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POLITICS (SYRIA) DA

====The Syria authorization will pass but it will be a tough fight - capital is key to GOP support====

Cohen, 9/3/13 (Tom, "Syria war resolution faces tough challenge in Congress" CNN,

http://www.cnn.com/2013/09/03/politics/obama-syria-congress/)

To Darrell West, the vice president and director of governance studies at the Brookings Institution, support from the House is the biggest challenge for Obama. "There are very few moderates that are left and it~’s a highly polarized institution," he noted, adding that what amounts to a war authorization vote was likely to shake up the normal partisan line in Congress. "You could have libertarian Republicans joining liberal Democrats to vote no, just because they~’re tired of foreign adventures," West said. "It may come down to Republicans who support a strong foreign policy joining forces with Democratic moderates to give approval." A new ABC News/Washington Post poll released Tuesday showed that nearly six in 10 Americans oppose military strikes against Syria, with similar results from respondents identifying themselves as Democrats and Republicans. The administration has launched what it calls a "flood the zone" lobbying effort to persuade legislators to support the resolution authorizing military strikes against Syria. This effort in Washington includes classified briefings, testimony of Cabinet members at committee hearings, and meetings with the president. Mindful of concerns that a strike on Syria will lead to a prolonged engagement, Obama said Tuesday that "this is not Iraq, and this is not Afghanistan." "This is a limited, proportional step that will send a clear message — not only to the Assad regime, but also to other countries that may be interested in testing some of these international norms — that there are consequences," the president said. At the hearing by the Senate panel he used to chair, Secretary of State John Kerry later said that "neither our country nor our conscience can afford the cost of silence." However, Obama departs on Tuesday night on a four-day trip to Sweden and Russia at a time when members of both parties clamor for him to be directly involved. With congressional elections next year, many legislators feel that the safe vote on Syria right now is to oppose the Obama resolution, CNN Chief National Correspondent John King said Tuesday. "The president has to sway and the most important people he~’ll meet with today are the House Republicans," King said. "He doesn~’t have good relationships with them, very few personal relationships with them. They don~’t trust him. They don~’t support most of his other policy initiatives." Speaking before Boehner and Cantor publicly backed Obama, King said the president needed the House GOP leadership to "lobby their own members, saying this is the right thing to do even if you don~’t agree with the president." Cantor~’s statement did just that, even taking on a popular GOP talking point that Obama had erred by previously declaring chemical weapons use a "red line" that would bring a U.S. response if Syrian President Bashar al-Assad crossed it. "The United States~’ broader policy goal, as articulated by the president, is that Assad should go, and President Obama~’s red line is consistent with that goal and with the goal of deterring the use of weapons of mass destruction," Cantor said in the statement. "It is the type of red line virtually any American president would draw." However, Boehner~’s spokesman, Michael Steel, made clear that the speaker was leaving it to Obama to persuade legislators to support him. "It is the president~’s responsibility to make his case to the American people and their elected representatives," Steel said in a statement, adding that "all votes authorizing the use of military force are conscience votes for members, and passage will require direct, continuous engagement from the White House." Obama met Monday with two veteran Republican senators — John McCain of Arizona and Lindsey Graham of South Carolina — who emerged to say they could support a more precise and robust strategy than the president initially outlined. In particular, McCain and Graham said Obama pledged increased military aid to opposition forces in Syria that would bolster their fight against al-Assad at the same time as U.S. military attacks expected to to involve cruise missile strikes on Syrian military command targets. After Obama met Tuesday with Boehner, Pelosi and the chairs of several national security committees in Congress, legislators from both parties said they expected the initial resolution proposed by the president to be revised to address their concerns. In particular, they said it would define the mission more narrowly and specify no "boots on the ground," which means no U.S. troops would be deployed to Syria. West noted that no matter what lobbying takes place, "there are some Republicans who will vote ~’no~’ just because the idea came from President Obama" because "they detest everything he stands for." Moderates, meanwhile, may face the prospect of a primary challenge from the more extremist wing of their respective party if they authorize a war resolution, he said. "Anti-war sentiment remains very strong within the Democratic Party," West said, noting that grass-roots activists on the left opposed the Iraq war at the height of post 9/11 patriotic fervor. "The idea of another foreign intervention would be of great concern to those people." In the end, West said he expects Obama~’s resolution to win approval because "the president has laid national prestige on the line." However, a House GOP leadership aide told CNN that "it is going to be a big lift to get this done." "We~’re only going to be able to help the president as much as he~’s willing to help himself," the aide said on condition of not being identified, noting Obama must be personally involved, make the case for military action and "prove that we have a military plan that will work and not drag us into the mud for a long time."

====New Latin American economic engagement initiatives cause a massive loss in political capital====

\*\*Isacson, 11\*\*

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Though Latin Americans~’ perceptions of the United States have improved since a low point during the Bush administration, our country is no longer the central player in the economic lives of most Latin American countries, either through trade or aid. As a result, it carries much less political weight. Though it is not his intention, President Obama~’s trip will underscore that the era of unquestioned U.S. leadership has ended, as the President himself acknowledged at the 2009 Summit of the Americas, when he emphasized building an "equal partnership" with the region~’s states. In this new reality, the White House has made an astute choice of countries to visit. Each carries great symbolic value. • In Brazil, President Obama~’s discussions with President Dilma Rousseff will highlight the global power and influence of South America~’s rapidly growing giant. It may also mark a notable improvement in the tone of U.S. relations with Rousseff~’s government, which assumed power in January. • In both Brazil and Chile, President Obama will recognize the success of long, difficult transitions from military dictatorship to democracy. Both countries are still trying to uncover the truth about the mass human rights abuses committed before those transitions began, and to hold the worst abusers accountable. The President would do well to acknowledge these important efforts. • In El Salvador, the President will be commemorating a successful transition from all-out civil war to stable peace, with a democracy so healthy that, following its 2009 elections, it underwent a smooth transition of power to the opposition: the party of the former guerrilla insurgency. President Obama~’s trip is also important for what it is not "about." This is not a visit driven by U.S. threat perceptions. Except for where it touches discussions of public security and organized crime, drugs — and the U.S. "war" on them — are not on the agenda. Nor should we expect much discussion of terrorism, Iran or even Venezuela. The focus on opportunities instead of threats is very welcome. Not all of the messages will be positive, however. In a time of reduced power and deep budget cuts, President Obama will be arriving largely empty-handed. There is relatively little new economic aid to offer; much of what the Administration can propose is re-programming to meet priority needs, improved coordination, and technical assistance. These are important, but not a substitute for new assistance and new initiatives. Not only can we expect few offers of new economic aid, we can expect few commitments to spend substantial political capital. The administration, though supportive, is unlikely to make a major political commitment to help Latin America address what, according to opinion polls throughout the region, are its main concerns: public security, unemployment, weak institutions, and migration. While crime and violence will be mentioned in Brazil and El Salvador, the most President Obama is likely to offer is a commitment to maintain modest existing levels of assistance for police and judicial institution-building. On the economy and jobs, the President will visit Chile and Brazil, whose growth rates dwarf our own. In his visit to El Salvador, whose economy is only beginning to recover from the financial crisis that hit the United States, the President is likely to support targeted anti-poverty efforts, but no major new initiatives. Strengthening institutions requires supporting reformers both in government and civil society, including human rights defenders and leaders of unions and social movements — something on which the U.S. record is mixed. On migration — a third-rail political issue in today~’s Washington — we can expect little. (El Salvador seeks a long-term resolution of the status of the two hundred thousand Salvadorans still here on a "temporary protected" basis, but no immediate solution is at hand.) We will hear words like "partnership" and "engagement" used quite heavily and repeatedly in the course of this trip. This is certainly the right tone to take. But those words have little meaning, though, if they don~’t come with a commitment to expend resources — both political and financial — to help our "partners" address their own concerns, even if it occasionally displeases a domestic political constituency. True partners are also willing to admit when their policies are not working, rather than forge blindly ahead as we have done in Cuba, the drug war, our trade policy and elsewhere. Latin America no longer revolves around the U.S. "sun," and our policy toward the region can no longer act as though it does. Let~’s hope that the tone and content of the President~’s visit reflect that.

====Capital is finite and Syria requires all of it – the plan burns his leverage and consumes docket time and energy ====

Brown, 9/4/13 (Carrie, Politico, "Obama~’s capital spreads thin"

http://m.politico.com/iphone/story/0913/96306.html)

President Barack Obama faced a heavy lift in Congress this fall when his agenda included only budget issues and immigration reform. Now with Syria in the mix, the president appears ready to spend a lot of the political capital that he would have kept in reserve for his domestic priorities. A resolution authorizing the use of force in Syria won~’t make it through the House or the Senate without significant cajoling from the White House. That means Obama, who struggles to get Congress to follow his lead on almost everything, could burn his limited leverage convincing Democrats and Republicans to vote for an unpopular military operation that even the president says he could carry out with or without their approval. "The only effect is — and I don~’t mean this to be dismissive in any way — it will be taking up some time and there be some degree of political capital expended by all," said Sen. Bob Corker (R-Tenn.), the Foreign Relations Committee ranking member who helped draft the Senate resolution. "At the end of the day, it~’s a tough vote for anybody because the issue is trying to draft an authorization knowing that they~’re going to implement it." The West Wing says it~’s too early to know how Obama~’s surprise decision to seek congressional authorization will affect the rest of his agenda, but his advisers are betting that a win could usher in other domestic successes. A failed vote, however, would undoubtedly weaken him. A senior administration official said the effort could build some trust between the White House and Republicans that might ease tensions in negotiations over the budget and other issues. White House aides have long argued that success begets success. Their latest test of that theory was the broad bipartisan Senate vote for comprehensive immigration reform bill, which was supposed to compel the House to act. So far, it has not — and House Republicans don~’t think the Syria vote will be any different. "The idea that passing the authorization for use of military force in Syria would give the administration more leverage in future political debates is absurd," one senior GOP leadership aide said. "They are currently spending political capital they don~’t have." No matter how it plays out, the sudden emergence of a fight over Syria presents both political and logistical challenges for Congress and the White House. House Republicans were already grumbling about the prospect of several perilous votes this fall — first on raising the debt limit and extending government funding, then on a package of reforms to the immigration system. White House aides began hearing skepticism from Republican leaders that they could force a debt limit hike through the chamber and then press for passage of even a pared-back immigration bill. Adding a vote on military intervention in Syria could create even more friction between the Obama administration and House Republicans, as lawmakers are being put in a position of potentially voting against their party leaders. House Speaker John Boehner (R-Ohio) and Majority Leader Eric Cantor (R-Va.) are backing Obama, but the vast majority of the conference appears to oppose the resolution, at least at this point. And even before Syria took over the headlines, there was very little time on the congressional calendar to address those issues — as well as the confirmation of the yet-to-be-nominated Federal Reserve chairman. As much as Obama likes to say the White House and Congress should "be able to walk and chew gum at the same time," often they cannot.

====A failed Syria vote spurs global appeasement, allied prolif, nuclear use and shreds U.S. primacy====

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On Saturday, when President Obama overruled his advisers, reversed his own policy and declared that he would not act against Syria until Congress has had its say, he did not—as he might have—recall Congress for that purpose. Instead, Mr. Obama said he would let the vote wait for 10 days or more. Then he promptly left the White House for the golf course. Later this week, he~’ll travel to Stockholm and then to St. Petersburg, Russia, for a G-20 economic summit. Mr. Obama~’s dwindling band of defenders insist that this decision "to seek authorization for the use of force from the American people~’s representatives in Congress" was a matter of principle which had escaped him in Libya in 2011, and that only occurred to him now after many days of plotting an air campaign against the Syrian government for its use of chemical weapons. Others, less charitably inclined, see in his Saturday announcement a mixture of unworthy motives—an outright panic when British Prime Minister David Cameron lost a war vote in the House of Commons; an unbecoming wish that Congress would give him an excuse for inaction; and an unworthy scheme to stick his enemies (as he understands them) in Congress with a responsibility he hopes to shirk. It is beside the point to assess these motives. Congress now has decisions to make. This is the argument that lies before them. The case against authorizing the use of force begins with an indictment of the administration~’s feckless policy toward Syria. Mr. Obama chose passivity two years ago when he might have tipped the balance to a then largely secular opposition. He concocted and then ignored red lines regarding the use of chemical weapons. And he has, with this latest backflip, shown himself eager to squirm out of his own commitments, even as the rhetoric of his pronouncements ("limited," "tailored," "no boots on the ground," etc.) indicates far more interest in what the U.S. will not do than what it should do, and why. The president~’s critics will further note, and correctly, that war is war, and, as such, unpredictable. As Winston Churchill put it: "Never, never, never believe any war will be smooth and easy, or that anyone who embarks on that strange voyage can measure the tides and hurricanes he will encounter." Despite Mr. Obama~’s statements about narrowly defined goals, precise uses of force and limited duration, it is entirely reasonable to expect that such a strange voyage may lie ahead once operations begin, and that he is singularly ill-fitted to navigate it. Finally, as a practical matter, critics can ask why the U.S. should intervene after a massacre, however hideous, of some 1,400 Syrians, when America has refused to act over the slaughter of 100,000 in the preceding two years. And, even if the U.S. strikes at Assad and helps bring about his downfall, the danger is real that having administered a defeat to the regime and its sponsor, Iran, America will hand a victory to al Qaeda. These are all serious arguments. But weightier are the counterarguments. For better or for worse, the credibility not only of this president, but of America as a global power and a guarantor of international order, is on the line. If the U.S.—after its president said two years ago that Assad must go and then, a year later, drew a red line at Syria~’s use of chemical weapons—now does nothing, profound conclusions will be drawn by a China ready to bully its neighbors, by a North Korea whose scruples are already minimal, and by an Iran that has already killed many Americans in a covert war waged against us in Iraq and Afghanistan. America~’s friends will realize that its word means nothing. As a result, they will either abandon us, or arm themselves with nuclear weapons. And these countries will be increasingly willing to wield them in a world in which they have no great ally who may be counted upon to stand by them in an hour of need. One has to suspect that the Syrian government deliberately used sarin in the Damascus suburbs while United Nations inspectors were in the capital, and on the eve of the anniversary of Mr. Obama~’s red line statement. The essence of tyranny is this message to a population: "We will impose our will on you. No one cares about your suffering, and no one will do anything to rescue you." Assad~’s message was delivered by chemical weapons of mass destruction. Civilized nations let that message remain unanswered at their peril. The U.S. now faces a twofold problem. The first is that many Americans who came of age in the past 25 years, having grown up in a world that has been shaped by U.S. primacy, take that primacy and the stability and prosperity it has brought for granted. They should not. It hangs in the balance.

====Extinction====

\*\*Barnett 11\*\* (Thomas, Former Senior Strategic Researcher and Professor in the Warfare Analysis %26 Research Department, worked as the Assistant for Strategic Futures in the Office of Force Transformation in the Department of Defense, "The New Rules: Leadership Fatigue Puts U.S., and Globalization, at Crossroads," The World Politics Review, March 7, 2011, http://www.worldpoliticsreview.com/articles/8099/the-new-rules-leadership-fatigue-puts-u-s-and-globalization-at-crossroads)

Events in Libya are a further reminder for Americans that we stand at a crossroads in our continuing evolution as the world~’s sole full-service superpower. Unfortunately, we are increasingly seeking change without cost, and shirking from risk because we are tired of the responsibility. We don~’t know who we are anymore, and our president is a big part of that problem. Instead of leading us, he explains to us. Barack Obama would have us believe that he is practicing strategic patience. But many experts and ordinary citizens alike have concluded that he is actually beset by strategic incoherence — in effect, a man overmatched by the job. It is worth first examining the larger picture: We live in a time of arguably the greatest structural change in the global order yet endured, with this historical moment~’s most amazing feature being its relative and absolute lack of mass violence. That is something to consider when Americans contemplate military intervention in Libya, because if we do take the step to prevent larger-scale killing by engaging in some killing of our own, we will not be adding to some fantastically imagined global death count stemming from the ongoing "megalomania" and "evil" of American "empire." We~’ll be engaging in the same sort of system-administering activity that has marked our stunningly successful stewardship of global order since World War II. Let me be more blunt: As the guardian of globalization, the U.S. military has been the greatest force for peace the world has ever known. Had America been removed from the global dynamics that governed the 20th century, the mass murder never would have ended. Indeed, it~’s entirely conceivable there would now be no identifiable human civilization left, once nuclear weapons entered the killing equation. But the world did not keep sliding down that path of perpetual war. Instead, America stepped up and changed everything by ushering in our now-perpetual great-power peace. We introduced the international liberal trade order known as globalization and played loyal Leviathan over its spread. What resulted was the collapse of empires, an explosion of democracy, the persistent spread of human rights, the liberation of women, the doubling of life expectancy, and a roughly 10-fold increase in adjusted global GDP and a profound and persistent reduction in battle deaths from state-based conflicts. That is what American "hubris" actually delivered. Please remember that the next time some TV pundit sells you the image of "unbridled" American military power as the cause of global disorder instead of its cure. With self-deprecation bordering on self-loathing, we now imagine a post-American world that is anything but. Just watch who scatters and who steps up as the Facebook revolutions erupt across the Arab world. While we might imagine ourselves the status quo power, we remain the world~’s most vigorously revisionist force. As for the sheer "evil" that is our military-industrial complex, again, let~’s examine what the world looked like before that establishment reared its ugly head. The last great period of global structural change was the first half of the 20th century, a period that saw a death toll of about 100 million across two world wars. That comes to an average of 2 million deaths a year in a world of approximately 2 billion souls. Today, with far more comprehensive worldwide reporting, researchers report an average of less than 100,000 battle deaths annually in a world fast approaching 7 billion people. Though admittedly crude, these calculations suggest a 90 percent absolute drop and a 99 percent relative drop in deaths due to war. We are clearly headed for a world order characterized by multipolarity, something the American-birthed system was designed to both encourage and accommodate. But given how things turned out the last time we collectively faced such a fluid structure, we would do well to keep U.S. power, in all of its forms, deeply embedded in the geometry to come. To continue the historical survey, after salvaging Western Europe from its half-century of civil war, the U.S. emerged as the progenitor of a new, far more just form of globalization — one based on actual free trade rather than colonialism. America then successfully replicated globalization further in East Asia over the second half of the 20th century, setting the stage for the Pacific Century now unfolding. As a result, the vector of structure-building connectivity shifted from trans-Atlantic to trans-Pacific. But if the connectivity push of the past several decades has been from West to East, with little connectivity extended to the South outside of the narrow trade of energy and raw materials, the current connectivity dynamic is dramatically different. Now, the dominant trends are: first, the East cross-connecting back to the West via financial and investment flows as well as Asian companies "going global"; and second, the East creating vast new connectivity networks with the South through South-South trade and investment. The challenge here is how to adjust great-power politics to these profound forces of structural change. Because of the West~’s connectivity to the East, we are by extension becoming more deeply connected to the unstable South, with China as the primary conduit. Meanwhile, America~’s self-exhausting post-Sept. 11 unilateralist bender triggered the illusion — all the rage these days — of a G-Zero, post-American world. The result, predictably enough for manic-depressive America, is that we~’ve sworn off any overall responsibility for the South, even as we retain the right to go anywhere and kill any individuals — preferably with flying robots — that we deem immediately threatening to our narrowly defined national security interests. The problem with this approach is that China has neither the intention nor the ability to step up and play anything resembling a responsible Leviathan over the restive South, where globalization~’s advance — again, with a Chinese face — produces a lot of near-term instability even as it builds the basis for longer-term stability. Libya is a perfect example of where the world is now stuck: America is very reticent to get involved militarily, while China, for the first time in its history, engages in long-range military operations to evacuate its workforce there. Meanwhile, the expanding civil war rages on, to everyone~’s moral and economic distress. The point is not that America must invade Libya pronto to keep the world as we know it from coming to an end. But if the United States and the West sit by while the Rest, risers that they are, manage nothing more than pious warnings about needlessly butting in, then we all run the risk of collectively making the post-American, G-Zero, do-nothing storyline a self-fulfilling prophecy. While that alone won~’t stop the world from spinning, if it persists as a pattern, globalization will slide down another path: one of regionalism, spheres of influence and neocolonial burdens that are intuitively hoarded by great powers grown increasingly suspicious of one another. And if you know your history, that should make you nervous.

OIL DA

Prices rising now —- will remain above %24100 —- best and most predictive evidence

AllAfrica News 7-30 ("High Oil Prices - Boom to Some, Doom to Others", 2013, http://m.allafrica.com/stories/201307301218.html/, )

Oil prices have remained consistently high and volatile over the past few years. According to estimates, they may remain this way at least until 2014. The Brent crude spot price, which averaged 112 dollars a barrel in 2012, is projected to remain above 100 dollars a barrel. This is at an average of 108 dollars and 101 dollars per barrel, in 2013 and 2014, respectively. High oil prices may dampen the global economy, which is still struggling to recover from the 2008 financial crisis. High oil prices above 100 dollars can be explained by many factors and they may affect economies in an uneven way, with an unclear outcome for the global economy as a whole. According to estimates by the International Monetary Fund (IMF), a 50pc increase in oil prices, due to a supply shock, would lead to a one to 1.5pc decrease in output, in many regions of the world. Rising oil prices will affect African economies differently depending on whether they are net exporters or net importers of the commodity. For oil-importing economies, high oil prices could translate into high import bills with adverse effects on inflation, production and employment. In contrast, oil-exporting economies could benefit from high oil prices, because an increase in oil revenues improves their balance of payments. In addition, price volatility may harm both importers and exporters of oil. It lowers, for instance, the predictability of marginal costs of production for companies. The uncertainty regarding their cash flows may induce companies to reduce their investments and limit job creation, which can consequently harm economic growth. Oil prices have increased since 2003, from less than 40 dollars to more than 100 dollars per barrel today. Oil prices fell sharply in 2008, before recovering steadily since then. Prices were volatile during 2011 and 2012, mainly because of the Arab Spring and events in Libya, in addition to conflict between Sudan and South Sudan. Many uncertain and conflicting factors on both supply and demand sides have contributed to the persistent high oil prices in recent years. Geopolitical factors are the main causes that drove up oil prices in producing countries. In the past decade, wars in Iraq and political tensions in the Middle East and North Africa have affected the oil market. More recently, disagreements between Western nations and Iran - one of the largest oil producers and exporters in the world - have fuelled risks of sharp disruptions in oil supplies globally. This, in turn, had a significant impact on prices of the commodity. In contrast, major oil producing countries, mainly Saudi Arabia, may not be able to boost production and instead have to cover losses elsewhere, as their capacities are reaching their limit. The decline in aggregate oil inventories and high costs of oil extraction and production are other supply-side factors affecting oil prices. Increasing demand from major emerging economies, such as China and India, has also played an important role in keeping oil prices persistently high over the past years. The Asian continent surpassed the US and is now the largest consumer of oil in the world. Despite the slowdown in economic growth in China and India, demand will remain higher. This will keep oil prices at high levels. Furthermore, as growth is resuming in the US and as the crisis in the euro area seems to be easing, global demand for oil may increase.

Plan Ramps up domestic oil production – shifting imports and causing a saudi flood

Elass et al. 10 ( The History of U.S. Relations with OPEC: Lessons to Policymakers Jareer Elass and Amy Myers Jaffe HE H ISTORY OF U.S. R ELATIONS WITH OPEC: L ESSONS TO P OLICYMAKERS By JAREER ELASS SEPTEMBER 2010 http://www.bakerinstitute.org/publications/Amy%20Jareer%20U.S.%20Relations%20with%20cover%20secured.pdf –BRW)

The Obama rhetoric and other similar language among U.S. politicians prompted Saudi Prince Turki Al-Faisal, the former long-serving director of Saudi Intelligence and former ambassador to the United States, to write a surprisingly bl unt editorial in the September/October 2009 Foreign Policy. The editorial took the Obama administra tion and the U.S. goal of achieving energy dependence to task, noting that, "The allure of demagoguery is strong, but U.S. politicians must muster the courage to scrap the fable of energy independence once and for all." Calling the concept of energy independence "unrealistic, misguided, and ultimately harmful to energyproducing and –consuming countries, alike," Prince Turki argued that there is no technology in the foreseeable future that can completely replace oil. He noted that U.S. energy needs will have to be met with a mix of both renewable and fossil fuels. For that reason, the prince suggests that the Obama administration should focus on "en ergy interdependence" rather than energy independence, as "the fates of the United States and Saudi Arabia are connected and will remain so for decades to come." 6 Prince Turki suggested that the term "energy independence" commonly used by the United States is often used "as little more than a code for arguing that the United States has a dangerous reliance on my country of Saudi Arabia, which gets blamed for everything from global terrorism to high gasoline prices." Highlighting Saudi Arabia~’s role for the last thr ee decades of working to ensure the stability of the world~’s energy supply, Prince Turki stressed in his Foreign Policy editorial that the kingdom has invested more than %24100 billion to expand its sustained production capacity to 12.5 million b/d—enabling Saudi Arabia to accommodate the loss of the second- and third-largest OPEC producers overnight, if need be. 8 Plans for a first tranche of %2414 billion in Saudi oil investments by 2009 were aimed to achieve this rate of sustainable produc tion by now. However, this goal could only be accomplished if national oil company Saudi Aramco were successful in stemming the natural decline in its aging fields to two percent per annum. This has been hard to accomplish and the kingdom~’s sustainable production capacity is not believed to be much above 11 million b/d. 9 One major project that was supposed to replace declining production from mature fields was new production from the offshore Manifa field. The development of the Manifa field, which is supposed to reach 900,000 b/d in the coming years, is said to be at leas t two years delayed, making it harder for the kingdom to reach its sustainable oil production goals. Ma nifa is unlikely to reach more than 450,000 b/d by 2013, and achieve its target level only in 2015. Future investments are expected to be more expensive, as the kingdom has completed expansion of projects involving less complex reservoirs an d now must tackle more challenging geologic areas with less porous rock. With trickier reservoirs in existing fields now needing to be tapped, Saudi Aramco expects its costs to go up. Aspirations to expand expl oration to new areas such as the deepwater Red Sea will be tech nically difficult for Saudi Aramco. By his second year in office, President Obama tempered his focus on energy independence, noting that the move from fossil fuels to clean energy will require time and be costly. Still, the president noted: "...we can~’t afford not to change how we produce and use energy—because the long-term costs to our economy, our national se curity, and our environment are far greater." U.S. Relations with OPEC 13 Indeed, the costs of trying to eliminate oil im ports in the short run would be incredibly expensive. U.S. oil imports of roughly 11 million b/d are the equi valent of 18.7 terawatt hours of energy. To replace all of this imported oil with no n-fossil energy sources would be the equivalent of adding almost eight times the current U.S. total capacity for nuclear power generation (assuming 24-hour, 100 percent operations). The United States currently operates 103 nuclear plants. There are also more than 250 million oil fuel-based motor vehicles in the United States. On average, Americans retire 75 percent of moto r vehicles over a sevenyear period. Thus, the infrastructure demands alone in shifting the equiva lent of 18.7 terawatt hours of oil based energy use are immense, both in terms of scale and timeline for retiring exis ting motor vehicle and energy production facility stocks. U.S. President Barack Obama and OPEC OPEC members may have applauded the election of Barack Obama to the U.S. presidency much like the majority of th e international community did in November 2008, but the group made it evident early on that OPEC doesn~’t see eye-to-e ye with President Obama on the energy platform that he espoused during the American presid ential campaign—including a commitment to once and for all eliminate American dependence on foreign oil. Given the scale up and timing issues, as reflected in Prince Turki~’s op ed, leaders from OPEC oil producing countries remain skep tical of the Obama administra tion~’s push for renewable energy development, electric cars, and the administration~’s initially ambiti ous commitment to slash U.S. greenhouse gas (GHG) emissions and support a gl obal climate treaty. OPEC~’s best defense against alternative energy would be to drop the price of oil to levels that would render alternative energy as commercially unprofitable. But the producer group is not currently actively concerned about the threat of alternative energy or electrification of the transportation sector because it doesn~’t believe that such technologies can be scaled up commercially to a significant level within the next twenty or thirty years. OPEC leaders are more concerned that a U.S. or global climate regime not tax or penalizes petroleum in a substantial fashion that significantly disadvantages oil-based fuel. A U.S. border carbon tax that h its all U.S. imports, including oil imports from Saudi Arabia, might be viewed as a more serious trade problem than U.S. policies to promote alternative energy. But so far, OPEC has not had to worry too mu ch about the Obama admi nistration moving ahead forcefully with overly ambitious energy and clim ate policy plans. Instead, the new administration has been hamstrung with a struggling U.S. econo my. The administration~’s long struggle to pass major health care reform between 2009 and the spring of 2010 has dampened its chances of passing substantial climate legislation either late r this year or into ne xt year, and President Obama has also had to cope with the fallout fr om the weak accord produced from the December 2009 U.N. climate talks held in Copenhagen. Thus, OPEC~’s charge has been mainly focused on reacting to prospects that tightened fuel economy standards will curb growth in oil use in the U.S. market over time. Less than two months after the U.S. presiden tial inauguration, OPEC signaled goodwill toward President Obama when the group convened in Vienna in March 2009 to assess market conditions and steered clear of approving new supply reduc tions. OPEC seemed reluctant to send the Obama administration a negative signal at such an early stage. And, the group gave strong consideration to the impact that a cut in out put would have on a str uggling global economy. Key OPEC leaders were also cautious that the organi zation~’s deliberations not appear to undermine a critical G-20 heads of stat e summit the following month.

====Oil prices key to the Russian economy====

Schuman ~’12 (Michael, Asia and Economics Correspondent – TIME, B.A. in Asian History and Political Science – University of Pennsylvania, M.A. in International Affairs – Columbia University, "Why Vladimir Putin Needs Higher Oil Prices", Time, 7-5, http://business.time.com/2012/07/05/why-vladimir-putin-needs-higher-oil-prices/, Deech)

But Vladimir Putin is not one of them. The economy that the Russian President has built not only runs on oil, but runs on oil priced extremely high. Falling oil prices means rising problems for Russia – both for the strength of its economic performance, and possibly, the strength of Putin himself. Despite the fact that Russia has been labeled one of the world~’s most promising emerging markets, often mentioned in the same breath as China and India, the Russian economy is actually quite different from the others. While India gains growth benefits from an expanding population, Russia, like much of Europe, is aging; while economists fret over China~’s excessive dependence on investment, Russia badly needs more of it. Most of all, Russia is little more than an oil state in disguise. The country is the largest producer of oil in the world (yes, bigger even than Saudi Arabia), and Russia~’s dependence on crude has been increasing. About a decade ago, oil and gas accounted for less than half of Russia~’s exports; in recent years, that share has risen to two-thirds. Most of all, oil provides more than half of the federal government~’s revenues. What~’s more, the economic model Putin has designed in Russia relies heavily not just on oil, but high oil prices. Oil lubricates the Russian economy by making possible the increases in government largesse that have fueled Russian consumption. Budget spending reached 23.6% of GDP in the first quarter of 2012, up from 15.2% four years earlier. What that means is Putin requires a higher oil price to meet his spending requirements today than he did just a few years ago. Research firm Capital Economics figures that the government budget balanced at an oil price of %2455 a barrel in 2008, but that now it balances at close to %24120. Oil prices today have fallen far below that, with Brent near %24100 and U.S. crude less than %2490. The farther oil prices fall, the more pressure is placed on Putin~’s budget, and the harder it is for him to keep spreading oil wealth to the greater population through the government. With a large swath of the populace angered by his re-election to the nation~’s presidency in March, and protests erupting on the streets of Moscow, Putin can ill-afford a significant blow to the economy, or his ability to use government resources to firm up his popularity.

====Russian economic decline causes nuclear war====

Filger ~’9 (Sheldon, Correspondent – 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.

Neolib K

====The plan~’s neoliberal policies is the root cause of economic crisis and guarantees inevitable systems collapse====

Palley 10 – PhD in economics from Yale (Thomas, MA in IR from Yale, and a BA from Oxford, "AMERICA~’S EXHAUSTED PARADIGM: MACROECONOMIC CAUSES OF THE FINANCIAL CRISIS AND GREAT RECESSION", New School Economic Review, Volume 4(1), 2010: 15-43, ZBurdette)

This paper traces the roots of the current financial crisis to a faulty U.S. macroeconomic paradigm. One flaw in this paradigm was the neoliberal growth model adopted after 1980 that relied on debt and asset price inflation to drive demand in place of wage growth. A second flaw was the model of U.S. engagement with the global economy that created a triple economic hemorrhage of spending on imports, manufacturing job losses, and off-shoring of investment. Financial deregulation and financial excess are important parts of the story, but they are not the ultimate cause of the crisis. These developments contributed significantly to the housing bubble but they were a necessary part of the neoliberal model, their function being to fuel demand growth by making ever larger amounts of credit easily available. As the neoliberal model slowly cannibalized itself by undermining income distribution and accumulating debt, the economy needed larger speculative bubbles to grow. The flawed model of global engagement accelerated the cannibalization process, thereby creating need for a huge bubble that only housing could provide. However, when that bubble burst it pulled down the entire economy because of the bubble~’s massive dependence on debt. The old postWorld War II growth model based on rising middle-class incomes has been dismantled, while the new neoliberal growth model has imploded. The United States needs a new economic paradigm and a new growth model, but as yet this challenge has received little attention from policymakers or economists.

====Neoliberal engagement of Latin America results in inequality, political oppression, military intervention, and environmental destruction – makes extinction inevitable ====

Makwana 6 (Rajesh, As a non-governmental organisation with consultative status at the Economic and Social Council of the United Nations (ECOSOC), STWR works to influence policy through research and publications outlining how to rapidly secure basic human needs through greater international cooperation and economic sharing., 23rd November 06, http://www.stwr.org/globalization/neoliberalism-and-economic-globalization.html, ZBurdette)

Neoliberalism and Economic Globalization

The goal of neoliberal economic globalization is the removal of all barriers to commerce, and the privatization of all available resources and services. In this scenario, public life will be at the mercy of market forces, as the extracted profits benefit the few, writes Rajesh Makwana.

The thrust of international policy behind the phenomenon of economic globalization is neoliberal in nature. Being hugely profitable to corporations and the wealthy elite, neoliberal polices are propagated through the IMF, World Bank and WTO. Neoliberalism favours the free-market as the most efficient method of global resource allocation. Consequently it favours large-scale, corporate commerce and the privatization of resources.

There has been much international attention recently on neoliberalism. Its ideologies have been rejected by influential countries in Latin America and its moral basis is now widely questioned. Recent protests against the WTO, IMF and World Bank were essentially protests against the neoliberal policies that these organizations implement, particularly in low-income countries.

The neoliberal experiment has failed to combat extreme poverty, has exacerbated global inequality, and is hampering international aid and development efforts. This article presents an overview of neoliberalism and its effect on low income countries.

Introduction

After the Second World War, corporate enterprises helped to create a wealthy class in society which enjoyed excessive political influence on their government in the US and Europe. Neoliberalism surfaced as a reaction by these wealthy elites to counteract post-war policies that favoured the working class and strengthened the welfare state.

Neoliberal policies advocate market forces and commercial activity as the most efficient methods for producing and supplying goods and services. At the same time they shun the role of the state and discourage government intervention into economic, financial and even social affairs. The process of economic globalization is driven by this ideology; removing borders and barriers between nations so that market forces can drive the global economy. The policies were readily taken up by governments and still continue to pervade classical economic thought, allowing corporations and affluent countries to secure their financial advantage within the world economy.

The policies were most ardently enforced in the US and Europe in the1980s during the Regan–Thatcher–Kohl era. These leaders believed that expanding the free-market and private ownership would create greater economic efficiency and social well-being. The resulting deregulation, privatization and the removal of border restrictions provided fertile ground for corporate activity, and over the next 25 years corporations grew rapidly in size and influence. Corporations are now the most productive economic units in the world, more so than most countries. With their huge financial, economic and political leverage, they continue to further their neoliberal objectives.

There is a consensus between the financial elite, neoclassical economists and the political classes in most countries that neoliberal policies will create global prosperity. So entrenched is their position that this view determines the policies of the international agencies (IMF, World Bank and WTO), and through them dictates the functioning of the global economy. Despite reservations from within many UN agencies, neoliberal policies are accepted by most development agencies as the most likely means of reducing poverty and inequality in the poorest regions.

There is a huge discrepancy between the measurable result of economic globalization and its proposed benefits. Neoliberal policies have unarguably generated massive wealth for some people, but most crucially, they have been unable to benefit those living in extreme poverty who are most in need of financial aid. Excluding China, annual economic growth in developing countries between 1960 and 1980 was 3.2%. This dropped drastically between 1980 and 2000 to a mere 0.7 %. This second period is when neoliberalism was most prevalent in global economic policy. (Interestingly, China was not following the neoliberal model during these periods, and its economic growth per capita grew to over 8% between 1980 and 2000.)

Neoliberalism has also been unable to address growing levels of global inequality. Over the last 25 years, the income inequalities have increased dramatically, both within and between countries. Between 1980 and 1998, the income of richest 10% as share of poorest 10% became 19% more unequal; and the income of richest 1% as share of poorest 1% became 77% more unequal (again, not including China).

The shortcomings of neoliberal policy are also apparent in the well documented economic disasters suffered by countries in Latin America and South Asia in the 1990s. These countries were left with no choice but to follow the neoliberal model of privatization and deregulation, due to their financial problems and pressure from the IMF. Countries such as Venezuela, Cuba, Argentina and Bolivia have since rejected foreign corporate control and the advice of the IMF and World Bank. Instead they have favoured a redistribution of wealth, the re-nationalization of industry and have prioritized the provision of healthcare and education. They are also sharing resources such as oil and medical expertise throughout the region and with other countries around the world.

The dramatic economic and social improvement seen in these countries has not stopped them from being demonized by the US. Cuba is a well known example of this propaganda. Deemed to be a danger to ~’freedom and the American way of life~’, Cuba has been subject to intense US political, economic and military pressure in order to tow the neoliberal line. Washington and the mainstream media in the US have recently embarked on a similar propaganda exercise aimed at Venezuela~’s president Chavez. This over-reaction by Washington to ~’economic nationalism~’ is consistent with their foreign policy objectives which have not changed significantly for the past 150 years. Securing resources and economic dominance has been and continues to be the USA~’s main economic objective.

According to Maria Páez Victor:

"Since 1846 the United States has carried out no fewer than 50 military invasions and destabilizing operations involving 12 different Latin American countries. Yet, none of these countries has ever had the capacity to threaten US security in any significant way. The US intervened because of perceived threats to its economic control and expansion. For this reason it has also supported some of the region~’s most vicious dictators such as Batista, Somoza, Trujillo, and Pinochet."

As a result of corporate and US influence, the key international bodies that developing countries are forced to turn to for assistance, such as the World Bank and IMF, are major exponents of the neoliberal agenda. The WTO openly asserts its intention to improve global business opportunities; the IMF is heavily influenced by the Wall Street and private financiers, and the World Bank ensures corporations benefit from development project contracts. They all gain considerably from the neo-liberal model.

So influential are corporations at this time that many of the worst violators of human rights have even entered a Global Compact with the United Nations, the world~’s foremost humanitarian body. Due to this international convergence of economic ideology, it is no coincidence that the assumptions that are key to increasing corporate welfare and growth are the same assumptions that form the thrust of mainstream global economic policy.

However, there are huge differences between the neoliberal dogma that the US and EU dictate to the world and the policies that they themselves adopt. Whilst fiercely advocating the removal of barriers to trade, investment and employment, The US economy remains one of the most protected in the world. Industrialized nations only reached their state of economic development by fiercely protecting their industries from foreign markets and investment. For economic growth to benefit developing countries, the international community must be allowed to nurture their infant industries. Instead economically dominant countries are ~’kicking away the ladder~’ to achieving development by imposing an ideology that suits their own economic needs.

The US and EU also provide huge subsidies to many sectors of industry. These devastate small industries in developing countries, particularly farmers who cannot compete with the price of subsidized goods in international markets. Despite their neoliberal rhetoric, most ~’capitalist~’ countries have increased their levels of state intervention over the past 25 years, and the size of their government has increased. The requirement is to ~’do as I say, not as I do~’.

Given the tiny proportion of individuals that benefit from neoliberal policies, the chasm between what is good for the economy and what serves the public good is growing fast. Decisions to follow these policies are out of the hands of the public, and the national sovereignty of many developing countries continues to be violated, preventing them from prioritizing urgent national needs.

Below we examine the false assumptions of neoliberal policies and their effect on the global economy.

Economic Growth

Economic growth, as measured in GDP, is the yardstick of economic globalization which is fiercely pursued by multinationals and countries alike. It is the commercial activity of the tiny portion of multinational corporations that drives economic growth in industrialized nations. Two hundred corporations account for a third of global economic growth. Corporate trade currently accounts for over 50% of global economic growth and as much as 75% of GDP in the EU. The proportion of trade to GDP continues to grow, highlighting the belief that economic growth is the only way to prosper a country and reduce poverty.

Logically, however, a model for continual financial growth is unsustainable. Corporations have to go to extraordinary lengths in order to reflect endless growth in their accounting books. As a result, finite resources are wasted and the environment is dangerously neglected. The equivalent of two football fields of natural forest is cleared each second by profit hungry corporations.

Economic growth is also used by the World Bank and government economists to measure progress in developing countries. But, whilst economic growth clearly does have benefits, the evidence strongly suggests that these benefits do not trickle down to the 986 million people living in extreme poverty, representing 18 percent of the world population (World Bank, 2007). Nor has economic growth addressed inequality and income distribution. In addition, accurate assessments of both poverty levels and the overall benefits of economic growth have proved impossible due to the inadequacy of the statistical measures employed.

The mandate for economic growth is the perfect platform for corporations which, as a result, have grown rapidly in their economic activity, profitability and political influence. Yet this very model is also the cause of the growing inequalities seen across the globe. The privatization of resources and profits by the few at the expense of the many, and the inability of the poorest people to afford market prices, are both likely causes.

Free Trade

Free trade is the foremost demand of neoliberal globalization. In its current form, it simply translates as greater access to emerging markets for corporations and their host nations. These demands are contrary to the original assumptions of free trade as affluent countries adopt and maintain protectionist measures. Protectionism allows a nation to strengthen its industries by levying taxes and quotas on imports, thus increasing their own industrial capacity, output and revenue. Subsidies in the US and EU allow corporations to keep their prices low, effectively pushing smaller producers in developing countries out of the market and impeding development.

With this self interest driving globalization, economically powerful nations have created a global trading regime with which they can determine the terms of trade.

The North American Free Trade Agreement (NAFTA) between the US, Canada, and Mexico is an example of free-market fundamentalism that gives corporations legal rights at the expense of national sovereignty. Since its implementation it has caused job loss, undermined labour rights, privatized essential services, increased inequality and caused environmental destruction.

In Europe only 5% of EU citizens work in agriculture, generating just 1.6% of EU GDP compared to more than 50% of citizens in developing countries. However, the European Common Agricultural Policy (CAP) provides subsidies to EU farmers to the tune of £30 billion, 80% of which goes to only 20% of farmers to guarantee their viability, however inefficient this may be.

The General Agreement on Trade and Services (GATS) was agreed at the World Trade Organization (WTO) in 1994. Its aim is to remove any restrictions and internal government regulations that are considered to be "barriers to trade". The agreement effectively abolishes a government~’s sovereign right to regulate subsidies and provide essential national services on behalf of its citizens. The Trade Related agreement on International Property Rights (TRIPS) forces developing countries to extend property rights to seeds and plant varieties. Control over these resources and services are instead granted to corporate interests through the GATS and TRIPS framework.

These examples represent modern free trade which is clearly biased in its approach. It fosters corporate globalization at the expense of local economies, the environment, democracy and human rights. The primary beneficiaries of international trade are large, multinational corporations who fiercely lobby at all levels of national and global governance to further the free trade agenda.

Liberalization

The World Bank, IMF and WTO have been the main portals for implementing the neoliberal agenda on a global scale. Unlike the United Nations, these institutions are over-funded, continuously lobbied by corporations, and are politically and financially dominated by Washington, Wall Street, corporations and their agencies. As a result, the key governance structures of the global economy have been primed to serve the interests of this group, and market liberalization has been another of their key policies.

According to neoliberal ideology, in order for international trade to be ~’free~’ all markets should be open to competition, and market forces should determine economic relationships. But the overall result of a completely open and free market is of course market dominance by corporate heavy-weights. The playing field is not even; all developing countries ar e at a great financial and economic disadvantage and simply cannot compete.

Liberalization, through Structural Adjustment Programs, forces poorer countries to open their markets to foreign products which largely destroys local industries. It creates dependency upon commodities which have artificially low prices as they are heavily subsidized by economically dominant nations. Financial liberalization removes barriers to currency speculation from abroad. The resulting rapid inflow and outflow of currencies is often responsible for acute financial and economic crisis in many developing countries. At the same time, foreign speculators and large financial firms make huge gains. Market liberalization poses a clear economic risk; hence the EU and US heavily protect their own markets.

A liberalized global market provides corporations with new resources to capitalize and new markets to exploit. Neoliberal dominance over global governance structures has enforced access to these markets. Under WTO agreements, a sovereign country cannot interfere with a corporation~’s intentions to trade even if their operations go against domestic environmental and employment guidelines. Those governments that do stand up for their sovereign rights are frequently sued by corporations for loss of profit, and even loss of potential profit. Without this pressure they would have been able to stimulate domestic industry and self sufficiency, thereby reducing poverty. They would then be in a better position to compete in international markets.

====Reject the aff as a means to create space for alternatives to neoliberal engagement. ====

Munck, professor of Globalization and Social Exclusion, 3 (Ronaldo, Department of Sociology, Social Policy %26 Social Work Studies and Globalisation and Social Exclusion Unit, University of Liverpool, "Neoliberalism, necessitarianism and alternatives in Latin America: there is no alternative (TINA)?", Third World Quarterly, Vol 24, No 3, pp 495–511, 2003, http://www-e.uni-magdeburg.de/evans/Journal%20Library/Trade%20and%20Countries/Neoliberalism,%20necessitarianism%20and%20alternatives%20in%20Latin%20America.pdf, ZBurdette)

Taking as its point of departure the position that there are or must be alternatives to neoliberalism, this article explores the issue in relation to some examples from Latin America. The 2001–02 virtual collapse of the economy of Argentina and the recent victory of Workers Party candidate, Lula, in Brazil highlight, in very different ways, the need for a viable alternative democratic economic strategy for Latin America. Many progressive analysts seem to be paralysed by a false ~’necessitarianism~’ which grants more coherence and solidity to the neoliberal project than it merits. Argentina puts paid to that illusion. Will the exciting experience of Porto Alegre~’s ~’participatory budget~’ in Brazil now be scaled up to the national level or does ~’globalisation~’ block this option? Do the old questions of imperialism and dependency now come to the fore again after being left dormant under the spell of globalisation? We may not have all the answers yet but Latin America is back in the foreground of thinking and practice around alternative economic theories.

There is no alternative (TINA) was an oft-repeated expression of Margaret Thatcher~’s, used to dismiss any plausible alternatives to her brand of hard-nosed neoliberalism. One imagines that her friend General Pinochet, with whom she shared tea during his enforced stay in London, would agree with her. What is more surprising is the influence the TINA philosophy has had on social science analysis of neoliberalism in Latin America since Pinochet. What I propose is a radically anti-necessitarian approach to neoliberalism, inspired by the work of Roberto Mangabeira Unger. Things are not always how they are because they have to be so. There is life beyond neoliberalism. There are alternatives taking shape all the time at all levels of society in Latin America. The so-called Washington Consensus is no longer so consensual even in Washington and there is growing recognition that globalisation requires global governance. We therefore need to return to the rise of neoliberalism and globalisation in a nonnecessitarian spirit and examine the whole horizon of possibilities that is now opening up in Latin America as elsewhere. If the virtual collapse of Argentina in 2001–02 shows that ~’actually existing~’ neoliberalism simply does not work even on its own terms, the exciting but also challenging prospects now opening up in Brazil under Lula underline the urgency of developing a credible and viable alternative to its policies.

CHINA COUNTERPLAN

====Text: The People~’s Republic of China should enter into an agreement with Mexico modeled on the Transboundary Hydrocarbons Agreement.====

====The CP competes and solves the case – China offers a unique model of economic engagement. ====

\*\*Hsiang 09\*\* (Antonio C. Hsiang, Associate Professor at Chihlee Institute of Technology in Taiwan China Rising in Latin America: More Opportunities than Challenges" Journal of Emerging Knowledge on Emerging Markets, Volume 1 issue 1 November 2009)-Karla

Because "many Latin American countries no longer look to Washington leadership," the so- called Washington Consensus "has lost traction".28 As a global rising power, China offers an alternative model for Latin America~’s development. Even though China has been hurt by the 2008 financial crisis, "its economic and financial powers have been strengthened relative to those of the West. China~’s global influence will thus increase, and Beijing will be able to undertake political and economic initiatives to increase it further." 29 In fact, "Washington seemed to adopt a Chinese-style solution to its escalating financial problems: greater state intervention to restrict the movement of capital."30 Thus, Beijing~’s emergence as a global economic power is seen throughout Latin America as offering an alternative from the Washington Consensus model for economic development. The "Beijing Consensus" is the brainchild of Joshua Cooper Ramo, a former senior editor and foreign editor of Time magazine and later a partner at Kissinger Associates, the consulting firm of former Secretary of State Henry Kissinger. According to Ramo, the Beijing Consensus has three features. The first is a commitment to innovation and constant experimentation in reforms. The second, a rejection of per capita GDP as the only measure of progress, as sustainability and equality also count. And the third, a commitment to self- determination. Less developed countries should therefore ensure their own financial integrity and keep great powers in check. 31 The Beijing Consensus has evolved to describe a plethora of alternative plans for economic development in the underdeveloped world. Ramo argues that China and India, who "most pointedly" ignored the World Bank and the IMF-championed Washington Consensus, "now have records that speak for themselves." 32 Consequently, the so-called the "Beijing Consensus" has been attracting attention in Latin America because of "China~’s distinctive development model, . . . ~~[which~~] posits far more state intervention in the economy and a greater concern with political stability and strong government to guide the development process." 33

====China solves Mexico energy investment – key model====

\*\*Esenaro 13\*\*. ~~[Alberto, corporate lawyer in Mexico, expertise in high-profile corporate law with practice strong focus on foreign investment, energy, "MEXICO AND CHINA: AN EXPANDING ECONOMIC PARTNERSHIP" Before You Do Business — May 1 — beforeyoudobusiness.com/archives/787~~]

While Mexico~’s economy has been growing steadily since the implementation of NAFTA and various other free trade agreements with dozens of other countries, the general perception has been that the country~’s main trading partners and investors have been the United States and Japan. However, Mexico~’s partnership with manufacturing and economic powerhouse China has been gaining steam over the past few years and is showing positive signs of continued and expanding growth.¶ Mexican President Enrique Peña Nieto, on the evening before his visit to China, in a written interview with Xinhua, China~’s top news service, spoke of his pledge to increase ties with China in a way that both countries can enjoy a win-win situation. China should and can be a "strategic partner" to the Latin American country, he said. Remarkable opportunities exist in many sectors, including infrastructure and trade.¶ "Mexico can be a gateway for China to enter North America, the world~’s richest market. It can so be a point of access to several countries in Central America and the Caribbean." said Peña Nieto. This could very well be of high interest to Chinese companies such as Huawei and ZTE, two telecoms companies who have been effectively shut out of the American telecom market, a market Chinese telecoms have been wanting to crack for quite a long time. While their products may still not get into the U.S. market, both ZTE and Huawei could become involved in the potentially lucrative Mexican telecom sector, where reforms have recently been passed to allow foreign investment.¶ President Peña Nieto continued, stressing the things that Chinese and Mexican people have in common such as an ancient culture and economic exchanges. After mentioning the above points of what Mexico can offer China, he spoke of what China can offer Mexico in return.¶ "For Mexico, China represents an opportunity to increase its productive investment, and multiply and diversify its export capacity. China~’s economic dynamism, the size of its market and its high demand for goods, turn China into an attractive market for Mexico." he said.¶ In order for an economic partnership to be long-lasting and beneficial for both sides, the Mexican head of state mentioned that friendship and cultural understanding are key. The expansion of China~’s Confucius Institute in the Spanish-speaking country would be a very effective way for Mexicans to learn about China~’s traditions and learn Mandarin, while Mexico can increase the awareness of Mexican culture in China by the means of Spanish-language courses and showing Chinese people "the opportunities that Mexico can offer them".¶ Most importantly however, the Mexican president stated how an economic partnership would be beneficial to both countries in the energy and infrastructure industries. China is a country that imports much of its energy, and Mexico has massive reserves of oil and gas; the country~’s oil industry needs an overall upgrade, which Chinese companies could very well provide if reforms to Mexico~’s energy sector go through.¶ Furthermore, the president mentioned that when it comes to trains: "China is, without doubt, an excellent model on the issue" he said. "We have much to learn from its successful history in railway infrastructure."

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Prices rising now —- will remain above %24100 —- best and most predictive evidence

AllAfrica News 7-30 ("High Oil Prices - Boom to Some, Doom to Others", 2013, http://m.allafrica.com/stories/201307301218.html/, )

Oil prices have remained consistently high and volatile over the past few years. According to estimates, they may remain this way at least until 2014. The Brent crude spot price, which averaged 112 dollars a barrel in 2012, is projected to remain above 100 dollars a barrel. This is at an average of 108 dollars and 101 dollars per barrel, in 2013 and 2014, respectively. High oil prices may dampen the global economy, which is still struggling to recover from the 2008 financial crisis. High oil prices above 100 dollars can be explained by many factors and they may affect economies in an uneven way, with an unclear outcome for the global economy as a whole. According to estimates by the International Monetary Fund (IMF), a 50pc increase in oil prices, due to a supply shock, would lead to a one to 1.5pc decrease in output, in many regions of the world. Rising oil prices will affect African economies differently depending on whether they are net exporters or net importers of the commodity. For oil-importing economies, high oil prices could translate into high import bills with adverse effects on inflation, production and employment. In contrast, oil-exporting economies could benefit from high oil prices, because an increase in oil revenues improves their balance of payments. In addition, price volatility may harm both importers and exporters of oil. It lowers, for instance, the predictability of marginal costs of production for companies. The uncertainty regarding their cash flows may induce companies to reduce their investments and limit job creation, which can consequently harm economic growth. Oil prices have increased since 2003, from less than 40 dollars to more than 100 dollars per barrel today. Oil prices fell sharply in 2008, before recovering steadily since then. Prices were volatile during 2011 and 2012, mainly because of the Arab Spring and events in Libya, in addition to conflict between Sudan and South Sudan. Many uncertain and conflicting factors on both supply and demand sides have contributed to the persistent high oil prices in recent years. Geopolitical factors are the main causes that drove up oil prices in producing countries. In the past decade, wars in Iraq and political tensions in the Middle East and North Africa have affected the oil market. More recently, disagreements between Western nations and Iran - one of the largest oil producers and exporters in the world - have fuelled risks of sharp disruptions in oil supplies globally. This, in turn, had a significant impact on prices of the commodity. In contrast, major oil producing countries, mainly Saudi Arabia, may not be able to boost production and instead have to cover losses elsewhere, as their capacities are reaching their limit. The decline in aggregate oil inventories and high costs of oil extraction and production are other supply-side factors affecting oil prices. Increasing demand from major emerging economies, such as China and India, has also played an important role in keeping oil prices persistently high over the past years. The Asian continent surpassed the US and is now the largest consumer of oil in the world. Despite the slowdown in economic growth in China and India, demand will remain higher. This will keep oil prices at high levels. Furthermore, as growth is resuming in the US and as the crisis in the euro area seems to be easing, global demand for oil may increase.

Momentum is neg —- will keep rising

Daily Finance 7-29 ("Oil Prices Heading Higher%21 Try This Approach", 2013, http://www.dailyfinance.com/2013/07/28/oil-prices-heading-higher-try-this-approach/, )

The bad news, which I had to relay to my dad, is that prices aren~’t likely to go down again anytime soon. Worse yet, drivers probably should get ready for higher gas prices. Last week~’s %240.12 jump could only be the beginning because a confluence of factors driving supply and demand are likely to push prices higher. While that~’s not what drivers want to hear, I do have a solution to help take away a little bit of the pain at the pump. What~’s driving prices higher? Before I give you my solution, let~’s take a deeper look at the problem. The average retail price of gas is made up of four components. By far, the biggest contributor to the price of gas is oil, which is two-thirds the price of gas. The price of oil is driven by both global and regional market conditions. Globally, unrest in Egypt has been a big factor in oil~’s recent rise. Believe it or not, Egypt is a big deal in the global oil market as it~’s the largest non-OPEC oil producer in Africa. In fact, U.S. oil and gas producer Apache is actually Egypt~’s top oil producer, creating over 363,000 barrels of oil equivalent per day. The concern is that this oil production, as well as oil being transported through the important Suez Canal, could potentially be shut off if unrest in the country turns into an all-out civil war. The global oil markets are simply factoring this potential disruption into the price of oil.

Even if they win prices are decreasing now, they~’ll bottom out at %24100 —- won~’t trigger the link

Prime-Tass Business Newswire 13 (Prime-Tass English-language Business Newswire, "Russia~’s Econ Min: Oil prices to stay above %24100\bbl in 2013", 2-26)

The Economic Development Ministry expects the price of Brent oil to ease but remain above U.S. %24100 per barrel in 2013, Deputy Minister Andrei Klepach said late on Monday. "Generally, the balance shows a decline. But we are unlikely to see a sharp decrease. Oil prices are likely to decline slightly, but to stay above %24100 per barrel," Klepach said. The ministry~’s 2013 forecast for the price of Urals crude, Russia~’s main export item, stands at %2497 per barrel, but it has not ruled out that the price may rise above %24100. In 2012, the average price of the Urals blend amounted rose 1.15% to %24110.52 per barrel. Klepach said that the current level of oil prices of around %24115 per barrel of Brent mix is above the ministry~’s expectations, he said.

Prices are at record highs

Hargreaves 7-10 (Steve, Correspondent – CNN, "Oil prices surge above %24106, gasoline tops %243.50", CNN Money, 2013, http://money.cnn.com/2013/07/10/news/economy/oil-prices/index.html, )

U.S. oil prices jumped above %24106 a barrel Wednesday, their highest level in over a year, as stockpiles of crude dwindled and tensions in Egypt kept traders on edge. Gasoline prices in the United States also began to move higher. Oil prices rose nearly %243 a barrel following a report from the American Petroleum Institute showing a 9 million barrel draw down in crude oil stored in tanks around the country. Another report from the U.S. Energy information Administration showed a similar draw. The %243 rise comes on top of gains made over the last couple of weeks after widespread protests and a military takeover in Egypt. U.S. oil prices are up 10% since the end of June.

==A2: US shale production==

====1) US shale is too crude to be quickly processed. It will be years before its economically viable to actually refine the oil means their uniqueness claim is a joke. ====

====despite shale Oil prices up and rise will continue====

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These days everybody wants to extol the virtues of rising U.S. domestic crude oil production. From decades of increasing reliance on foreign providers, some hardly sympathetic to American interests, the new prospect of having significant unconventional oil reserves here at home has been a major development. The assumption advanced says that domestic sources will be cheaper. As a result, this should comprise a positive boon to consumers of oil products but a problem for producers and refiners. In short, the mantra among some commentators is to proclaim the end of the oil market as an attractive option for investors. As with most such simplistic observations, however, it turns out not to be true. A number of these "analysts" are actually talking down the prospects of oil prices because they have already shorted the commodity and will benefit their own investments if they can continue the downward push. Well, oil prices are now going up, with both West Texas Intermediate (WTI) in New York and Brent in London at more than three-month highs. In addition, the spread between WTI and Brent is narrowing. The narrowing of that spread is occurring while both benchmarks are rising in price. The mantra of the pricing doomsayers would expect it to be going in the other direction. There are two broad categories of reasons why matters are not happening as the doomsayers had expected (aside from the obvious - they misunderstood the dynamics from the beginning). And once you understand both, you~’ll be in position to profit as prices continue to

====Won~’t flood because of shale —- they~’re investing in it====

Jaffe 13 (Amy Myers, Executive Director for Energy and Sustainability – University of California-Davis, Former Fellow in Energy Studies and Director – James Baker III Institute for Public Policy, "OPEC Reacts to US Shale Oil Boom with New Strategy", The Energy Collective, 4-15, http://theenergycollective.com/amjaffe/209501/opec-starts-react-us-shale-boom-new-strategy, )

The first signs are emerging that key Persian Gulf members of the Organization of Petroleum Exporting Countries (OPEC) are adjusting their strategies to cope with the growing threat that North American shale oil is making to their long-term dominance in global energy markets. The OPEC moves lag behind other international players such as Statoil and Sinochem, who are staking out a major stake in the U.S. shale industry but provide the first insights on how major oil producers might respond over time to the possibility of a future supply glut: Integration through foreign investment. The U.S. Energy Information Administration (EIA) tallies that 20 percent of the %24133.7 billion in investment in U.S. shale plays between 2008 and 2012 included joint ventures by foreign companies. In 2013, China~’s Sinochem entered into a %241.7 billion venture with Pioneer Resources for a stake in the Wolfcamp shale. Liquefied natural gas (LNG) powerhouse Qatar Petroleum (QP) might be next, according to Middle East Economic Survey. QP is considering investment in Canadian or U.S. shale upstream assets as a price hedge for its planned investment along with ExxonMobil to convert the Golden Pass LNG import terminal near Port Arthur, Texas, to an export facility. The QP strategy mirrors Statoil, which aimed to sustain a high growth path through diversification to foreign investment as it hit up against production constraints inside Norway. Qatar is facing possible long-term decline in its future crude oil production as well as an extended moratorium on further development of the massive North Field natural gas field. Saudi Arabia can also tap its ongoing downstream investment and integration to protect its exports from shale oil competition. The expansion of Saudi Aramco~’s joint venture Motiva refinery in Port Arthur, Texas, gives the Saudis leverage to try to maintain their geopolitically prominent, one million barrels a day plus crude exports to the United States even in the face of rising supplies from U.S. shale oil and Canadian oil sands. Saudi Arabia can ill-afford to get knocked out of the U.S. crude oil market at this delicate time when U.S. support could be more critical to the kingdom~’s future. Saudi Arabia is also pursuing shale resources at home, which Baker Hughes estimates to be as large as 645 trillion cubic feet. Saudi Aramco has committed %249 billion to pilot projects such as the Quesaiba shale and the Nafud Basin north of Riyadh.

====Shale oil not cost competitive —- won~’t cause a flood====

Arab News 13 ("Shale oil ~’unlikely to hurt Saudi exports~’", 3-25, http://www.arabnews.com/news/445785, )

The entry of shale oil into world markets is not likely to pose any major challenge to conventional oil exporters such as Saudi Arabia in the Gulf in the near future, according to fossil fuel researchers and analysts. Analysts argue that factors such as the cost of the production, environment threats and alternative markets will ensure there is continued demand for conventional oil even if the US market is saturated with shale oil. Asharq Al-Awsat discussed the issue with three prominent experts in the oil market and economy. Turki Al-Hoqail, an economic analyst based in Washington DC, said the shale oil revolution in the US has the potential to change the map of global oil trade in the long term because it would ensure that the US achieves self sufficiency in its oil demand and reduce imports. Kamel Al-Haremi, a Kuwaiti oil-analyst, said the US depends for 85 percent of its oil needs on local output and neighboring producers Canada and Mexico. Only 15 percent of oil is imported from regions such as the Middle East. He feared that this low percentage will also disappear when the US achieves self sufficiency in the field of shale oil by between 2017 and 2020 and will emerge as a dominant force in the oil market. On the other hand, Saudi Shoura Council Member Fahd bin Jama, a well-known oil analyst, said he believed that the US shale oil will be not a cheap affair. "The flooding of the oil market with the shale oil will not be logical because the cost of a barrel will be around %24 60 and its flooding will eat away profit margins of companies in the field and, which will, in turn, strengthen the survival of the conventional sources of oil at least for the next 30 years," he said. Al-Hoqail also supported this view. He says that the shale oil, with a production cost of %24 65-%24 75, will never be a threat to Gulf oil exporters including Saudi Arabia. Production costs vary between %24 7 to %24 15 in the region, he says.

====Shale won~’t materialize====

Reuters 12 ("U.S. shale oil won~’t flood global market-EOG CEO", 11-28, http://www.reuters.com/article/2012/11/28/eog-oil-idUSL1E8MS69S20121128, )

Nov 28 (Reuters) - Crude oil extracted from the United States shale formations is not likely to flood the global market because only the Eagle Ford and Bakken formations are driving significant growth, EOG Resources Inc~’s chief executive Mark Papa said on Wednesday. From 2011 to 2015, EOG expects U.S. oil production will grow only 2 million barrels per day to 7.7 million barrels, driven mostly by higher output from the Eagle Ford in South Texas and the Bakken in North Dakota, Papa told the Jefferies Global Energy Conference in Houston. The Eagle and Bakken accounted for more than 80 percent of U.S. crude oil extracted from shale and other rock from 2005 to 2012, while other basins like the Woodford and the Mississippian have produced little crude, Papa said, citing data from energy consulting firm IHS. "Think of how many companies are saying the future of their oil growth is those kind of plays," the executive said on a webcast. "On a national basis, they are insignificant. It~’s a lot of PR, is what it is." Oil production from the promising Utica shale in Ohio will be negligible over the long-term, he said.

====2) U.S. shale findings have had zero influence====

Businessweek 5/30/13 (Fred Pals, Energy Correspondent Venezuela at Dow Jones//Wall Street Journal, "Venezuela Says U.S. Shale Won~’t Hurt OPEC~’s Heavy Oil Exporters", Busienssweek, http://www.businessweek.com/news/2013-05-30/venezuela-says-u-dot-s-dot-shale-won-t-hurt-opec-s-heavy-oil-exporters, JKahn)

The rising supply of U.S. shale oil doesn~’t affect exporters of medium and heavy crudes such as Venezuela, the Latin American country~’s oil minister told reporters before an OPEC meeting tomorrow. "Shale is a production of light crude and that doesn~’t affect us as being big producers of medium and heavy crudes," Rafael Ramirez said in Vienna, where ministers from the Organization of Petroleum Exporting Countries are gathering. "We have a big capacity to place our crudes, including the U.S. market." The prospect of growing U.S. energy independence has come to the fore amid a reduction in U.S. crude imports from some OPEC nations, notably those in Africa, over recent months. At a time of weak economic growth and rising U.S. production, OPEC nations risk a price decline unless they cut supply themselves, according to Societe Generale SA and the Centre for Global Energy Studies. Five months ago, after OPEC~’s mid-December meeting, the group~’s secretary-general, Abdalla el-Badri, fended off questions about burgeoning U.S. shale oil supply, saying: "We~’re not really concerned. I don~’t see that big a quantity." Venezuela~’s Ramirez said diversification avoids competition with the growing supply of lighter oil from shale deposits. "Long time ago we decided to diversify our markets and good for us we did it," he said. "We sell to China, Japan, countries that have sustained growth like India with the capacity to process heavy crude."

====3) Shale findings won~’t adequately increase supplies====

FT, 13 (Ed Crooks, Financial Times, "US eyes improvement in oil production", June 14, 2013 11:39 pm, http://www.ft.com/intl/cms/s/0/94b69b6c-d516-11e2-9302-00144feab7de.html~~%23axzz2XtdSwrOM, jld)

Significant improvements in US oil production will be necessary for the country to meet its demand entirely from domestic resources, the government~’s Energy Information Administration has said. The US could potentially produce about 10m barrels per day of crude oil, up from 7.1m b/d today, the EIA thinks. That would be a record, exceeding the previous peak in 1970. With other production including natural gas liquids such as ethane, that could give total liquid fuel supplies of about 18m b/d, roughly the same as US demand. However, the projections depend heavily on factors such as the proportion of oil in the ground that can be recovered from a shale well – typically just 3-7 per cent today. To get to 10m b/d production, the EIA said, the US would have to be able to recover twice as much shale oil as its most recent estimate of 58bn barrels. Each shale well would have to yield twice as much oil over its lifetime as today~’s average of 135,000 barrels, and wells would have to be packed in more tightly, on 20-40 acres each, rather than up to 400 acres each as they are today. If those changes do not come, then US crude production in 2040 will be lower than it is today, at about 6m b/d, the EIA thinks, leaving imports at about 8m b/d.

====Actual levels of demand will remain near the same even with shale gas ====

NYT, 12 (DAVID L. GOLDWYN, "Making an Energy Boom Work for the U.S.", November 12, 2012, http://www.nytimes.com/2012/11/13/business/energy-environment/making-an-energy-boom-work-for-us.html?pagewanted=all%26\_r=0, jld)

This is unlikely to happen. Despite more production from shale deposits like the Bakken in North Dakota, oil~’s share of total U.S. energy demand is expected to decrease only to 32 percent from 37 percent by 2035. Natural gas will increase its share to 26 percent from 25 percent and renewables will grow to 11 percent from 7 percent, according to the U.S. Energy Information Administration. The most strategic factor in American consumption will remain the price of oil and the effect of disruptions on the U.S. and the global economy, not the source or quantity of U.S. imports.

====Hot damn, cutbacks now====

\*\*FoxNews, 13 (Kelly David Burke, "Obama administration cuts back oil shale development", Published June 22, 2013, http://www.foxnews.com/politics/2013/06/22/obama-administration-cuts-back-oil-shale-development/, jld)\*\*

Controversy is heating up over an administration plan to drastically reduce the amount of federal lands available for oil shale development in the American West. The Bush administration had set aside 1.3 million acres for oil shale and tar sands development in Colorado, Utah and Wyoming. The new Bureau of Land Management plan cuts that amount by two-thirds, down to 700,000 acres, a decision that has prompted industry outrage. "What they basically did was make it so that nobody is going to want to spend money going after oil shale on federal government lands," said Dan Kish, Senior Vice President of Institute for Energy Research.

====Oil will always be an issue====

NYT, 12 (DAVID L. GOLDWYN, "Making an Energy Boom Work for the U.S.", November 12, 2012, http://www.nytimes.com/2012/11/13/business/energy-environment/making-an-energy-boom-work-for-us.html?pagewanted=all%26\_r=0, jld)

To help countries, mostly in Asia, that had been large customers for Iranian oil, Saudi Arabia both increased production and reportedly provided discounts on oil sales. Iraq and Libya revived their production. Washington hinted at another release of S.P.R. crude to discourage speculation in the markets. The fact that U.S. production rose 3.1 percent in 2011 from a year earlier, with an expected increase this year of 10.7 percent, was immaterial to managing these disruptions. As long as spare capacity, the world~’s buffer against outages, is thin and supply disruptions can harm economies or allow countries to use oil as a weapon, oil will remain strategic.

=relations=

====New administration promises ====

\*\*Seelke ~’13\*\*

~~[Clare, Specialist in Latin American Affairs, "Mexico~’s New Administration: Priorities and Key Issues in US-Mexican Relations," Congressional Research Service, January 16, 2013~~]

[[http://www.fas.org/sgp/crs/row/R42917.pdf-http://www.fas.org/sgp/crs/row/R42917.pdf]]

U.S.-Mexican relations grew closer during the Felipe Calderón Administration (2006-2012) as a ¶ result of the Mérida Initiative, a bilateral security effort for which Congress has provided %241.9 ¶ billion. Some Members of Congress may be concerned about whether bilateral relations, ¶ particularly security cooperation, may suffer now that the party controlling the presidency has ¶ changed. Although the transition from PAN to PRI rule is unlikely to result in seismic shifts in ¶ bilateral relations, a PRI government may emphasize economic issues more than security matters. ¶ President Peña Nieto has vowed to continue U.S.-Mexican security cooperation, albeit with a ¶ stronger emphasis on reducing violent crime in Mexico than on combating drug trafficking; what ¶ that cooperation will look like remains to be seen. He has also expressed support for increased ¶ bilateral and trilateral (with Canada) economic and energy cooperation.

\*\*====Expanding education partnership====\*\*

\*\*Baker ~’13 ~~[Celia, Journalist, "US-Mexico Education Partnership Announced," Deseret News, May 6, 2013~~]\*\*

[[http://www.deseretnews.com/article/865579517/US-Mexico-education-partnership-announced.html?pg=all-http://www.deseretnews.com/article/865579517/US-Mexico-education-partnership-announced.html?pg=all]]

\*\*U.S. President Barack \*\*Obama and\*\* Mexico~’s president, \*\*Pena Nieto\*\*, have \*\*announced a partnership to expand economic opportunities\*\* for citizens of both countries \*\*and to develop a 21st-century work force for mutual economic prosperity\*\*, according to a May 2 statement from the U.S. State Department. Through \*\*a new\*\* \*\*Forum on Higher Education\*\*, \*\*Innovation, and Research\*\*, the U.S. and Mexican governments \*\*will encourage broader access to quality post-secondary education for traditionally under-served groups\*\*, especially in the science, technology, engineering and mathematics (STEM) fields. They will also expand educational exchanges and share best practices in higher education and innovation, the statement said. \*\*The forum~’s mission is to bring together government agency counterparts from Mexico and the U.S. to deepen cooperation on higher education, innovation and research\*\*. It will also draw on the expertise of the higher education communities in both countries, according to the State Department\*\*. More than 18,000 Mexican and U.S. university students study in each other~’s countries annually\*\*. The Mexico-U.S. Commission for Educational and Cultural Exchange (COMEXUS) oversees the Fulbright-Garcia Robles Scholarship Program, the flagship program in U.S.-Mexico academic exchanges. Under this program, more than 4,000 Mexicans and Americans have participated in bilateral exchange programs since 1990. \*\*The new Forum on Higher Education, Innovation, and Research plans to start meeting this year and bring together government, academic and civil society to develop a shared vision on educational cooperation\*\*, the Wall Street Journal~’s Washington Wire blog said. Obama traveled to Mexico City at Nieto~’s invitation for meetings that culminated in the announcement of the education initiative. The discussions also included economic interests and citizen security, but no security agreements were announced, The New York Times reported.\*\*

\*\*====Mexico trust level with US is high====\*\*

\*\*Shirk ~’13\*\*

\*\*~~[Jason, Associate professor of political science, "US-Mexico Relations Complicated, Conditioned by Drug War," a statement from Shirk in an interview with host Scott Simon, NPR, May 4, 2013~~]\*\*

[[http://www.npr.org/2013/05/04/181053775/u-s-mexico-relations-complicated-conditioned-by-drug-war-http://www.npr.org/2013/05/04/181053775/u-s-mexico-relations-complicated-conditioned-by-drug-war]]

\*\*In the last 12 years, \*\*and especially the last six years, have really been a high-water mark in U.S.-Mexico collaboration\*\*, particularly on security issues. \*\*Levels of trust are so high\*\* that we \*\*have had the opportunity to fly drones in Mexico\*\*, we have agents operating in direct collaboration with their Mexican counterparts, we~’ve seen record levels of extradition. So, \*\*the collaboration is at a much higher level of intensity than we~’ve ever seen before\*\* - or has been, at least over the last six years or so.\*\*

====Common interests====

\*\*O~’Neil ~’13- \*\*senior fellow for Latin America Studies at the Council on Foreign Relations

(Shannon K., a nonpartisan foreign-policy think tank and membership organization, March/April 2013, [[http://www.foreignaffairs.com/articles/138818/shannon-k-oneil/mexico-makes-it-http://www.foreignaffairs.com/articles/138818/shannon-k-oneil/mexico-makes-it]] "Mexico makes it")

Hidden behind the troubling headlines, however, is another, more hopeful Mexico — one undergoing rapid and widespread social, political, and economic transformation. Yes, Mexico continues to struggle with grave security threats, but it is also fostering a globally competitive marketplace, a growing middle class, and an increasingly influential pro-democracy voter base. In addition, Mexico~’s ties with the United States are changing. Common interests in energy, manufacturing, and security, as well as an overlapping community formed by millions of binational families, have made Mexico~’s path forward increasingly important to its northern neighbor.¶ For most of the past century, U.S.-Mexican relations were conducted at arm~’s length. That began to change, however, in the 1980s and, even more, after the 1994 North American Free Trade Agreement (NAFTA) spurred greater bilateral economic engagement and cooperation. Mexico~’s democratic transition has further eased the wariness of some skeptics in Washington. Still, the U.S.-Mexican relationship is far from perfect. New bilateral policies are required, especially to facilitate the movement of people and goods across the U.S.-Mexican border. More important, the United States needs to start seeing Mexico as a partner instead of a problem.

=Oil=

====Spills are globally inevitable – 267 Spills in the Gulf Disprove the Impact====

\*\*NOAA, 5\*\* – (National Oceanic and Atmospheric Association, "FAQ: Oil Spills in History", 7-5, [[http://response.restoration.noaa.gov/topic\_subtopic\_entry.php?RECORD\_KEY(entry\_subtopic\_topic)=entry\_id,subtopic\_id,topic\_id%26entry\_id(entry\_subtopic\_topic)=325%26subtopic\_id-http://response.restoration.noaa.gov/topic\_subtopic\_entry.php?RECORD\_KEY(entry\_subtopic\_topic)=entry\_id,subtopic\_id,topic\_id%26entry\_id(entry\_subtopic\_topic)=325%26subtopic\_id]]

(entry\_subtopic\_topic)=2%26topic\_id(entry\_subtopic\_topic)=1) //SP

Q. Where do most oil spills happen in the world? A. Oil spills happen all around the world. Analysts for the Oil Spill Intelligence Report, who track oil spills of at least 10,000 gallons (34 tons), reported that spills in that size range have occurred in the waters of 112 nations since 1960. But they also reported (Etkin 1997) that oil spills happen more frequently in certain parts of the world. They identified the following "hot spots" for oil spills from vessels: —the Gulf of Mexico (267 spills) —the northeastern U.S. (140 spills) —the Mediterranean Sea (127 spills) —the Persian Gulf (108 spills) —the (75 spills) —Japan (60 spills) —the Baltic Sea (52 spills) —the United Kingdom and English Channel (49 spills) —Malaysia and North Sea Singapore (39 spills) —the west coast of France and north and west coasts of Spain (33 spills) —Korea (32 spills)

====Oil spills have very minimal effects – this is their author====

\*\*Craig, 5\*\* – Associate Professor of Law and dean~’s Fellow, Indiana University School of Law (Robert, Spring, 20 J. Land Use %26 Envtl. Law 333, Lexis) //SP

Despite the obviousness of oil spills, however, they are a relatively small ocean pollution problem. While the world~’s oceans receive about 3.25 million tons of oil each year, the majority of that oil comes from street runoff instead of tanker spills. 82 Accidental spills and shipping are responsible for only about 12 percent of all marine pollution, while offshore oil and gas drilling and mining are responsible for another 1 percent. 83 Instead, 77 percent of all marine pollution comes from land-based sources - 44 percent from land-based water pollutant and 33 percent from land-based air pollution. 84 As Nancy Knowlton at the Center for Marine Biodiversity at the Scripps Institution of Oceanography has summarized: The most obvious problems stem from our propensity to view dilution as the solution to pollution. Human numbers continue to grow, as do per capita amounts of waste, and much of this waste ultimately finds its way into the ocean. Some waste is toxic, some carries human pathogens, and some alters marine food chains in ways detrimental to human well-being. 85 Land-based air pollution can arise from both natural events, such as desert sand storms and dust storms, and human-caused events, such as forest fires and industrial air pollution. This pollution can acidify ocean waters, increase the concentration of heavy metals and other toxic pollutants in the oceans, and increase sedimentation of the oceans, blocking sunlight, interfering with photosynthesis, and smothering coastal ecosystems such as coral reef. 86 Land-based water pollution can also carry toxics and sediment into the seas, causing similar problems. 87 In addition, toxic pollutants, in combination with rising sea temperature, "are lowering the natural resistance of marine organisms to infections." 88 Thus, for example, organochloride pollution has been linked to "the mass mortality of Mediterranean monk seals off the coast of Mauritania, which died after becoming infected with a distemper virus of dolphins." 89

=PEMEX=

====PEMEX instability inevitable for several reasons – these cumulative risks to the industry crush the advantage====

\*\*Martin and Longmire 11\*\* – Jeremy Martin is Director of the Energy Program at the Institute of the Americas, Sylvia Longmire is a Mexico Security Expert %26 President, Longmire Consulting (Jeremy Martin and Sylvia Longmire, Journal of Energy Security, "The Perilous Intersection of Mexico~’s Drug War %26 Pemex", March 22, 2011, http://www.borderlandbeat.com/2011/03/perilous-intersection-of-mexicos-drug.html) // CB

\* Money Laundering, kidnapping of executive — %242billion stolen from PEMEX per yr (%24%24 goes to drug cartels) physical security and monitoring is poor, susceptible to kidnapping, struggling because of poor planning, no new oil, no reform

Pemex exposed and impacted

As discussed previously, oil theft from Pemex pipelines, money laundering by way of service stations, and, worst of all, provocative kidnappings of the company~’s executives and those of service companies working with the state firm, are all on the rise.

Unofficial figures place thefts from the Pemex network at roughly %242 billion annually. And security experts point to this as an important source of revenue for drug cartels—especially as the Mexican government continues to crack down on them. Thefts from the Pemex network are not new, but the increase and the strain it is placing on the already-taxed company is important. And the illegal tapping has grown significantly in the areas where the drug war is the most pervasive.

The spike in fuel thefts and illegal trading, as well as kidnappings, has led some to question whether Pemex is fully in charge of all its facilities across the nation.

For some experts following the situation, the answer is a resounding no. Indeed, many analysts indicate that the physical security and monitoring of pipelines belonging to Pemex are severely lacking. According to Mexican daily El Universal, oil looting has occurred in almost every state in Mexico, while the Wall Street Journal, citing Pemex statistics, indicated that between January and November 2010, Pemex discovered 614 illegal siphons—368 in liquid fuels pipelines, 196 in oil pipelines, and 50 in liquefied petroleum gas ducts. Pemex has begun installing systems to detect declines in pressure in some oil product pipelines but the project is expected to take years to complete.

Kidnappings send shudders

Kidnappings of Pemex executives and subcontractors, including workers from international firms, have taken place across the country but most notably in Tabasco, Tamaulipas and Nuevo Leon, sending shudders throughout the company and Mexico.

The kidnappings have terrorized a community where, according to a Los Angeles Times story, jobs on the oil rigs and at the gas wells are handed down, father to son, for generations. "How is it," asked a relative of a kidnapped worker, "that Pemex, supposedly the backbone of the nation, can be made to bow down

And Migration Barrier an Alt cause

Littlefield 09 – (Edward, Council on Hemispheric Affairs, "As Mexico~’s Problems Mount: The Impact of the Economic Recession on Migration Patterns from Mexico")

As migration from, and remittances to, Mexico have decreased as a result of the current recession, the Mexican economy ominously worsens - Migration, remittances, and the national economy should be considered as integral components in the debate over whether Mexico deserves to be classified as a "failed state," and what should be United States policy The Mexican economy and many of its national institutional structures may be on the brink of collapse. While drug war violence has dominated the recent news about the possible irreversible status as a society beyond remediation, the topic of immigration has been either marginalized or used to further promote fears that the conflict may spread to the United States. Drugs, national security, and economic recession have replaced immigration reform on the United States~’ policy agenda. However, the current financial crisis, and its impact south of the border, is intricately linked to matters of immigration, security, and Mexico~’s very cohesion.

like this?"

One analysis, published by Grupo Reforma highlighted the oil town of Reforma, Chiapas, where at least 30 Pemex employees—ranging from executives to laborers—have been kidnapped over the past year.

Mexico Weekly has also reported on other forms of violence that have flared in prime Pemex production zones, such as the Burgos Basin, site of Mexico~’s biggest natural gas field in Tamaulipas. Last spring, gunmen seized the Gigante Uno gas plant and kidnapped five Pemex workers. Increasingly unsafe conditions are severely hindering Pemex~’s ability to produce natural gas in the Burgos Basin.

The Burgos Basin stretches across the northern border state of Tamaulipas, where the Gigante Uno plant is located, and spills into the states of Nuevo León and Coahuila. All three states are experiencing extremely high levels of drug-related violence, especially along these states~’ border with Texas. The stretch from Nuevo Laredo to Matamoros is in the midst of a bloody conflict between the Gulf cartel and Los Zetas, former paramilitaries and enforcers for the Gulf cartel who are now one of the more vicious DTOs in their own right. Los Zetas are viewed as largely responsible for the kidnapping of Pemex employees in that region.

"Once Pemex … comes under regular attack from the cartels, rather than just random, disorganized thugs, then you have far more serious national security problems – much worse in the government~’s eyes than a bunch of homicides in the slums of Ciudad Juárez," said Malcolm Beith, author of The Last Narco, a book about the hunt for Joaquin "El Chapo" Guzmán Loera.

Regrettably, Burgos is becoming synonymous with the perilous intersection of Mexico~’s raging drug war with Pemex~’s efforts to produce the critical energy supplies the nation and region demand.

The Murphy Energy case

One case of fuel theft from Pemex that~’s winding its way through the justice system provides a unique insight into that part of the problem the company is confronting.

According to MarketWatch, federal documents released in August 2010 revealed a Texas chemical plant, owned by German chemical company BASF Corp., bought %242 million worth of petroleum products that had been stolen from Pemex and smuggled across the US border. The documents also showed the stolen condensate passed through several companies~’ hands before arriving on a barge at the BASF facility in Port Arthur, Texas.

The actual transport of stolen oil from Mexican pipelines into US corporate hands is complicated at best. Donald Schroeder, former president of Trammo Corp., testified that in January 2009, two companies, Murphy Energy Corp. and Continental Fuels, contacted him. Both wanted to sell him stolen condensate. Apparently he agreed to buy it, and the transfers began. "Unnamed import companies" would sell the condensate to intermediary companies like Continental (which has since shuttered its headquarters in Houston). Those import companies would smuggle the condensate across the border and store it in Continental facilities. No details were available on how those trucks managed to successfully cross the US Mexico border. These piecemeal transfers would continue until there was enough oil in the storage facility to fill a barge and ship to BASF.

Jim McAlister, an Assistant US Attorney, said he has no reason to believe that BASF has any involvement in the alleged wrongdoing. The President and founder of Murphy Energy Corp., Matt Murphy, said the company did not know that the condensate was stolen. Josh Crescenzi, the vice president of Continental Fuels, has not been indicted in the case, nor has anyone else from Continental.

This particular case has been a success, resulting in the handover of %242.4 million by US customs authorities to the Mexican government. But the extent of corruption in Mexico—within Pemex, in particular—and the ease with which oil can be stolen from pipelines makes the mitigation of oil looting an almost insurmountable challenge. Adding to the problem is the fact that Mexican cartels are involved. According to Reuters, the Mexican government believes the cartels use stolen jet fuel in their aircraft to cover up any evidence of illicit flights. In August 2009, Mexico~’s federal police commissioner Rodrigo Esparza said Los Zetas used false import documents to smuggle at least %2446 million worth of oil in tankers to unnamed US refineries. President Felipe Calderón has said that DTOs in northern Mexico are responsible for most oil theft.

On some levels Pemex is not just a victim of oil-thieving DTOs; sometimes, it~’s directly involved. In February 2010, Mexican military units seized more than four tons of marijuana at Pemex installations in Reynosa, Tamaulipas. The discovery was made after Pemex security alerted officials that armed men were removing Pemex employees from a fuel supply station. In response, a Mexican Naval helicopter was dispatched to the scene but retreated after receiving heavy weapons fire from the ground. When military units arrived on the ground, they found the marijuana loaded on trucks abandoned at the site.

These alarming facts have led to perhaps the most ominous question of all: Is the company being infiltrated by the perpetrators of the nation~’s drug business? In light of the increasing number of incidents President Calderón has acknowledged, there may well be internal operatives at Pemex aiding and abetting the DTOs.

For its part, Pemex is soliciting the help of the Mexican people to try to put a stop to oil looting. Last August, the Mexican government posted a Pemex press release, in which exhorts that oil looting is not just an unpatriotic crime against the company and the government, but against the Mexican people. It also offers the number of a hotline where individuals can anonymously report pipeline breaches.

Why the perilous intersection matters

The relevance of what is happening in Mexico matters on a variety of levels, but in particular, there are three broad reasons that bear discussion.

First, and as best portrayed in Figure 2, Pemex has seen its oil production drop precipitously since 2004. The firm has been struggling for the better part of the last decade to deal with a burdensome tax straitjacket, poor planning at its largest field, a lack of new discoveries of oil and production, and an inability to implement serious reform. Moreover, by the nature of being dragged into—and becoming part of—Mexico~’s massive drug war, Pemex is clearly suffering from the additional strain and havoc wrought by the myriad elements of the conflict on its business. From huge financial losses to the increasing inability to control its network and prevent theft to the more serious kidnapping threats, the evidence is only becoming clearer.

The second reason concerns Mexico~’s fiscal dependency on oil and Pemex. As assorted struggles impact the company~’s and the nation~’s fiscal well-being, broader and longer term economic growth and employment discussions become ever more complicated for policy makers. These issues are particularly critical as the nation appears far from passage of the necessary and far-reaching national tax and fiscal reforms that could ameliorate some of the burden on Pemex and the nation~’s oil dependency.

Third, all of the above leads to the real potential for further erosion of Mexico~’s critical role as a secure and constant energy supplier for the United States and the Western Hemisphere. As oil prices steadily rise in early 2011, it is quite rational to revisit the significant energy security aspects of Mexico~’s persistent energy woes, which are now clearly exacerbated by the overflow of drug war violence and corruption.

On the heels of yet another State of the Union address in the United States that included elegant rhetoric about the country~’s energy imbalance and energy security risks, a comprehensive, all of the above approach and solution remains far from reach.

Conclusion

Clearly oil, and energy more broadly, is not a sector of the economy where Mexico needs any further impediments. Pemex~’s huge hurdles derive largely from its inability to replace declining oil production and navigate a burdensome nationalistic legacy. What is now added to the combustible mix is an increasing drain on the company~’s finances and, worse, a sense of trepidation among executives in the field. Threats against its executives and loss of its resources are surely not a useful element as the company makes efforts to reform itself.