# Plan:

**Plan: The United States federal government should substantially increases its North American Free Trade Agreement transportation infrastructure investment in the United States.**

# Doha

**Advantage 1 is the Doha**

**The Plan spurs trade negotiations**

**Pastor et al 12** (Jorge G. Castañeda, Former Secretary of Foreign Relations, United Mexican States, and Robert A. Pastor is the Professor and Director of the Center for North American Studies at American University, James F. Hoge Jr. is the Counselor, Council on Foreign Relations, <http://www.cfr.org/mexico/evolution-future-us-mexico-relations/p28162?cid=oth_partner_site-atlantic>)

But more importantly, I think the one lesson that should be drawn from NAFTA was when we were first confronted with this idea of NAFTA, we also had the Uruguayan Round of trade negotiation -- the world trade negotiations. The question is, which should come first? It turns out that **by going to NAFTA first**, **we create**d **an incentive** **for** the Europeans and the **Japanese to come to us and negotiate** the conclusion of that round, which wouldn't have happened the other way around. So the proper way to have done a good trade policy internationally is go to our two neighbors first, **deepen economic integration significantly** among our neighbors, and **then Asia would be creeping over to us and** the **world trade negotiations would be rushing to us**. So we've got it completely backwards.

#### That’s key to the US-Japan alliance and jumpstarts the Doha - prevent hostile regional trade blocks

#### Bergsten 04, of the Peterson Institute for International Economics, 5-12-4 (C. Fred, “The Resurgent Japanese Economy and a Japan–United States Free Trade Agreement,” http://www.iie.com/publications/papers/paper.cfm?ResearchID=208)

Both Japan and the United States have dramatically reversed their trade policies in recent years. Both have traditionally been strong advocates of the multilateral trading system, rejecting preferential pacts and criticizing those adopted by the European Community and others. Both, however, have now begun aggressive programs of regional and bilateral liberalization. The United States started with Canada in 1988 and NAFTA in 1994. It has recently completed agreements with 10 more countries (including five in Central America) and is now negotiating actively with about 10 more. It is also seeking a Free Trade Area of the Americas (FTAA) with 34 nations in the Western Hemisphere. Japan has completed only one bilateral agreement, with Singapore, but is actively pursuing several others (Korea, Mexico, Thailand, Malaysia, and the Philippines) as well as a regional initiative with ASEAN. It is also involved in officially sanctioned studies of a comprehensive East Asia Free Trade Area (the “10 + 3” initiative), or EAFTA, with ASEAN, China, and Korea. These American and Japanese initiatives will have important effects on trade flows, and trade **relations**, between them. NAFTA already discriminates significantly against Japan and was a major motivation for Japan to launch its FTA effort with Mexico. US pursuit of FTAs elsewhere in Asia, already with Thailand but potentially (as advocated by several key Senators and Congressmen) with Korea and even Taiwan, would have much greater impact on Japan and virtually force Japan to seek its own FTA with the United States. Likewise, any Japanese FTAs with major Asian countries would have sizable repercussions on the United States and induce it to seek equal treatment. A comprehensive EAFTA would immediately cost the United States about $25 billion annually in lost exports with much more to follow as investment was diverted to the region. Even a Japanese bilateral deal with Korea, a major trading partner of the United States, would probably be significant enough to induce the United States to seek equal treatment. Hence there is a strong case for Japan and the United States, as they pursue their numerous bilateral FTAs with other countries, to anticipate these developments and to avoid the increasingly serious frictions that will otherwise affect their relationship, by launching a bilateral FTA negotiation themselves. Such an initiative, which could be labeled a “barrier-free economic relationship” like the one that the Trans-Atlantic Business Dialogue is seeking for the Europe–United States economic relationship, would also have numerous positive effects. For Japan, the straightforward economic benefits of an FTA with the United States would be considerable; a recent study for the Institute for International Economics by Scott Bradford and Robert Lawrence (Has Globalization Gone Far Enough?) shows gains of about 3 percent of total Japanese GNP from any initiatives that could produce convergence between its high prices and the much lower levels that prevail in the United States and other industrial countries. In addition, the insurance policy represented by assured access to the US market would be a major plus for Japanese exports; America’s recent safeguard tariffs on steel, for example, hit Japan but exempted FTA partners Canada and Mexico. Another major plus for Japan would be the provision of an economic counterweight to China through reaffirmation of the security relationship with the United States. Indeed, the renewed US focus on relations with Japan that would be implied by a bilateral FTA would represent decisive rejection of the “bypass Japan” strategy that so many Japanese now fear from the United States because of the rise of China. These factors should be politically powerful enough in Japan to enable it to finally overcome domestic resistance to liberalization of agriculture, along with key services sectors, both of which would surely be required by the United States to conclude such an FTA. More generally, genuine opening to the United States would greatly enhance the pressures of competition on the Japanese economy, both generating the huge economic benefits noted above (adding a full 3 percent to the level of GDP) and reinforcing the current reforms that are beginning to revitalize its prospects. For the United States, there would be enormous gains in pursuing an FTA to address “behind the border” barriers to true market access in numerous sectors in Japan. For the American Congress, an FTA with a major trading partner—especially a large purchaser of agricultural products—would be far more attractive than the currently planned agreements with Bahrain, the Dominican Republic, or even Thailand. Such an agreement would provide an enormous boost to United States Trade Representative Robert Zoellick’s strategy of “competitive liberalization” and a major boost to reviving the Doha Round of multilateral liberalization in the World Trade Organization by raising the alternative specter of major trade discrimination emanating from the world’s two largest economies. On the geopolitical side, an FTA with Japan **would** of course **strengthen the most important US alliance in the region** and help sustain domestic political support for American engagement in Asia. For both countries, the opportunity to implement a new dispute settlement mechanism (à la NAFTA) would hold considerable promise. Such an agreement, along with several smaller transpacific FTAs (including Australia–United States, Japan-Mexico and Chile-Korea) could also provide a spur to the currently moribund APEC prospects for achieving “free and open trade and investment” in the region by the 2010 target set in the Bogor Declaration in 1994. It would reduce or even eliminate the risk that the current FTA strategies of the two countries will lead to the creation of two megaregional blocs, an FTAA and an EAFTA (perhaps partly in response to an FTAA), which would truly "draw a line down the middle of the Pacific" and create a three-bloc world economy (and perhaps world polity) with all the instabilities that would imply—and with the very major risks it would also imply for overall relations between the United States and Japan (and indeed all of East Asia).

**US-Japan Alliance solves extinction**

#### Armitage 2K - former Deputy Secretary of State, 10-11-2K (Richard, “The United States and Japan: Advancing Toward a Mature Partnership,” INSS Special Report, Institute for National Strategic Studies at National Defense University)

Asia, in the throes of historic change, should carry major weight in the calculus of American political, security, economic, and other interests. Accounting for 53 percent of the world’s population, 25 percent of the global economy, and nearly $600 billion annually in two-way trade with the United States, Asia is vital to American prosperity. Politically, from Japan and Australia, to the Philippines, South Korea, Taiwan, and Indonesia, countries across the region are demonstrating the universal appeal of democratic values. China is facing momentous social and economic changes, the consequences of which are not yet clear. Major war in Europe is inconceivable for at least a generation, but the prospects for conflict in Asia are far from remote. The region features some of the world’s largest and most modern armies, nuclear-armed major powers, and several nuclear-capable states. Hostilities that could directly involve the United States in a major conflict could occur at a moment’s notice on the Korean peninsula and in the Taiwan Strait. The Indian subcontinent is a major flashpoint. In each area, war has the potential of nuclear escalation. In addition, lingering turmoil in Indonesia, the world’s fourth-largest nation, threatens stability in Southeast Asia. The United States is tied to the region by a series of bilateral security alliances that remain the region’s de facto security architecture. In this promising but also potentially dangerous setting, the U.S.-Japan bilateral relationship is more important than ever. With the world’s second-largest economy and a well equipped and competent military, and as our democratic ally, Japan remains the keystone of the U.S. involvement in Asia. The U.S.-Japan alliance is central to America’s global security strategy. Japan, too, is experiencing an important transition. Driven in large part by the forces of globalization, Japan is in the midst of its greatest social and economic transformation since the end of World War II. Japanese society, economy, national identity, and international role are undergoing change that is potentially as fundamental as that Japan experienced during the Meiji Restoration. The effects of this transformation are yet to be fully understood. Just as Western countries dramatically underestimated the potential of the modern nation that emerged from the Meiji Restoration, many are ignoring a similar transition the effects of which, while not immediately apparent, could be no less profound. For the United States, the key to sustaining and enhancing the alliance in the 21st century lies in reshaping our bilateral relationship in a way that anticipates the consequences of changes now underway in Japan. Since the end of World War II, Japan has played a positive role in Asia. As a mature democracy with an educated and active electorate, Japan has demonstrated that changes in government can occur peacefully. Tokyo has helped to foster regional stability and build confidence through its proactive diplomacy and economic involvement throughout the region. Japan’s participation in the United Nations peacekeeping mission in Cambodia in the early 1990s, its various defense exchanges and security dialogues, and its participation in the Association of Southeast Asian Nations Regional Forum and the new “Plus Three” grouping are further testimony to Tokyo’s increasing activism. Most significantly, Japan’s alliance with the United States has served as the foundation for regional order. We have considered six key elements of the U.S.-Japan relationship and put forth a bipartisan action agenda aimed at creating an enduring alliance foundation for the 21st century. Post-Cold War Drift As partners in the broad Western alliance, the United States and Japan worked together to win the Cold War and helped to usher in a new era of democracy and economic opportunity in Asia. In the aftermath of our shared victory, however, the course of U.S.-Japan relations has wandered, losing its focus and coherence— notwithstanding the real threats and potential risks facing both partners. Once freed from the strategic constraints of containing the Soviet Union, both Washington and Tokyo ignored the real, practical, and pressing needs of the bilateral alliance. Well intentioned efforts to find substitutes for concrete collaboration and clear goal-setting have produced a diffuse dialogue but no clear definition of a common purpose. Efforts to experiment with new concepts of international security have proceeded fitfully, but without discernable results in redefining and reinvigorating bilateral security ties. This lack of focus and follow-through has been evident in both countries. Some in Japan have been drawn to the notion of “Asianization” and the hope that economic interdependence and multilateral institutions would put the region on a path similar to that of Europe. Many in the United States regarded the end of the Cold War as an opportunity to return to economic priorities. The early 1990s was a period of heightened bilateral tensions, primarily over the question of access to Japanese markets. Some Americans saw economic competition from Japan as a threat. In the past five years, however, trade tensions have diminished. Envy and concern over Japanese economic prowess have turned to dismay over the Japanese recession and building financial crisis. Neither country dealt with the need to redefine and reinvigorate the alliance. In fact, both took it for granted. The drift in the alliance was obvious until the mid-1990s when the crisis on the Korean peninsula—punctuated by the horror of the Okinawa rape incident— captured the attention of policymakers in Washington and Tokyo. These episodes prompted them to recognize belatedly the costs of neglecting the bilateral relationship. The subsequent Taiwan Strait confrontation in March 1996 gave even more impetus to efforts on both sides of the Pacific to reaffirm the bilateral security alliance. The 1996 U.S.-Japan Joint Security Declaration went a long way toward directing attention in both capitals toward the need to refurbish the alliance, and led to concrete changes that updated defense ties in the form of the revised Guidelines for U.S.-Japan Defense Cooperation, the 1996 report of the Special Action Committee on Okinawa, and the bilateral agreement to cooperate in theater missile defense research. But the symbolism of the 1996 declaration stood alone, unsupported by sustained high-level attention. As a result, the United States and Japan soon returned to bickering and poor policy coordination. The costs of the deterioration in the U.S.- Japan relationship have been insidious as well as obvious. By the end of the 1990s, many U.S. policymakers had lost interest in a Japan that appeared incapable of renewing itself. Indeed, Japan’s prolonged recession has discouraged or dispirited even some Japanese officials. In Tokyo, many see Washington as arrogant and unable to recognize that its prescriptions are not universally applicable to others’ economic, political, and social needs. A number of government officials and opinion-makers perceived the U.S. approach as a self-serving rationale for commercial and economic interests and grew resentful of a United States seemingly preoccupied with its own self-centered version of globalization. It has been obvious that U.S. attention and interests have turned elsewhere in Asia. More recently, the principal focus of American policymakers has been the bilateral relationship with China—a relationship characterized by a series of crises ever since the 1989 Tiananmen Square pro-democracy demonstrations. Neither Washington nor Tokyo followed through aggressively on the security agenda set forth in the 1996 declaration, in large measure because of concerns over Beijing’s hostile reaction to the reinvigoration of the security partnership. Beijing let it be known in no uncertain terms that it regarded the U.S.-Japan partnership as an important element of a broader effort by Washington to constrain its regional diplomacy. And as the United States and—to a lesser extent—Japan sought to improve relations with China, both demonstrated a clear desire to downplay the notion of a containment strategy. In fact, the only active security dialogue between the United States and Japan has been a byproduct of a desire to coax North Korea out of its self-imposed isolation. The United States, Japan, and the Republic of Korea all concur that close cooperation and unity of purpose offer the most effective strategy to deal with Pyongyang. This record of diffidence, uncertainty, and indirection has no single father, nor does it support an oversimplified laying of blame. Rather, it demands a recognition that the time has arrived for renewed attention to improving, reinvigorating, and refocusing the U.S.- Japan alliance. Both the United States and Japan face an uncertain security environment in Asia at a time of political transition and important change in both countries—for the United States, a new national leadership, and for Japan, a continuing process of economic, political, and social transformation. At the same time, political and economic uncertainties in China and Russia, the fragile nature of detente on the Korean peninsula, and the prospect of protracted instability in Indonesia— all pose shared challenges. For those who argue that Japan is a “wasting asset” in irreversible decline, it might be useful to recall that it has been only a decade since it was taken as an article of faith that American power was ebbing on the international scene. It would be foolhardy to underestimate the enduring dimensions of Japanese power, much as it was unwise for some Japanese to dismiss the latent and enduring qualities of American power in the 1980s and 1990s. Politics Over the past decade, the ruling Liberal Democratic Party (LDP), faced with internal divisions, a clash of traditional interest group agendas, and a growing split among key constituencies, has focused primarily on hanging on to its dwindling power. At the same time, the political opposition has failed to produce credible, well-conceived policy proposals. The net effect is an LDP struggling to maintain its grip on the reins of government, an opposition unable to provide a governing alternative, and a Japanese public, faced with a lack of credible alternative leadership, reluctantly returning the LDP to office. The result has been a govern government stuck in neutral, incapable of more than muddling through. Nevertheless, the necessity of economic reform and restructuring, driven by the pressures of a relentless globalization of the international economy, are likely to lead to political change. These economic forces are breaking apart the monopoly power of the so-called Iron Triangle—the heretofore collusive relationships among politicians, business, and the bureaucracies—and making power more diffuse. The Japanese political order is experiencing protracted change. Political changes in Japan could lead to unprecedented opportunities to reinvigorate the U.S.-Japan relationship—as well as test it further. The end of bipolar ideological confrontation in Japanese politics and the emergence of a new pragmatism about security affairs among a younger generation of elected officials provide fertile soil for creative new approaches to leadership. It would be unrealistic to expect the current leadership suddenly to embrace reform or to assume a higher profile on the global stage. The demands of Japan’s parliamentary system make it difficult to implement policies, that require short-term pain in exchange for longterm gain. The political system is risk-averse. But the successor generations of politicians and the public-at-large also recognize that economic power alone will no longer be enough to secure Japan’s future. Moreover, the Japanese public, by giving official standing to the national flag and anthem, and in focusing on such territorial claims as the Senkaku islands, has evidenced a new respect for the sovereignty and integrity of the nation state. The implications for the U.S.-Japan relationship stemming from these changes are profound. A similar process is at work in the United States. The growing role of Congress as a force in foreign policy, the rising influence of state and local governments, and the dramatic transformation of the private sector as the initiator of economic change—driven by technology and the empowerment of the individual— are altering the influence of once-central foreign policymaking institutions. But, just as Japan’s risk-averse political leadership has held back the nation’s economic transformation, the lack of clear direction from Washington also has taken a toll. Episodic executive branch leadership has failed to produce a well-conceived game plan for America’s relationship with Japan. This, in turn, has accelerated the erosion of political support and popular understanding of the importance of the alliance. In short, the political, economic, and social changes underway in the United States put an even greater premium on executive branch leadership in foreign affairs. If the United States can exercise leadership— that is to say, excellence without arrogance— in its relations with Japan, the two countries will be better able to realize the full potential for cooperation nurtured during the past 50 years. If the changes underway in Japan ultimately produce a stronger, more responsive political and economic system, the synergy in U.S.-Japan relations will enhance our abilities to play an engaged, mutually supportive, and fundamentally constructive role in regional and global arenas in the years to come Security Because the stakes are so high in Asia, it is urgent that the United States and Japan develop a common perception and approach regarding their relationship in the 21st century. The potential for conflict in Asia is lowered dramatically by a visible and “real” U.S.-Japan defense relationship. The use of bases granted by Japan allows the U.S. to affect the security environment from the Pacific to the Persian Gulf. The revised Guidelines for U.S.-Japan Defense Cooperation, the basis for joint defense planning, should be regarded as the floor—not the ceiling—for an expanded Japanese role in the transpacific alliance, and the uncertainties of the post-Cold War regional setting require a more dynamic approach to bilateral defense planning. Japan’s prohibition against collective self defense is a constraint on alliance cooperation. Lifting this prohibition would allow for closer and more efficient security cooperation. This is a decision that only the Japanese people can make. The United States has respected the domestic decisions that form the character of Japanese security policies and should continue to do so. But Washington must make clear that it welcomes a Japan that is willing to make a greater contribution and to become a more equal alliance partner. We see the special relationship between the United States and Great Britain as a model for the alliance. This arrangement requires the following elements: Reaffirming the defense commitment. The United States should reaffirm its commitment to the defense of Japan and those areas under the administrative control of Japan, including the Senkaku Islands. Diligent implementation of the revised Guidelines for U.S.-Japan Defense Cooperation, including passage of crisis management legislation. Robust cooperation of all three U.S. armed services with their Japanese counterparts. The U.S. and Japan should strive for greater jointness in the use of facilities and for integration of training activities and should review and update the roles and missions of the Armed Forces agreed upon in 1981. Both partners should invest in training that replicates reality, rather than follows old patterns. They also should define how to assist each other with emerging new challenges, such as international terrorism and transnational criminal activity, as well as longstanding potential threats, and how to collaborate in peacekeeping and peacemaking activities. Full participation in peacekeeping and humanitarian relief missions. Japan would need to remove its 1992 self-imposed restraints on these activities so as not to burden other peacekeeping nations. Development of a force structure that has the characteristics of versatility, mobility, flexibility, diversity, and survivability. Any adjustments should not be based on an artificial number, but should reflect the regional security environment. As this process unfolds, changes to force structure should be made through a process of consultation and dialogue, and be mutually agreeable. The United States should take advantage of technological changes and regional developments to restructure its force presence on the archipelago. We should strive to reduce the American military footprint in Japan as long as our capabilities can be maintained. This includes continued consolidation of U.S. bases and rapid implementation of the terms of the 1996 U.S.-Japan Special Action Committee on Okinawa (SACO) agreement. Making priority availability of U.S. defense technology to Japan. Defense technology must be seen as an essential component of the overall alliance. We should encourage the American defense industry to make strategic alliances with Japanese companies to facilitate a greater two-way flow of cutting-edge military and dual-use technologies. Broadening the scope of U.S.-Japan missile defense cooperation. There will be a healthy debate in both countries arising from the larger role that we advocate for Japan. And U.S. Government officials and lawmakers will have to recognize that Japanese policy will not be identical to American policy in every instance. It is time for burden sharing to evolve into power-sharing and this means that the next administration will have to devote the considerable time that will be necessary to bring this into being. Okinawa A large concentration of U.S. forces in Japan—approximately 75 percent— are stationed on Okinawa. They are situated there because in matters of security, distance matters. Okinawa is positioned at the intersection of the East China Sea and the Pacific Ocean—only about one hour’s flying time from Korea, Taiwan, and the South China Sea. The U.S. Air Force base at Kadena provides a critical link to American power projection throughout the region. It is also crucial to the defense of Japan. The III Marine Expeditionary Force on Okinawa provides a self-sustaining, joint forward echelon for rapid response to problems in the region, ranging from evacuation of noncombatant personnel to serving as cutting edge combat elements to enable large formations to defeat aggression. But the heavy concentration of U.S. forces on Okinawa also creates an obvious burden for Japan and a less obvious one for the United States, arising, for example, from restrictions, such as those on training. Because of their intense operational tempo and younger demographic profile, the Marines have drawn particular scrutiny from a Japanese public ready for some changes in the U.S. military presence in the southernmost prefecture of the country. For their part, the Marines have striven to be better neighbors, but readiness and training have suffered with the growing constraints imposed on them by encroachment around the bases. And while statistics on incidents of misconduct by American service personnel are sharply down, in the current political climate, attention to episodes of deeply unfortunate behavior that do occur is sharply magnified. In 1996, the U.S.–Japan Special Action Committee on Okinawa (SACO) agreement called for a realignment, consolidation, and reduction of U.S. bases on Okinawa. The United States and Japan must complete implementation of that accord, which will reduce U.S. assets by about 5,000 hectares and 11 facilities, including the Marine Corps Air Station at Futenma. We believe the SACO agreement should have had an important fourth goal— diversification throughout the Asia-Pacific region. From a military perspective, it is important for U.S. forces to have broad and flexible access across the region. But from a political perspective, it is essential to ease the burden borne by the Okinawans so that our presence is sustainable and credible. American thinking about force structure in Japan must not stop with the SACO accord. The United States should consider broader and more flexible deployment and training options for the Marines throughout the region.

#### US Leadership in the Doha is key to trade and solves multiple scenarios for extinction

#### Panitchpakdi 04, Secretary General of the Conference on Trade & Development, 2-26-4 (Supachai, “American Leadership and the World Trade Organization: What is the Alternative?,” http://www.wto.org/english/news\_e/spsp\_e/spsp22\_e.htm)

I can sum up my message today in three sentences: The United States, more than any single country, created the world trading system. The US has never had more riding on the strength of that system. And US leadership — especially in the current Doha trade talks — is indispensable to the system's success. It is true that as the WTO's importance to the world economy increases, so too does the challenge of making it work: there are more countries, more issues, trade is in the spot light as never before. But the fiction that there is an alternative to the WTO — or to US leadership — is both naïve and dangerous. Naïve because it fails to recognize that multilateralism has become more — not less — important to advancing US interests. Dangerous because it risks undermining the very objectives the US seeks — freer trade, stronger rules, a more open and secure world economy. The Doha Round is a crucial test. The core issues — services, agriculture, and industrial tariffs — are obviously directly relevant to the US. America is highly competitive in services — the fastest growing sector of the world economy, and where the scope for liberalization is greatest. In agriculture too the US is competitive across many commodities — but sky-high global barriers and subsidies impede and distort agricultural trade. Industrial tariffs also offer scope for further liberalization — especially in certain markets and sectors. But what is at stake in these talks is more than the economic benefits that would flow from a successful deal. The real issue is the relevance of the multilateral trading system. Its expanded rules, broader membership, and binding dispute mechanism means that the new WTO — created less than ten years ago — is pivotal to international economic relations. But this means that the costs of failure are also higher — with ramifications that can be felt more widely. Advancing the Doha agenda would confirm the WTO as the focal point for global trade negotiations, and as the key forum for international economic cooperation. The credibility of the institution would be greatly enhanced. But if the Doha negotiations stumble, doubts may grow, not just about the WTO's effectiveness, but about the future of multilateralism in trade. This should be a major concern to the US for two reasons: First, the US is now integrated with the world economy as never before. A quarter of US GDP is tied to international trade, up from 10 per cent in 1970 — the largest such increase of any developed economy over this period. A third of US growth since 1990 has been generated by trade. And America's trade is increasingly global in scope — 37 per cent with Canada and Mexico, 23 per cent with Europe, 27 per cent with Asia. Last year alone, exports to China rose by almost 30 per cent. The US has also grown more reliant on the rules of the multilateral system to keep world markets open. Not only has it initiated more WTO dispute proceedings than any other country — some 75 since 1995 — according to USTR it has also won or successfully settled most of the cases it has brought. The point is this: even the US cannot achieve prosperity on its own; it is increasingly dependent on international trade, and the rules-based economic order that underpins it. As the biggest economy, largest trader and one of the most open markets in the world, it is axiomatic that the US has the greatest interest in widening and deepening the multilateral system. Furthermore, expanding international trade through the WTO generates increased global prosperity, in turn creating yet more opportunities for the US economy. The second point is that strengthening the world trading system is essential to America's wider global objectives. Fighting terrorism, reducing poverty, improving health, integrating China and other countries in the global economy — all of these issues are linked, in one way or another, to world trade. This is not to say that trade is the answer to all America's economic concerns; only that meaningful solutions are inconceivable without it. The world trading system is the linchpin of today's global order — underpinning its security as well as its prosperity. A successful WTO is an example of how multilateralism can work. Conversely, if it weakens or fails, much else could fail with it. This is something which the US — at the epicentre of a more interdependent world — cannot afford to ignore. These priorities must continue to guide US policy — as they have done since the Second World War. America has been the main driving force behind eight rounds of multilateral trade negotiations, including the successful conclusion of the Uruguay Round and the creation of the WTO. The US — together with the EU — was instrumental in launching the latest Doha Round two years ago. Likewise, the recent initiative, spearheaded by Ambassador Zoellick, to re-energize the negotiations and move them towards a successful conclusion is yet another example of how essential the US is to the multilateral process — signalling that the US remains committed to further liberalization, that the Round is moving, and that other countries have a tangible reason to get on board. The reality is this: when the US leads the system can move forward; when it withdraws, the system drifts. The fact that US leadership is essential, does not mean it is easy. As WTO rules have expanded, so too has as the complexity of the issues the WTO deals with — everything from agriculture and accounting, to tariffs and telecommunication. The WTO is also exerting huge gravitational pull on countries to join — and participate actively — in the system. The WTO now has 146 Members — up from just 23 in 1947 — and this could easily rise to 170 or more within a decade. Emerging powers like China, Brazil, and India rightly demand a greater say in an institution in which they have a growing stake. So too do a rising number of voices outside the system as well. More and more people recognize that the WTO matters. More non-state actors — businesses, unions, environmentalists, development NGOs — want the multilateral system to reflect their causes and concerns. A decade ago, few people had even heard of the GATT. Today the WTO is front page news. A more visible WTO has inevitably become a more politicized WTO. The sound and fury surrounding the WTO's recent Ministerial Meeting in Cancun — let alone Seattle — underline how challenging managing the WTO can be. But these challenges can be exaggerated. They exist precisely because so many countries have embraced a common vision. Countries the world over have turned to open trade — and a rules-based system — as the key to their growth and development. They agreed to the Doha Round because they believed their interests lay in freer trade, stronger rules, a more effective WTO. Even in Cancun the great debate was whether the multilateral trading system was moving fast and far enough — not whether it should be rolled back. Indeed, it is critically important that we draw the right conclusions from Cancun — which are only now becoming clearer. The disappointment was that ministers were unable to reach agreement. The achievement was that they exposed the risks of failure, highlighted the need for North-South collaboration, and — after a period of introspection — acknowledged the inescapable logic of negotiation. Cancun showed that, if the challenges have increased, it is because the stakes are higher. The bigger challenge to American leadership comes from inside — not outside — the United States. In America's current debate about trade, jobs and globalization we have heard a lot about the costs of liberalization. We need to hear more about the opportunities. We need to be reminded of the advantages of America's openness and its trade with the world — about the economic growth tied to exports; the inflation-fighting role of imports, the innovative stimulus of global competition. We need to explain that freer trade works precisely because it involves positive change — better products, better job opportunities, better ways of doing things, better standards of living. While it is true that change can be threatening for people and societies, it is equally true that the vulnerable are not helped by resisting change — by putting up barriers and shutting out competition. They are helped by training, education, new and better opportunities that — with the right support policies — can flow from a globalized economy. The fact is that for every job in the US threatened by imports there is a growing number of high-paid, high skill jobs created by exports. Exports supported 7 million workers a decade ago; that number is approaching around 12 million today. And these new jobs — in aerospace, finance, information technology — pay 10 per cent more than the average American wage. We especially need to inject some clarity — and facts — into the current debate over the outsourcing of services jobs. Over the next decade, the US is projected to create an average of more than 2 million new services jobs a year — compared to roughly 200,000 services jobs that will be outsourced. I am well aware that this issue is the source of much anxiety in America today. Many Americans worry about the potential job losses that might arise from foreign competition in services sectors. But it’s worth remembering that concerns about the impact of foreign competition are not new. Many of the reservations people are expressing today are echoes of what we heard in the 1970s and 1980s. But people at that time didn’t fully appreciate the power of American ingenuity. Remarkable advances in technology and productivity laid the foundation for unprecedented job creation in the 1990s and there is no reason to doubt that this country, which has shown time and again such remarkable potential for competing in the global economy, will not soon embark again on such a burst of job-creation. America's openness to service-sector trade — combined with the high skills of its workforce — will lead to more growth, stronger industries, and a shift towards higher value-added, higher-paying employment. Conversely, closing the door to service trade is a strategy for killing jobs, not saving them. Americans have never run from a challenge and have never been defeatist in the face of strong competition. Part of this challenge is to create the conditions for global growth and job creation here and around the world. I believe Americans realize what is at stake. The process of opening to global trade can be disruptive, but they recognize that the US economy cannot grow and prosper any other way. They recognize the importance of finding global solutions to shared global problems. Besides, what is the alternative to the WTO? Some argue that the world's only superpower need not be tied down by the constraints of the multilateral system. They claim that US sovereignty is compromised by international rules, and that multilateral institutions limit rather than expand US influence. Americans should be deeply sceptical about these claims. Almost none of the trade issues facing the US today are any easier to solve unilaterally, bilaterally or regionally. The reality is probably just the opposite. What sense does it make — for example — to negotiate e-commerce rules bilaterally? Who would be interested in disciplining agricultural subsidies in a regional agreement but not globally? How can bilateral deals — even dozens of them — come close to matching the economic impact of agreeing to global free trade among 146 countries? Bilateral and regional deals can sometimes be a complement to the multilateral system, but they can never be a substitute. There is a bigger danger. By treating some countries preferentially, bilateral and regional deals exclude others — fragmenting global trade and distorting the world economy. Instead of liberalizing trade — and widening growth — they carve it up. Worse, they have a domino effect: bilateral deals inevitably beget more bilateral deals, as countries left outside are forced to seek their own preferential arrangements, or risk further marginalization. This is precisely what we see happening today. There are already over two hundred bilateral and regional agreements in existence, and each month we hear of a new or expanded deal. There is a basic contradiction in the assumption that bilateral approaches serve to strengthen the multilateral, rules-based system. Even when intended to spur free trade, they can ultimately risk undermining it. This is in no one's interest, least of all the United States. America led in the creation of the multilateral system after 1945 precisely to avoid a return to hostile blocs — blocs that had done so much to fuel interwar instability and conflict. America's vision, in the words of Cordell Hull, was that “enduring peace and the welfare of nations was indissolubly connected with the friendliness, fairness and freedom of world trade”. Trade would bind nations together, making another war unthinkable. Non-discriminatory rules would prevent a return to preferential deals and closed alliances. A network of multilateral initiatives and organizations — the Marshal Plan, the IMF, the World Bank, and the GATT, now the WTO — would provide the institutional bedrock for the international rule of law, not power. Underpinning all this was the idea that freedom — free trade, free democracies, the free exchange of ideas — was essential to peace and prosperity, a more just world. It is a vision that has emerged pre-eminent a half century later. Trade has expanded twenty-fold since 1950. Millions in Asia, Latin America, and Africa are being lifted out of poverty, and millions more have new hope for the future. All the great powers — the US, Europe, Japan, India, China and soon Russia — are part of a rules-based multilateral trading system, greatly increasing the chances for world prosperity and peace. There is a growing realization that — in our interdependent world — sovereignty is constrained, not by multilateral rules, but by the absence of rules. All of these were America’s objectives. The US needs to be both clearer about the magnitude of what it has achieved, and more realistic about what it is trying to — and can — accomplish. Multilateralism can be slow, messy, and tortuous. But it is also indispensable to managing an increasingly integrated global economy. Multilateralism is based on the belief that all countries — even powerful countries like the United States — are made stronger and more secure through international co-operation and rules, and by working to strengthen one another from within a system, not outside of it. Multilateralism's greatest ideal is the ideal of negotiation, compromise, consensus, not coercion. As Churchill said of democracy, it is the worst possible system except for all the others. I do not believe America's long-term economic interests have changed. Nor do I believe that America's vision for a just international order has become blurred. If anything, the American vision has been sharpened since the terrorist attacks on New York and Washington; sharpened by the realization that there is now a new struggle globally between the forces of openness and modernity, and the forces of separatism and reaction. More than ever, America's interests lie in an open world economy resting on the foundation of a strong, rules-based multilateral system. More and more, America's growth and security are tied to the growth and security of the world economy as a whole. American leadership today is more — not less — important to our increasingly interconnected planet. A recent successful, and much needed, example is the multilateral agreement on intellectual property rights and access to medicines for poor countries, in which the US played a pivotal role. It would be a tragic mistake if the Doha Round, which offers the world a once-in-a-generation opportunity to eliminate trade distortions, to strengthen trade rules, and open markets across the world, were allowed to founder. We need courage and the collective political will to ensure a balanced and equitable outcome. What is the alternative? It is a fragmented world, with greater conflict and uncertainty. A world of the past, not the future — one that America turned away from after 1945, and that we should reject just as decisively today. America must lead. The multilateral trading system is too important to fail. The world depends on it. So does America.

#### Doha is key to global trade

**Suominen 09, transatlantic fellow at the German Marshall Fund of the United States and trade economist at the Inter-American Development Bank in Washington, 3- ‘9 (Kati , “A New Age Of Protectionism? The Economic Crisis And Transatlantic Trade Policy” , the German Marshall Fund Of The United States,**[http ://www .gmfus.o rg//doc /Suomin en%20final.pdf](http://www.gmfus.org/doc/Suominen%20final.pdf)**)**

The third issue of concern is multilateral negotiations in the Doha Round. A failure to successfully conclude Doha could freeze multilateral trade cooperation for several years. The consequent fate of global trade would depend on whatever scenario—spread of protectionism, unilateral liberalization, the rise of FTAs, and so on—developed in the vacuum left by a multilateral failure. Building on a prior work by Patrick Messerlin (2008), a November 2008 assessment by economists Antoine Bouët and David Laborde showed that in a scenario where all tariffs were brought back to bound levels, world trade would sink by $1.77 trillion, equivalent to a tenth of U.S. GDP, and welfare by $448 billion. In a less extreme scenario, whereby all tariffs, except preferences covered by FTAs, were moved to their applied levels at the end of the Uruguay Round in 1994 (bound tariffs are still capped by the Uruguay Round commitments), trade would drop by $728 billion and world GDP by $167 billion. The greatest gains and losses would be in agriculture. Many would see the proliferation of FTAs, currently the only active area of global trade policymaking, as the more likely scenario in the face of a Doha failure, but the trade creation provided by FTAs crucially hinges on the fortunes of multilateral most favored nation (MFN) opening. Further, proliferation of FTAs without some regional and multilateral vigilance and coordination could splinter the global trading system into miniblocs that forgo economies of scale. In contrast, a successful conclusion of the Doha Development Round would deliver trade gains of $336 billion and welfare gains of $79 billion annually.32 Admittedly, the figures on gains from a successful Doha Development Round are not staggering. But they are meaningful in light of the economic doldrums. And hundreds of billions of dollars of new trade would certainly ignite more economic activity than a trillion in lost trade. Even more importantly, concluding Doha is an antidote to bad trade policies and the ongoing (albeit still moderate) backtracking on trade policy commitments. It would be the single best way to demonstrate support for the multilateral trade agenda, a lock-in device for countries to commit to lowered barriers, and a signaling device to markets about the future direction of international trade policies. The standstill pledge by the G20 on a host of distortionary instruments is not enough. Recent months have shown that there are a great many ways in which countries can work around such a pledge and introduce distorting trade measures. In addition, quantitative studies do not account for the hammer blow that a Doha failure could deal to the very legitimacy of the bodies and rules of the multilateral trading system—MFN treatment, the dispute settlement mechanism, the attraction of WTO accession, the trade policy review process, and so on. Thus far, the global economic heavyweights have had an astonishingly good record in complying with the dispute settlement body’s verdicts, even when the claimant has been a small country that would have relatively little to hand, in terms of retaliatory tariff measures, that would be of economic significance to larger ones if they fail to comply (Levy 2007). This indicates that the members see a benefit in the WTO as an institution, and value the dispute settlement system. However, should trade talks fail to deliver further gains in terms of liberalization, the credibility of multilateralism could be eroded, and with that the interest in complying with dispute settlement rulings and a valuing of the WTO’s opinions. Further, some of the issues that should be dealt within the WTO context—those that have an immediate bearing on trade and that must be dealt with multilaterally, such as environmental regulations and the spread of FTAs—could be left by the wayside. A failure of the Doha Round would thus entail not only the loss of the static and dynamic gains from augmented economic exchange; it would also wreak havoc on the future of global trade and economic cooperation. Yet, such cooperation is even more imperative today because of the global economic downturn. A failure at the multilateral negotiating table would do little to inspire market confidence in a prompt global economic recovery, let alone in the ability of governments to come together to constructively deal with major issues. Trade cooperation is an economic and political lifeline that must and should not be severed.

**Studies prove free trade solves war**

**Griswold 11** - is director of the Center for Trade Policy Studies at the Cato Institute and author of Mad about Trade: Why Main Street America Should Embrace Globalization (Daniel, “Free Trade and the Global Middle Class,” Hayek Society Journal Vol. 9 http://www.cato.org/pubs/articles/Hayek-Society-Journal-Griswold.pdf)

Our more globalized world has also yielded a “peace dividend.” It may not be obvious when our daily news cycles are dominated by horrific images from the Gaza Strip, Afghanistan and Libya, but our more globalized world has somehow become a more peaceful world. The number of civil and international wars has dropped sharply in the past 15 years, along with battle deaths. The reasons behind the retreat of war are complex, but again the spread of trade and globalization have played a key role. Trade has been seen as a friend of peace for centuries. In the 19th century, British statesman Richard Cobden pursued free trade as a way not only to bring more affordable bread to English workers but also to promote peace with Britain’s neighbors. He negotiated the Cobden-Chevalier free trade agreement with France in 1860 that helped to cement an enduring alliance between two countries that had been bitter enemies for centuries. In the 20th century, President Franklin Roosevelt’s secretary of state, Cordell Hull, championed lower trade barriers as a way to promote peaceful commerce and reduce international tensions. Hull had witnessed first-hand the economic nationalism and retribution after World War I. Hull believed that “unhampered trade dovetail[s] with peace; high tariffs, trade barriers and unfair economic competition, with war.” Hull was awarded the 1945 Nobel Prize for Peace, in part because of his work to promote global trade. Free trade and globalization have promoted peace in three main ways. First, trade and globalization have reinforced the trend towards democracy, and democracies tend not to pick fights with each other. A second and even more potent way that trade has promoted peace is by raising the cost of war. As national economies become more intertwined, those nations have more to lose should war break out. War in a globalized world not only means the loss of human lives and tax dollars, but also ruptured trade and investment ties that impose lasting damage on the economy. Trade and economic integration has helped to keep the peace in Europe for more than 60 years. More recently, deepening economic ties between Mainland China and Taiwan are drawing those two governments closer together and helping to keep the peace. Leaders on both sides of the Taiwan Straight seem to understand that reckless nationalism would jeopardize the dramatic economic progress that region has enjoyed. A third reason why free trade promotes peace is because it has reduced the spoils of war. Trade allows nations to acquire wealth through production and exchange rather than conquest of territory and resources. As economies develop, wealth is increasingly measured in terms of intellectual property, financial assets, and human capital. Such assets cannot be easily seized by armies. In contrast, hard assets such as minerals and farmland are becoming relatively less important in high-tech, service economies. If people need resources outside their national borders, say oil or timber or farm products, they can acquire them peacefully by freely trading what they can produce best at home. The world today is harvesting the peaceful fruit of expanding trade. The first half of the 20th century was marred by two devastating wars among the great powers of Europe. In the ashes of World War II, the United States helped found the General Agreement on Tariffs and Trade in 1947, the precursor to the WTO that helped to spur trade between the United States and its major trading partners. As a condition to Marshall Plan aid, the U.S. government also insisted that the continental European powers, France, Germany, and Italy, eliminate trade barriers between themselves in what was to become the European Common Market. One purpose of the common market was to spur economic development, of course, but just as importantly, it was meant to tie the Europeans together economically. With six decades of hindsight, the plan must be considered a spectacular success. The notion of another major war between France, Germany and another Western European powers is unimaginable. Compared to past eras, our time is one of relative world peace. According to the Stockholm International Peace Research Institute, the number of armed conflicts around the world has dropped sharply in the past two decades. Virtually all the conflicts today are civil and guerilla wars. The spectacle of two governments sending armies off to fight in the battlefield has become rare. In the decade from 1998 through 2007, only three actual wars were fought between states: Eritrea-Ethopia in 1998-2000, India-Pakistan in 1998-2003, and the United States-Iraq in 2003. From 2004 through 2007, no two nations were at war with one another. Civil wars have ended or at least ebbed in Aceh (in Indonesia), Angola, Burundi, Congo, Liberia, Nepal, Timor-Leste and Sierra Leone. Coming to the same conclusion is the Human Security Centre at the University of British Colombia in Canada. In a 2005 report, it documented a sharp decline in the number of armed conflicts, genocides and refugee numbers in the past 20 years. The average number of deaths per conflict has fallen from 38,000 in 1950 to 600 in 2002. Most armed conflicts in the world now take place in Sub-Saharan Africa, and the only form of political violence that has worsened in recent years is international terrorism. Many causes lie behind the good news – the end of the Cold War, the spread of democracy, and peacekeeping efforts by major powers among them – but expanding trade and globalization appear to be playing a major role in promoting world peace. In a chapter from the 2005 Economic Freedom of the World Report, Dr. Erik Gartzke of Columbia University compared the propensity of countries to engage in wars to their level of economic freedom. He came to the conclusion that economic freedom, including the freedom to trade, significantly decreases the probability that a country will experience a military dispute with another country. Through econometric analysis, he found that, “Making economies freer translates into making countries more peaceful. At the extremes, the **least free states are about 14 times as conflict prone as the most free. A 2006 study** for the institute for the Study of Labor in Bonn, Germany, **found** the same pacific effect of trade and globalization. Authors Solomon Polachek and Carlos Seiglie found that “trading nations cooperate more and fight less.” In fact, a doubling of trade reduces the probability that a country will be involved in a conflict by 20 percent. Trade was the most important channel for peace, they found, but investment flows also had a positive effect. A democratic form of government also proved to be a force for peace, but primarily because democracies trade more. All this helps explain why the world’s two most conflict-prone regions – the Arab Middle East and Sub-Saharan Africa – are also the world’s two least globally and economically integrated regions. Terrorism does not spring from poverty, but from ideological fervor and political and economic frustration. If we want to blunt the appeal of radical ideology to the next generation of Muslim children coming of age, we can help create more economic opportunity in those societies by encouraging more trade and investment ties with the West. The U.S. initiative to enact free trade agreements with certain Muslim countries, such as Morocco, Jordan, Bahrain and Oman, represent small steps in the right direction. An even more effective policy would be to unilaterally open Western markets to products made and grown in Muslim countries. A young man or woman with a real job at an export-oriented factory making overcoats in Jordan or shorts in Egypt is less vulnerable to the appeal of an Al-Qaida recruiter. Of course, free trade and globalization do not guarantee peace or inoculation against terrorism, anymore than they guarantee democracy and civil liberty. Hot-blooded nationalism and ideological fervor can overwhelm cold economic calculations. Any relationship involving human beings will be messy and non-linear. There will always be exceptions and outliers in such complex relationships involving economies and governments. But deeper trade and investment ties among nations have made it more likely that democracy and civil liberties will take root, and less likely those gains will be destroyed by civil conflict and war.

**Free trade is key to international cooperation – changes mindsets and solves war**

**Seita 97**, Law Professor at Albany Law School, J.D. from Stanford, M.B.A. from Stanford, (Alex, “Globalization and the Convergence of Values,” Cornell International Law Journal, 30 Cornell Int'l L.J. 429)\*\*Gender modified “human” with “humyn”

In an indirect way, the cultural impact of economic globalization stimulates political globalization. Economic globalization has long introduced aspects of foreign cultures - especially American culture - either directly by the sale of merchandise such as movies and musical recordings, or indirectly through exposure to foreigners. n77 More than in the past, the opening of new markets through economic globalization has brought a flood of people and companies into foreign lands. Personal contact, always **so important in understanding other humyn beings**, has made foreigners less inscrutable. More business personnel are assigned to overseas offices, more consumers travel abroad as tourists, and more students study in foreign countries. n78 Local residents are more likely than ever before to work for, do business with, or personally know foreigners. In some cases, this transnational encounter may lead to a personal [\*454] affinity with or an **in-depth understanding** of foreign cultures. n79 [\*455] Further, economic globalization has generated an interest in learning foreign languages, primarily English. Perhaps irreversibly, English has become the international language of business and science, with a broader usage than any other language. n80 At the same time, the ability to speak a foreign language other than English gives one a competitive advantage in doing business in nonEnglish-speaking countries. n81 Doing business with foreigners, in their country or in one's own, requires that one communicate with them, cooperate with them, and be exposed to their political and business values. n82 The political values of democracy and human rights, as well as aspects of foreign cultures, are often inseparable (though secondary) components of economic globalization. Thus, countries that seek to benefit from economic globalization must frequently tolerate political globalization and exposure to foreign cultures. As people know more about foreign cultures, some familiarity with foreign political values is bound to arise. II. Technology's Vital Role in Converging Values The advanced communication technology that links much of the world together continues to be crucial to the convergence of economic and political values. This technology is utilized primarily by business entities to facilitate economic globalization. n83 Modern technology has also tended to promote democracy and human rights by making it easier and cheaper for [\*456] people to communicate without censorship across national boundaries. Communication technology not only exposes a national population to foreign ideas, but also concurrently exposes domestic conditions to a global audience. This has occurred because economic globalization involves communication technologies with multiple uses. The same technology that transmits a business proposal may also communicate politically embarrassing or other non-business information. These multiple uses of advanced technology cannot easily be separated from each other, making it difficult to restrict the technology to purely business purposes. A country that wishes to participate in international business cannot isolate itself from all uses of communication technologies unrelated to business dealings. n84 The internet n85 is a recent communication medium with tremendous potential for linking people across national boundaries, furthering mutual interests of the international community, and a myriad of other uses. n86 The internet will become, or may already be, an important or even critical technological medium for business, as well as for scientific research and consumer enjoyment. n87 The internet is the essential part of the "informa- [\*457] tion superhighway," a source of information that promises to change fundamentally human lives. n88 E-mail and computer file transmission on the internet can potentially provide a more powerful (e.g., faster, cheaper, more convenient) business tool than such conventional devices as the postal service, telephones, and faxes. Internet users can transmit and download data, articles, images, movies, speeches, sound recordings, and other information. n89 By providing a forum for the transfer of such information, the internet will help protect the freedoms of expression and choice for followers of any ideological persuasion. n90 Unfortunately, however, it may shield criminal, obscene, [\*458] racist, and terrorist activities as well. n91 A government might attempt to control the content of information transfers. It could screen large numbers of telephone calls, faxes, or computer data; it could restrict access to or intercept messages on the internet. Total censorship, however, would bring a halt to international business. n92 Firms might object if government surveillance is too pervasive. For example, companies might not want government officials to be privy to proprietary information. n93 A certain amount of freedom of communication is therefore assured if a country wishes to be part of a global economy: international firms will leave a nation if censorship prohibitively increases the cost of doing business. This will remain true even if governments attempt to censor communications using the most advanced and cost-effective surveillance technology available. n94 [\*459] Communication technologies not essential to international business transactions also serve to bolster humanitarian political values. International news reporting utilizes communication technologies to broadcast major domestic events of all types on a worldwide screen. There are numerous journalists, broadcasters, and commentators whose professional livelihood depends upon bringing newsworthy stories to a foreign, if not international, audience. While most publicized stories may not involve political events, many do. The competitive members of the news media are unlikely to let stories of outrageous acts completely escape the attention of the international public. Furthermore, these news articles may be read by anyone in the world who has access to the internet. n95 At the same time, news stories alone would not generate international repercussions against repressive governments if purely theoretical political values were involved. There must be influential constituencies that place high priority on the existence of democracy and human rights, that seek to spread those values, and that are galvanized into action upon news of deplorable political conditions. Neither value would flourish unless there were constituencies, either domestic or abroad, that strongly supported it. The presence of democratic governments and strong protections for human rights in the industrialized countries means that these values are expressed to some degree in their business transactions with other countries. n96 Sizable populations in the industrialized countries also attempt to support democracy and human rights abroad through private means. n97 Moreover, as the living standards of developing countries improve, the citizenry of these countries seem to expect more democratization (first) and [\*460] human rights (later). n98 III. The Importance of Globalization Because globalization promotes common values across nations and can make foreign problems, conditions, issues, and debates as vivid and captivating as national, state, and local ones, it contributes to a sense of **world community**. n99 It develops a **feeling of empathy** for the conditions of people abroad, enlarging the group of human beings that an individual will identify with. Globalization thus helps to bring alive persons in foreign lands, making them **fellow humyn beings** who simply live in different parts of the world rather than abstract statistics of deaths, poverty, and suffering. The convergence of basic political and economic values is thus **fundamentally important** because it helps to establish a **common bond a**mong people in different countries, facilitating **understanding and encouraging cooperation**. All other things being equal, the commonality among countries - whether in the form of basic values, culture, or language - enhances their attractiveness to each other. n100 In addition, convergence increases [\*461] the possibility that a transformation of attitude will take place for those who participate in transnational activities. People will begin to regard foreigners in distant lands with the same concern that they have for their fellow citizens. n101 They will endeavor to help these foreigners obtain basic political rights even though the status of political rights in other countries will have no tangible beneficial impact at home. n102 Convergence does not mean that there is a single model of a market economy, a single type of democracy, or a single platform of human rights. They exist in different forms, and nations may have different combinations of these forms. n103 [\*462] A. The Perspective of One Human Race The convergence of fundamental values through globalization has profound consequences because it increases the chance that a new perspective will develop, one which views membership in the human race as the most significant societal relationship, except for nationality. n104 A person owes his or her strongest collective loyalties to the various societies with which he or she most intensely identifies. Today, this societal identification can be based on numerous factors, including nationality, race, religion, and ethnic group. n105 While it is unlikely that nationality will be surpassed as the most significant societal relationship, globalization and the convergence of values may eventually convince people in different countries that the second most important social group is the human race, and not a person's racial, religious, or ethnic group. n106 One of the first steps in the formation of a society is the recognition by prospective members that they have common interests and bonds. An essential commonality is that they share some fundamental values. A second is that they identify themselves as members belonging to the same community on the basis of a number of common ties, including shared fundamental values. A third commonality is the universality of rights - the active application of the "golden rule" - by which members expect that all must be entitled to the same rights as well as charged with the same responsibilities to ensure that these rights are protected. Globalization promotes these three types of commonalities. Globalization establishes common ground by facilitating the almost universal acceptance of market economies, the widespread emergence of democratic governments, and the extensive approval of human rights. The most visible example is economic. With the end of the Cold War, the free market economy has clearly triumphed over the command economy in the battle of the [\*463] economic paradigms. Because some variant of a market economy has taken root in virtually all countries, there has been a convergence of sorts in economic systems. n107 Further, because it often requires exposure to and pervasive interaction with foreigners - many of whom share the same fundamental values - globalization can enlarge the group that one normally identifies with. Globalization makes many of its participants empathize with the conditions and problems of people who in earlier years would have been ignored as unknown residents of remote locations. This empathy often leads to sympathy and support when these people suffer unfairly. Finally, the combination of shared values and identification produce the third commonality, universality of rights. n108 Citizens of one country will often expect, and work actively to achieve, the same basic values in other countries. They will treat nationals of other nations as they would wish to be treated. The effects of shared values, identification, and universality of rights in globalization could have a pivotal long-term effect - the possibility that a majority of human beings will begin to believe that they are truly part of a single global society - the human race. This is not to say that people disbelieve the idea that the human race encompasses all human beings. Of course, they realize that there is only one human species. Rather, the human race does not usually rank high on the hierarchy of societies for most people. Smaller societies, especially those based on nationality, race, religion, or ethnicity, command more loyalty. n109 The idea of the human race, the broadest and all-inclusive category of the human species, is abstract and has little, if any, impact on the lives of human beings. To believe in the singular importance of the human race requires an attitudinal shift in which a person views the human race seriously. [\*464] This may occur because the convergence of values does not only mean that the people of different countries will share the same basic values. It may also lead to the greater promotion of these values for the people of other countries. Historically and certainly today, America and the other industrial democracies have attempted to foster democracy and human rights in other countries. n110 While some part of this effort has been attributable to "self interest," it has also been due to the empathy that the industrialized democracies have had for other countries. n111 The magnitude of these efforts in the future, as in the past, will depend not solely upon the available financial and human resources of the industrialized democracies. It will also depend upon their national will - a factor undoubtedly influenced by the intensity with which the people of the industrialized democracies identify with people in foreign lands. The perspective that the humyn race matters more than its component divisions would accelerate cooperative efforts among nations to attack global problems that adversely affect human rights and the quality of human life. n112 Obviously, there is no shortage of such problems. Great suffering still occurs in so many parts of the world, not just from internal armed conflicts, n113 but also from conditions of poverty. n114 There are severe health problems in much of the world which can be mitigated with relatively little cost. n115 There are the lives lost to the AIDS epidemic, and [\*465] the deaths and disabilities caused by land mines. n116 Russia, a nuclear superpower that could end life on this planet, has severe social, economic, and political problems. n117 Making the human race important would not just promote liberal democratic values but would also reduce human suffering and perhaps eliminate completely the risk of nuclear war. B. General Convergence of Values Assuming that the formation of a single human society is a possible outcome, two broad questions should be answered: what kind of human society is being created, and is this society desirable. The answer to the latter question will depend on an evaluator's subjective judgment of the society that is being formed. Undoubtedly, the great majority of human beings would abhor a world society that was being created by the conquests of a totalitarian government. Presumably, most Americans (and many citizens of other countries) would reject even a benevolent, democratic global society in which a world government dominated by other countries dictated laws that governed the lives of all human beings. If either outcome were present, many would call for a halt to globalization. Thus the direction that globalization follows is critical for assessing its appeal. What globalization has brought is a general convergence of fundamental economic and political systems among many nations. These systems are not identical. There are still innumerable differences among countries with market economies, democratic governments, and respectful of human rights. n118 The practices of one country may be intolerable to another coun- [\*466] try. n119 Furthermore, it is unlikely and probably undesirable that economic and political systems will ever exactly converge. Nor is it foreseeable that the nations of the world will coalesce into one. Even among the industrialized democracies, there are enough dissimilarities in market economies, democratic governments, and attitudes towards human rights that make some believe that the differences between these nations outweigh the similarities. For example, Japan is frequently characterized as having a producer-oriented market economy, as compared with the consumer-oriented market economy of the United States. n120 In general, the members of the European Union more extensively regulate their economies than the United States, engaging at times in social engineering that seems contrary to market principles as interpreted by Americans. n121 In the area of criminal justice, the United States is virtually alone in permitting the death penalty and imprisons a much higher percentage [\*467] of its population than other industrialized democracies. n122 Nonetheless, the basic economic and political systems of different countries clearly share more similarities than ever before. When asked to characterize their existing economic and political systems, more people in more countries than ever before will respond that they have a "market" economy, that their government is "democratic," and that they protect "human rights." Importantly, the convergence of values seems to be accompanying the convergence of systems. Certainly, most people in the industrialized democracies would view their existing economic and political systems as expressing the foundational values of their societies - the values that define their society. n123 The convergence of values along liberal demo- [\*468] cratic lines means that nations are better situated to negotiate wealth-maximizing trade agreements and to resolve political disputes peacefully. But in countries in transition from authoritarian to liberal democracy, many people may not yet fully accept their newly established economic and political systems as reflecting fundamental values of what is correct, proper, or right. Whether these transitional countries continue to establish or possess liberal democracies will depend upon how well the systems of liberal democracy work, an outcome that the industrialized democracies should strive vigorously to achieve. Workable systems can evolve into entrenched values. Obviously, the implantation of the values of liberal democracy in Russia is of paramount concern. n124 Nurturing a democratic Russia is in the vital national interest of the United States (and the rest of the world) for very practical reasons - only Russia and the United States possess sufficient nuclear weapons to end human civilization. n125 Whether by unilateral or multilateral extensions of financial assistance or political inclusion, the industrialized democracies should do their utmost to make Russia a strong liberal democracy. Economic aid should be generous, and Russia should be incorporated into the activities of the industrialized democracies as much as possible. n126 Not all basic values are converging and nor, perhaps, should they. Religious values are not converging in the sense that the same general religion, such as Christianity, is taking root in a preponderance of countries. n127 Nevertheless, the convergence of economic and political values means that there is a greater basis for cooperation. For that reason, the [\*469] "West" n128 - that is, the United States and the other industrialized democracies - should support the process of value convergence. Sharing the same values creates similar expectations and a common ground for understanding. The more prevalent reliance upon market forces to direct production and consumption means that nations are more likely to trade with and invest in each other. The relative sameness of political values, for example, the prevelant use of negotiation rather than military force in settling disputes, means that nations can have greater trust in and less to fear from each other.The similarity of basic values also means that the different peoples of humanity are one step closer to viewing themselves primarily as part of one human society - the human race - though represented by different governments.

**And, protectionism causes nuclear war**

**Panzner 08,** Instructor New York Institute of Finance, (Michael J.-, Financial Armageddon: Protecting Your Future from Four Impending Catastrophes, P. 136-138)

Continuing calls for curbs on the flow of finance and trade will inspire the United States and other nations to spew forth protectionist legislation like the notorious Smoot-Hawley bill. Introduced at the start of the Great Depression, it triggered a series of tit-for-tat economic responses, which many commentators believe helped turn a serious economic downturn into a prolonged and devastating global disaster. But if history is any guide, those lessons will have been long forgotten during the next collapse. Eventually, fed by a mood of desperation and growing public anger, restrictions on trade, finance, investment, and immigration will almost certainly intensify. Authorities and ordinary citizens will likely scrutinize the cross-border movement of Americans and outsiders alike, and lawmakers may even call for a general crackdown on nonessential travel. Meanwhile, many nations will make transporting or sending funds to other countries exceedingly difficult. As desperate officials try to limit the fallout from decades of ill-conceived, corrupt, and reckless policies, they will introduce controls on foreign exchange. Foreign individuals and companies seeking to acquire certain American infrastructure assets, or trying to buy property and other assets on the cheap thanks to a rapidly depreciating dollar, will be stymied by limits on investment by non-citizens. Those efforts will cause spasms to ripple across economies and markets, disrupting global payment, settlement, and clearing mechanisms. All of this will, of course, continue to undermine business confidence and consumer spending. In a world of lockouts and lockdowns, any link that transmits systemic financial pressures across markets through arbitrage or portfolio-based risk management, or that allows diseases to be easily spread from one country to the next by tourists and wildlife, or that otherwise facilitates unwelcome exchanges of any kind will be viewed with suspicion and dealt with accordingly. The rise in isolationism and protectionism will bring about ever more heated arguments and dangerous confrontations over shared sources of oil, gas, and other key commodities as well as factors of production that must, out of necessity, be acquired from less-than-friendly nations. Whether involving raw materials used in strategic industries or basic necessities such as food, water, and energy, efforts to secure adequate supplies will take increasing precedence in a world where demand seems constantly out of kilter with supply. Disputes over the misuse, overuse, and pollution of the environment and natural resources will become more commonplace. Around the world, such tensions will give rise to full-scale military encounters, often with minimal provocation. In some instances, economic conditions will serve as a convenient pretext for conflicts that stem from cultural and religious differences. Alternatively, nations may look to divert attention away from domestic problems by channeling frustration and populist sentiment toward other countries and cultures. Enabled by cheap technology and the waning threat of American retribution, terrorist groups will likely boost the frequency and scale of their horrifying attacks, bringing the threat of random violence to a whole new level. Turbulent conditions will encourage aggressive saber rattling and interdictions by rogue nations running amok. Age-old clashes will also take on a new, more heated sense of urgency. China will likely assume an increasingly belligerent posture toward Taiwan, while Iran may embark on overt colonization of its neighbors in the Mideast. Israel, for its part, may look to draw a dwindling list of allies from around the world into a growing number of conflicts. Some observers, like John Mearsheimer, a political scientist at the University of Chicago, have even speculated that an “intense confrontation” between the United States and China is “inevitable” at some point. More than a few disputes will turn out to be almost wholly ideological. Growing cultural and religious differences will be transformed from wars of words to battles soaked in blood. Long-simmering resentments could also degenerate quickly, spurring the basest of human instincts and triggering genocidal acts. Terrorists employing biological or nuclear weapons will vie with conventional forces using jets, cruise missiles, and bunker-busting bombs to cause widespread destruction. Many will interpret stepped-up conflicts between Muslims and Western societies as the beginnings of a new world war.

# Mexico

**Advantage 2 is Mexico**

**Plan key to maquilas and US-Mexico trade**

**Eaton 97** (David Eaton, National Law Center for Inter-American Free Trade, “TRANSFORMATION OF THE MAQUILADORA INDUSTRY: THE DRIVING FORCE BEHIND THE CREATION OF A NAFTA REGIONAL ECONOMY”, Arizona Journal of International and Comparative Law, Lexis)

The vast majority of goods moved between the United States and Mexico are transported via highway. [n307](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n307) Long lines and frustrating delays are the [\*800] norm at most highway border crossings. A broad coalition has been formed to promote the creation of a "**NAFTA superhighway**" designed to facilitate the movement of cargo in North America. [n308](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n308) The denominated "NAFTA Superhighway" is supported by business groups, trucking companies, and state and local governments in the United States, Mexico, and Canada. Backers of the plan envision "streamlined governmental procedures and technological innovations along U.S. Interstate 35 and highway improvements in Mexico" as a way to facilitate and expedite cross-border shipments. [n309](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n309) Supporters of the NAFTA superhighway estimate that the average shipping time between Chicago and Mexico City could be reduced by as much as forty percent through the use of advanced customs procedures, highway improvements, and modern vehicle tracking devices. [n310](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n310) Expeditious transportation between the United States and Mexico would be of **enormous importance** to maquilas in the interior of the United States as they seek to transport their goods to large U.S. population centers. **Maquilas** traditionally have been located in the border region because Mexico **lacked** the **necessary transportation infrastructure to locate** these **plants in the interior**. [n311](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n311) The NAFTA superhighway would facilitate the establishment of maquilas in the interior of the country in two fundamental ways. First, the importation of inputs to maquilas in the interior would be greatly expedited. Second, the exportation of maquila products would not be unnecessarily delayed because of poorly constructed and maintained highway infrastructure. [n312](http://w3.nexis.com/new/frame.do?reloadEntirePage=true&rand=1364415768910&returnToKey=20_T17029604211&parent=docview&target=results_DocumentContent&tokenKey=rsh-20.772149.4227174218" \l "n312)

**The Plan is key – be skeptical of neg ev – we’re the newest study – the newest one before ours was conducted in 1998**

**Harrison et al 07** (Robert Harrison is the Deputy Director at the Center for Transportation Research (CTR), The University of Texas at Austin. He has worked in the area of transportation planning for over 35 years on research studies funded by various organizations, including: the Texas Department of Transportation (TxDOT), the University Transportation Centers Program (UTCP), the U.S. Department of Transportation, the Federal Highway Administration, Department of Homeland Security, and the World Bank. He has also undertaken a number of trade and transportation studies in a variety of Latin American and African countries, Cambridge Systematics, Inc. with Alliance Transportation Group, Delcan Inc., C&M, LopezGarcia Group, and Bomba Associates

The following conclusions and recommendations are presented based on the findings of this NAFTA study: 1. A projected quadrupling of NAFTA highway demand will significantly impact Texas highway planning and investments; the TTC-35 will be the single most important Texas transportation improvement to support NAFTA trade. 2. Highway NAFTA trade growth through the Lower Rio Grande Valley, and the growing NAFTA traffic from Laredo to Houston and on to the northeast support development of the IH-69/TTC corridor. 3. The large increase in NAFTA demand suggests that improved trucking productivity through allowance of heavier units (e.g., longer combination vehicles or LCVs) on the TTC corridors could produce both public and private industry benefits. 4. Key private and public rail investments in bottleneck removal, in intermodal facilities, and in mainline capacity will be needed to allow freight rail to accommodate its share of NAFTA trade growth and to prevent further pressure on Texas highways. 5. Growing NAFTA trade, including growth of inland ports and large warehousing distribution centers in the major Texas metropolitan areas for both trucking and intermodal transfers will need to be recognized in TxDOT and MPO planning and decision-making. 6. Binational border and corridor planning will continue to demand TxDOT’s attention to key rail capacity and key highway bridge additions as well as to supporting improvements to connections on both sides of the border. 7. Proactive engagement with Mexico’s Federal transportation agency (SCT) and Mexican border states will help to assure seamless NAFTA connections and trade movements. 8. Border trade facilitation and security will also require continuing coordination between TxDOT, the Texas DPS, and the U.S. Departments of Transportation and Homeland Security. The recent announcement that the U.S. government will now permit Mexican trucks beyond the commercial zone on a pilot basis will immediately require increased coordination between Texas authorities and Federal agencies. 9. Given that Texas bears the brunt of U.S. NAFTA trade now and into the future, TxDOT should proactively advocate its interests toward the next surface transportation reauthorization. Texas’ interests include the core Federal-aid programs as well as the targeted programs for borders, corridors, and projects of national significance in the current Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). These targeted programs are designed to address NAFTA and other trade and competitiveness issues. Texas, as the most important North American Free Trade Agreement (NAFTA) state gateway and as the largest single U.S. trading partner with Mexico, has a special interest in the current and future levels of NAFTA trade. This report details the current and projected future NAFTA flows and describes the current effect and future implications for the Texas highway and rail systems. The intent of this report is to provide the Texas Department of Transportation (TxDOT) and other policy makers at the State and Federal level with insight into the current conditions and projected future impacts of NAFTA trade on the Texas highway and rail transportation systems. Ultimately, this document provides valuable information to enable planners and legislators to develop solutions to existing and emerging challenges. „ 1.1 NAFTA Trade Background Since the implementation of the North American Free Trade Agreement in 1994, trade between the United States, Mexico, and Canada has grown significantly as the three economies integrate.3 The implementation of NAFTA created a free-trade area in North America, and reduced barriers in the cross-border movement of goods and services between Mexico, the United States, and Canada. NAFTA immediately eliminated duties on many goods shipped between the member countries, gradually phasing out duties on all trade among the countries by 2008. The Mexican maquila production—which imports components duty free, adds value typically through assembly, and then exports—has continued to expand following NAFTA initiation. With 23 international bridges along a 1,254-mile border with Mexico, Texas is the predominant port of entry and exit for U.S.-Mexico surface trade.4 The U.S. government, the State of Texas, local governments, and private entities own and operate the bridges on the U.S. side, which are located in Brownsville, Del Rio, Eagle Pass, El Paso, Fabens, Hidalgo, Laredo, Presidio, Progreso, Rio Grande City, and Roma. In 2005, the number of trucks entering Texas from Mexico along these 23 crossings, and traveling on the Texas highway network, topped 3.2 million.5 While railroads carry less transborder trade than the Texas highway network, Brownsville, Eagle Pass, El Paso, Laredo, and Presidio also have railroads that link Texas directly to Mexico and in 2005 the number of trains entering the U.S. through Texas from Mexico totaled 7,946.6 These general trends of NAFTA trade provide only a starting point for analyzing the effects of the agreement on the State’s multimodal transportation network. This report describes NAFTA trade and its effects in detail and serves as an update to TxDOT’s 1998 study “Effect of the North American Free Trade Agreement on the Texas Highway System.” NAFTA truck vehicle miles of travel (VMT) is projected to more than quadruple by 2030—with highways carrying an even larger share of total NAFTA trade than at present. This poses a significant challenge to the Texas highway transportation system, particularly the corridors serving high volumes of NAFTA trade. At the same time, the Texas rail system faces capacity shortfalls and will be challenged to serve the projected growth of NAFTA trade served by rail. NAFTA Trade Data – Defining “NAFTA” For this report, the term “NAFTA” generally means trade moving between the United States and Mexico that utilizes either the Texas highway or rail system for at least a portion of its journey. This definition is used to describe the flows of NAFTA freight and should not be confused with the North American Free Trade Agreement itself, including its broader relationship to trade between all three NAFTA partners (U.S., Mexico, and Canada). While most trade described as “NAFTA” freight in this report falls under the traditional definition of goods moving between the United States and Mexico, a portion of the freight volume is actually part of a longer international move that is transiting the U.S. en route to or from Mexico. For example, there are certainly trip origins for commodity classes like intermodal containers from California that use the Texas highway system to reach a Mexican destination—but that have a true origin not in California but in China. These types of trips are not distinguished from a move, for example, between Michigan and Guadalajara that is more likely to have its true origin in the United States or Mexico. Globalization has made the tracing of true cargo origins and destinations more difficult—especially when the freight move is part of a global supply chain that results in a product manufactured from international components from multiple country origins. Ultimately, this report focuses on freight movement between the U.S. and Mexico via Texas, regardless of whether the cargo strictly fits within the traditional definition of NAFTA. „ 1.2 TxDOT’s NAFTA Role NAFTA and its related trade policies have obvious economic, political, and social impacts on the three participating countries. As congestion on the Texas highways, particularly in the metropolitan areas, continues to increase, the impacts of NAFTA trade on the Texas multimodal transportation network remain a high priority for TxDOT and the State of Texas. The impacts of NAFTA trade important to TxDOT’s mission – To provide safe, effective, and efficient movement of people and goods – include both the direct and indirect effects of the agreement on the Texas transportation system. For example, the increase in truck traffic on Texas highways as a result of NAFTA is of great concern for TxDOT as they plan for, build, operate, and maintain statewide transportation infrastructure. Safety of these movements is also a high priority. The related economic effects of NAFTA-related transportation are also important as are the effects of the events of September 11, 2001 (9/11) on the Texas transportation network. Following the terrorist attacks of 9/11, international trade movements, specifically trade security, have taken even higher priority. It is also important that TxDOT continue to integrate its programs and cooperate with statewide and Federal agencies that operate and manage border infrastructure, including border cities, counties, and, on the Federal side, the U.S. Department of Transportation Federal Highway Administration (FHWA) and the Department of Homeland Security (DHS) Customs and Border Protection (CBP). By integrating this NAFTA trade study with TxDOT’s other plans, programs, and policies, TxDOT works to ensure high system performance for all transportation movements while supporting international trade and the statewide and national economies. As trade patterns, movements, and policies continue to evolve, TxDOT will continue to adjust its programs and polices to facilitate safe and efficient movement of people and goods including NAFTA trade movements. „ 1.3 Report Structure The goals of the study are to provide TxDOT with: • A detailed assessment of the existing conditions for both road and rail as it relates to NAFTA; • A projection of the future impacts of both highway and rail; and • An analysis of the impacts on trade resulting from the events of 9/11. This report represents a summary of the findings and work performed to accomplish these goals. These findings are presented in the following chapters, which were delivered to TxDOT as Technical Memoranda and compiled as the NAFTA trade study final report: • Chapter 2 – NAFTA Trade on Texas Highways: This chapter summarizes the current condition and use of the Texas highway network as it relates to NAFTA shipments to and from Texas border crossings. This chapter also includes a summary of freight origins and destinations as well as summaries and findings from extensive freight shipper/industry interviews, which were conducted for this study. • Chapter 3 – NAFTA Trade on Texas Railways: Chapter 3 details the current condition and use of the Texas rail network as it relates to NAFTA shipments to and from border crossings and Texas ports. This chapter includes a summary of data analyzed to determine usage as well as rail industry and shipper interviews, which were conducted as part of this study. Texas NAFTA Study Update – Final Report Chapter 4 – 9/11 Effects: This chapter explores the effects of the events of 9/11 on the Texas transportation system, and includes a summary of technologies and programs implemented since 9/11 to increase freight security and facilitate the efficient flow of people and goods. • Chapter 5 – Future Growth: Chapter 5 summarizes the results of the forecasts prepared for the NAFTA trade study through and 2030 and includes an analysis of potential trade patterns and implications of developing international trade policies. • Chapter 6 – Policy Findings, Conclusions, and Recommendations: As trade patterns, movements, and policies continue to evolve, TxDOT will need to adjust its programs and polices to facilitate safe and efficient NAFTA trade movements. This chapter explores the potential policy implications and possible changes TxDOT should consider relative to future NAFTA trade movement By all measures, the Texas highway system is the single most important infrastructure link between the economies of the United States and Mexico. In 2003, the Texas highway system carried more than $196 billion in trade between the United States and Mexico—roughly equivalent to 83 percent of the value of all U.S.- Mexico trade and 10 percent of all U.S. international trade for that year.7 Texas is the single largest state trading partner with Mexico, and its highway system supports NAFTA-related economic growth within the State—but Texas’ highway system also supports the economies of other U.S. states that use the system to access gateways with Mexico. NAFTA truck traffic that is merely passing ‘through’ Texas en route between other states and Mexico accounts for more than 52 percent of all trucks and 62 percent of all NAFTA value moved over Texas highways. These are important considerations for state and national policy makers when determining financial allocations to highway maintenance and expansion and one of the principal reasons the State of Texas commissioned this report. This chapter provides details on the current conditions of the Texas NAFTA highway system— consisting of gateways (bridge crossings), corridors, intermediate activity centers (transfer locations), origins, and destinations used to move goods between the United States and Mexico. The trucking industry that operates over the NAFTA highway system is also an important component of the NAFTA highway trade system, since it affects highway pavements and operations. Other key stakeholders—including industrial shippers and brokers or other agents that facilitate most international moves—make many of the decisions that affect the highway system within Texas. Each of these elements—the physical system, the users, and those who arrange trip routes—has an impact on the intensity of NAFTA truck traffic in Texas. In order to assist Texas highway officials determine how best to plan for the future of NAFTA truck demand on their State’s highway system, this chapter focuses on the following topics: • Texas NAFTA highway system overview; • Methodology for estimating NAFTA truck volumes in Texas; • A summary of NAFTA truck flows on the current Texas highway network and the impact of the NAFTA truck traffic on the system; • Corridor profiles of the most important NAFTA trade routes; • NAFTA Mexico highway system overview; • NAFTA truck trade, including the top commodities and trading partners using Texas highways; and • Industry perspectives on the current condition and usage of the Texas system for NAFTA trade, including bottlenecks and routing. „ 2.1 Texas NAFTA Highway System Overview The Texas highway network serves as the primary medium of transportation for both personal and freight travel within the State. Texas has the largest state highway system in the country with 79,649 (2006) centerline miles of highway owned and operated by the State, as well as the largest total highway system of any state.8 Key transportation corridors within the Lone Star State support local, domestic, and international trade movements and are the means by which two of the world’s largest economies—the U.S. and Mexico—are linked physically, culturally, and economically. Figure 2.1 illustrates the extent of the Texas highway system and highlights important national and regional corridors, international gateways, and Texas’ large urban centers. Figure 2.1 – Texas Highway System with International Border Crossings Texas International Gateways Of the 40 active highway border crossings between the U.S. and Mexico, 26 (65 percent) are located on the Texas-Mexico international border and are owned and operated by either the U.S. government, the State of Texas, local governments, or private entities. The Texas crossings include 23 vehicular bridges, two dam crossings, and one hand-drawn ferry.9 Of these crossings, 13 bridges and one dam crossing allow commercial vehicle traffic. Figure 2.2 shows the location of these 14 NAFTA freight crossings in Texas. Table 2.2 corresponds to the reference codes on the map and contains additional information on the characteristics of the crossings—including the number of truck-only lanes, the 2005 northbound truck crossings, and the percentage of total truck traffic relative to the total truck crossings.10 The top four bridge crossings account for nearly 75 percent of all northbound NAFTA truck crossings. As shown in Table 2.2, the World Trade Bridge in Laredo had the most truck crossings (1.14 million trucks) and carried over 36 percent of all northbound truck crossings. The Pharr-Reynosa International Bridge (Pharr), Bridge of the Americas (El Paso), and YsletaZaragoza Bridge (El Paso) represent 15.3 percent, 12.4 percent, and 11.0 percent of total northbound truck crossings, respectively. Figure 2.3 graphically depicts the magnitude of crossings at each gateway community and shows that Laredo and El Paso accommodated the most truck traffic in 200 Role of Gateway Communities in NAFTA Trade NAFTA gateways in Texas serve as intermediate activity centers in typically much longer distance moves between Mexican and U.S. origins and destinations. Texas gateway communities—including their Mexican counterparts—typically function in one of two ways in NAFTA supply chains—either as a support center for transportation of locally produced manufactured goods or as an intermediate service center for goods transported long distances. El Paso and McAllen are the best examples of the first type of gateway community—supporting local manufacturing in the fast-growing maquila production cities of Ciudad Juarez, Chihuahua and Reynosa, Tamaulipas, respectively. Laredo and Eagle Pass typify the long-distance service center typology. In either case, Texas border communities specialize in the facilitation of international trade, including activities associated with clearing U.S. or Mexican customs. In each of the major gateway communities, large industrial parks and distribution centers have been established near international crossings in locations with good access to major NAFTA corridors. Upon arrival in the border community southbound truck shipments, for example, are typically dropped in industrial parks from which they are subsequently transferred across the U.S.-Mexico border by a local drayage carrier to a similar transfer or warehousing or manufacturing facility on the Mexican side. The same is true of northbound moves—which are typically dropped by a Mexican long-haul carrier at a brokerage warehouse in Mexico and then drayed to a similar facility on the U.S. side where a U.S. long-haul carrier retrieves the load and travels northward. Laredo is the best example of this type of move. Manufacturing-based gateway communities such as Ciudad Juarez or Reynosa generate fewer long-haul moves because the manufacturing or distribution activities are occurring near the border and are serving growing urban populations (the Lower Rio Grande Valley and El Paso regions are home to more than 1 million and 750,000 residents, respectively). NAFTA freight flows on the Texas highway system were estimated by assigning a database of international and domestic truck trips to the TxDOT’s Statewide Analysis Model (SAM) and the Texas-North American Freight Flow Model (Tx-NAFF). The Tx-NAFF model is used in concert with the SAM to extend the SAM’s analysis capabilities into Mexico. The SAM is the primary analysis platform used by State and local planners to forecast passenger and freight flows on the State’s highway network and is one of the most powerful statewide models of its kind in the United States. Through this study, the freight element of the SAM was updated for the first time since its initial development in 1998. The Tx-NAFF model is used in concert with the SAM to extends the SAM’s analysis capabilities into Mexico. Tx-NAFF was first developed in 2002 and through this study several of its network and geographic characteristics were updated. The TRANSEARCH database, a product of Global Insight, was the primary input for the SAM U.S.- Mexico and U.S. domestic truck flows. The process of estimating the NAFTA flows using the SAM and Tx-NAFF required three major steps, each of which is summarized in this section: • Development of a trip table of NAFTA flows; • Preparation of the highway network, and • Assignment of the trip table flows to the highway network. Trip Table Development The trip table prepared for the SAM and Tx-NAFF was derived from a TRANSEARCH database developed by Global Insight (GI). This database contains statewide commodity flow information for 2003 drawn from existing proprietary, commercial, and publicly available data sources and is supplemented by economic forecasting techniques. The TRANSEARCH database was organized and analyzed using Freight Toolscs a proprietary software tool developed by Cambridge Systematics, Inc. to quickly and uniformly process and manage large freight data sets. Freight Toolscs was used to describe commodity flows moving into, out of, within, and through the State of Texas, including flows to and from Mexico. The TRANSEARCH domestic and international flows include: • Domestic U.S. Flows – freight flows originating and terminating in the United States that utilize Texas highways for at least part of their route and include: o Texas Internal Flows – intrastate trade between Texas counties (provided at the county level); o Texas – U.S. Flows – trade between Texas and other U.S. states (provided at the county level in Texas and the state level for other U.S. states); o U.S. through Flows – trade between U.S. states that passes through Texas; U.S. – Mexico (NAFTA) Flows – freight flows originating or terminating in Mexico; o Texas – Mexico Flows – trade between Texas and Mexico (provided at the county level for Texas and the state level for Mexico); o U.S.-Mexico Through Flows – trade between U.S. states and Mexican states passing through Texas. While this study focuses on the estimation of U.S. – Mexico (referred to as “NAFTA”) flows, the process of setting up the trip table and calibrating the SAM model required the inclusion of domestic freight flows on the network. It should also be noted that NAFTA flows include freight moving over any part of the Texas highways to access Mexico—which largely consists of trips that use Texas international border crossings but also includes trips through gateways in other southern border states (California, Arizona, and New Mexico) that pass through Texas—usually on a major east-west corridor like IH-10 or IH-20—en route to other U.S. states. While TRANSEARCH is generally accepted as the best available commodity flow database, there are some limitations which affect how the database should be used and interpreted. As explained in the following section, considerable data reconciliation was necessary to get an acceptable base year highway assignment. Data Comparison and Reconciliation During the preparation of the trip table for the SAM and Tx-NAFF, the TRANSEARCH database was rigorously compared to publicly available state, national, and international freight flow data to ensure the reasonableness of the data going into the model. This iterative and lengthily process compared and reconciled the TRANSEARCH data with the Bureau of Transportation Statistics’ Border Crossing and Transborder data, the existing truck trip tables of the SAM model (last updated in 1998); and the Federal Highway Administration’s newly released Freight Analysis Framework2 dataset. Upon initial receipt of the TRANSEARCH data, wide variations were discovered between it and the aforementioned national data sets, especially for domestic truck movements to and from Texas. Specific commodity discrepancies were identified and rectified. Subsequent rounds of correction by Global Insight yielded a suitable database for integration into the SAM. Part of this iterative reconciliation activity required the “test fitting” of corrected TRANSEARCH datasets to the SAM network several times. This section will summarize the process of assigning the trip table to the SAM and Tx-NAFF networks. Ultimately, a suitable TRANSEARCH data set was established and organized into a trip table for integration into the SAM and Tx-NAFF. The TRANSEARCH data were summarized as commodity flows according to eleven SAM commodity classes shown in Table 2.3: Other adjustments to the trip table included the computation of several Texas-specific factors, such as truck tonnage and value payloads (tons and value-per-truck) by commodity class. These values were calculated for semi-trailer combination units in order to more closely approximate the NAFTA trucking industry in which long-haul trucks predominate. Empty mileage is factored into the trip table as a percentage of each commodity class. Model Preparation Concurrent with trip table development, the SAM and Tx-NAFF were updated to the 2003 base year. The demographics of the SAM were updated with data obtained from the Texas State Demographer. Since the SAM network is used on a continuous basis for many TxDOT products, its network structure was updated through 2003. Both the SAM and Tx-NAFF were revised to function with the most recent transportation modeling software—TransCAD version 4.8. The geography of the Tx-NAFF model was modified to match the geography of the TRANSEARCH database: Texas Counties, U.S. States, and Mexican states. The Mexican highway network was updated in the Tx-NAFF using the North American Transportation Atlas Database’s Mexico Highways data. Additional attributes of the key Mexican highways connecting to the Texas system were updated using information obtained from Mexico’s Secretaría de Transportes y Comunicaciones (SCT) including physical and operational characteristics (speed, lanes, tolls, and truck counts). Assignment of Flows With the trip table and model updates complete, the commodity flow data was loaded into the SAM and Tx-NAFF and the models were “run” to assign truck flows to the highway network. The Tx-NAFF was run first to generate Mexican flows and then to assign the flows to the appropriate Texas gateways. The SAM model was run subsequently, with some further adjustment made at the international crossings using a Border Accessibility Index that was developed specifically to improve the accuracy of this project’s assignment. The assignment process, complicated in part by the reconciliation activities to the trip tables, also required several iterations and adjustments to properly allocate flows. During the validation process, the data used to confirm the reasonableness of the flows included TxDOT Vehicle Classification and Traffic Counts; SCT (Mexico) Vehicle Counts on key corridors; Bureau of Transportation Statistics Border Crossings data and Transborder value data (converted to truck units); other bridge crossing data; previous studies; information from industry interviews with trucking companies; and data on NAFTA and non-NAFTA truck volumes derived from the origin-destination intercept surveys and associated truck counts collected for this study. Collectively, these data sources led to additional adjustments to the trip table and routing and required subsequent model runs to reach a satisfactory assignment on the statewide network. Most of the data sources used to assess the reasonableness of the highway assignment were collected as part of other efforts, including state and national traffic and freight programs. Two additional data sources—the industry interviews and origin-destination intercept surveys and associated truck counts—were developed specifically for this study and were helpful in assessing the validity of the assignment on key NAFTA corridors. Origin-Destination Surveys and Industry Interviews Vehicle intercept surveys were conducted at 12 sites near the border (see the Figure 2.4) and used as a supplemental source of data for the NAFTA study—including the assignment validation process. Surveys were conducted during October and November 2005 for approximately 10 hours per site (daylight hours) between the hours of 7:30 am and 6:30 p.m. All survey sites were located at Border Patrol Checkpoints with the exception of Sites 5.2, which was located at a Texas Department of Public Safety weigh station facility on IH-35 south of Devine. The twelve sites are displayed on the map in Figure 2.4. The commercial vehicle intercept surveys were complimented by traffic counts taken at the same location and used for expanding the data. The surveys ascertained characteristics of truck trips and cargoes, including origin, destination, cargo type, intermediate transfer points, and truck physical attributes. The team also classified each trip as NAFTA or non-NAFTA based on several criteria to estimate percentage NAFTA truck volumes by corridor. Results were used for calibration in the assignment process. Information collected from industry interviews with shippers, carriers, brokers, and public officials engaged in NAFTA trade in the border regions of Texas was used to further validate truck data on the network. Assignment Limitations Overall, the resulting assignment reflects the goal of accurately estimating order of magnitude flows on primary NAFTA corridors. Because the assignment routing focuses on major corridors, NAFTA flows on some rural corridors—especially those oriented north-south—may be underestimated. While the model correctly estimated flows on most primary NAFTA routes some manual assignment changes were made, including corrections to IH-40 and IH-37. Summary results of the assignment are presented in the subsequent section. Based on the assignment of the final TRANSEARCH data for 2003 to the current highway system, the following are major findings concerning current NAFTA truck impacts on the Texas Highway System: • Most NAFTA trucks use Texas ports of entries. The majority of NAFTA truck freight between the U.S. and Mexico is carried on Texas highways. Recent Bureau of Transportation Statistics (BTS) data show that 68 percent of northbound NAFTA trucks crossed at Texas bridges in 2005. Data for U.S. southbound crossings are not available from BTS, but the proportion of exports by truck through Texas ports is presumably higher based on a U.S.-Mexico Binational Transportation Planning and Programming Study, which estimated that 79 percent of all U.S.-Mexico trucks crossed the border at Texas ports of entry in 1995. • An even higher percentage of NAFTA trucks use Texas highways when all U.S.- Mexico ports of entry are considered. An estimated 83 percent of all NAFTA truck freight through all ports of entry—representing more than 3 million truck units per year—uses Texas highways during some part of their journey to reach Mexico. • A significant portion of NAFTA trucks pass through Texas to other destinations. TRANSEARCH data acquired for this study show that 52 percent of NAFTA truck tonnage, and 62 percent of NAFTA truck value passes through Texas en route to destinations and origins in other U.S. states and Mexico. • NAFTA trucks are a significant portion of truck traffic in Texas. Based on SAM modeled volumes as shown in Figure 2.5, NAFTA truck traffic comprised 9 percent of all truck traffic on Texas highways in 2003, with a total of nearly 4 million truck vehicle miles of travel daily. Approximately 96 percent of NAFTA truck traffic was on Interstate, U.S., and other State Highways. The remaining four percent was on farm to market and local roads. • NAFTA trucks are concentrated on a small number of highways. Seven highway corridors—which comprise less than two percent of all Texas roadway mileage—carry almost 83 percent of the NAFTA truck traffic on the Texas highway system. IH-35, the major north-south corridor, carries 37 percent of all Texas NAFTA traffic; IH-10, the major east-west corridor, carries 22 percent of all NAFTA trucks; U.S. 59 and U.S. 281 each carry about 6 percent, while IH-20 accommodates about 5 percent, and IH-30 and U.S. 77 account for an additional 4 percent each of total Texas NAFTA traffic. • Highways with the highest NAFTA truck percentage are concentrated near the border. Highways carrying a high percentage of NAFTA trucks (See Figure 2.6) generally fall within two categories: 1) rural highways beginning at or near the border that are used chiefly by the trucks as lateral routes (typically north-south, sometimes eastwest) to reach major corridors; and 2) major long-distance highways—such as IH-35, U.S. 59, and U.S. 281 from the border region until they intersect with another major national freight corridor or a large urban area where the relative share of NAFTA trucks diminishes against the background of many types of commercial vehicles serving the local population. • The NAFTA trade axis runs in a Southwest – Northeast orientation. Most NAFTA trade moves between the center of U.S. and Mexican centers of manufacturing and population—the Midwestern and Northeast U.S. and Central Mexico. Flow volumes on Texas highways reflect this orientation NAFTA truck results are calculated for long-distance type combination unit trucks and exclude VMT for small trucks (local delivery, construction, and municipal/utility type trucks). All percentages, including the NAFTA percentage map (Figure 2.6) are calculated for NAFTA trucks/total trucks (excluding small trucks). The last study examining the “Effects of the North American Free Trade Agreement on the Texas Highway System” was completed in 1998. As directed by the Texas Department of Transportation, the study evaluated the impact of NAFTA truck traffic on the Texas highway system. The goal of the “TxDOT NAFTA Study” is to update the findings from 1998. Since 1998, several other studies have also been conducted related to NAFTA and Texas highways. These studies include:

**Maquilas key to the Mexican economy and stability – empirics prove**

**Eaton 97** (David Eaton, National Law Center for Inter-American Free Trade, “TRANSFORMATION OF THE MAQUILADORA INDUSTRY: THE DRIVING FORCE BEHIND THE CREATION OF A NAFTA REGIONAL ECONOMY”, Arizona Journal of International and Comparative Law, Lexis)

The **growth of** the **maquila industry is essential** to the health of the Mexican economy. During the 1994 peso crisis and the recession that followed, the maquila industry was instrumental in stabilizing Mexico's economy. Overall, the Mexican economy is strengthened by the expansion of the maquila industry in five ways. First, the maquila industry **provides competitive wages and benefits to** a section of the **population that is typically undercompensated**. Second, the industry **creates many jobs** and employs a large number of workers, which is of particular importance in times of economic crisis when job creation is needed to alleviate social tensions associated with high unemployment. Third, the maquila  [\*837]  industry allows for the transfer of knowledge and technology from the parent company to the maquila. In the long run, this will allow Mexican industries to thrive in the new global economy. Fourth, the maquila generates hard currencies through taxes charged against the maquila on foreign investment. This enables Mexico to pay its dollar-based international obligations. Finally, the maquila industry is one of the largest recipients of foreign direct investments (FDI) in Mexico. FDI is important to Mexico because it is more instrumental than portfolio investment in developing the country's growing economy. In contrast to portfolio investment, FDI entails a substantial commitment and has an overall stabilizing effect on a country's economy. However, because FDI requires a substantial investment in Mexico, it also requires a stable and transparent regulatory environment.

#### Mexican economic collapse causes instability

**Barnes 11** – (4/29/11, Joe, Bonner Means Baker Fellow James A. Baker III Institute for Public Policy Rice University, “Oil and U.S.-Mexico Bilateral Relations,” <http://bakerinstitute.org/publications/EF-pub-BarnesBilateral-04292011.pdf>)

There is already a short- to medium-term risk of substantial instability in Mexico.  As noted, the country is enduring extremely high levels of drug-related violence.  Even if the Mexican government eventually succeeds in its efforts to suppress this violence, the process is likely to be expensive, bloody, and corrosive in terms of human rights.  A period of feeble economic growth, combined with a fiscal crisis associated with a drop in revenues from Pemex, could create a “perfect storm” south of the border.   If this were to occur, Washington would have no choice but to respond.  In the longer-term, the United States has a clear interest in robust economic growth and fiscal sustainability in Mexico.  There is at least one major example of the U.S. coming to Mexico’s aid in an economic emergency.  In 1994, the United States extended US$20 billion in loan guarantees to Mexico when the peso collapsed, in large part to make U.S. creditors whole.  Not least, a healthy Mexican economy would reduce the flow of illegal immigration to the United States.  To the extent that prospects for such growth and sustainability are enhanced by reform of Pemex, the United States should be supportive.  It might be best, in terms of U.S. economic and commercial interests, were Pemex to be fully privatized, but even partial reforms would be welcome.  Not all national oil companies are created equal: Pemex’s development into something like Norway’s Statol would mark an important improvement.

**Mexican stability is critical to U.S. power  
Kaplan 12** – chief geopolitical analyst at Stratfor   
(Robert D., With the Focus on Syria, Mexico Burns, Stratfor, 3-28-2012, <http://www.stratfor.com/weekly/focus-syria-mexico-burns)>

While the foreign policy elite in Washington focuses on the 8,000 deaths in a conflict in Syria -- half a world away from the United States -- more than 47,000 people have died in drug-related violence since 2006 in Mexico. A deeply troubled state as well as a demographic and economic giant on the United States' southern border, Mexico will affect America's destiny in coming decades more than any state or combination of states in the Middle East. Indeed, Mexico may constitute the world's seventh-largest economy in the near future. Certainly, while the Mexican violence is largely criminal, Syria is a more clear-cut moral issue, enhanced by its own strategic consequences. A calcified authoritarian regime in Damascus is stamping out dissent with guns and artillery barrages. Moreover, regime change in Syria, which the rebels demand, could deliver a pivotal blow to Iranian influence in the Middle East, an event that would be the best news to U.S. interests in the region in years or even decades. Nevertheless, the Syrian rebels are divided and hold no territory, and the toppling of pro-Iranian dictator Bashar al Assad might conceivably bring to power an austere Sunni regime equally averse to U.S. interests -- if not lead to sectarian chaos. In other words, all military intervention scenarios in Syria are fraught with extreme risk. Precisely for that reason, that the U.S. foreign policy elite has continued for months to feverishly debate Syria, and in many cases advocate armed intervention, while utterly ignoring the vaster panorama of violence next door in Mexico, speaks volumes about Washington's own obsessions and interests, which are not always aligned with the country's geopolitical interests. Syria matters and matters momentously to U.S. interests, but Mexico ultimately matters more, so one would think that there would be at least some degree of parity in the amount written on these subjects. I am not demanding a switch in news coverage from one country to the other, just a bit more balance. Of course, it is easy for pundits to have a fervently interventionist view on Syria precisely because it is so far away, whereas miscalculation in Mexico on America's part would carry far greater consequences. For example, what if the Mexican drug cartels took revenge on San Diego? Thus, one might even argue that the very noise in the media about Syria, coupled with the relative silence about Mexico, is proof that it is the latter issue that actually is too sensitive for loose talk. It may also be that cartel-wracked Mexico -- at some rude subconscious level -- connotes for East Coast elites a south of the border, 7-Eleven store culture, reminiscent of the crime movie "Traffic," that holds no allure to people focused on ancient civilizations across the ocean. The concerns of Europe and the Middle East certainly seem closer to New York and Washington than does the southwestern United States. Indeed, Latin American bureaus and studies departments simply lack the cachet of Middle East and Asian ones in government and universities. Yet, the fate of Mexico is the hinge on which the United States' cultural and demographic future rests. U.S. foreign policy **emanates from** the **domestic condition of its society**, and nothing will affect its society more than the dramatic movement of Latin history northward. By 2050, as much as a third of the American population could be Hispanic. Mexico and Central America constitute a growing demographic and economic powerhouse with which the United States has an inextricable relationship. In recent years Mexico's economic growth has outpaced that of its northern neighbor. Mexico's population of 111 million plus Central America's of more than 40 million equates to half the population of the United States. Because of the North American Free Trade Agreement, 85 percent of Mexico's exports go to the United States, even as half of Central America's trade is with the United States. While the median age of Americans is nearly 37, demonstrating the aging tendency of the U.S. population, the median age in Mexico is 25, and in Central America it is much lower (20 in Guatemala and Honduras, for example). In part because of young workers moving northward, the destiny of the United States could be north-south, rather than the east-west, sea-to-shining-sea of continental and patriotic myth. (This will be amplified by the scheduled 2014 widening of the Panama Canal, which will open the Greater Caribbean Basin to megaships from East Asia, leading to the further development of Gulf of Mexico port cities in the United States, from Texas to Florida.) Since 1940, Mexico's population has increased more than five-fold. Between 1970 and 1995 it nearly doubled. Between 1985 and 2000 it rose by more than a third. Mexico's population is now more than a third that of the United States and growing at a faster rate. And it is northern Mexico that is crucial. That most of the drug-related homicides in this current wave of violence that so much dwarfs Syria's have occurred in only six of Mexico's 32 states, mostly in the north, is a key indicator of how northern Mexico is being distinguished from the rest of the country (though the violence in the city of Veracruz and the regions of Michoacan and Guerrero is also notable). If the military-led offensive to crush the drug cartels launched by conservative President Felipe Calderon falters, as it seems to be doing, and Mexico City goes back to cutting deals with the cartels, then the capital may in a functional sense lose even further control of the north, with concrete implications for the southwestern United States. One might argue that with massive border controls, a functional and vibrantly nationalist United States can coexist with a dysfunctional and somewhat chaotic northern Mexico. But that is mainly true in the short run. Looking deeper into the 21st century, as Arnold Toynbee notes in *A Study of History* (1946), a border between a highly developed society and a less highly developed one will not attain an equilibrium but will advance in the more backward society's favor. Thus, helping to stabilize Mexico -- as limited as the United States' options may be, given the complexity and sensitivity of the relationship -- is a more urgent national interest than stabilizing societies in the Greater Middle East. If Mexico ever does reach coherent First World status, then it will become less of a threat, and the healthy melding of the two societies will quicken to the benefit of both. Today, helping to thwart drug cartels in rugged and remote terrain in the vicinity of the Mexican frontier and reaching southward from Ciudad Juarez (across the border from El Paso, Texas) means a limited role for the U.S. military and other agencies -- working, of course, in full cooperation with the Mexican authorities. (Predator and Global Hawk drones fly deep over Mexico searching for drug production facilities.) But the legal framework for cooperation with Mexico remains problematic in some cases because of strict interpretation of 19th century posse comitatus laws on the U.S. side. While the United States has spent hundreds of billions of dollars to affect historical outcomes in Eurasia, its leaders and foreign policy mandarins are somewhat passive about what is happening to a country with which the United States shares a long land border, that verges on partial chaos in some of its northern sections, and whose population is close to double that of Iraq and Afghanistan combined. Mexico, in addition to the obvious challenge of China as a rising great power, will help write the American story in the 21st century. Mexico will partly determine what kind of society America will become, and what exactly will be its demographic and geographic character, especially in the Southwest. The U.S. relationship with China will matter more than any other individual bilateral relationship in terms of determining the United States' place in the world, especially in the economically crucial Pacific. If policymakers in Washington calculate U.S. interests properly regarding those two critical countries, then the United States will have power to spare so that its elites can continue to focus on serious moral questions in places that matter less.

**Nuclear war**

**Brooks, Ikenberry and Wohlforth 13**

Stephen Brooks, Associate Professor of Government at Dartmouth College, John Ikenberry, Albert G. Milbank Professor of Politics and International Affairs at Princeton University and Global Eminence Scholar at Kyung Hee University in Seoul, John Wohlforth, Daniel Webster Professor of Government at Dartmouth College, Jan/Feb 2013, Foreign Affairs, Lean Forward, EBSCO

Of course, even if it is true that the costs of deep engagement fall far below what advocates of retrenchment claim, they would not be worth bearing unless they yielded greater benefits. In fact, they do. The most obvious benefit of the current strategy is that it reduces the risk of a dangerous conflict. The United States' security commitments deter states with aspirations to regional hegemony from contemplating expansion and dissuade U.S. partners from trying to solve security problems on their own in ways that would end up threatening other states. Skeptics discount this benefit by arguing that U.S. security guarantees aren't necessary to prevent dangerous rivalries from erupting. They maintain that the high costs of territorial conquest and the many tools countries can use to signal their benign intentions are enough to prevent conflict. In other words, major powers could peacefully manage regional multipolarity without the American pacifier. But that outlook is too sanguine. If Washington got out of East Asia, Japan and South Korea would likely expand their military capabilities and go nuclear, which could provoke a destabilizing reaction from China. It's worth noting that during the Cold War, both South Korea and Taiwan tried to obtain nuclear weapons; the only thing that stopped them was the United States, which used its security commitments to restrain their nuclear temptations. Similarly, were the United States to leave the Middle East, the countries currently backed by Washington--notably, Israel, Egypt, and Saudi Arabia--might act in ways that would intensify the region's security dilemmas. There would even be reason to worry about Europe. Although it's hard to imagine the return of great-power military competition in a post-American Europe, it's not difficult to foresee governments there refusing to pay the budgetary costs of higher military outlays and the political costs of increasing EU defense cooperation. The result might be a continent incapable of securing itself from threats on its periphery, unable to join foreign interventions on which U.S. leaders might want European help, and vulnerable to the influence of outside rising powers. Given how easily a U.S. withdrawal from key regions could lead to dangerous competition, advocates of retrenchment tend to put forth another argument: that such rivalries wouldn't actually hurt the United States. To be sure, few doubt that the United States could survive the return of conflict among powers in Asia or the Middle East--but at what cost? Were states in one or both of these regions to start competing against one another, they would likely boost their military budgets, arm client states, and perhaps even start regional proxy wars, all of which should concern the United States, in part because its lead in military capabilities would narrow. Greater regional insecurity could also produce cascades of nuclear proliferation as powers such as Egypt, Saudi Arabia, Japan, South Korea, and Taiwan built nuclear forces of their own. Those countries' regional competitors might then also seek nuclear arsenals. Although nuclear deterrence can promote stability between two states with the kinds of nuclear forces that the Soviet Union and the United States possessed, things get shakier when there are multiple nuclear rivals with less robust arsenals. As the number of nuclear powers increases, the probability of illicit transfers, irrational decisions, accidents, and unforeseen crises goes up. The case for abandoning the United States' global role misses the underlying security logic of the current approach. By reassuring allies and actively managing regional relations, Washington dampens competition in the world s key areas, thereby preventing the emergence of a hothouse in which countries would grow new military capabilities. For proof that this strategy is working, one need look no further than the defense budgets of the current great powers: on average, since 1991 they have kept their military expenditures as A percentage of GDP to historic lows, and they have not attempted to match the United States' top-end military capabilities. Moreover, all of the world's most modern militaries are U.S. allies, and the United States' military lead over its potential rivals .is by many measures growing. On top of all this, the current grand strategy acts as a hedge against the emergence regional hegemons. Some supporters of retrenchment argue that the U.S. military should keep its forces over the horizon and pass the buck to local powers to do the dangerous work of counterbalancing rising regional powers. Washington, they contend, should deploy forces abroad only when a truly credible contender for regional hegemony arises, as in the cases of Germany and Japan during World War II and the Soviet Union during the Cold War. Yet there is already a potential contender for regional hegemony--China--and to balance it, the United States will need to maintain its key alliances in Asia and the military capacity to intervene there. The implication is that the United States should get out of Afghanistan and Iraq, reduce its military presence in Europe, and pivot to Asia. Yet that is exactly what the Obama administration is doing. MILITARY DOMINANCE, ECONOMIC PREEMINENCE Preoccupied with security issues, critics of the current grand strategy miss one of its most important benefits: sustaining an open global economy and a favorable place for the United States within it. To be sure, the sheer size of its output would guarantee the United States a major role in the global economy whatever grand strategy it adopted. Yet the country's military dominance undergirds its economic leadership. In addition to protecting the world economy from instability, its military commitments and naval superiority help secure the sea-lanes and other shipping corridors that allow trade to flow freely and cheaply. Were the United States to pull back from the world, the task of securing the global commons would get much harder. Washington would have less leverage with which it could convince countries to cooperate on economic matters and less access to the military bases throughout the world needed to keep the seas open. A global role also lets the United States structure the world economy in ways that serve its particular economic interests. During the Cold War, Washington used its overseas security commitments to get allies to embrace the economic policies it preferred--convincing West Germany in the 1960s, for example, to take costly steps to support the U.S. dollar as a reserve currency. U.S. defense agreements work the same way today. For example, when negotiating the 2011 free-trade agreement with South Korea, U.S. officials took advantage of Seoul's desire to use the agreement as a means of tightening its security relations with Washington. As one diplomat explained to us privately, "We asked for changes in labor and environment clauses, in auto clauses, and the Koreans took it all." Why? Because they feared a failed agreement would be "a setback to the political and security relationship." More broadly, the United States wields its security leverage to shape the overall structure of the global economy. Much of what the United States wants from the economic order is more of the same: for instance, it likes the current structure of the World Trade Organization and the International Monetary Fund and prefers that free trade continue. Washington wins when U.S. allies favor this status quo, and one reason they are inclined to support the existing system is because they value their military alliances. Japan, to name one example, has shown interest in the Trans-Pacific Partnership, the Obama administration's most important free-trade initiative in the region, less because its economic interests compel it to do so than because Prime Minister Yoshihiko Noda believes that his support will strengthen Japan's security ties with the United States. The United States' geopolitical dominance also helps keep the U.S. dollar in place as the world's reserve currency, which confers enormous benefits on the country, such as a greater ability to borrow money. This is perhaps clearest with Europe: the EU'S dependence on the United States for its security precludes the EU from having the kind of political leverage to support the euro that the United States has with the dollar. As with other aspects of the global economy, the United States does not provide its leadership for free: it extracts disproportionate gains. Shirking that responsibility would place those benefits at risk. CREATING COOPERATION What goes for the global economy goes for other forms of international cooperation. Here, too, American leadership benefits many countries but disproportionately helps the United States. In order to counter transnational threats, such as terrorism, piracy, organized crime, climate change, and pandemics, states have to work together and take collective action. But cooperation does not come about effortlessly, especially when national interests diverge. The United States' military efforts to promote stability and its broader leadership make it easier for Washington to launch joint initiatives and shape them in ways that reflect U.S. interests. After all, cooperation is hard to come by in regions where chaos reigns, and it flourishes where leaders can anticipate lasting stability. U.S. alliances are about security first, but they also provide the political framework and channels of communication for cooperation on nonmilitary issues. NATO, for example, has spawned new institutions, such as the Atlantic Council, a think tank, that make it easier for Americans and Europeans to talk to one another and do business. Likewise, consultations with allies in East Asia spill over into other policy issues; for example, when American diplomats travel to Seoul to manage the military alliance, they also end up discussing the Trans-Pacific Partnership. Thanks to conduits such as this, the United States can use bargaining chips in one issue area to make progress in others. The benefits of these communication channels are especially pronounced when it comes to fighting the kinds of threats that require new forms of cooperation, such as terrorism and pandemics. With its alliance system in place, the United States is in a stronger position than it would otherwise be to advance cooperation and share burdens. For example, the intelligence-sharing network within NATO, which was originally designed to gather information on the Soviet Union, has been adapted to deal with terrorism. Similarly, after a tsunami in the Indian Ocean devastated surrounding countries in 2004, Washington had a much easier time orchestrating a fast humanitarian response with Australia, India, and Japan, since their militaries were already comfortable working with one another. The operation did wonders for the United States' image in the region. The United States' global role also has the more direct effect of facilitating the bargains among governments that get cooperation going in the first place. As the scholar Joseph Nye has written, "The American military role in deterring threats to allies, or of assuring access to a crucial resource such as oil in the Persian Gulf, means that the provision of protective force can be used in bargaining situations. Sometimes the linkage may be direct; more often it is a factor not mentioned openly but present in the back of statesmen's minds." THE DEVIL WE KNOW Should America come home? For many prominent scholars of international relations, the answer is yes--a view that seems even wiser in the wake of the disaster in Iraq and the Great Recession. Yet their arguments simply don't hold up. There is little evidence that the United States would save much money switching to a smaller global posture. Nor is the current strategy self-defeating: it has not provoked the formation of counterbalancing coalitions or caused the country to spend itself into economic decline. Nor will it condemn the United States to foolhardy wars in the future. What the strategy does do is help prevent the outbreak of conflict in the world's most important regions, keep the global economy humming, and make international cooperation easier. Charting a different course would threaten all these benefits. This is not to say that the United States' current foreign policy can't be adapted to new circumstances and challenges. Washington does not need to retain every commitment at all costs, and there is nothing wrong with rejiggering its strategy in response to new opportunities or setbacks. That is what the Nixon administration did by winding down the Vietnam War and increasing the United States' reliance on regional partners to contain Soviet power, and it is what the Obama administration has been doing after the Iraq war by pivoting to Asia. These episodes of rebalancing belie the argument that a powerful and internationally engaged America cannot tailor its policies to a changing world. A grand strategy of actively managing global security and promoting the liberal economic order has served the United States exceptionally well for the past six decades, and there is no reason to give it up now. The country's globe-spanning posture is the devil we know, and a world with a disengaged America is the devil we don't know. Were American leaders to choose retrenchment, they would in essence be running a massive experiment to test how the world would work without an engaged and liberal leading power. The results could well be disastrous.

**Statistics prove**

**Owen 11** [John Owen, Associate professor in the University of Virginia's Department of Politics, recipient of fellowships from the Olin Institute for Strategic Studies at Harvard, and the Center for International Security and Cooperation at Stanford, and the Center of International Studies at Princeton, PhD in international relations from Harvard, February 11, 2011, “Don’t Discount Hegemony, [www.cato-unbound.org/2011/02/11/john-owen/dont-discount-hegemony/](http://www.cato-unbound.org/2011/02/11/john-owen/dont-discount-hegemony/)]

Andrew Mack and his colleagues at the Human Security Report Project are to be congratulated. Not only do they present a study with a striking conclusion, driven by data, free of theoretical or ideological bias, but they also do something quite unfashionable: they bear good news. Social scientists really are not supposed to do that. Our job is, if not to be Malthusians, then at least to point out disturbing trends, looming catastrophes, and the imbecility and mendacity of policy makers. And then it is to say why, if people listen to us, things will get better. We do this as if our careers depended upon it, and perhaps they do; for if all is going to be well, what need then for us? Our colleagues at Simon Fraser University are brave indeed. That may sound like a setup, but it is not. I shall challenge neither the data nor the general conclusion that violent conflict around the world has been decreasing in fits and starts since the Second World War. When it comes to violent conflict among and within countries, things have been getting better. (The trends have not been linear—Figure 1.1 actually shows that the frequency of interstate wars peaked in the 1980s—but the 65-year movement is clear.) Instead I shall accept that Mack et al. are correct on the macro-trends, and focus on their explanations they advance for these remarkable trends. With apologies to any readers of this forum who recoil from academic debates, this might get mildly theoretical and even more mildly methodological. Concerning international wars, one version of the “nuclear-peace” theory is not in fact laid to rest by the data. It is certainly true that nuclear-armed states have been involved in many wars. They have even been attacked (think of Israel), which falsifies the simple claim of “assured destruction”—that any nuclear country A will deter any kind of attack by any country B because B fears a retaliatory nuclear strike from A. But the most important “nuclear-peace” claim has been about mutually assured destruction, which obtains between two robustly nuclear-armed states. The claim is that (1) rational states having second-strike capabilities—enough deliverable nuclear weaponry to survive a nuclear first strike by an enemy—will have an overwhelming incentive not to attack one another; and (2) we can safely assume that nuclear-armed states are rational. It follows that states with a second-strike capability will not fight one another. Their colossal atomic arsenals neither kept the United States at peace with North Vietnam during the Cold War nor the Soviet Union at peace with Afghanistan. But the argument remains strong that those arsenals did help keep the United States and Soviet Union at peace with each other. Why non-nuclear states are not deterred from fighting nuclear states is an important and open question. But in a time when calls to ban the Bomb are being heard from more and more quarters, we must be clear about precisely what the broad trends toward peace can and cannot tell us. They may tell us nothing about why we have had no World War III, and little about the wisdom of banning the Bomb now. Regarding the downward trend in international war, Professor Mack is friendlier to more palatable theories such as the “democratic peace” (democracies do not fight one another, and the proportion of democracies has increased, hence less war);the interdependence or “commercial peace” (states with extensive economic ties find it irrational to fight one another, and interdependence has increased, hence less war); and the notion that people around the world are more anti-war than their forebears were. Concerning the downward trend in civil wars, he favors theories of economic growth (where commerce is enriching enough people, violence is less appealing—a logic similar to that of the “commercial peace” thesis that applies among nations) and the end of the Cold War (which end reduced superpower support for rival rebel factions in so many Third-World countries). These are all plausible mechanisms for peace. What is more, none of them excludes any other; all could be working toward the same end. That would be somewhat puzzling, however. Is the world just lucky these days? How is it that an array of peace-inducing factors happens to be working coincidentally in our time, when such a magical array was absent in the past? The answer may be that one or more of these mechanisms reinforces some of the others, or perhaps some of them are mutually reinforcing. Some scholars, for example, have been focusing on whether economic growth might support democracy and vice versa, and whether both might support international cooperation, including to end civil wars. We would still need to explain how this charmed circle of causes got started, however. And here let me raise another factor, perhaps even less appealing than the “nuclear peace” thesis, at least outside of the United States. That factor is what international relations scholars call hegemony—specifically American hegemony. A theory that many regard as discredited, but that refuses to go away, is called hegemonic stability theory. The theory emerged in the 1970s in the realm of international political economy. It asserts that for the global economy to remain open—for countries to keep barriers to trade and investment low—one powerful country must take the lead. Depending on the theorist we consult, “taking the lead” entails paying for global public goods (keeping the sea lanes open, providing liquidity to the international economy), coercion (threatening to raise trade barriers or withdraw military protection from countries that cheat on the rules), or both. The theory is skeptical that international cooperation in economic matters can emerge or endure absent a hegemon. The distastefulness of such claims is self-evident: they imply that it is good for everyone the world over if one country has more wealth and power than others. More precisely, they imply that it has been good for the world that the United States has been so predominant. There is no obvious reason why hegemonic stability theory could not apply to other areas of international cooperation, including in security affairs, human rights, international law, peacekeeping (UN or otherwise), and so on. What I want to suggest here—suggest, not test—is that American hegemony might just be a deep cause of the steady decline of political deaths in the world. How could that be? After all, the report states that United States is the third most war-prone country since 1945. Many of the deaths depicted in Figure 10.4 were in wars that involved the United States (the Vietnam War being the leading one). Notwithstanding politicians’ claims to the contrary, a candid look at U.S. foreign policy reveals that the country is as ruthlessly self-interested as any other great power in history. The answer is that U.S. hegemony might just be a deeper cause of the proximate causes outlined by Professor Mack. Consider economic growth and openness to foreign trade and investment, which (so say some theories) render violence irrational. American power and policies may be responsible for these in two related ways. First, at least since the 1940s Washington has prodded other countries to embrace the market capitalism that entails economic openness and produces sustainable economic growth. The United States promotes capitalism for selfish reasons, of course: its own domestic system depends upon growth, which in turn depends upon the efficiency gains from economic interaction with foreign countries, and the more the better. During the Cold War most of its allies accepted some degree of market-driven growth. Second, the U.S.-led western victory in the Cold War damaged the credibility of alternative paths to development—communism and import-substituting industrialization being the two leading ones—and left market capitalism the best model. The end of the Cold War also involved an end to the billions of rubles in Soviet material support for regimes that tried to make these alternative models work. (It also, as Professor Mack notes, eliminated the superpowers’ incentives to feed civil violence in the Third World.) What we call globalization is caused in part by the emergence of the United States as the global hegemon.

**Mexican instability spills over to the US, sparking civil war.**

Steven **David 99**, professor of political science at Johns Hopkins University, January/February, Foreign Affairs, p. lexis

CONFLICTS FOUGHT within the borders of a single state send shock waves far beyond their frontiers. To begin with, internal wars risk destroying assets the United States needs. Were the Persian Gulf oil fields destroyed in a Saudi civil war, the American economy (and those of the rest of the developed world) would suffer severely. Internal wars can also unleash threats that stable governments formerly held in check. As central governments weaken and fall, weapons of mass destruction may fall into the hands of rogue leaders or anti-American factions. More directly, internal wars endanger American citizens living and traveling abroad. Liberia will not be the last place America sends helicopters to rescue its stranded citizens. Finally, internal wars, when they erupt on U.S. borders, threaten to destabilize America itself. U.S. intervention in Haiti was spurred, in large part, by fear of the flood of refugees poised to enter the United States. All of these dangers are grave enough to warrant consideration; what makes them even more serious is the fact that their impact on America is largely unintended. Being unintended, the spill-off effects of civil wars are not easily deterred, which creates unique challenges to American interests. U.S. policymakers have traditionally tried to sway foreign leaders through a simple formula: ensure that the benefits of defying America are outweighed by the punishment that the United States will inflict if defied. That calculus, however, no longer applies when there is no single, rational government in place to deter. This raises the cost to America; if the United States (or any country) cannot deter a threat, it must turn to actual self-defense or preemption instead. Unlike deterrence, these strategies are enormously difficult to carry out and in some cases (such as preventing the destruction of the Saudi oil fields) would be impossible. Without deterrence as a policy option, Washington loses its most effective means of safeguarding its interests. Where are these new threats likely to crop up? And which should the United States be concerned with? Two criteria must guide policymakers in answering these questions. First is the actual likelihood of civil war in any particular state. American interests would be endangered by a war in Canada, but the prospect is so improbable it can safely be ignored. Second is the impact of a civil war on the United States; would it threaten vital American security and economic concerns? Future conflict in Sierra Leone may be plausible, but it would have such a negligible impact on the United States that it does not justify much attention. Only three countries, in fact, meet both criteria: Mexico, Saudi Arabia, and Russia. Civil conflict in Mexico would produce waves of disorder that would **spill into the U**nited **S**tates, endangering the lives of hundreds of thousands of Americans, destroying a valuable export market, and sending a torrent of refugees northward. A rebe8llion in Saudi Arabia could destroy its ability to export oil, the oil on which the industrialized world depends. And internal war in Russia could devastate Europe and trigger the use of nuclear weapons. Of course, civil war in a cluster of other states could seriously harm American interests. These countries include Indonesia, Venezuela, the Philippines, Egypt, Turkey, Israel, and China. In none, however, are the stakes as high or the threat of war as imminent. BREAKING MEXICO'S HABIT MEXICO TODAY faces a future more uncertain than at any other point in its modern history. Pervasive corruption financed by drug traffickers, the end of one-party rule, armed revolt, and economic disaster have all surfaced over the past few years. In response, the Mexican army has begun to question its decades-old record of non-interference in politics. Should Mexico collapse into chaos, even for a short period of time, vital American interests will be endangered. This, in turn, raises the specter of U.S. intervention. The growing influence of drug money is the greatest single source of Mexican instability. The narcotics industry has worked its way into the fabric of Mexican society, to the extent that it is now Mexico's largest hard currency source (estimated at $ 30 billion per year) and is probably the country's largest employer. As in Colombia, drug dealers threaten to take control of the state. More worrying, senior Mexican officials -- including those in charge of the antidrug effort -- are routinely found to be working for drug cartels. Major drug traffickers have assembled their own private armies and operate without fear of prosecution. Crime, much of it drug financed, runs rampant throughout the country, particularly in Mexico City. In 1995, then-CIA director John Deutch signaled his concern for the impact of drugs on Mexico by making that country a strategic intelligence priority for the first time. It may, however, already be too late for help from Washington. The control of Mexico by drug traffickers will be hard to reverse, especially since, given the central role the drug lords play in Mexican life, doing so might further destabilize the country. The Mexican economy provides a second source of civil conflict. The country still has not recovered from its 1994 economic crisis, when the devaluation of the peso sparked fear of total financial collapse. Disaster was averted by the extraordinary intervention of the United States and the International Monetary Fund, which provided a $ 50 billion bailout. Despite this assistance, inflation climbed to 52 percent (up from 7 percent the year before), real earnings dropped by as much as 12 percent, the GDP shrank 6 percent, and over 25 percent of Mexicans fell seriously behind in debt repayment. Though conditions have improved slightly in the years since, the basic problems that caused the devaluation in the first place remain -- such as reliance on foreign investment to finance growth. These problems, combined with crushing Mexican poverty (85 percent of Mexicans are either unemployed or not earning a living wage), falling oil prices, and the widening gap between the prosperous north and the impoverished south, together form the basis for future unrest. Ironically, the advent of true democracy has further threatened Mexican stability. For 70 years, the Institutional Revolutionary Party ruled the nominally democratic country as a private fiefdom. The PRI made all key decisions and chose all important officials (including the president) while suppressing meaningful dissent. The monopoly ended in 1997, however, when the PRI lost its majority in the lower house of parliament to two competing political parties. The Conservative Party (PAN) now threatens the PRI in the more prosperous north while the leftist Party of the Democratic Revolution (PRD) has gained support among poor southerners, students, and intellectuals, and has won the key post of mayor of Mexico City. The fall of the PRI may enhance stability in the long term, as oppressed groups see their demands addressed for the first time. But the transition itself will be dangerous; states in the process of democratizing are far more vulnerable to civil conflict than are mature democracies or authoritarian regimes. As opposition parties declare their intent to expose the PRI's corrupt and criminal history, the order which Mexico has enjoyed for 70 years will be the first casualty of the new freedom. As if to illustrate the potential for disorder, major armed uprisings have once again erupted. Mexico has suffered a long tradition of regional warfare, dating back to its earliest days of independence. After decades of peace, this threat reemerged in the mid-1990s, and now endangers the stability of the state. In January 1994, some 4,000 "Zapatista" rebels, fearful of losing their land, seized seven towns in the southern state of Chiapas. Though they were poorly armed, the support they received throughout Mexico and the army's inability to quell their revolt starkly demonstrated the weakness of the Mexican government. That weakness grew even more pronounced when it was revealed that the government had turned to paramilitary groups to suppress the rebels. One such group massacred 45 civilians in December 1997, sparking widespread protest and investigations of government complicity. Meanwhile, the less well known but potentially more dangerous People's Revolutionary Army (EPR) launched a rebellion in 1996 by attacking military and economic targets in six southern states. Unlike the Zapatistas, the EPR openly seeks to overthrow the current regime. While its prospects of doing so may be remote, the EPR's very existence drives a thorn into the government's side. Amidst these struggles, the Mexican military may abandon its long tradition of noninvolvement in politics. Since the 1980s, the government has called on the military to suppress drug-related violence within the country. This use of the military for domestic purposes drew it directly into political disputes it had shied from in the past, and risked spreading corruption within the ranks. Meanwhile, the end of the PRI's monopoly on power may further destabilize the armed forces. For the first time in their history, the troops face an institutionally divided leadership. The military might split into rival political factions, especially if opposition parties are prevented from exercising power. Conflict in Mexico threatens a wide range of core American interests. A civil war would endanger the 350,000 Americans live south of the border who. Direct American investments of at least $ 50 billion would be threatened, as would $ 156 billion in bilateral trade and a major source of petroleum exports. Illegal immigrants would swarm across the 2,000-mile frontier, fleeing civil conflict. And armed incursions might follow; during the Mexican Revolution of 1910, fighting **spilled over the border** often enough that the United States had to deploy roughly half its armed forces to contain the conflict. In a future war, the millions of Americans with family in Mexico might **take sides in the fighting**, sparking violence within the United States.

**Extinction**

James **Pinkerton 03**, fellow at the New America Foundation, , Freedom and Survival, p. http://www.newamerica.net/publications/articles/2003/freedom\_and\_survival

Historically, the only way that the slow bureaucratic creep of government is reversed is through revolution or war. And that could happen. But there's a problem: the next American revolution won't be fought with muskets. It could well be waged with proliferated wonder-weapons. That is, about the time that American yeopersons decide to resist the encroachment of the United Nations, or the European Union—or the United States government—the level of **destructive power** in a future conflict could remove the choice expressed by Patrick Henry in his ringing cry, "Give me liberty, or give me death." The next big war could **kill everybody**, free and unfree alike.

#### Mexican collapse causes the formation of an Latin American – Anti-US alliance

#### Tobin 06 (Consultant TAO Emergency Management Consulting, “The Coming Civil War in Mexico”, [www.ricktobin.com/papers/thecomingcivilwarinmexico.pdf](http://www.ricktobin.com/papers/thecomingcivilwarinmexico.pdf))

In a fast moving State of War in Mexico, the U.S. government would have to declare neutrality and seal its borders immediately. Within days, the President and Congress would take actions that would be condemned by every country in the world…and of course the U.N. The map on the next page shows the 100-mile buffer zone that would be taken by force by the U.S. military. This would become the new no-man’s zone. Military exchanges would occur between the U.S. and Mexico along the new boundary. After a number of air losses and ground losses, the Mexican government would withdraw and accept the boundary. Every Mexican citizen that remained there would have to carry dual identification at all times. The entire area would be sealed so that traffic of any kind would be highly restricted and monitored. Martial law would be in place with open “shoot-to-kill” orders. At the “old” border, anyone attempting to cross illegally would be shot. The border would be surveilled by the same flying drones now used over Afghanistan and Iraq. They would also be armed with Hellfire missiles. In addition, particularly well-known pathways would be mined and re-mined weekly. In the United States the order would be given to round up all undocumented aliens with Mexican heritage for immediate deportation to the “no-man’s zone.” Those who resisted would be arrested and held in internment camps at abandoned military bases until they could be processed (under the Rex 84 Program and supporting Executive Orders such as 11051 and 11002, etc). A permanent marking would be placed on the hands of those so interned (or a RFID chip). If they were found back in the United States they would face felony imprisonment. An underground railroad would develop to move illegal Mexican aliens to Canada. The U.S. would then demand that if Pemex products were interrupted for even a day, the U.S. would take the oil fields and nationalize them for the U.S. Again, this would raise the threat of intense hostilities, leading to new alliance in the Western Hemisphere. Canada would become a neutral party and no longer support NAFTA or trade with the U.S., including cutting water, electrical and petroleum exports. The Latin American countries might unite as a block and form a powerful alliance with a strong socialist, anti- American focus, led by the triad of Mexico, Cuba, and Venezuela. Later, Brazil would join to make the fourth major power. The United States federal government would now face the existence of threats that included unfriendly border neighbors to the north and south, **a declining world position,** and internal strife with its own citizens, especially those with Mexican heritage or Latin America links.

#### Global war

#### Coronel 07 (Petroleum geologist, author and public policy expert, A possible political scenario for Latin America, 2007-2012, http://muevete.wordpress.com/2007/09/18/a-possible-political-scenario-for-latin-america-2007-2012/)

Still, there is no doubt that there are strong efforts being made by some Latin American political leaders to harass the United States. If these efforts intensify and take root, Latin America could become a geopolitical hot spot in the mid-term. The starting point of the anti-U.S. Alliance.Essentially the current threats against U.S. national security originated about nine years ago with the political alliance between Fidel Castro, the Cuban dictator and Hugo Chavez, the Venezuelan strongman. This is a symbiotic relationship that has been providing Fidel Castro with money and Hugo Chavez with brains. The strategy chosen by this alliance is based on two facts and one very partial truth. The two facts are: extreme poverty and extreme inequality in the region. The very partial truth is that these two afflictions are the result of U.S. exploitation of the region’s natural resources aided by the systematic political intervention of this country in the internal affairs of the countries of the hemisphere. To blame our own misfortunes and inadequacies on someone else has been an old and proven method to gain adepts and to stir hate and xenophobia among Latin American societies. This is what Fidel Castro has done for the last forty years and this is what he has recommended to Hugo Chavez , a line of action that the Venezuelan strongman has embraced with enthusiasm. **Hugo Chavez’s strategies.** To do this he has been aided by significant amounts of money derived from oil exports. During the last nine years about $220 billion of oil money have entered the Venezuelan national treasury while national debt has tripled to about $65 billion. This amount of money has been mostly spent in three areas: (a), social programs of a temporary nature, really handouts, to the Venezuelan poor; (b), the acquisition of weapons; and (c), subsidies, donations and promises to Latin American countries in order to consolidate political alliances and establish political IOU’s. At least $40 billion have gone into the third category, an amount roughly equivalent to 2-3% of Venezuela’s yearly GDP during the last nine years. As a result of these strategies the Fidel Castro/Hugo Chavez axis has been able to make some progress in its political objectives of eroding the political standing of the United States in the hemisphere and, even, of gaining supporters in the U.S. political scene. By financing the presidential campaigns in several countries they have been able to help Evo Morales, Daniel Ortega and Rafael Correa win the presidencies of Bolivia, Nicaragua and Ecuador. At the same time they saw their favored candidates Ollanta Humala, in Peru, and Andres Lopez Obrador, in Mexico lose close elections while remaining politically strong, especially Lopez Obrador. In parallel Hugo Chavez’s major injection of money into Argentina has helped President Nestor Kirchner to join the anti-U.S. club, a move for which he did not need strong incentives. This is all well known although generally perceived with indifference, sympathy, and tolerance or, even, amusement, in hemispheric political circles. Many celebrate secretly the harassment of such a strong power by smaller, weaker countries. Others are sitting on the political fence, receiving political and material benefits by playing one side against the other. Still others have a weak spot in their ideological hearts for authoritarian regimes and resent the hard sale of democracy being done by the U.S. all over the world. A few even laugh at the colorful antics of President Chavez and have a hard time taking him seriously. However, political harassment of the United States represents just one aspect in a possible wider plan. Later stages might include actual economic aggression and, even, physical action against the northern “empire”. For the time being the main efforts are directed towards the consolidation of the alliance. To do this: • Chavez is providing money to members of the Armed Forces of Bolivia and to city mayors, in order to increase political control over these important Bolivian sectors (2); • Chavez could be funneling money into Argentina to promote the candidacy of Mrs. Cristina Kirchner (3); • The aid given by Chavez to Nicaragua already amounts to about $500 million and, if he follows through in his promise, will include the financing of a $2 billion refinery; • The economic ties of Venezuela and Ecuador are increasing via the oil industry, although President Correa’s ideology already includes a significant component of resentment against the United States. • Chavez is conducting a strategy of alignment with political sectors in the United States that oppose the current government policies. For some of these sectors the desire to erode the current administration has proven greater than their love for democracy. The enemy of their enemy has become their friend (4). Almost all of these strategic initiatives by the Castro/Chavez alliance show an alternative, unfavorable outcome. • Bolivia is in the threshold of a major political crisis, due to the reluctance of important sectors of the country to roll over and play dead to Morales’s pretensions to impose the Venezuelan Constituent Assembly model that ended with the Venezuelan democracy becoming an authoritarian regime. • Mrs. Kirchner, even if she won, as it seems to be the case, might decide to go her separate ways. She has already given some indications that Argentina should not become a simple pawn of Castro/ Chavez in the struggle for hemispheric political leadership. Recent events have convinced her that Chavez’s support probably represents a kiss of death for her political future. • In Ecuador, Correa is already looking at the Bolivian political turmoil with caution, as he does not want to repeat Morales’s errors and realizes that Chavez’s success in Venezuela has been due to his deep pockets rather than his charisma. Correa does not have the money or the charisma of Chavez. • In the United States the individuals and groups that support Chavez are doing so out of personal material or political interest and have been largely rejected by public opinion. It seems improbable that the alliance of these countries, almost entirely based on money and resentment against the United States, could last for long. What if this alliance falters? The main motors of the anti-U. S alliance, Castro and Chavez, understand that this strategy of progressive political harassment of the United States might not succeed. The defeat of Lopez Obrador in Mexico robbed them of a major ally in this strategy. In power Lopez Obrador would have promoted illegal immigration into the U.S. creating numerous points of social and political conflict along the weak U.S.- Mexican border. As it stands today The United States has several ways to weaken Castro/Chavez strategies. In fact, the imminent death of Fidel Castro has practically eliminated much of the brain component of this axis. Hugo Chavez is in need of an alternative plan. The alternative is an alliance with fundamentalist groups or countries that share Hugo Chavez’s resentment against the United States. This explains the approximation of Hugo Chavez to Iranian President Ahmadinejad. Both leaders have an anti-U.S. global alliance as one of their main objectives. Their main weapon is oil or, rather, what they can do to the international oil market, in case they decided to suspend exports of this resource. Some 4 million barrels of oil per day would be out of the supply system, causing a major disruption in the world’s economy. They figure that in such a situation they have less to lose than the United States and its industrialized allies. But oil is not their only weapon. They also have a political weapon to resort to. It has to do with the concerted action of terrorist groups such as Hezbollah and FARC, assisted by violent indigenous groups such as those in Bolivia, Peru and Ecuador and socially turbulent groups like the illegal immigrants already living in the United States. By promoting the action of these groups against the United States and its Latin American and European allies these groups can do much harm to global political stability. In this scenario one the main promoters of this action **would** not be located in the Middle East or in the Far East but in Latin America. This would be the first time in history, as far as we can tell, that a Latin American political leader **become**s **a major threat to world stability.**

**Mexican economic crisis tanks the global economy**

**Rangel 95**, Enrique Rangel, fellow at the Monterrey Bureau, “Pressure on the Peso,” November 28th, 1995, from The Dallas Morning News, lexis

All year long, thousands of foreign investors have nervously watched Mexico’s volatile financial markets as the Clinton administration and congressional leaders debated the pros and cons of bailing out a battered currency. With the exception of 1982 - when Mexico defaulted on its foreign debt and a handful of giant New York banks worried they would lose billions of dollars in loans - few people abroad ever cared about a weak peso. But now it’s different, experts say. This time, the world is keeping a close eye on Mexico’s unfolding financial crisis for one simple reason: Mexico is a major international player. If its economy were to collapse, it would drag down a few other countries and thousands of foreign investors. If recovery is prolonged, the world economy will feel the slowdown. “It took a peso devaluation so that other countries could notice the key role that Mexico plays in today’s global economy,” said economist Victor Lopez Villafane of the Monterrey Institute of Technology. “I hate to say it, but if Mexico were to default on its debts, that would trigger an international financial collapse” not seen since the Great Depression, said Dr. Lopez, who has conducted comparative studies of the Mexican economy and the economies of some Asian and Latin American countries. “That’s why it’s in the best interests of the United States and the industrialized world to help Mexico weather its economic crisis,” he said. The crisis began last December when the Mexican government devalued the currency. Last March, after weeks of debate, President Clinton, the International Monetary Fund and a handful of other countries and international agencies put together a $ 53 billion rescue package for Mexico. But despite the help - $ 20 billion in guarantee loans from the United States - Mexico’s financial markets have been volatile for most of the year. The peso is now trading at about 7.70 to the dollar, after falling to an all-time low of 8.30 to the dollar Nov. 9. The road has been bumpy, and that has made many - particularly U.S. investors - nervous. No country understands better the importance of Mexico to the global economy than the United States, said Jorge Gonzalez Davila, an economist at Trinity University in San Antonio. “Despite the rhetoric that you hear in Washington, I think that most people agree - even those who oppose any aid to Mexico - that **when Mexico sneezes, everybody catches a cold**,” Mr. Gonzalez said. “That’s why nowadays any talk of aid to Mexico or trade with Mexico gets a lot of attention,” he said. Most economists, analysts and business leaders on both sides of the border agree that the biggest impact abroad of a prolonged Mexican fiscal crisis may be on the U.S. economy, especially in Texas and in cities bordering Mexico.

**Economic collapse causes war**

**Burrows and Harris 09** -Mathew J. Burrows is a counselor in the National Intelligence Council (NIC), the principal drafter of Global Trends 2025: A Transformed World, Jennifer Harris is a member of the NIC’s Long Range Analysis Unit, “Revisiting the Future: Geopolitical Effects of the Financial Crisis”, The Washington Quarterly, April, http://www.ciaonet.org/journals/twq/v32i2/f\_0016178\_13952.pdf

Increased Potential for Global Conflict Of course, the report encompasses more than economics and indeed believes the future is likely to be the result of a number of intersecting and interlocking forces. With so many possible permutations of outcomes, each with ample opportunity for unintended consequences, there is a growing sense of insecurity. Even so, history may be more instructive than ever. While we continue to believe that the Great Depression is not likely to be repeated, the lessons to be drawn from that period include the harmful effects on fledgling democracies and multiethnic societies (think Central Europe in 1920s and 1930s) and on the sustainability of multilateral institutions (think League of Nationsi n thesame period). There is no reason to think that this would not be true in the twenty-first as much as in the twentieth century. For that reason, the ways in which the potential for greater conflict could grow would seem to be even more apt in a constantly volatile economic environment as they would be if change would be steadier. In surveying those risks, the report stressed the likelihood that terrorism and nonproliferation will remain priorities even as resource issues move up on the international agenda. Terrorism’s appeal will decline if economic growth continues in the Middle East and youth unemployment is reduced. For those terrorist groups that remain active in 2025, however, the diffusion of technologies and scientific knowledge will place some of the world’s most dangerous capabilities within their reach. Terrorist groups in 2025 will likely be a combination of descendants of long established groups inheriting organizational structures, command and control processes, and training procedures necessary to conduct sophisticated attack and newly emergent collections of the angry and disenfranchised that become self-radicalized,particularly in the absence of economic outlets that would become narrower in an economic downturn. The most dangerous casualty of any economically-induced drawdown of U.S. military presence would almost certainly be the Middle East. Although Iran’s acquisition of nuclear weapons is not inevitable, worries about a nuclear-armed Iran could lead states in the region to develop new security arrangements with external powers, acquire additional weapons, and consider pursuing their own nuclear ambitions. It is not clear that the type of stable deterrent relationship that existed between the great powers for most of the Cold War would emergenaturally in the Middle East with a nuclear Iran. Episodes of low intensity conflict and terrorism taking place under a nuclear umbrella could lead to an unintended escalation and broader conflict if clear red lines between those states involved are not well established. The close proximity of potential nuclear rivals combined with underdeveloped surveillance capabilities and mobile dual-capable Iranian missile systems also will produce inherent difficulties in achieving reliable indications and warning of an impending nuclear attack. Thelack of strategic depth in neighboring states like Israel, short warning and missileflight times, and uncertainty of Iranian intentions may place more focus onpreemption rather than defense, potentially leading to escalating crises. Types of conflict that the world continuesto experience, such as over resources, could reemerge, particularly if protectionism grows and there is a resort to neo-mercantilist practices. Perceptions of renewed energy scarcity will drive countries to take actions to assure their future access to energy supplies. In the worst case, this could result in interstate conflicts if governmentleaders deem assured access to energy resources,for example, to be essential for maintaining domestic stability and the survival oftheir regime. Even actions short of war, however, will have important geopoliticalimplications. Maritime security concerns are providing a rationale for navalbuildups and modernization efforts, such as China’s and India’s development of blue water naval capabilities. If the fiscal stimulus focus for these countries indeed turns inward, one of the most obvious funding targets may be military. Buildup ofregional naval capabilities could lead to increased tensions, rivalries, andcounterbalancing moves, but it also will create opportunities for multinational cooperation in protecting critical sea lanes. With water also becoming scarcer inAsia and the Middle East, cooperation to manage changing water resources is likely to be increasingly difficult both within and between states in amoredog-eat-dog world.What Kind of World will 2025 Be? Perhaps more than lessons, history loves patterns. Despite widespread changes in the world today, there is little to suggest that the future will not resemble the past in several respects. The report asserts that, under most scenarios, the trendtoward greater diffusion of authority and power that has been ongoing for acouple of decades is likely to accelerate because of the emergence of new globalplayers, the worsening institutional deficit, potential growth in regional blocs,and enhanced strength of non-state actors and networks. The multiplicity of actors on the international scene could either strengthen the international system, by filling gaps left by aging post-World War II institutions, or could further fragment it and incapacitate international cooperation. The diversity in both type and kind of actor raises the likelihood of fragmentation occurring over the next two decades, particularly given the wide array of transnational challenges facing the international community. Because of their growing geopolitical and economic clout, the rising powers will enjoy a high degree of freedom to customize their political and economic policies rather than fully adopting Western norms. They are also likely to cherish their policy freedom to maneuver, allowing others to carry the primary burden for dealing with terrorism, climate change, proliferation, energy security, and other system maintenance issues. Existing multilateral institutions, designed for a different geopolitical order, appear too rigid and cumbersome to undertake new missions, accommodate changing memberships, and augment their resources. Nongovernmental organizations and philanthropic foundations, concentrating on specific issues, increasingly will populate the landscape but are unlikely to affect change in the absence of concerted efforts by multilateral institutions or governments. Efforts at greater inclusiveness, to reflect the emergence of the newer powers, may make it harder for international organizations to tackle transnational challenges. Respect for the dissenting views of member nations will continue to shape the agenda of organizations and limit the kinds of solutions that can be attempted. An ongoing financial crisis and prolonged recession would tilt the scales even further in the direction of a fragmented and dysfunctional international system with a heightened risk of conflict. The report concluded that the rising BRIC powers (Brazil, Russia, India, and China) seem averse to challenging the international system, as Germany and Japan did in the nineteenth and twentiethcenturies, but this of course could change if their widespread hopes for greater prosperity become frustrated and the current benefits they derive from a globalizing world turn negative.

Research and empirics prove

Ockham Research 08, independent research branch of Financial Market Management Inc, (Nov 17th, “Economic Turmoil Begets Geopolitical Risks”, <http://wallstreetpit.com/2008/11/economic-turmoil-begets-geopolitical-risks/>)

The economic turmoil roiling world markets right now brings with it plenty of pain. Jobs are being lost, people’s savings decimated, retirement plans/goals thrown out the window, etc. Hard times bring with them harsh consequences. However, it is perhaps useful to be mindful of the geopolitical risks that accompany economic dislocation. Many analysts are eager to compare the difficulties now confronting the global economic system with those of the Great Depression. While I do not believe that the world is facing a second Great Depression, it might be worthwhile to recall from history that the Great Depression spawned geopolitical turmoil that lead to the Second World War. The incoming Obama administration—and Democratic members of Congress who talk of implementing massive defense cutbacks—may want to remember the lessons of the past as they stand on the threshold of power. The hardship and turmoil which impacted the world during the Great Depression provided fertile ground for the rise of fascist, expansionistic regimes in Germany, Italy and Japan. Hard times also precluded the Western democracies from a more muscular response in the face of growing belligerence from these countries. The United States largely turned inward during the difficult years of the 1930s. The end result was a global war of a size and scale never seen by man either before or since. Economic hardship is distracting. It can cause nations to turn their focus inward with little or no regard for rising global threats that inevitably build in tumultuous times. Authoritarian regimes invariably look for scapegoats to blame for the hardship affecting their populace. This enables them to project the anger of their citizenry away from the regime itself and onto another race, country, ideology, etc. Looking at the world today, one can certainly envision numerous potential flashpoints that could become problematic in a protracted economic downturn. Pakistan, already a hotbed of Islamic extremism and armed with atomic weapons, has been particularly hard hit by the global economic crisis. An increasingly impoverished Pakistan will be harder and harder for its new and shaky democratically-elected government to control. Should Pakistan’s economic troubles cause its political situation—always chaotic—to spin out of control, this would be a major set-back in the global war on terror. Russia, whose economy, stock markets and financial system have literally imploded over the past few months, could become increasingly problematic if faced with a protracted economic downturn. The increasingly authoritarian and aggressive Russian regime is already showing signs of anger projection. Its invasion of Georgia this summer and increasing willingness to confront the West reflect a desire to stoke the pride and anger of its people against foreign powers—particularly the United States. It is no accident that the Russians announced a willingness to deploy tactical missile systems to Kaliningrad the day after Barack Obama’s election in the U.S. This was a clear “shot across the bow” of the new administration and demonstrates Russian willingness to pursue a much more confrontational foreign policy going forward. Furthermore, the collapse in the price of oil augers poorly for Russia’s economy. The Russian budget reputedly needs oil at $70 per barrel or higher in order to be in balance. Russian foreign currency reserves, once huge have been depleted massively over the past few months by ham-fisted attempts to arrest the slide in both markets and the financial system. Bristling with nuclear weapons and nursing an ego still badly bruised by the collapse of the Soviet Union and loss of superpower status, an impoverished and unstable Russia would be a dangerous thing to behold. China too is threatened by the global economic downturn. There is no doubt that China has emerged during the past decade as a major economic power. Parts of the country have been transformed by its meteoric growth. However, in truth, only about a quarter of the nation’s billion plus inhabitants—those living in the thriving cities on the coast and in Beijing—have truly felt the impact of the economic boom. Many of these people have now seen a brutal bear market and are adjusting to economic loss and diminished future prospects. However, the vast majority of China’s population did not benefit from the economic boom and could become increasingly restive in an economic slowdown. Enough economic hardship could conceivably threaten the stability of the regime and would more than likely make China more bellicose and unpredictable in its behavior, with dangerous consequences for the U.S. and the world.