### Off

#### Energy production is the generation of power from raw materials – excludes extraction of those materials

Vaekstfonden 6 Vaekstfonden is a Danish government backed investment fund that facilitates the supply of venture capital in terms of start-up equity and high-risk loans "THE ENERGY INDUSTRY IN DENMARK- perspectives on entrepreneurship and venture capital" No Specific Cited, Latest Data From 2006 s3.amazonaws.com/zanran\_storage/www.siliconvalley.um.dk/ContentPages/43667201.pdf

In all, 20 industry experts were interviewed about the composition and dynamics of the Danish energy sector. Insights from a minimum of 3 industry experts have been assigned to each of the stages in the value chain. Following is a brief description of what the different stages encompass.¶ Raw material extraction¶ This stage encompass the process before the actual production of the energy. As an example it is increasingly expensive to locate and extract oil from the North Sea. Likewise coal, gas and waste suitable for energy production can be costly to provide.¶ Energy production¶ Energy production encompasses the process, where energy sources are transformed into heat and power. Transmission and distribution¶ Energy transmission and distribution is in this report defined as the infrastructure that enables the producers of energy to sell energy to consumers.¶ Consumption¶ The last stage in the value chain is consumption. This stage encompasses products and services that geographically are placed near the consumers. As an example, decentralized energy production via solar power systems is part of the consumption stage.

#### Vote negative

#### Limits---including extraction doubles the size of the topic and makes it bidirectional by allowing affs to affect both supply and demand sides of each energy---undermines preparedness for all debates---err neg because the terms incentives and restrictions serve no limiting function

#### Ground---all disads are based on increasing the actual amount of power available---they allow the aff to just extract raw materials without guaranteeing they’re ever used

### Off

#### CIR with path to citizenship will pass---sustained momentum’s key

Cohen 2/8 Micah is a writer for NYT’s 538 blog. “Signs of a Shift on Immigration Among G.O.P. Rank-and-File,” 2013, http://fivethirtyeight.blogs.nytimes.com/2013/02/08/signs-of-a-shift-on-immigration-among-g-o-p-rank-and-file/

With notable speed after the Nov. 6 presidential election, a number of Republican politicians and opinions makers — from House Speaker John A. Boehner to the talk show host Sean Hannity — altered their positions on immigration and expressed a new openness to comprehensive reform.¶ Since then, **the push to overhaul the nation’s immigration system appears to have sustained momentum.** A new ABC News/Washington Post poll found a jump in public approval of President Obama’s handling of immigration, and most recent polls have found a majority of Americans support providing immigrants who have come here illegally a pathway to United States citizenship.¶ So, has the shift on immigration among some — but not all — Republican legislators, strategists and media personalities filtered down to rank-and-file Republicans?¶ The polling evidence — with a few significant caveats — says “possibly, yes.” There are signs of an uptick in Republican support for a pathway to citizenship, or at least a conditional pathway to citizenship.¶ First, the caveats. Tracking opinions on immigration policy over time is tricky because each pollster asks different questions with different options, making for apples-to-oranges comparisons. In addition, when narrowing the focus to self-identified Republicans and Republican leaners, small sample sizes and large margin of sampling errors become a problem. A typical national survey includes about 1,000 respondents, making the subsample of Republicans pretty small, usually around 200 to 300.¶ But keeping those disclaimers in mind, the most recent polls on immigration suggest an increase in the percentage of Republicans who favor immigration reform that includes a route to United States citizenship.¶ On average, the share of Republicans who favor providing undocumented immigrants with a path to citizenship is 48 percent among the six national polls released so far in 2013 and included in the PollingReport.com database. (The release of a CNN poll conducted Jan. 14-15 did not provide a breakdown by political party and is not included in the average).¶ Among the six previous polls that asked about a pathway to citizenship and released results by party identification, an average of only 38 percent of Republicans favored providing a path to citizenship.¶ Question wording has an effect here. Two of the polls that found the highest level of Republican support emphasized the requirements illegal immigrants might have to meet to become citizens. Conservative voters might be more likely to support a path to citizenship if it involves certain qualifications.¶ For instance, a Fox News poll conducted Jan. 15-17 among registered voters found that 56 percent of Republicans said the government should “allow illegal immigrants to remain in the country and eventually qualify for U.S. citizenship, but only if they meet certain requirements like paying back taxes, learning English, and passing a background check.”¶ And a Gallup poll released this week found that 59 percent of Republicans would vote for “a law that would allow undocumented immigrants living in the United States the chance to become legal residents or citizens if they meet certain requirements.”¶ On the other hand, a CBS News poll of adults conducted Jan. 24-27 found that only 35 percent of Republicans said illegal immigrants currently working in the country “should be allowed to stay in their jobs and to eventually apply for U.S. citizenship.” (CBS found that 25 percent of Republicans said illegal immigrants should be able to stay as guest workers and 36 percent said they should be required to leave the United States).¶ The apples-to-apples comparisons we have are more mixed: Republican support in the mid-January AP/GfK poll jumped to 53 percent from 31 percent in 2010. The latest ABC News/Washington Post poll moved to 42 percent Republican support for a path to citizenship from 37 percent in November 2012 (that’s inside the margin of sampling error). The CBS News poll did not move at all, finding 35 percent Republican support in both its December 2012 and late January 2013 surveys. And Quinnipiac polls, released on Thursday and in early December 2012, both found roughly 40 percent of registered Republicans support a path to citizenship and just more than 10 percent support legal status without citizenship.¶ An uptick in Republican support for a pathway to citizenship could be statistical noise. And even if it is real, it could reverse itself. Some political science research suggests that anti-immigrant attitudes increase when immigration is in the news.¶ But there are reasons to think that immigration, over all, has become less of a hot-button issue. A Pew study found that the number of illegal immigrants living in the United States has dropped since the 2007 push for change. Another Pew survey found that only 44 percent of Republicans see dealing with immigration as a top priority. That’s down from previous peaks of 69 percent in 2007 and 61 percent in 2011.¶ Further polling is needed before a more concrete picture of Republican attitudes emerges. But if Republican voters have warmed to providing a conditional path to citizenship, **it could increase the likelihood of an overhaul becoming law by freeing House Republicans, in particular, to back some kind of reform.**

#### PC’s key

Foley 1/15 Elise is a writer @ Huff Post Politics. “Obama Gears Up For Immigration Reform Push In Second Term,” 2013, http://www.huffingtonpost.com/2013/01/15/obama-immigration-reform\_n\_2463388.html

Obama has repeatedly said he will push hard for immigration reform in his second term, and administration officials have said that other contentious legislative initiatives -- including **gun control and the debt ceiling -- won't be allowed to get in the way.** At least at first glance, he seems to have politics on his side. GOP lawmakers are entering -- or, in some cases, re-entering -- the immigration debate in the wake of disastrous results for their party's presidential nominee with Latino voters, who support reform by large measures. Based on those new political realities, "it would be a suicidal impulse for Republicans in Congress to continue to block [reform]," David Axelrod, a longtime adviser to the president, told The Huffington Post.¶ Now **there's the question of how Obama gets there.** While confrontation might work with Republicans on other issues -- the debt ceiling, for example -- the consensus is that the GOP is serious enough about reform that the president can, and must, play the role of broker and statesman to get a deal.¶ It starts with a lesson from his first term. Republicans have demanded that the border be secured first, before other elements of immigration reform. Yet the administration has been by many measures the strictest ever on immigration enforcement, and devotes massive sums to policing the borders. The White House has met many of the desired metrics for border security, although there is always more to be done, but Republicans are still calling for more before they will consider reform. Enforcing the border, but not sufficiently touting its record of doing so, the White House has learned, won't be enough to win over Republicans.¶ In a briefing with The Huffington Post, a senior administration official said the White House believes it has met enforcement goals and must now move to a comprehensive solution. The administration is highly skeptical of claims from Republicans that immigration reform can or should be done in a piecemeal fashion. Going down that road, the White House worries, could result in passage of the less politically complicated pieces, such as an enforcement mechanism and high-skilled worker visas, while leaving out more contentious items such as a pathway to citizenship for undocumented immigrants.¶ "Enforcement is certainly part of the picture," the official said. "But if you go back and look at the 2006 and 2007 bills, if you go back and look at John McCain's 10-point 'This is what I've got to get done before I'm prepared to talk about immigration,' and then you look at what we're actually doing, it's like 'check, check, check.' We're there. The border is as secure as it's been in a generation or two, so it's really time."¶ One key in the second term, advocates say, will be convincing skeptics such as Republican Sen. John Cornyn of Texas that the Obama administration held up its end of the bargain by proving a commitment to enforcement. **The White House** also **needs to convince GOP lawmakers** that there's support from their constituents for immigration reform, which could be aided by conservative evangelical leaders and members of the business community who are pushing for a bill.¶ Immigrant advocates want more targeted deportations that focus on criminals, while opponents of comprehensive immigration reform say there's too little enforcement and not enough assurances that reform wouldn't be followed by another wave of unauthorized immigration. The Obama administration has made some progress on both fronts, but some advocates worry that the president hasn't done enough to emphasize it. The latest deportation figures were released in the ultimate Friday news dump: mid-afternoon Friday on Dec. 21, a prime travel time four days before Christmas.¶ Last week, the enforcement-is-working argument was bolstered by a report from the nonpartisan Migration Policy Institute, which found that the government is pouring more money into its immigration agencies than the other federal law-enforcement efforts combined. There are some clear metrics to point to on the border in particular, and Doris Meissner, an author of the report and a former commissioner of the U.S. Immigration and Naturalization Service, said she hopes putting out more information can add to the immigration debate.¶ "I've been surprised, frankly, that the administration hasn't done more to lay out its record," she said, adding the administration has kept many of its metrics under wraps.¶ There are already lawmakers working on a broad agreement. Eight senators, coined the gang of eight, are working on a bipartisan immigration bill. It's still in its early stages, but nonmembers of the "gang," such as Sen. Marco Rubio (R-Fla.) are also talking about reform.¶ It's still unclear what exact role the president will play, but sources say he does plan to lead on the issue. Rep. Zoe Lofgren (D-Calif.), the top Democrat on the House immigration subcommittee, said the White House seems sensitive to the fact that Republicans and Democrats need to work out the issue in Congress -- no one is expecting a fiscal cliff-style arrangement jammed by leadership -- while keeping the president heavily involved.

#### Removing offshore drilling restrictions costs political capital

Mergers and Acquisitions Round Table 8 This section includes quotes from Andrew Spitzer, Founder of the Energy and Power Group at Harris and Williams Co., and Douglas Korn of Irving Place Partners. “Combustible; The volatility of the energy sector has turned the industry upside down. Top players in the space discuss what this means for investors and how dealmakers can capitalize.,” Dec 1, Lexis

But it's also important to remember that oil is a fungible commodity and the price is set on a worldwide basis. Ultimately, we have to focus on domestic production to help with the supply issue, and, internationally, see if we can't encourage the national oil companies to open up more acreage for competition. This is a worldwide problem; not just a US problem.¶ Mergers & Acquisitions: Is it even possible, though, to completely eliminate demand for foreign oil? Is this something that could happen in our lifetime?¶ Spitzer: The economics certainly make it extremely challenging, and frankly, without the political willpower to put in a variety of reforms - whether it's CAFE standards or relieving offshore drilling inhibitors - it's not something that would get done without some form of government intervention.¶ Korn: That being said, the recent turmoil in the market and the government's response have created a very difficult fiscal situation going into 2009. You have the normal cyclical impacts of a downturn in government receipts and that overlays all of the government support to shore up the markets.¶ You have to go back to the question of whether or not there will there be the political will. There are important reasons behind why we have to become less reliant on foreign energy; from a geopolitical point of view, from a carbon emissions point of view. But how now you have to ask, "How do we make that happen in an environment where the government will be under some severe fiscal constraints." That's going to be the real challenge.¶ Spitzer: And regulation is effectively a silent taxation policy. So instituting that in the face of the pocketbook issues that people are dealing with is going to be tough. **Any administration would have to burn a lot of** political capital **to push through an energy policy** that tries to accomplish what either candidate proposed.

#### Visas are key to cybersecurity preparedness

McLarty 9 (Thomas F. III, President – McLarty Associates and Former White House Chief of Staff and Task Force Co-Chair, “U.S. Immigration Policy: Report of a CFR-Sponsored Independent Task Force”, 7-8, http://www.cfr.org/ publication/19759/us\_immigration\_policy.html)

We have seen, when you look at the table of the top 20 firms that are H1-B visa requestors, at least 15 of those are IT firms. And as we're seeing across industry, much of the hardware and software that's used in this country is not only manufactured now overseas, but it's developed overseas by scientists and engineers who were educated here in the United States.¶ We're seeing a lot more activity around cyber-security, certainly noteworthy attacks here very recently. It's becoming an increasingly dominant set of requirements across not only to the Department of Defense, but the Department of Homeland Security and the critical infrastructure that's held in private hands. Was there any discussion or any interest from DOD or DHS as you undertook this review on the security things about what can be done to try to generate a more effective group of IT experts here in the United States, many of which are coming to the U.S. institutions, academic institutions from overseas and often returning back? This potentially puts us at a competitive disadvantage going forward.¶ MCLARTY: Yes. And I think your question largely is the answer as well. I mean, clearly we have less talented students here studying -- or put another way, more talented students studying in other countries that are gifted, talented, really have a tremendous ability to develop these kind of technology and scientific advances, we're going to be put at an increasingly disadvantage. Where if they come here -- and I kind of like Dr. Land's approach of the green card being handed to them or carefully put in their billfold or purse as they graduate -- then, obviously, that's going to strengthen, I think, our system, our security needs.

#### Cyber-vulnerability causes great power nuclear war

Fritz 9 | Researcher for International Commission on Nuclear Nonproliferation and Disarmament [Jason, researcher for International Commission on Nuclear Nonproliferation and Disarmament, former Army officer and consultant, and has a master of international relations at Bond University, “Hacking Nuclear Command and Control,” July, <http://www.icnnd.org/latest/research/Jason_Fritz_Hacking_NC2.pdf>]

This paper will analyse the threat of cyber terrorism in regard to nuclear weapons. Specifically, this research will use open source knowledge to identify the structure of nuclear command and control centres, how those structures might be compromised through computer network operations, and how doing so would fit within established cyber terrorists’ capabilities, strategies, and tactics. If access to command and control centres is obtained, terrorists could fake or actually cause one nuclear-armed state to attack another, thus provoking a nuclear response from another nuclear power. This may be an easier alternative for terrorist groups than building or acquiring a nuclear weapon or dirty bomb themselves. This would also act as a force equaliser, and provide terrorists with the asymmetric benefits of high speed, removal of geographical distance, and a relatively low cost. Continuing difficulties in developing computer tracking technologies which could trace the identity of intruders, and difficulties in establishing an internationally agreed upon legal framework to guide responses to computer network operations, point towards an inherent weakness in using computer networks to manage nuclear weaponry. This is particularly relevant to reducing the hair trigger posture of existing nuclear arsenals. All computers which are connected to the internet are susceptible to infiltration and remote control. Computers which operate on a closed network may also be compromised by various hacker methods, such as privilege escalation, roaming notebooks, wireless access points, embedded exploits in software and hardware, and maintenance entry points. For example, e-mail spoofing targeted at individuals who have access to a closed network, could lead to the installation of a virus on an open network. This virus could then be carelessly transported on removable data storage between the open and closed network. Information found on the internet may also reveal how to access these closed networks directly. Efforts by militaries to place increasing reliance on computer networks, including experimental technology such as autonomous systems, and their desire to have multiple launch options, such as nuclear triad capability, enables multiple entry points for terrorists. For example, if a terrestrial command centre is impenetrable, perhaps isolating one nuclear armed submarine would prove an easier task. There is evidence to suggest multiple attempts have been made by hackers to compromise the extremely low radio frequency once used by the US Navy to send nuclear launch approval to submerged submarines. Additionally, the alleged Soviet system known as Perimetr was designed to automatically launch nuclear weapons if it was unable to establish communications with Soviet leadership. This was intended as a retaliatory response in the event that nuclear weapons had decapitated Soviet leadership; however it did not account for the possibility of cyber terrorists blocking communications through computer network operations in an attempt to engage the system. Should a warhead be launched, damage could be further enhanced through additional computer network operations. By using proxies, multi-layered attacks could be engineered. Terrorists could remotely commandeer computers in China and use them to launch a US nuclear attack against Russia. Thus Russia would believe it was under attack from the US and the US would believe China was responsible. Further, emergency response communications could be disrupted, transportation could be shut down, and disinformation, such as misdirection, could be planted, thereby hindering the disaster relief effort and maximizing destruction. Disruptions in communication and the use of disinformation could also be used to provoke uninformed responses. For example, a nuclear strike between India and Pakistan could be coordinated with Distributed Denial of Service attacks against key networks, so they would have further difficulty in identifying what happened and be forced to respond quickly. Terrorists could also knock out communications between these states so they cannot discuss the situation. Alternatively, amidst the confusion of a traditional large-scale terrorist attack, claims of responsibility and declarations of war could be falsified in an attempt to instigate a hasty military response. These false claims could be posted directly on Presidential, military, and government websites. E-mails could also be sent to the media and foreign governments using the IP addresses and e-mail accounts of government officials. A sophisticated and all encompassing combination of traditional terrorism and cyber terrorism could be enough to launch nuclear weapons on its own, without the need for compromising command and control centres directly.

### Off

Text: The United States federal government should devolve authority over restrictions on oil drilling in the Outer Continental Shelfto the 50 states and all relevant territories. The 50 states and all relevant territories should reduce restrictions on the production of oil drilling in the Outer Continental Shelf.

#### Giving regulatory power to the states solves better – leaving power in the hands of the federal government guts solvency

Spakovsky and Loris 12 Hans A. von Spakovsky is a Senior Legal Fellow in the Center for Legal and Judicial Studies, and Nicolas D. Loris is the Herbert and Joyce Morgan Fellow in the Thomas A. Roe Institute for Economic Policy Studies, at The Heritage Foundation, August 13, 2012, “Offshore Drilling: Increase Access, Reduce the Risk, and Stop Hurting American Companies”, <http://www.heritage.org/research/reports/2012/08/offshore-drilling-increase-access-reduce-the-risk-and-stop-hurting-american-companies>

Congress should require the Department of the Interior to honor the permit deadlines (as required by law) unless the Interior finds specific and significant faults with the application. If Interior concludes that the permit application is not complete, it should outline specific steps the applicant could take to complete it. If Interior does not find fault with the application before the deadline expires, the permit application should be considered accepted upon expiration of the deadline so that companies can proceed with exploration and drilling.¶ Congress should reform liability caps for oil spills. Given the fact that uncapped tort liability yields frivolous lawsuits, removing the cap entirely without implementing a new system would subject covered industries to artificially high costs. Congress should reform liability caps in a way that accurately assigns risk and liability to those companies engaged in covered activities.[10]¶ **Congress should ultimately transition the permitting process to state regulators, who are best able to balance economic growth and environmental protection**. The permitting process needs to be taken out of the hands of Washington bureaucrats who report to a President hostile to oil and gas production—a Chief Executive who can arbitrarily stop such energy development across the nation by executive fiat.

### Off

#### The United States Supreme Court should rule restrictions on oil drilling in the Outer Continental Shelf unconstitutional on the grounds that it violates the tenth amendment

#### Courts can effectively rule to invalidate restrictions on all forms of energy production

Simon 7 [Christopher A. Simon - Director, Master of Public Administration, Political Science Department, University of Utah, Professor, Political Science, “Alternative Energy: Political, Economic, and Social Feasibility”]

**THE COURTS**

The institutional power of the federal courts regarding energy policy is not ex- plicit in Article III. The role of energy and the intra- and interstate transporta- tion of fuels and electricity in the United States is, for the most part, a late nine- teenth- and early twentieth-century phenomenon. Early energy policy-related cases were argued within the confines of the judiciary’s narrowly defined enu- merated powers. In the late nineteenth century, the court system remained timid in terms of taking energy and material related cases. Post-Loehner (1905). the judiciary showed itself more willing to enter into disputes between state government and citizens. Although the case had nothing to do with en- ergy policy**, the Supreme Court—**by taking the case—opened the doors to the expansion of one of its enumerated Article III powers in a way that more **di- rectly scrunitized policymaking** at the state and local levels and de facto ex- panded the notion that federal court decisions were linked to the national gov- ernment’s supremacy. The 1937 case West Coast Hotel u Parrish confirmed the judiciary’s interest in scrutinizing public policy at all levels of government. Constitutionally, legal theory was now open to an enlarged analysis of the in- terchange between national regulatory powers and policymaking authority and state and local powers. In essence, the Court more fully disclosed acceptance of judicial positivism in method and decision making rather than a strict con- structionist approach.

Over the years, **the courts have had a significant role in energy policy.** The Court has been particularly interested in regulation of safety with regard to energy policy, as safety issues are central to the public good aspect of energy. While not directly related to energy policy. New Jersey Steam Navigation Company v. Merchants' Bank of Boston 47 U.S. 344 (1848) does illustrate the Court's particular and early interest in issues related to energy safety. The case involved the destruction by fire of a steam-operated commercial boat. In the end, the Court sided with the plaintiffs and the decision of a lower court to award damages. The case ultimately turned on the issue of fuel safety as the boat was fitted for wood-burning energy production, but was burning a much hotter “modem” fuel for boats of the time—anthracite coal. Although other deficiencies had been noted in terms of safety equipment that ultimately tied to the issue of the federal court's “admirality jurisdiction,” the case provides early evidence that the Court saw a role for itself in re- viewing aspects of energy safety, particularly in terms of transportation safety—albeit tangentially and quite possibly with little emphasis beyond the nature of the case.

The Court, however, tightened its level of scrutiny in term of energy- related safety issues in Champlin Refining Co. v. Corporation Commission of Oklahoma et al. 286 U.S. 210 (1932). In this case, one of the earliest cases involving the regulation of safety issues **related to petroleum refinement**, the Court dismissed broadly defined environmental restrictions on the extraction and refining of petroleum. In essence, the Court demonstrated that an early state-level effort to protect the environment from the impact of oil drilling and processing could only occur if statutes were written narrowly and were essentially based on scientific principles related to environmental safety. One could argue that by taking the case and deciding it, the Court opened further the door to national regulation of environmental policy as is most di- rectly **related to the issue of energy resource development, processing, and distribution.**

The 1970s, a decade in which the petroleum-based energy paradigm expe- rienced a major shock, saw the Court dealing with two prominent cases re- lated to energy safety issues. In Vermont Yankee Nuclear Power Corp. v. Nat- ural Resources Defense Council, Inc., et alia 435 U.S. 519 (1978), the Court dealt with questions related to “the proper scope of judicial review of the Atomic Energy Commission’s procedures with regards to the licensing of nu- clear power plants.” In lower court decisions, **the commission's rule-making procedures related to nuclear energy fuel management and safety issues were overturned through court decision**. In essence, this would have **opened the door to further court scrutiny of the nuclear energy process** in terms of safety. In a unanimous decision, the late William Rehnquist wrote that the Court of Appeals has improperly developed its own conception of safe reactor process and remanded the case to a lower court to scrutinize the commission’s regu- latory clarity. The case is significant because it effectively maintained nuclear energy policy as viable as long as rule making and regulatory processes gov- erning this form of alternative energy were rationally constructed and com- plete. The Court looked to administrative solutions to any lack of clarity or completeness first but was fairly definitive in removing the judicial system from the process or filling in areas of vagueness or rewriting significant por- tions of regulation and process-related nuclear energy policy.

In the same year, **the Court decided the so-called trans-Alaska pipeline** rate **case**s. The Court sought to clarify rate change **policies related to the shipment of crudc oil and natural gas**. In essence, the Court solidified the authority of Interstate Commerce Commission (ICC) in its efforts to manage the pipeline. The commission’s ability to adjust rates for rational economic reasons and to require pipeline operators to refund excess rate charges to customers was rec- ognized by the Court. The pipeline cases were critical to the legitimacy of the commission’s authority over the transportation of petroleum from Alaska**. In a broader sense, the Court established precedence** of the ICC **to regulate pe- troleum transportation.** Appellate court decision has further solidified its po- sition on pipeline rates in BP West Coast Products, LLC v. Federal Energy Regulatory Commission 376 F. 3d 1223 (2004). The Court was careful to bal- ance this decision in relation to the states’ power to regulate intrastate energy policy issues.

In Exxon Corp. et alia v. Governor of Maryland et alia 437 U.S. 117 (1978), the Court recognized the power of state government to regulate gaso- line markets within its borders. The Court found that neither the interstate commerce clause nor the due process clause of the Fourteenth Amendment were violated by Maryland's regulations on petroleum producers’ ability to establish gas stations and policy efforts to ensure equity within the gasoline market across various corporate concerns operating fueling station in-state. In essence, the Court established a balance between the interests of the national government in regulating energy transportation and use and the interests of the state in advancing goals not inconsistent with national constitutional in- terpretation and national policy priorities.

#### It’s competitive --- doesn’t reduce restrictions, just rules them unenforceable

Treanor & Sperling 93 William - Prof Law at Fordham. Gene - Deputy Assistant to President for Economic Policy. “PROSPECTIVE OVERRULING AND THE REVIVAL OF "UNCONSTITUTIONAL" STATUTES,” Columbia Law Review, Dec 93, lexis

Unlike the Supreme Court, several state courts have explicitly addressed the revival issue. The relevant state court cases have concerned the specific issue of whether a statute that has been held unconstitutional is revived when the invalidating decision is overturned. n42 With one exception, they have concluded that such **statutes are immediately enforceable.**

The most noted instance in which **the revival issue was resolved** by a court involved the District of Columbia minimum wage statute pronounced unconstitutional in Adkins. After the Court reversed Adkins in West Coast Hotel, President Roosevelt asked Attorney General Homer [\*1913] Cummings for an opinion on the status of the District of Columbia's statute. The Attorney General responded,

 The decisions are practically in accord in holding that the courts have no power to repeal or abolish a statute, and that notwithstanding a decision holding it unconstitutional a statute continues to remain on the statute books; and that if a statute be declared unconstitutional and the decision so declaring it be subsequently overruled the statute will then be held valid from the date it became effective. n43

Enforcement of the statute followed without congressional action. n44

When this enforcement was challenged, the Municipal Court of Appeals for the District of Columbia in Jawish v. Morlet n45 held that the decision in West Coast Hotel had had the effect of making the statute enforceable. The court observed that previous opinions addressing the revival issue proceed on the principle that **a statute declared unconstitutional is void in the sense that it is inoperative or unenforceable,** but not void in the sense that it is repealed or abolished; that so long as the decision stands the statute is dormant but not dead; and that **if the decision is reversed the statute is valid from its first effective date**. n46

 The court declared this precedent sound since the cases were "in accord with the principle "that a decision of a court of appellate jurisdiction overruling a former decision is retrospective in its operation, and the effect is not that the former decision is bad law but that it never was the law.' " n47 Adkins was thus, and had always been, a nullity. The court acknowledged that, after Adkins, it had been thought that the District of Columbia's minimum wage statute was unconstitutional. As the court put it, " "Just about everybody was fooled.' " n48 Nonetheless, the court's view was that since **the** minimum wage **law had always been valid,** although for a period judicially unenforceable, **there was no need to reenact it. n49**

Almost **all other courts that have addressed the issue of whether a statute that has been found unconstitutional can be revived have reached the same result** as the Jawish court, using a similar formalistic [\*1914] analysis. n50 The sole decision in which a court adopted the nonrevival position is Jefferson v. Jefferson, n51 a poorly reasoned decision of the Louisiana Supreme Court. The plaintiff in Jefferson sought child support and maintenance from her husband. She prevailed at the trial level; he filed his notice of appeal one day after the end of the filing period established by the Louisiana Uniform Rules of the Court of Appeals. The Court of Appeals rejected his appeal as untimely, even though the Louisiana Supreme Court had previously found that the applicable section of the Uniform Rules violated the state constitution. One of Ms. Jefferson's arguments before the state Supreme Court was that that court's previous ruling had been erroneous and that the rules should therefore be revived. In rejecting this claim and in finding for the husband, the Court stated:

 Since we have declared the uniform court rule partially unconstitutional, it appears to be somewhat dubious that we have the right to reconsider this ruling in the instant case as counsel for the respondent judges urges us to do. For a rule of court, like a statute, has the force and effect of law and, when a law is stricken as void, it no longer has existence as law; the law cannot be resurrected thereafter by a judicial decree changing the final judgment of unconstitutionality to constitutionality as this would constitute a reenactment of the law by the Court - an assumption of legislative power not delegated to it by the Constitution. n52

 The Louisiana Court thus took a mechanical approach to the revival question. According to its rationale, when a statute is found unconstitutional, it is judicially determined never to have existed. Revival therefore entails judicial legislation and thereby violates constitutionally mandated separation of powers: because the initial legislative passage [\*1915] of the bill has no legitimacy, the bill's force is considered to be purely a creature of judicial decision-making.

**Jefferson has little analytic appeal**. Its view of the separation of powers doctrine is too simplistic. Contrary to the Jefferson rationale, a "revived" law is not the pure product of judicial decision-making. It is, instead, a law that once gained the support of a legislature and that has never been legislatively repealed. Its legitimacy rests on its initial legislative authorization. Moreover, the view that a statute that has been found unconstitutional should be treated as if it never existed may have had some support in the early case law, but it has been clearly rejected by the Supreme Court. Instead of treating all statutes that it has found unconstitutional as if they had never existed, the Court has recognized a range of circumstances in which people who rely on an overturned decision are protected. Indeed, as will be developed, the doctrine of prospective overruling evolved to shield from harm those who relied on subsequently overruled judicial decisions. n53 In short, the one case in which there was a holding that a statute did not revive does not offer a convincing rationale for nonrevival.

### Heg

#### Hegemony inevitable—just a question of whether we want it

Friedman 9---chief executive, founder of STRATFOR. Former pol sci prof, Dickinson College. PhD in government, Cornell. (George, The Next 100 Years, 13-31)

We are now in an America-centric age. To understand this age, we must understand the United States, not only because it is so powerful but because its culture will permeate the world and deﬁne it. Just as French culture and British culture were deﬁnitive during their times of power, so American culture, as young and barbaric as it is, will deﬁne the way the world thinks and lives. So studying the twenty- ﬁrst century means studying the United States. If there were only one argument I could make about the twenty- ﬁrst century, it would be that the European Age has ended and that the North American Age has begun, and that North America will be dominated by the United States for the next hundred years. The events of the twentyﬁrst century will pivot around the United States. That doesn’t guarantee that the United States is necessarily a just or moral regime. It certainly does not mean that America has yet developed a mature civilization. It does mean that in many ways the history of the United States will be the history of the twenty- ﬁrst century. There is a deep- seated belief in America that the United States is approaching the eve of its destruction. Read letters to the editor, peruse the Web, and listen to public discourse. Disastrous wars, uncontrolled deﬁcits, high gasoline prices, shootings at universities, corruption in business and government, and an endless litany of other shortcomings---all of them quite real---create a sense that the American dream has been shattered and that America is past its prime. If that doesn’t convince you, listen to Europeans. They will assure you that America’s best day is behind it. The odd thing is that all of this foreboding was present during the presidency of Richard Nixon, together with many of the same issues. There is a continual fear that American power and prosperity are illusory, and that disaster is just around the corner. The sense transcends ideology. Environmentalists and Christian conservatives are both delivering the same message. Unless we repent of our ways, we will pay the price---and it may be too late already. It’s interesting to note that the nation that believes in its manifest destiny has not only a sense of impending disaster but a nagging feeling that the country simply isn’t what it used to be. We have a deep sense of nostalgia for the 1950s as a “simpler” time. This is quite a strange belief. With the Korean War and McCarthy at one end, Little Rock in the middle, and Sputnik and Berlin at the other end, and the very real threat of nuclear war throughout, the 1950s was actually a time of intense anxiety and foreboding. A widely read book published in the 1950s was entitled The Age of Anxiety. In the 1950s, they looked back nostalgically at an earlier America, just as we look back nostalgically at the 1950s. American culture is the manic combination of exultant hubris and profound gloom. The net result is a sense of conﬁdence constantly undermined by the fear that we may be drowned by melting ice caps caused by global warming or smitten dead by a wrathful God for gay marriage, both outcomes being our personal responsibility. American mood swings make it hard to develop a real sense of the United States at the beginning of the twentyﬁrst century. But the fact is that the United States is stunningly powerful. It may be that it is heading for a catastrophe, but it is hard to see one when you look at the basic facts. Let’s consider some illuminating ﬁgures. Americans constitute about 4 percent of the world’s population but produce about 26 percent of all goods and services. In 2007 U.S. gross domestic product was about $14 trillion, compared to the world’s GDP of $54 trillion---about 26 percent of the world’s economic activity takes place in the United States. The next largest economy in the world is Japan’s, with a GDP of about $4.4 trillion---about a third the size of ours. The American economy is so huge that it is larger than the economies of the next four countries combined: Japan, Germany, China, and the United Kingdom. Many people point at the declining auto and steel industries, which a generation ago were the mainstays of the American economy, as examples of a current deindustrialization of the United States. Certainly, a lot of industry has moved overseas. That has left the United States with industrial production of only $2.8 trillion (in 2006): the largest in the world, more than twice the size of the next largest industrial power, Japan, and larger than Japan’s and China’s industries combined. There is talk of oil shortages, which certainly seem to exist and will undoubtedly increase. However, it is important to realize that the United States produced 8.3 million barrels of oil every day in 2006. Compare that with 9.7 million for Russia and 10.7 million for Saudi Arabia. U.S. oil production is 85 percent that of Saudi Arabia. The United States produces more oil than Iran, Kuwait, or the United Arab Emirates. Imports of oil into the country are vast, but given its industrial production, that’s understandable. Comparing natural gas production in 2006, Russia was in ﬁrst place with 22.4 trillion cubic feet and the United States was second with 18.7 trillion cubic feet. U.S. natural gas production is greater than that of the next ﬁve producers combined. In other words, although there is great concern that the United States is wholly dependent on foreign energy, it is actually one of the world’s largest energy producers. Given the vast size of the American economy, it is interesting to note that the United States is still underpopulated by global standards. Measured in inhabitants per square kilometer, the world’s average population density is 49. Japan’s is 338, Germany’s is 230, and America’s is only 31. If we exclude Alaska, which is largely uninhabitable, U.S. population density rises to 34. Compared to Japan or Germany, or the rest of Europe, the United States is hugely underpopulated. Even when we simply compare population in proportion to arable land---land that is suitable for agriculture---America has five times as much land per person as Asia, almost twice as much as Europe, and three times as much as the global average. An economy consists of land, labor, and capital. In the case of the United States, these numbers show that the nation can still grow---it has plenty of room to increase all three. There are many answers to the question of why the U.S. economy is so powerful, but the simplest answer is military power. The United States completely dominates a continent that is invulnerable to invasion and occupation and in which its military overwhelms those of its neighbors. Virtually every other industrial power in the world has experienced devastating warfare in the twentieth century. The United States waged war, but America itself never experienced it. Military power and geographical reality created an economic reality. Other countries have lost time recovering from wars. The United States has not. It has actually grown because of them. Consider this simple fact that I’ll be returning to many times. The United States Navy controls all of the oceans of the world. Whether it’s a junk in the South China Sea, a dhow off the African coast, a tanker in the Persian Gulf, or a cabin cruiser in the Caribbean, every ship in the world moves under the eyes of American satellites in space and its movement is guaranteed---or denied---at will by the U.S. Navy. The combined naval force of the rest of the world doesn’t come close to equaling that of the U.S. Navy. This has never happened before in human history, even with Britain. There have been regionally dominant navies, but never one that was globallyand overwhelmingly dominant. This has meant that the United States could invade other countries---but never be invaded. It has meant that in the ﬁnal analysis the United States controls international trade. It has become the foundation of American security and American wealth. Control of the seas emerged after World War II, solidiﬁed during the ﬁnal phase of the European Age, and is now the ﬂip side of American economic power, the basis of its military power. Whatever passing problems exist for the United States, the most important factor in world affairs is the tremendous imbalance of economic, military, and political power. Any attempt to forecast the twenty- ﬁrst century that does not begin with the recognition of the extraordinary nature of American power is out of touch with reality. But I am making a broader, more unexpected claim, too: the United States is only at the beginning of its power. The twenty first century will be the American century.

#### Oil dependence key to hegemony---military power, credibility, and dollar primacy

Hulbert 12 Matthew Hulbert is senior fellow at the Clingendael International Energy Programme "America Will Deeply Regret Its Fixation On Energy Independence" 8/19/12 www.forbes.com/sites/matthewhulbert/2012/08/19/why-america-will-deeply-regret-us-energy-independence/4/

The U.S. energy independence debate is getting very tetchy of late. Seasoned energy experts are trading cheap blows, principally for sitting on opposite sides of the fence. Nobody doubts that U.S. energy output will keep growing, but whether it ever amounts to full ‘independence’ is at best tenuous. More importantly, it spells total disaster for America’s role in the world. No global oil role, forget being a global hyper power. Those days will be gone.

The allure of energy independence is a compelling story to tell. The U.S. can shut up shop, source all its energy from home shores, never having to step foot outside the Americas to get its energy fix. The U.S. will supposedly be able to boast 15 million barrels a day of liquids by 2020 from a raft of shale oil plays, with massive new oil plays feeding in from Canada in the North, inching production up to around 22mb/d. Unconventional resources are expected to explode from Latin America in the South. Brazil, Argentina, Venezuela will all see rapid supply growth, with Mexico having nothing short of a second energy revolution. Boil the numbers down, the Americas sits on 6.4 trillion unconventional barrels vs. 1.2 trillion conventional barrels across the Middle East. The U.S. will not only be the world’s largest single producer of crude; oil will flow from North to South across the America’s, not East to West across the globe. America can declare total energy independence, import dependency (already clipped to 45%) will be banished; the deficit will be fixed. Oil receipts will replenish the Federal Reserve, not OPEC states. Millions of hydrocarbon jobs will be created in the U.S. to boot. American oil, for American consumers, at American (WTI) prices. Whatever’s left over could be the swing supply for the rest of world, dictating how much everyone pays for a barrel of oil. Epic stuff, no doubt.

Whether you believe all these numbers doesn’t really matter. Few U.S. politicians (or analysts) pay much regard to depletion rates, cost uncertainties for viable extraction, local environmental risks, or contrasting production priorities across the Americas, not to mention the small fact that Asian NOCs have been making some of the main investments across North America. The fact that oil and gas only accounts for 1% of U.S. GDP, is also rather conveniently overlooked. Energy independence is already being touted as a self-fulfilling prophecy playing out in real time today, not as a gradual process of increments and change. This not only flies in the face of global hydrocarbon fundamentals that will see OPEC market share become more concentrated than ever over the next decade, (50% or more), it’s already creating serious geopolitical gaps across international energy markets.

That’s deeply problematic, precisely because supply side dynamics are looking more fragile than they have for a very long time. America has not only gone ‘missing in action’ to underwrite global supplies, it’s contributing to the international malaise by putting perceived political interests ahead of global oil stability. This comes in two forms, ‘passive’ and ‘aggressive’ from Washington – both built on the single idea that the U.S. can play a new geopolitical game thanks to energy independence beckoning just around the corner.

Passive = Libya, where the U.S. made it abundantly clear to Europe that Tripoli was not considered a vital national security interest for the U.S., despite prices hitting $127/b. Britain and France were left picking up the pieces, with U.S. firepower providing back-up support, rather than frontline artillery. The chances of that happening had the U.S. not struck oil would have been unthinkable in the 2000s. Conversely, aggressive = Iran. The U.S. has decided that chimerical nuclear containment is a higher priority than collateral impacts Iranian sanctions have had on global oil markets. The conclusions are now chillingly clear. The U.S. will increasingly only act in its own perceived national security interests. As long as those interests went hand in hand with safeguarding international oil supplies, consumer state could all rest easy. But U.S. energy independence has torn up the script: We’ve entered a brave new world where Washington is not only unwilling to cover supply gaps through military / political action (Libya), and if needs be, is willing to put narrow interests above and beyond oil market stability (Iran).

No one should blame, or bemoan the U.S. for doing this. It’s entirely up to the U.S. whichever path they chose to take. You could even argue it’s exactly what Washington should be doing to create serious foreign policy optionality: pick and choose whatever it does where, when, and how for the rest of the world to fall back on. All fair enough, but the downside risk this presents to Washington has already been captured in the ‘Kuwait Question’: Would the U.S. take assertive action to secure some of the key producer states of the world, or would they now turn the cheek? We all know the U.S. is no longer dependent on Middle East supplies; it hasn’t been for a long time given it sources less than 15% of its oil from the sand. But we also know that the decision to underwrite MENA supplies is nothing to do with U.S. consumption – and everything to do with retaining a dominant global geopolitical role. Ensure that hydrocarbons globally flow to the East and West, and much else follows as the geo-economic and geo-political lynchpin of the world. Lose it, and you’ll be geopolitically downgraded quicker than credit analysts can get stuck into Greek debt. That’s before we consider where Gulf States decide to recycle their petrodollars in future. No security, no $? It’s certainly a question for the U.S. to ponder – not only in terms of who they are going to sell their Treasuries to, but what currency oil is priced in. Hence the bottom line for the U.S.; Middle East energy isn’t about oil for America, it’s ultimately about power. If the U.S. wasn’t part of the Gulf energy game, it would hold zero sway with Saudi, no powers of persuasion over Iranian nukes, no say in the Arab Awakening, or how Gulf Monarchies handle critical succession problems in future. Let alone shaping vested interests to promote and extend U.S. influence across the globe.

#### Beijing will move in after a US pivot---causes expansionism

WSJ 6/26 Keith Johnson "U.S. Oil Boom Spotlights China’s Persian Gulf Dependence" blogs.wsj.com/washwire/2012/06/26/u-s-oil-boom-spotlights-chinas-persian-gulf-dependence/

The U.S. is moving toward greater energy independence just as China, the world’s second-largest economy, is becoming ever more dependent on oil from the Middle East. A net exporter of oil as recently as 1993, China now gets about half its oil from countries around the Persian Gulf. Add to that China’s strong belief that naval strength is a prerequisite for great-power status, and toss in Washington’s eagerness to wind down two decades of military involvement in the Middle East in order to pivot security attention to Asia, and you get all the ingredients for a historic reshuffling of the security picture in the region.

The question facing policymakers in Washington is deceptively simple: Would that be a good thing or a bad thing?

Many believe that greater Chinese involvement, especially in tasks such as protecting global commerce, will lead the country to support the international order the U.S. created after World War II—and from which China has benefited so much. Others worry that China’s rapid naval modernization and desire to play a bigger global role will complicate American foreign policy, and help cloak the country’s military capabilities as it strives for parity with the U.S.

One thing is certain: China’s quest for a modern navy coincides with its transformation from an oil exporter to an oil importer, with most of that crude winding its way through narrow chokepoints controlled by the U.S. Navy. Known as the “Malacca Dilemma,” for the straits through which pass 80% of China’s crude, that nagging worry has dictated much of China’s security posture.

“If you look back at rising powers in history, one of the things they do is get very uncomfortable with leaving the security of trade routes to established powers, so they gear up their military capability, which can take on a life of its own,” said Michael Levi, an energy security expert at the Council on Foreign Relations.

The last time China had a true blue-water navy capable of sailing the high seas, showing the flag, and cowing potential rivals was the early 1400s. Today, the Pentagon has concluded, Beijing wants that capability again.

“China’s leaders have offered unambiguous guidance that the [People’s Liberation Army Navy] will play a growing role in protecting China’s far-flung interests,” the Pentagon report concluded. While acknowledging that Chinese naval capabilities are still in their infancy—it just launched its very first aircraft carrier, and carrier air wings are still a future project—the report underscored concerns that the Chinese navy represents the most serious challenge to U.S. interests in the Pacific.

In recent years, China has been assertive about its rights in neighboring seas, such as the South China Sea. But it has also started flexing its muscles to protect the key sea lanes further away that are the lifeblood of its economy, and which, incidentally, the U.S. has protected for almost 70 years. In 2009, China deployed three vessels to join the anti-piracy task force off the coast of Yemen, a first for the Chinese navy.

#### That guts naval hegemony and causes string of pearls strategy

Townshend 11—Ashley, Research Associate in the International Security Program at the Lowy Institute for International Policy, Real Clear World, "Few Reasons to Fear China's 'Pearls'", May 26, <http://www.realclearworld.com/articles/2011/05/26/few_reasons_to_fear_china_pearls_99534.html>

Revelations that Pakistan has invited China to construct a naval base at the strategically located port of Gwadar have intensified anxieties about Beijing's Indian Ocean objectives.

For many observers, any militarisation of the Gwadar facility - a predominantly Chinese-funded commercial port about 500km from the Strait of Hormuz - would confirm deep-seated suspicions about Beijing's so-called "string of pearls" strategy.

According to proponents of this view, China is establishing ports throughout littoral South Asia as a smokescreen for intelligence gathering and as a precursor to more permanent basing arrangements. Many worry that ostensibly commercial ports in Pakistan, Sri Lanka, Bangladesh and Burma will eventually be transformed into fully-fledged naval facilities. Access to such bases would enable Beijing to project military power right across the Indian Ocean - **challenging US naval primacy, encircling India and threatening the sea lanes** that transport about 25 per cent of the world's oil.

#### Naval power independently solves great power wars

Conway et al 7 [James T., General, U.S. Marine Corps, Gary Roughead, Admiral, U.S. Navy, Thad W. Allen, Admiral, U.S. Coast Guard, “A Cooperative Strategy for 21st Century Seapower,” October, http://www.navy.mil/maritime/MaritimeStrategy.pdf]

No other disruption is as potentially disastrous to **global stability** as **war among major powers**. Maintenance and extension of this Nation’s comparative seapower advantage is a **key component** of deterring major power war. While war with another great power strikes many as improbable, the near-certainty of its ruinous effects demands that it be actively deterred using all elements of national power. The expeditionary character of maritime forces—our lethality, global reach, speed, endurance, ability to overcome barriers to access, and operational agility—provide the joint commander with a range of deterrent options. We will pursue an approach to deterrence that includes a credible and scalable ability to retaliate against aggressors conventionally, unconventionally, and with nuclear forces. Win our Nation’s wars. In times of war, our ability to impose local sea control, overcome challenges to access, force entry, and project and sustain power ashore, makes our maritime forces an indispensable element of the joint or combined force. This expeditionary advantage must be maintained because it provides joint and combined force commanders with freedom of maneuver. Reinforced by a robust sealift capability that can concentrate and sustain forces, sea control and power projection enable extended campaigns ashore.

#### And, causes an arms race and nuclear war with India

Sayler 7/22—Kelley, CSIS research assistant, MA Baylor, “Nuclear Stability in South Asia”, 201 ,[http://csis.org/blog/nuclear-stability-south-asia](http://csis.org/blog/nuclear-stability-south-asia%22%20%5Ct%20%22_blank)

The convergence of a number of factors in South Asia – including strategic anxieties, destabilizing military doctrines, and conventional force disparities – places the region in growing danger of **succumbing to a nuclear arms race.** Such was the conclusion of a recent SIPRI report that cited India and Pakistan’s parallel expansion of fissile material production capacity and nuclear infrastructure as evidence of the countries’ progressive descent into nuclear competition.  Indian, Pakistani, and American experts gathered to discuss this development, as well as other topics in South Asian security, at a Monday event hosted by the United States Institute for Peace.

Opening the discussion, Vijay Shankar, former Commander-in-Chief of the Indian Strategic Forces Command, offered an overview of India’s nuclear sizing requirements.  Shankar stated that India’s policy of No First Use allows it to maintain a minimal arsenal – the precise size of which is dictated by credibility and survivability concerns - that provides the country with a cost-effective means of deterrence. Shankar then noted India’s interest in preserving minimum deterrence, a policy that is further supported by India’s recognition of a point of diminishing returns in nuclear sizing.

It is not at all clear, however, that India possesses the political will to sustain such a policy in the face of ever-growing strategic cooperation between China and Pakistan.  To be sure, India’s nuclear sizing requirements are, as Shankar conceded, driven by multilateral considerations, which are almost certain in the long-term to reflect **India’s discomfort with China’s “string of pearls” strategy** for expanding PRC influence into the Indian Ocean and South China Sea.  India is also unlikely to be particularly heartened by the prospect of a joint Chinese-Pakistani naval base operating in its neighborhood or by reports of a steadily expanding Pakistani arsenal.

For its part, Pakistan has similarly committed to maintaining a policy of minimum deterrence.  But the comments of Shankar’s Pakistani counterpart, Shahzad Chaudhry, former Air Vice Marshall of the Pakistani Air Force, would seem to belie this intention.   Chaudhry noted that India’s robust economic growth rate has enabled it to aggressively modernize its military forces.  As a result, conventionalforce disparity has widened, prompting Pakistan to increase its reliance on nuclear weapons as a means of achieving strategic parity. It was this policy, Chaudhry argued, that prevented the Kargil War from escalating into a nuclear exchange.

But given this emphasis on maintaining strategic parity, it would seem that Pakistan’s nuclear sizing requirements will be driven more by India’s force posture than by any inherent comfort with the theory of minimum deterrence.  And as India continues to develop its conventional capabilities - and to uphold the Cold Start doctrine, which many Pakistani experts believe is intended to generate space for a limited war - it seems reasonable to expect that Pakistani nuclear forces will expand in kind.  Indeed, Pakistan’s development of the nuclear-capable Hatf-9 would seem to indicate an interest in both growing and diversifying the country’s arsenal, thereby moving it away from a policy of minimum deterrence.

Following Shankar and Chaudhry’s discussion of the potential for a South Asian nuclear build-up, Jamshed Hashmi, Chairman Emeritus of Pakistan Nuclear Regulatory Authority, continued with a presentation on the relationship between civilian and military nuclear programs.  Hashmi argued that there has always been a separation between these programs in Pakistan, but that separation in India is insufficient to ensure the absence of material diversion.  In addition, Hashmi denounced the U.S.-India Civil Nuclear Agreement, saying that it legitimized the use of nuclear power plants for non-peaceful purposes.

Toby Dalton of the Carnegie Endowment for International Peace then highlighted the intimate connection between nuclear energy and nuclear weapons/doctrine in South Asia.  While Pakistan’s nuclear energy needs are different from those of India’s, he argued, both states desire the prestige that is associated with having advanced nuclear technology and, for this reason, will continue to seek to legitimize their respective nuclear programs.  Given this condition, as well as the likely expansion of regional arsenals, nuclear security and transparency measures will be increasingly important to implement in the coming years.

In contrast to the South Asian discussants, Dalton was pessimistic about the prospects for escalation control in the event of a future crisis and questioned the assumption that the presence of nuclear weapons had had a moderating effect on the Kargil War.  He instead argued that **time pressures and the lack of reliable dialogue** channels **will increase the potential for misperception** in future crises.  Dalton additionally noted the possibility thatsustained American discussion of Pakistani nuclear security could exacerbate fears of a disarming first strike, thereby driving

### Econ

#### The plan collapses oil prices overnight---the link is huge and unique

Poruban 12 Steven Poruban "API: Raising US oil supplies key to lowering gasoline prices" 3/26 www.ogj.com/articles/print/vol-110/issue-3c/general-interest/api-raising-us-oil.html

A major component to relieving upward pressure on gasoline prices in the US will come from increasing domestic oil production and not from raising taxes, American Petroleum Institute Pres. and Chief Executive Officer Jack Gerard told reporters Mar. 20 during a conference call from Washington, DC.

He said President Barack Obama's administration needs a "reality check" as well as a revision to the unclear signals it is sending the market. This is something that US voters understand as well, Gerard noted, citing statistics from a poll conducted earlier this month by Harris Interactive on behalf of API among 1,009 registered voters in the US.

"Voters understand that raising taxes is not a solution for high gasoline prices," Gerard said, adding, "No economist in the world will tell you gas prices can be reduced by increasing taxes, and the Congressional Research Service just released a study saying so," Gerard said.

"A true all-of-the-above energy strategy would include greater access to areas that are currently off limits, a regulatory and permitting process that supported reasonable timelines for development, and immediate approval of the Keystone XL pipeline to bring more Canadian oil to US refineries. This would send a positive signal to the market and could help put downward pressure on prices," he said.

A large majority of these polled voters, API said, "also believe that more US oil and natural gas development could reduce gasoline prices (81%), lead to more American jobs (90%), and enhance America's energy security (84%)."

Gerard said, "Most US resources have been placed off-limits. The US oil and natural gas industry is currently allowed to explore, develop, and produce on less than 15% of the federal offshore areas. More than 85% of those areas are off limits, denying all Americans the benefits of producing those resources—benefits like greater supplies of crude oil and natural gas, job creation, and significant returns on our treasury in taxes, rents, royalties, and bonus bids."

Market perception

The very notion that the Obama administration is proposing the release of oil supplies from the nation's Strategic Petroleum Reserve or asking other countries, such as Saudi Arabia, to boost oil production, is a "clear admissions that supply matters" in the case of relieving gasoline price pressure, Gerard said.

Markets are largely driven by perception, Gerard said, and when Obama in his early days in office sent out the message to the market that oil and gas production from the Gulf of Mexico, for example, would be higher today than it was then, that is part of the reason we're experiencing higher gasoline prices in the US.

To illustrate this point about clear market signals, Gerard recalled the example of when US gasoline prices were surpassing $4/gal during George W. Bush's presidency, his administration lifted the moratorium on offshore drilling and in a matter of days, oil prices fell by $15-16/bbl.

#### Prolonged dip in prices collapses all producer states, causes political repression and state collapse, and unleashes wars across the world

Hulbert 12 Matthew Hulbert is an analyst at the Netherlands Institute for International Relations "The political perils of low oil prices" July 9 2012 www.europeanenergyreview.eu/site/pagina.php?id=3796&id\_mailing=295&toegang=49182f81e6a13cf5eaa496d51fea6406

As unedifying as all that might be, the bigger problem producer states have is that internal repression has no guarantee of success these days. It didn't work for Gadhafi in Libya, and it's unlikely to work for Assad in Syria in the long term. As fierce as the rear-guard battles have been, they’ve not been militarily conclusive or conducive to on-going hydrocarbon production.

Follow that argument through and it is clear that if the bulk of producer regimes were struggling to hang on in a $125/b world, they stand little chance of pulling through in an $80/b (or less) environment. So we reach the third step, and logical conclusion of our argument. The lower prices go, the more likely political unrest creates serious supply disruptions affecting physical supplies, with concomitant effects on paper markets. That obviously puts a radically new spin on what 'cyclical' means as far as price and political instability is concerned, but when we look across producer states, it’s hard to find any major players not sitting on a powder keg of political risk these days.

More likely than not, it will be some of the smaller players that get caught in the cross fire first. In the Gulf, Saudi Arabia is already deeply concerned about Bahrain relative to its Eastern Province. State implosion in Yemen is seen as an internal issue of the al-Saud to deal with, while serious deterioration in Iraq is becoming increasingly problematic in the North. Libya could see any post-war oil gains rapidly wiped out, Sudanese production has already fallen prey to intractable internal disputes, Kazakhstan remains entirely 'dispensable' in Central Asia given a lack of external clout in the region, while Nigeria has new civil strife problems to confront with Boko Haram. That’s before we consider intractable problems in Central Africa and the Horn of Africa. Any one of these jurisdictions could end up with a scorched earth policy if financing gaps aren’t closed.

Go further up the producer state 'food chain', and some of the world's largest players all have the same structural political problems, be it in the Middle East, Eurasia or Latin America. Any sign that a bigger petro-beast is losing control, and prices would rapidly lift. That might be welcome news for producer states lucky enough to ride the price wave and remain intact, but it's a very dangerous game to play.

And that's the whole problem here - the gap between geological costs of production and the geopolitical cost of survival is simply too wide for producers to cover without falling back on draconian measures. If this 'self-correcting' mechanism between price and political unrest starts supporting an informal price floor then so be it, but we shouldn't be fooled that this is serving anyone's interests - on either side of the consumer-producer ledger. Yes, it will help firm prices when certain producers struggle to adapt to rapidly shifting economic conditions, but assuming that more and more producer states hit political problems as prices slip, we're merely cementing the 'too big to fail' status of the very largest oil producers. Seeing petro-states dropping like political flies as prices correct isn't a proper 'solution' for a floor, not only because prices will rebound with a vengeance when markets tighten, but because it will make us even more dependent on a handful of key suppliers. As we all know from previous problems in Iraq (2.9 mb/d), Iran (3 mb/d), Libya (1.48 m/bd), Nigeria (2.4 mb/d) and even Venezuela (2.7 mb/d), once things go politically wrong, it takes a very long time, if ever, to get back to optimal production levels. It's the antithesis of where consumers want to be in terms of sourcing plentiful and fungible supplies.

Final scene: corpses all over the stage

By way of reminder, as much as petro-states currently face a systemic crisis trying to set a price floor, it was only in March that we saw how badly placed OPEC is to moderate the market at the top. Seeing petro-states in a pickle might warm the hearts of many right now, but markets can turn, and turn fast. When they do, the oil weapon will shift target as well. It will no longer be pointed at petro players heads, but directly at consumer states. That's the consequence of a dysfunctional energy system - not just with a $50-$150/b outlook eminently possible, but swings well beyond that 'price band' all too likely.

Splitting this price directly in two and sticking close to $100/b might not be that bad an idea after all: Mopping up the mess from producer state implosion would require an effort far beyond the international systems capabilities and reach. Carefully agreed truces are always better than outright wars, particularly for those squeamish about collateral damage. Corpses would litter the entire energy stage.

#### High oil prices key to Russia’s economy and political stability---a slump plunges the bear into chaos

RB 12 Russia Briefing is a magazine and daily news service about doing business in Russia. "Russia Could Face Political Flux if Oil Prices Sink" May 28 russia-briefing.com/news/russia-could-face-political-flux-if-oil-prices-sink.html/

Russia Could Face Political Flux if Oil Prices Sink

Russia’s political stability risks being being shaken if Greece leaves the Euro area and triggers a sinking in the price of oil, according to a new report from an influential Moscow think tank, released on Thursday.

“There’s a big chance of a Greek exit, which would lead to more countries pulling out of the currency union,” said Mikhail Dmitriev, head of the Center for Strategic Studies.

Russia relies on oil and gas exports for half of its budget revenue and Europe as a market for more than 50 percent of its exports and 42 percent of imports, according to official data.

“If energy prices plunge, Russia may suffer a worse recession than in 2009, which would swell anti-Putin sentiment and we will see the escalation of political violence and repression on one hand, and the worst economic crisis on the other,” said Dmitriev, a deputy economy minister of Russia from 2000 to 2004. “This may lead to Putin losing control and a chaotic political transformation.”

Brent, the grade that underpins prices for Russia’s Urals oil blend, may decline to US$80 a barrel if Greece leaves the currency union without triggering crises in other euro members or as low as US$60 if there is a “disorderly” breakup of the euro region, according to a Bank of America report dated May 17. Urals today traded at US$103.95, the lowest since last December.

As for nation’s gross domestic product, it may shrink to 2.1 percent, when inflation will speed up to 6.7 percent, according to the Sberbank’s Center of Macroeconomic Research. Bank of America Merrill Lynch predicts even higher inflation which might be as much as 7.6 percent.

“If the oil price will slump to US$80 per barrel, Russia may experience zero growth in GDP,” Julia Tseplyaeva, leading economist with BNP Paribas said to Russian business daily Vedomosti.

The study is being closely watched because Dmitriev’s center was the only major one to accurately predict early last year that support for the regime was plunging and that it would face a crisis as early as December’s parliamentary elections.

“A deteriorating global economy would threaten to wipe out capital that Russian investors and businesses moved to Europe in search of safety,” Dmitriev said, adding that there is already “large-scale capital flight from Russia, despite the economic recovery.”

In a worst-case scenario following a Greek exit from the euro area, Russia’s economy would contract 2.1 percent with the potential for US$95 billion in capital leaving the country in a year, Ksenia Yudaeva, chief economist at Moscow-based OAO Sberbank, the country’s biggest lender, said to Bloomberg.

#### Russian economic decline causes nuclear war

Filger 9 Sheldon, author and blogger for the Huffington Post, “Russian Economy Faces Disastrous Free Fall Contraction” http://www.globaleconomiccrisis.com/blog/archives/356

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.

#### Oil prices are the lifeblood of Saudi growth and stability---full coffers key to deterring an arab spring

O'Sullivan 12 Arieh O'Sullivan is the Defense Correspondent for The Jerusalem Post. "SAUDI’S AGED STABILITY ROCKING" June 28 www.inss.org.il/upload/(FILE)1341716252.pdf

With OPEC nations pumping the highest levels of oil since 2008, the price of crude has dropped to below $80. This sort of news means that Saudi Arabia, the nation with the largest oil reserves in the world, will have to start running a deficit and could cut back on promised expenditures originally aimed at keeping any popular unrest at bay.

Saudi Arabia has worked hard to diversify its economy, but oil remains its lifeblood, paying for massive infrastructure projects, covering bloated civil service payrolls and ensuring free or low-cost healthcare and other benefits.

Saudi Arabia's break-even price is around $70-$80, according to bankers and analysts surveyed by the Reuters news agency. When oil was high, above $115 a barrel last year, and Saudi Arabia's coffers swelled, it allocated a series of subsidies and other measures worth as much as $133 billion to help ensure the bounty reached ordinary Saudis.

That appears to be in jeopardy.

"Those at the top of the Saudi royal pyramid are old, and the aging of the leadership could have geopolitical implications," Yoel Guzansky, a senior researcher and expert on Saudi Arabia at the Institute for National Security Studies, told The Media Line.

"The Arab Spring challenges the legitimacy of the monarchs themselves. Iran does the same, but they use Iran as a scapegoat for many things and it has actually helped them. But the Arab Spring is a real threat," Guzansky said. "They lose enemies -- look at Syria -- but also allies. I don't know what will happen next in Jordan. I don't know what the future holds for Bahrain."

#### Uprisings collapse relations with the US and causes a saudi-iran war that spread across the middle east

Bauer November 2011 William, Specialising in Middle-Eastern and Maghreb affairs, William has worked and studied in the Levant, North-Africa and the Gulf, as well as having traveled extensively throughout the MENA region. His BA was in Middle-Eastern Studies and Arabic, from the Institute of Arab and Islamic Studies at the University of Exeter, “Further Bahrain Unrest Would Be Saudi Arabia's Worst Nightmare”, William, <http://www.policymic.com/articles/further-bahrain-unrest-would-be-saudi-arabia-s-worst-nightmare>

Economically, should Bahrain experience further unrest, Saudi Arabia could become engulfed in similar Shi'a-led uprisings. Unrest in the Eastern Province would majorly disrupt oil exports, thereby drastically cutting income as production slowed – disastrous for a country wholly dependent on hydrocarbon revenue. For a rentier state like Saudi Arabia, even short term loss of Eastern Province production would be catastrophic, forcing it to use its reserves to cover basic spending, unnecessarily weakening the country. Additionally, expatriates drawn to the Kingdom by high tax-free salaries would evacuate, leaving critical companies like ARAMCO in serious lack of qualified senior engineers, instructors, and managers. An economy broadly based on foreign expertise would be severely disrupted.

On a political level, **the repression of such an uprising would** undoubtedly **be** brutal. T**his would** force the U.S. to critique and distance itself from its long-term ally, isolating Saudi further and making it internally compromise with the religious establishment and curtail [promised reforms](http://www.guardian.co.uk/world/2011/sep/25/saudi-arabia-women-vote-elections) to stabilize the state. It would also lead to a stricter Wahabbi doctrine being enforced, especially in the relatively relaxed Eastern Province, as the Kingdom attempted to reassert control.

Finally, Iran would be on a collision course with Saudi Arabia, as relations already near breaking would be further strained. Iran takes a particular interest in the fate of their fellow Shi'a in Saudi Arabia, an interest that occasionally borders on[outright interference](http://www.irantracker.org/foreign-relations/saudi-arabia-iran-foreign-relations). With potential Shi'a-led unrest, Iran would certainly **increase pressure**, mainly through its media, on Saudi. The antagonism has already begun in recent weeks, with Saudi Arabia blaming a “foreign country” for the [frequent unrest that has marked the Eastern province’s Shi'a stronghold of Qatif](http://www.aljazeera.com/news/middleeast/2011/11/2011112465955365750.html). Indeed, **the eventual end game could destabilize this sensitive region.**

#### Global economy improving-increased business activity

Reuters 2/5, "Euro Zone Economy Showing Signs of Recovery, Optimism Builds", [www.cnbc.com/id/100433959](http://www.cnbc.com/id/100433959)

The euro zone's embattled economy has turned a corner, according to a business survey on Tuesday that showed businesses are more optimistic about the future but highlighted a growing chasm between the region's economies.¶ Markit's Eurozone Composite PMI, which gauges business activity across thousands of companies and is seen as good gauge of growth, rose in January to a 10-month high of 48.6 from 47.2 in December - an improvement on the preliminary reading of 48.2.¶ While still signalling a contraction as the index has been below the 50 mark that signifies growth since February last year, it has risen consistently in the last three readings.¶ Private industry makes up nearly two-thirds of the euro zone's economy and worryingly for policymakers, the data showed a widening chasm between Germany - Europe's largest economy - and France, the bloc's second biggest.¶ "The euro zone is showing clear signs of healing, with the downturn easing sharply in January and the region moving closer to stabilization in the first quarter," said Chris Williamson, chief economist at Markit.¶ "Growth is heavily skewed towards Germany, however, where the contrast with the contraction seen in France is the greatest seen since the survey began in 1998."¶ Markit's composite German PMI chalked up its biggest one-month rise since August 2009, soaring to its highest since June 2011. But in neighboring France it plummeted to its lowest in nearly four years.¶ France's services PMI was even below readings from perennial laggards Spain and Italy.¶ The euro zone PMI for services firms, which make up almost half of the bloc's economy, rose to a 10-month high of 48.6 from 47.8, above § Marked 08:23 § a flash estimate of 48.3.¶ On the Up¶ The economy likely contracted 0.4 percent at the end of last year, notching up its third negative quarter, and will only stagnate in the current period, according to a Reuters poll published last month.¶ But on the whole the thousands of services firms surveyed, ranging from banks to restaurants, were at their most optimistic since last May, with the business expectations index jumping to 56.4 from 52.5.¶ That was the biggest one-month rise in the index since August 2009, just as the troubled bloc emerged from the previous recession.¶ Euro zone factories had their best month in nearly a year during January as burgeoning German output offered support, data released last week showed.

#### US not key—global economies decoupling

Caryl, Sr. Fellow @ MIT, 10 [Christian Caryl is a Editor at Foreign Policy and Newsweek and a Senior Fellow of the CSIS at the Massachusetts Institute of Technology, “Crisis? What Crisis?” 4/5/10 http://www.foreignpolicy.com/articles/2010/04/05/crisis\_what\_crisis?print=yes&hidecomments=yes&page=full]

We went through a terrifying moment back in the fall of 2008. The financial system in the United States was imploding. It was impossible to predict how the effects would ripple through the rest of the world, but one outcome seemed inevitable: Developing economies were going to take a terrible hit. There was just no way they could escape the maelstrom without seeing millions of their citizens impoverished. Many emerging-market countries did experience sharp drops in GDP. Their capital markets tanked. Dominique Strauss-Kahn, managing director of the International Monetary Fund (IMF), sounded downright apocalyptic: "All this will affect dramatically unemployment, and beyond unemployment for many countries it will be at the roots of social unrest, some threat to democracy, and maybe for some cases it can also end in war." The Economist recently noted, "The Institute of International Finance (IIF), a think-tank in Washington, DC, forecast that net private capital flows into poor countries in 2009 would be 72% lower than at their peak in 2007, an unprecedented shrinkage." Virtually everyone expected to see the countries that had benefited so dramatically from growth in the years leading up to the crisis to suffer disproportionately in its wake. An entirely rational assumption -- except it hasn't turned out that way at all. To be sure, there were far too many poor people in the world before the crisis, and that still remains the case. Some 3 billion people still live on less than $2.50 a day. But the global economic crisis hasn't added appreciably to their ranks. Just take China, India, and Indonesia, Asia's three biggest emerging markets. Although growth in all three slowed, it never went into reverse. China's robust growth through the crisis has been much publicized -- but Indonesia's, much less conspicuously. Those countries, as well as Brazil and Russia, have rebounded dramatically. The Institute of International Finance -- the same people who gave that dramatically skepticism-inducing estimate earlier -- now says that net private capital flows to developing countries could reach $672 billion this year (double the 2009 amount). That's less than the high point of 2007, to be sure. But it still seems remarkable in light of the dire predictions. In short, the countries that have worked the hardest to join the global marketplace are showing remarkable resilience. It wasn't always this way. Recall what happened back in 1997 and 1998, when the Thai government's devaluation of its currency triggered the Asian financial crisis. Rioting across Indonesia brought down the Suharto government. The administration of Filipino President Joseph Estrada collapsed. The turbulence echoed throughout the region and into the wider world, culminating in the Russian government default and August 1998 ruble devaluation. Brazil and Argentina trembled. The IMF was everywhere, dispensing advice and dictating conditions. It was the emerging markets that bore the brunt of that crisis. So what's different this time around? The answers differ from place to place, but there are some common denominators. Many of the BRICs (Brazil, Russia, India, China) learned vital lessons from the trauma of the late 1990s, hence the IMF's relatively low-key profile this time around. (The fund has been most active in Africa, where they still need the help -- unless you count Greece, of course.) Many emerging economies entered the 2008-2009 crisis with healthy balance sheets. In most cases governments reacted quickly and flexibly, rolling out stimulus programs or even expanding poverty-reduction programs. Increasingly, the same countries that have embraced globalization and markets are starting to build social safety nets. And there's another factor: Trade is becoming more evenly distributed throughout the world. China is now a bigger market for Asian exporters than the United States. Some economists are talking about "emerging market decoupling." Jonathan Anderson, an emerging-markets economist at the Swiss bank UBS, showed in one recent report how car sales in emerging markets have actually been rising during this latest bout of turmoil -- powerful evidence that emerging economies no longer have to sneeze when America catches a cold. § Marked 08:24 § Aphitchaya Nguanbanchong, a consultant for the British-based aid organization Oxfam, has studied the crisis's effects on Southeast Asian economies. "The research so far shows that the result of the crisis isn't as bad as we were expecting," she says. Indonesia is a case in point: "People in this region and at the policy level learned a lot from the past crisis." Healthy domestic demand cushioned the shock when the crisis hit export-oriented industries; the government weighed in immediately with hefty stimulus measures. Nguanbanchong says that she has been surprised by the extent to which families throughout the region have kept spending money on education even as incomes have declined for some. And that, she says, reinforces a major lesson that emerging-market governments can take away from the crisis: "Governments should focus more on social policy, on health, education, and services. They shouldn't be intervening so much directly in the economy itself." This ought to be a big story. But you won't have much luck finding it in the newspapers -- perhaps because it runs so contrary to our habitual thinking about the world economy. The U.N. Development Programme and the Asian Development Bank recently published a report that attempts to assess what effect the crisis will have on the world's progress toward the U.N. Millennium Development Goals, benchmarks that are supposed to be achieved by 2015. At first glance the report's predictions are daunting: It states that 21 million people in the developing world are "at risk" of slipping into extreme poverty and warns that the goals are unlikely to be met. Many experts wonder, of course, whether the V-shaped crisis we've witnessed so far is going to turn into a W, with another sharp downturn still to come. Some argue that the Great Recession's real damage has yet to be felt. Yet the report also contains some interesting indications that this might not be the case. "The global economic crisis has been widely predicted to affect international migration and remittances adversely," it notes. "But as the crisis unfolds, it is becoming clear that the patterns of migration and remittances may be more complex than was previously imagined." In other words, these interconnections are proving to be much more resilient than anyone might have predicted earlier. As the report notes, receipts of remittances have so far actually increased in Bangladesh, India, Nepal, Pakistan, Philippines, and Sri Lanka. Perhaps migrant workers -- those global experts in entrepreneurship and risk-taking -- know something that a lot of the rest of us don't. So why should we care? Anirudh Krishna, a Duke University political scientist who studies poverty reduction, says that there's a moral to the story: "Certainly cutting countries and people off from markets is no longer a sensible thing to do. Expanding those connections, bringing in a larger part of a talent pool into the high-growth sector -- that is what would make most countries grow faster and more individuals climb out of poverty." Echoing Nguanbanchong, he argues that governments are well-advised to concentrate on providing their citizens with education and health care -- the great enablers in the fight for social betterment. Microfinance and income subsidy programs can fill important gaps -- as long as they aim to empower future entrepreneurs, not create cultures of entitlement. This is not to say the outlook is bright on every front, of course. As the Economist noted, the number of people facing hunger recently topped 1 billion, the highest since 1970. The reason for that has more to do with the 2007-2008 spike in food prices than with the financial crisis. (Remember how the price of rice shot up?) We are still a long way from conquering poverty. There is still a huge -- and in some cases growing -- gap between the world's rich and poor. Yet how remarkable it would be if we could one day look back on the 2008-2009 crisis as the beginning of a more equitable global economy**.**