50% of the investments night have been repatriated Russian funds. Russia and the United States have never been major economic partners, and it unlikely that the significance of bilateral trade will increase much in the near term. However, in some areas, such as agriculture, Russia has become an important market for U.S. exports. Russia is the largest foreign market for U.S. poultry. Furthermore, U.S. exports to Russia of energy exploration equipment and technology, as well as industrial and agricultural equipment, have increased as the dollar has declined in value. Russian demand for these products will likely grow as old equipment and technology need to be replaced and modernized. Russia’s significance as a supplier of U.S. imports will also likely remain small given the lack of international competitiveness of Russian production outside of oil, gas, and other natural resources. U.S.-Russian investment relations could grow tighter if Russia’s business climate improves; however, U.S. business concerns about the Russian government’s seemingly capricious intervention in energy and other sectors could dampen the enthusiasm of all but adventuresome investors. The greater importance of Russia’s economic policies and prospects to the United States lie in their indirect effect on the overall economic and political environment in which the United States and Russia operate. From this perspective, Russia’s continuing economic stability and growth can be considered positive for the United States. Because financial markets are interrelated, chaos in even some of the smaller economies can cause uncertainty throughout the rest of the world. Such was the case during Russia’s financial meltdown in 1998 and more recently with the 2008-2009 crisis. Promotion of economic stability in Russia has been a basis for U.S. support for Russia’s membership in international economic organizations, including the IMF, the World Bank, and the WTO. As a major oil producer and exporter, Russia influences world oil prices that affect U.S. consumers. The impact of Russian economic policies and prospects also plays a role in U.S. national security interests. For example, Russia is a major supplier of natural gas to many U.S. European allies. In 2006, Russia accounted for 20% of France’s, 25% of Italy’s, and 36% of Germany’s consumption of natural gas, making these allies possibly vulnerable to political pressure. 82 On several occasions, most recently on January 1, 2009, Russia has temporarily shut-off gas supplies to Ukraine over a price dispute, and in so doing cut supplies to Europe. Although supplies were resumed two weeks later, the disruptions have affected European views of Russia as a reliable supplier of gas. 83 Russia is also a primary supplier of natural gas to other former Soviet republics, providing it with potential political leverage. The United States has been promoting the construction of pipelines that by-pass Russia, thus decreasing Moscow’s monopoly control of Caspian and Central Asian energy flows.

### Uq

#### Prices are high in the short term--$100pb key

#### Economics solves peak oil – new waves of innovation and price mechanisms check every shortage

Tim Worstall 7-6-2012; ¶ Tim Worstall is a Senior Fellow at the Adam Smith Institute in London, and one of the global experts on the metal scandium, one of the rare earths. His book, Chasing Rainbows, on the economics of climate change, is available at Amazon.¶ We are nowhere near hitting 'peak oil', because we keep inventing new ways of extracting the stuff http://blogs.telegraph.co.uk/finance/timworstall/100018350/so-thats-the-end-of-peak-oil-then/

Any economist could have told him that. Resource constraints are always an economic problem: solved by the price mechanism.¶ It was never true that we would run out of oil – it just gets more expensive. At a higher price, people use less and go and hunt for more. Both have happened: the amount of oil (or energy of any kind) used to produce one dollar of GDP has been falling for decades now. Techniques to extract more have been developed as those prices rise. And I'm afraid that people don't seem to understand the implications of those new techniques.¶ Take the Macondo field drilled by BP. Yes, a disaster in the Gulf: but also the deepest well ever drilled. Having developed the technology to drill so deeply we have not only discovered one new oil field – we've also discovered a whole new Earth that we can explore for oil. That part of the entire globe that between 4,000 and 5,000 feet below the surface.¶ Inventing fracking does not mean just extracting gas from Pennsylvania or oil from the Bakken. It means prospecting the whole planet again for such deposits. New technologies mean we have invented whole new planets to explore for resources.¶ This does not apply only to peak oil or peak gas. There are those out there who worry about peak copper, peak indium and even peak tellurium (an odd one when we use 125 tonnes a year and there's 120 million tonnes in the crust). None of these are geological problems, they are all plain and simple economic ones.

### Link

#### Imports of PV solves oil dependence

Dawn Allcot 9-8-2011; frequently covers energy efficiency, green living, and topics like LED lighting and whole home control systems for a number of technology trade magazines. Solar Power Reduces Our Dependency on Oil http://www.ecooutfitters.net/blog/2011/09/solar-power-reduces-our-dependency-on-oil/

Oil and the Middle East Unfortunately, one very significant aspect of U.S. life has not changed since the September 11 attacks, and that is our use of foreign oil. The entire Middle East is still a battlefield, yet we purchase one of our most crucial resources from this region. Statistics vary widely — some bloggers believe we purchase only 12 percent of our oil from the Middle East, while others guess the number is closer to 43 or even 50 percent. The U.S. Energy Administration published a table earlier this year that shows we import about 25 percent of our oil from the Middle East. Iraq is one of our country’s top ten crude oil sources. Are we entirely dependent on Middle Eastern oil? No. Is it significant to us? Absolutely. Any disruption in the supply of Middle Eastern oil, including war, tends to drive gas and home heating oil prices up. When gas prices go up, it costs more to transport our food supply and soon, grocery prices rise, too. (As an aside, this is just one reason eating locally grown food is a green and cost-effective practice.) Little Changes Make a Big Difference But there’s good news. The fact that our country’s so-called “dependence” on Middle Eastern oil isn’t as bad as many believe means small changes can make a big difference. Changes like using solar hot water heat instead of oil to heat your hot water, or using solar PV panels for radiant floor heating can make a big difference in reducing the amount of oil our country needs. With only 5 percent of the world’s population, we use 27 percent of the world’s oil. Solar energy is one solution to reduce our oil consumption and our ties to the Middle East. It’s also cleaner than oil, easier to access, constantly renewable, and so far, the price of solar power is not connected to world politics. The more you think about all these factors, the case for solar power keeps getting brighter and brighter.

#### Solar tradeoff with oil is a huge chunk of global oil consumption

Mark Heesen and Lezlee Westine 5-22-2008; Mark Heesen is President of the National Venture Capital Association and Lezlee Westine is President and CEO of TechNet. U.S. Needs to Extend Renewable Tax Credits Now http://www.technet.org/u-s-needs-to-extend-renewable-tax-credits-now/

There is another way. Technological advances in solar, wind, biofuels, energy efficiency, fuel cell design and other emerging energy sources are creating the energy and cost efficiencies necessary to transform the world¿s energy consumption. This shift can reduce drive gas prices, improve America¿s competitiveness and help address the world¿s environmental challenges. Today, however, common sense legislation supporting renewable energy creation is being held up because of Washington politics. Some may ask what is the connection between green energy and the price of oil? The answer is the most basic of economic tenets ¿ high demand and limited supply lead to higher prices. Today, two-thirds of the oil used in the United States is for transportation. Outside the U.S., roughly 50 percent of the oil consumed is used for non-transportation purposes such as electricity generation. Given the world¿s limited supply and heavy reliance on oil, there simply are no market forces working to drive down costs. To bring down and keep down the price of oil (and America¿s gas prices), greater competition in the world energy market is needed. Consumption must shift from oil to a more balanced mix that includes greener energy alternatives. But without **reliable federal policy** that drives this transformation, clean energy sources are unlikely to **reach the economies of scale** necessary to compete with oil in the world energy market.

#### Their desal addon is an internal link—hydrogen economy solves oil

Jeremy Rifkin, 12-5-2002; President of the Foundation on Economic Trends, degree in economics from the Wharton School of the University of Pennsylvania, and degree in international affairs from the Fletcher School of Law and Diplomacy at Tufts University. “Hydrogen: Empowering the People,” The Nation, http://www.thenation.com/doc/20021223/rifkin

While the fossil-fuel era enters its sunset years, a new energy regime is being born that has the potential to remake civilization along radically new lines--hydrogen. Hydrogen is the most basic and ubiquitous element in the universe. It never runs out and produces no harmful CO2 emissions when burned; the only byproducts are heat and pure water. That is why it's been called "the forever fuel." Hydrogen has the potential to end the world's reliance on oil. Switching to hydrogen and creating a decentralized power grid would also be the best assurance against terrorist attacks aimed at disrupting the national power grid and energy infrastructure. Moreover, hydrogen power will dramatically reduce carbon dioxide emissions and mitigate the effects of global warming. In the long run, the hydrogen-powered economy will fundamentally change the very nature of our market, political and social institutions, just as coal and steam power did at the beginning of the Industrial Revolution.

### Key to econ

**High prices are key to the Russian economy –**

#### --Stable foreign investor perception

RT 4-3-2012; Russia Today, “Oil prices: The make or break of the Russian economy - World Bank” http://rt.com/business/news/world-bank-report-russia-543/

Russia has to thank high oil prices for the better state of its economy. A World Bank report says it has the edge over other emerging countries and the EU, but the rosy picture will become bleaker unless the country deals with a number of challenges. The growth rose from 3.8% year-on-year in the first half to 4.8% in the second half of 2011 and in September was 0.3% better than predicted in the previous Russian Economic Report. Restocking and growing consumptions were the most important growth drivers in 2011 after the sharp decline in 2009. Private consumption was supported by growing employment, solid wage growth, lower inflation, and a strong rouble in the first half of the year. Although the Russian economy returned to pre-crisis level by the end of 2011, the recovery from the crisis was slower than that in 1998. By comparison, GDP took 7 quarters to recover to pre-crisis level after 1998 crisis, yet twice as long after the 2008 crisis. However consumption held up better in 2008 than in 1998 partly due to stronger fiscal policy. Imports recovered faster in 2008. The capital investment showed slowest recovery in 2011. Overall investment reached 22% of GDP in the third quarter of 2011, some 4.4% of GDP below the pre-crisis level in the second quarter of 2008. “It is going to be **very important** for the Russian government to make sure that **investors want to put money in Russia**,” said Kaspar Richter, World Bank's Lead Economist and Country Sector Coordinator for Russia. “Macroeconomic policy should emphasize stability; all buffers have to be rebuilt. So when the next crisis comes Russia is a good place to address this crisis”. The lower inflation rate is among the major achievements of Russian economy, according to the World Bank. CPI inflation fell for 10 months in a row from 9.7% in April 2011 to 3.8% in February 2012, the lowest level since the early 1990s. Russia’s labor market improved in 2011, as unemployment was 6.5 % in July, and remained around this level through to the end of the year, according to the report. Though real income growth was 1.1% in 2011, the lowest rate in many years, real wages increased 4.2%, although only 2% for the public sector. In 2011 the Russian budget turned in a surplus thanks to surging oil prices and moderate spending. But the World Bank expects the budget to turn to a deficit in 2012 as spending on extra-budgetary funds and social policy is projected to jump from 5.8% of GDP in 2011 to 7.5% of GDP in 2013. World Bank also warns against increasing reliance on resources exports as oil and gas revenues grew to 10.4% of GDP from 7.6% in 2009. “**Even a moderate correction in the oil prices could reverse improvements on the revenue side** achieved in 2011,” experts say.

#### --New spending commitments make higher prices necessary – lower prices risk a credit downgrade

Andrew Kramer 3-16-2012; Moscow correspondent for the New York Times, Putin Needs Higher Oil Prices to Pay for Campaign Promises http://www.nytimes.com/2012/03/17/business/global/vladimir-putins-big-promises-need-fueling-by-high-oil-prices.html?\_r=1

In all, the new commitments would add up to about $98 billion a year, Citigroup estimates. The spillover from the Arab Spring and the specter of an Israeli attack on Iran’s nuclear development plants are propping up oil prices now. But over the long term, economic stagnation in Europe could help bring them down. Even before the election, Russia’s government spending was up, helping reinforce Mr. Putin’s message that he was the best candidate to deliver prosperity and stability. In January, the Russian military ministry, for example, doubled salaries in the nation’s million-person army. It was ostensibly a long-planned move. But coming just two months before the presidential vote, the political message was clear. Also smoothing the path for Mr. Putin’s victory was a national cap on utility rates that helped keep inflation at the lowest level in Russia’s post-Soviet history for January and February, at a 3.7 percent annual pace. “Putin made large spending commitments,” the Fitch rating agency said in a statement released the day after the election. “The current high price of oil cushions Russia’s public finances,” Fitch said. “But in the absence of fiscal tightening that significantly cuts the non-oil and gas fiscal deficit, a severe and sustained drop in the oil price would have a damaging impact on the Russian economy and public finances and would likely lead to a downgrade” of the nation’s credit rating. As Mr. Putin’s spending promises started to be introduced in January, Fitch altered Russia’s outlook to stable, from positive.

#### --Stock market performance tracks oil prices

FrankStocker7-6-2011, Die Weltm “IS RUSSIA REALLY SUCH A SOLID INVESTMENT?”, <http://www.worldcrunch.com/russia-really-such-solid-investment/3403>,

Even if a few innovative Internet companies have cropped up, like the Mail.ru e-mail service or the Yandex search engine, both of which are listed on the stock market, they are mostly active only in Russia and therefore remain small players. They don’t have what it takes to be an international success story; they couldn’t even begin to compete with companies like Google or Facebook. Russia‘s stock market will for the foreseeable future remain geared to oil and gas prices. That much is clear from the share prices on the Moscow exchange -- in dollars they **follow oil prices almost slavishly**. Let me rephrase: make that followed. Over the past few months, they’ve been a little lower than the price of oil. Definitely not a growth story.

#### --Bond yields too

Bloomberg6-27-2011;, Jun 27, 2011, “Russia’s Ruble Declines to Four-Week Low Versus Dollar as Oil Price Slides”, http://www.bloomberg.com/news/2011-06-27/russia-s-ruble-declines-to-four-week-low-versus-dollar-as-oil-price-slides.html

The ruble slid to its weakest against the dollar in a month as oil, Russia’s chief export earner, dropped on speculation the International Energy Agency may release more of its stockpiles to steady prices. The ruble lost 0.6 percent to 28.33 per dollar at the 5 p.m. close in Moscow, the weakest since May 25. The Russian currency was down 0.2 percent at 40.2 per euro, leaving it 0.4 percent weaker at 33.6715 versus the central bank’s target dollar-euro basket, its lowest level in two months based on closing prices. The IEA will act again if needed after announcing its third release of emergency stockpiles since its creation in 1974 last week, aimed at stabilizing prices as the war in Libya chokes global crude supplies, Executive Director Nobuo Tanaka said in Beijing June 25. Crude for August delivery dropped as much as $1.34 a barrel today, and last traded down 1 percent at $90.22 a barrel. “**The oil and Russia relationship remains close**,” Chris Weafer, chief strategist and head of research for Russia at ING Groep NV in Moscow, wrote in an e-mailed note June 25. Oil prices “will again be one of the major factors determining Moscow’s bourses and the ruble,” he wrote. Crude prices slipped 15 percent in the three months after the IEA last released emergency supplies in September 2005. The agency released stockpiles after Hurricane Katrina knocked out 10 percent of U.S. refining capacity. Russian government dollar bonds due 2015 fell, pushing the yield up eight basis points to 2.996 percent. The country’s ruble Eurobond yielded two basis points more at 7.021 percent. Non-deliverable forwards, which allow companies to hedge against currency movements, show the ruble at 28.6088 per dollar in three months.

### China adv

#### Co2 warming is a hoax

**Carter 10** – Robert, PhD, Adjuct Research Fellow, James Cook University, Craig Idso, PhD, Chairman at the Center for the Study of Carbon Dioxide and Global Change, Fred Singer, PhD, President of the Science and Environmental Policy Project, Susan Crockford, evolutionary biologist with a specialty in skeletal taxonomy , paleozoology and vertebrate evolution, Joseph D’Aleo, 30 years of experience in professional meteorology, former college professor of Meteorology at Lyndon State College, Indur Goklany, independent scholar, author, and co-editor of the Electronic Journal of Sustainable Development, Sherwood Idso, President of the Center for the Study of Carbon Dioxide and Global Change, Research Physicist with the US Department of Agriculture, Adjunct Professor in the Departments of Geology, Botany, and Microbiology at Arizona State University, Bachelor of Physics, Master of Science, and Doctor of Philosophy, all from the University of Minnesota, Madhav Khandekar, former research scientist from Environment Canada and is an expert reviewer for the IPCC 2007 Climate Change Panel, Anthony Lupo, Department Chair and Professor of Atmospheric Science at the University of Missouri, Willie Soon, astrophysicist at the Solar and Stellar Physics Division of the Harvard-Smithsonian Center for Astrophysics, Mitch Taylor (Canada) (December 22, “[Irreversible CO2-Induced Global Warming?](http://www.nipccreport.org/articles/2010/dec/22dec2010a5.html)” <http://www.nipccreport.org/articles/2010/dec/22dec2010a5.html>) Jacome

Lastly, with respect to the first of Solomon et al.'s three criteria -- their assumption that the modeled atmospheric warming is already occurring, and that there is evidence for anthropogenic (i.e., CO2-induced) contributions to it -- the situation is much the same: real-world data provide little to no support for this contention. It shold be noted, for example, that the global warming of the past few decades was actually part of a much longer warming, which began in many places throughout the world a little over three centuries ago (about 1680) with the dramatic "beginning of the end" of the Little Ice Age (LIA, see figure below), well before there was any significant increase in the air's CO2 content. And this observation suggests that a continuation of whatever phenomenon -- or combination of phenomena -- may have caused the greater initial warming could well have caused the lesser final warming, the total effect of which was to transport the earth from the chilly depths of the Little Ice Age into the relative balm of the Current Warm Period.

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Janssens et al. (2010) write that "atmospheric deposition of reactive nitrogen, originating mainly from fossil-fuel burning and artificial fertilizer applications, has increased three- to five-fold over the past century," and they say that "in many areas of the globe, nitrogen deposition is expected to increase further." This phenomenon stimulates plant growth and the uptake of carbon from the atmosphere, contributing to climate change mitigation; and they state that Magnani et al. (2007) demonstrated nitrogen deposition to be "the dominant driver of carbon sequestration in forest ecosystems," although there has been what they describe as "intense debate" about the magnitude and sustainability of the phenomenon and its underlying mechanisms.

In an effort designed to further explore the subject, Janssens et al. conducted "a meta-analysis of measurements in nitrogen-addition experiments, and a comparison of study sites exposed to elevated or background atmospheric nitrogen deposition."

The work of the fifteen scientists revealed, in their words, that "nitrogen deposition impedes organic matter decomposition, and thus stimulates carbon sequestration, in temperate forest soils where nitrogen is not limiting microbial growth." What is more, they find that "the concomitant reduction in soil carbon emissions is substantial," being "equivalent in magnitude to the amount of carbon taken up by trees owing to nitrogen fertilization."

For those worried about the (highly unlikely) prospect of CO2-induced global warming, these findings should be good news; for in the concluding sentence of their paper, Janssens et al. state that "the size of the nitrogen-induced inhibition of below-ground respiration is of the same order of magnitude as the forest carbon sink." And they state in the concluding sentence of their paper's introduction that "**this effect has not been included in current carbon-cycle models**," suggesting that when it is included, it will contribute much to "climate change mitigation."

#### No China war

**Brendon 10**—fellow of Churchill College, Cambridge University (Piers, 20 October 2010, “China Also Rises”, http://nationalinterest.org/print/article/china-rises-4236, RBatra)

HERE, THEN, is an account calculated to show that the reinvigorated Chinese dragon will endeavor to retaliate against the American eagle, itself seeking a new foe in lieu of the Soviet bear. China is bound to regain face, so the argument goes, by using its newfound resources to arm itself and to confront the United States in military terms. The idea that progress heads westward and that power follows the sun was heard, it has rightly been said, “from Horace to Horace Greeley.” Now Chinese authorities such as Wang Jisi (dean of the School of International Studies at Peking University) quote the adage that “the torch of history seems to be relayed from the West to the East.” A clash between the two titans, divided for so long by so much bad blood, is widely supposed to be inevitable.

This is not the case. Not only does history not repeat itself, it contains no rhythms or patterns which enable its students to make sure predictions. It is a “flickering lamp,” wrote Winston Churchill, in a world governed by time and chance. Human beings and all their works are subject, as Edward Gibbon said, to “the vicissitudes of fortune.” Or, in the somewhat less coherent words of Margaret Thatcher, “the unexpected happens” and “fail-safe plans are designed to go wrong.” But while certainty is unattainable, history does offer more optimistic possibilities than the saga of Chinese humiliation at foreign hands may suggest. One conceivable outcome that deserves serious consideration is that **we are at the dawn of an era of fruitful cooperation between China and America.**

It must be said that commercially successful states do not automatically or immediately beat their pruning hooks into swords. For all its overwhelming industrial and mercantile dominance, the United States remained a tenth-rate military power (except for its navy) until galvanized by Japan’s attack on Pearl Harbor. Deng’s China itself put the modernization of its armed forces behind that of agriculture, manufacturing and science, and in the two decades after 1981 its troop numbers fell by half, to 2.3 million. Admittedly, its defense spending rose thereafter, but it remains a much-lower percentage of GDP than does America’s. And this year the rise has been checked, apparently in order to assuage foreign worries about its military modernization.

In other words, **there is no necessary correlation between economic growth and military strength**. Witness Stalin’s Russia, which made guns at the expense of butter during the 1930s, starving itself great. As Hitler and Mussolini also showed, this is a policy to which totalitarian states are particularly prone. Yet China’s leaders seem dedicated to augmenting prosperity in order to secure stability. Having been racked by internal convulsions for generations, the country evidently prefers tyranny to anarchy, even to democracy. Anything is better than a return to the bloody turmoil of the Taiping or the warlord era or to the horrors of the Cultural Revolution. As Deng Xiaoping insisted, “Stability supersedes all.”

The ideal of harmony is quintessentially Confucian. The philosopher stressed that good order is the basis of prosperity and security. **Violence is a last resort** and will probably be ineffective. Historically, China has assimilated aggression, rolling with punches, overcoming hardness with softness. Where possible it has avoided taking the offensive. This is not to say, of course, that the Beijing government avoids coercion close to home, as became tragically clear in the suppressing of the 1989 demonstrations in Tiananmen Square and the crushing of resistance in Tibet. But it is to suggest that China prefers, particularly in a nuclear age, to use “soft power” and “smile diplomacy” abroad.

**THERE IS little evidence** that China wishes to jeopardize its burgeoning affluence by adventurist attempts to contest American hegemony. On the contrary, the Chinese leadership is all too conscious that the Soviet Union’s endeavor to compete militarily with the United States was a major factor in its collapse. Prosperity breeds contentment. As Jonathan Swift noted in The Battle of the Books, quarrels usually stem from want rather than plenty, and “we may observe in the republic of dogs . . . that the whole state is ever in the profoundest peace after a full meal.”

Needless to say, accidents do happen, and when American bombers destroyed the Chinese embassy in Belgrade in 1999, a wave of spontaneous fury engulfed the People’s Republic. The bombing was said to be a “barbarian” act of aggression comparable to the imperialist invasion of China after the Boxer Rebellion. It was even compared to a Nazi war crime. Fearing domestic and international damage, however, the authorities did their best to calm the storm. The kept press assuaged popular passions. Television reports were emollient. Censorship of the Internet was tightened via a list of some thousand taboo words, the building blocks of the Great Firewall of China.

There was a similar response to George W. Bush’s disastrous invasion of Iraq, which replaced Chinese sympathy for the United States in the wake of 9/11 with feelings of anxiety and mistrust—feelings exacerbated by President Obama’s failure to pull America out of the Afghan quagmire. Just as England’s difficulty was once Ireland’s opportunity, so America’s difficulty might have been China’s. But, no. The Chinese media tamped down outbursts of chauvinism which might have led to public protests. One result, according to Susan Shirk’s excellent book China: Fragile Superpower, was that the American abuse of prisoners in Abu Ghraib was condemned much more vehemently in the Great Republic than in the People’s Republic.

Perhaps nationalism has succeeded Communism as the creed of Red China, but its rulers show signs of wanting to make their country a good citizen of the world. They have signally reduced the number of land-border disputes with their fourteen neighbors. They have participated eagerly in international forums such as the World Trade Organization. They have eased relations with Japan and, horrified by the nuclear brinkmanship of Kim Jong Il, mediated with Korea. They have muted criticisms of the United States, even when Jiang Zemin’s Boeing 767 was found to contain twenty-seven sophisticated bugging devices after being refitted in Texas in 2001—a covert operation which might have been designed to demonstrate that the term “intelligence agency” is an oxymoron.

Wang Jisi articulates the official Chinese position: since Mao’s victory in 1949 the Communist elite has generally believed that America and other hostile outside forces have been intent on conquering and destabilizing China. But **globalization has increased the cost of conflict and reduced the danger of war.** It has also magnified many of the problems from which China suffers, such as pollution, urban overcrowding and huge disparities of wealth—100 million people live on less than a dollar a day and a quarter of the population lacks access to clean drinking water. So China’s priority is to tackle these problems. It aims to build a rich and great society, dedicated to peace, progress, harmony, sustainable development and international cooperation.

#### No impact

**Lieber and Press 9** (Keir A.,  Associate Professor @ Georgetown University,  Daryl G., Associate Professor of Government, Dartmouth College, Foreign Affairs, Nov/Dec)

MODELING THE UNTHINKABLE To illustrate the growth in U.S. counterforce capabilities, we applied a set of simple formulas that analysts have used for decades to estimate the effectiveness of counterforce attacks. We modeled a U.S. strike on a small target set: 20 intercontinental ballistic missiles (ICBMs) in hardened silos, the approximate size of China's current long-range, silo-based missile force. The analysis compared the capabilities of a 1985 Minuteman ICBM to those of a modern Trident II submarine-launched ballistic missile. [The technical details of the analysis presented in this essay are available online [2].] In 1985, a single U.S. ICBM warhead had less than a 60 percent chance of destroying a typical silo. Even if four or five additional warheads were used, the cumulative odds of destroying the silo would never exceed 90 percent because of the problem of "fratricide," whereby incoming warheads destroy each other. Beyond five warheads, adding more does no good. A probability of 90 percent might sound high, but it falls far short if the goal is to completely disarm an enemy: with a 90 percent chance of destroying each target, the odds of destroying all 20 are roughly 12 percent. In 1985, then, a U.S. ICBM attack had little chance of destroying even a small enemy nuclear arsenal. Today, a multiple-warhead attack on a single silo using a Trident II missile would have a roughly 99 percent chance of destroying it, and the probability that a barrage would destroy all 20 targets is well above 95 percent. Given the accuracy of the U.S. military's current delivery systems, the only question is target identification: silos that can be found can be destroyed. During the Cold War, the United States worked hard to pinpoint Soviet nuclear forces, with great success. Locating potential adversaries' small nuclear arsenals is undoubtedly a top priority for U.S. intelligence today. The revolution in accuracy is producing an even more momentous change: it is becoming possible for the United States to conduct low-yield nuclear counterforce strikes that inflict relatively few casualties. A U.S. Department of Defense computer model, called the Hazard Prediction and Assessment Capability (HPAC), estimates the dispersion of deadly radioactive fallout in a given region after a nuclear detonation. The software uses the warhead's explosive power, the height of the burst, and data about local weather and demographics to estimate how much fallout would be generated, where it would blow, and how many people it would injure or kill. HPAC results can be chilling. In 2006, a team of nuclear weapons analysts from the Federation of American Scientists (FAS) and the Natural Resources Defense Council (NRDC) used HPAC to estimate the consequences of a U.S. nuclear attack using high-yield warheads against China's ICBM field. Even though China's silos are located in the countryside, the model predicted that the fallout would blow over a large area, killing 3-4 million people. U.S. counterforce capabilities were useless, the study implied, because even a limited strike would kill an unconscionable number of civilians. But the United States can already conduct nuclear counterforce strikes at a tiny fraction of the human devastation that the FAS/NRDC study predicted, and small additional improvements to the U.S. force could dramatically reduce the potential collateral damage even further. The United States' nuclear weapons are now so accurate that it can conduct successful counterforce attacks using the smallest-yield warheads in the arsenal, rather than the huge warheads that the FAS/NRDC simulation modeled. And to further reduce the fallout, the weapons can be set to detonate as airbursts, which would allow most of the radiation to dissipate in the upper atmosphere. We ran multiple HPAC scenarios against the identical target set used in the FAS/NRDC study but modeled low-yield airbursts rather than high-yield groundbursts. The fatality estimates plunged from 3-4 million **to less than 700** -- a figure comparable to the number of civilians reportedly killed since 2006 in Pakistan by U.S. drone strikes. One should be skeptical about the results of any model that depends on unpredictable factors, such as wind speed and direction. But in the scenarios we modeled, the area of lethal fallout was so small that very few civilians would have become ill or died, regardless of which way the wind blew. Critics may cringe at this analysis. Many of them, understandably, say that nuclear weapons are -- and should remain -- unusable. But if the United States is to retain these weapons for the purpose of deterring nuclear attacks, it needs a force that gives U.S. leaders retaliatory options they might actually employ. If the only retaliatory option entails killing millions of civilians, then the U.S. deterrent will lack credibility. Giving U.S. leaders alternatives that do not target civilians is both wise and just. A counterforce attack -- whether using conventional munitions or low- or high-yield nuclear weapons -- would be fraught with peril. Even a small possibility of a single enemy warhead's surviving such a strike would undoubtedly give any U.S. leader great pause. But in the midst of a conventional war, if an enemy were using nuclear threats or limited nuclear attacks to try to coerce the United States or its allies, these would be the capabilities **that would give a U.S. president real options.**